

Report of Head of Asset Management

Report to Chief Officer Economy and Regeneration

Date: 25 January 2016

Subject: Design & Cost Report Refurbishment Works to Lotherton Estate Hall,

Capital Scheme Number: 16996 LPL / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Harewood	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are there implications for equality and diversity and cohesion and integration?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-In?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Summary of main issues

1. In May 2014, the then Chief Asset Management and Regeneration Officer gave Authority to Spend for the sum of £602,600 to carry out a range of works at Lotherton Hall comprising the installation of a new lift, the refurbishment of the costume gallery along with backlog maintenance works. The report to the Chief Asset Management and Regeneration Officer identified the funding source for the works as being solely from the City Council. The report made no reference to the receipt of external funding totalling £280,000 towards the cost of the proposed works which the Council had secured. Accordingly, at the time of the original report approval, the injection of external funding totalling £280,000 into the Capital Programme was not addressed.
2. This report seeks approval to inject £280,000 of third party funding into the Capital Programme and, seeks retrospective Authority to Spend of an additional £133,000 on the refurbishment works undertaken at Lotherton Hall which are now complete at a total project cost of £735,600.

Recommendation

3. The Chief Officer Economy and Regeneration is requested to approve a fully funded injection of £280,000 into the Capital Programme and, give retrospective Authority to

Spend of an additional £133,000 from the Heritage Assets budget to fund the overspend incurred on the refurbishment works undertaken at Lotherton Hall.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to a fully funded injection of £280,000 into the Capital Programme and to give retrospective Authority to Spend of an additional £133,000 from the Heritage Assets budget to fund the overspend incurred on the refurbishment works undertaken at Lotherton Hall.

2 Background information

- 2.1 Lotherton Hall was the Yorkshire home of the Gascoigne family until it was given to Leeds City Council in 1968. It opened as a museum and art gallery in 1969. A suite of guest bedrooms on the first floor were converted into a costume gallery in the 1970s.
- 2.2 In order to improve the access to the first floor, it was determined that a new passenger lift should be installed and, that the Costume Gallery should be refurbished to modern standards, as the old fixed display cases no longer met current industry standards required for the display of historical costumes, or complied with the requirements of third parties loaning exhibits to the museum. In order to maximise value for money whilst the proposed refurbishment works were to be progressed, it was determined that outstanding backlog maintenance works as identified in a 2014 condition survey of the building be undertaken at the same time.
- 2.3 External funding totalling £150,000 was secured from the Department for Culture, Media and Sport (DCMS) and the Wolfson Museums and Galleries Fund to refurbish the costume gallery, whilst £130,000 was secured from Arts Council England as a contribution toward the cost of refurbishing the costume gallery and the installation of a new passenger lift. A condition of the external funding was that the works for which the funding was made available had to be completed between April 2014 and March 2015.
- 2.4 In May 2014, the then Chief Asset Management and Regeneration Officer authorised expenditure of £602,600 to carry out a range of works at Lotherton Hall as detailed in paragraph 2.2 above. The report to the Chief Asset Management and Regeneration Officer identified the funding source for the works as being solely from the City Council. The report made no reference to the receipt of external funding totalling £280,000 secured towards the cost of the proposed works. Accordingly, at the time of the original report approval, the injection of external funding totalling £280,000 into the Capital Programme was not addressed.

3 Main issues

- 3.1 **Design Proposals and Full Scheme Description.** NPS was appointed to develop the scheme proposals and to act as contract administrator for the works on site. The works commenced in January 2015 and was completed in June 2015. Whilst work progressed on site additional, essential works from a fire and safety perspective were identified as being required namely, works to signage, lighting and emergency exit routes, along with redecoration works in the corridor area leading to the costume

gallery and work to refurbish the male and female WC's. The total cost of the additional works including scaffolding and contractor preliminaries was £133,000.

3.2 The works were completed on site in June 2015 and the final outturn cost for the refurbishment works, inclusive of fees is £735,600, some £133,000 over the original Authority to Spend approved by the then Chief Asset Management and Regeneration Officer in May 2014. Accordingly, this report seeks retrospective approval for Authority to Spend of £133,000 for the cost of additional work instructed during the contract and, at the same time to authorise a fully funded injection of £280,000 into the Capital Programme from grant support received from the DCMS, the Wolfson Museums and Galleries Fund and Arts Council England toward the cost of the refurbishment and restoration works at Lotherton Hall.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Members for Economy and Culture and Regeneration, Transport and Planning have been consulted and are supportive of the recommendation contained in the report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The installation of a new passenger lift has improved access to the first floor of the Hall, which prior to the works being undertaken was only accessible by stairs.

4.3 Council policies and City Priorities

4.3.1 Investment in works to improve Lotherton Hall will aid the Council's bid to become European Capital of Culture 2023. It contributes to both a strong economy and to a compassionate city, by making Leeds a more attractive place to invest, but also a better place to live.

4.4 Resources and value for money

4.4.1 Full scheme estimate

In 2014, the estimated cost of the work was £602,605 inclusive of fees, ICT, furniture and equipment. The refurbishment works are complete and the outturn cost is £735,600, equating to an overspend of £133,000 against the original approved Authority to Spend. Grant support from third parties totalling £280,000 has been secured from a number of organisations towards the cost of the refurbishment works, resulting in a net call from the Heritage Assets Budget of £455,600 to meet the cost of the completed works.

4.4.2 Capital Funding and Cash Flow.

Funding Approval :	Capital Section Reference Number :-						
Previous total Authority to Spend on this scheme	TOTAL	TO MARCH 2015	FORECAST				
	£000's	£000's	2015/16	2016/17	2017/18	2018/19	2019 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	510.0		510.0				
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	92.6		92.6				
TOTALS	602.6	0.0	602.6	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH 2015	FORECAST				
	£000's	£000's	2015/16	2016/17	2017/18	2018/19	2019 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	133.0		133.0				
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	133.0	0.0	133.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH 2015	FORECAST				
	£000's	£000's	2015/16	2016/17	2017/18	2018/19	2019 on
			£000's	£000's	£000's	£000's	£000's
Arts Council England	130.0		130.0				
Wolfson Foundation	150.0		150.0				
LCC Funded	455.6		455.6				
Total Funding	735.6	0.0	735.6	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 16996 LPL
Title : Corporate Property Management

Revenue Effects

There will be no additional revenue consequences following the implementation of this proposal

4.5 Legal Implications, Access to Information and Call In

4.5.1 The proposal contained in the report is a Significant Operational Decision..

4.6 Risk Management

4.6.1 All work is complete on site and the final account has been agreed with the contractor. Accordingly, there are no remaining risks associated with the subject matter of this report.

5 Conclusion

- 5.1 The additional works instructed under the contract to address fire and safety issues arising on site were considered to be the most economical way forward in order to extend the use and life of the property for operational and public use and, as a consequence, resulted in a project overspend of £133,000. The additional cost of £133,000 can be met from the Heritage Assets budget.

6 Recommendation

- 6.1 The Chief officer Economy and Regeneration is requested to approve a fully funded injection of £280,000 into the Capital Programme and, to give retrospective Authority to Spend of an additional £133,000 from the Heritage Assets budget to fund the overspend on the refurbishment works undertaken at Lotherton Hall.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.