

# HISTORY CENTRE

Scrutiny Report for 19<sup>th</sup> April 2017



**PLYMOUTH**  
CITY COUNCIL

## INTRODUCTION

This report sets out the development of the History Centre Project and updates Scrutiny since the last report on the 15th October 2016. The report seeks to set out in advance of the May cabinet, the nature of the capital decisions that will need to be made on letting the major construction contract.

## OUTCOMES AND BENEFITS

The development of the History Centre is a city and regional priority. It is a major feature of the Local Economic Strategy, the Vital Spark Cultural Strategy, the Plymouth Plan and the flagship of the developing proposals for the celebrations of Mayflower 2020. It is therefore a critical component to Britain's Ocean City.

The History Centre will bring together a unique combination of cultural partners and heritage collections including the City Museum and Art Gallery, the Plymouth and West Devon Record Office, the Local History Collections of Central Library, the South West Film & Television Archive, the South West Image Bank, Plymouth University (including Peninsula Arts), the Naval Heritage Centre, the British Broadcasting Company and Plymouth College of Art. The objectives of the History Centre project are to translate this into a major cultural statement and complete a step change for the Plymouth cultural sector.

The History Centre will provide a new visitor attraction that supports the targeted increase in tourism in the city and the region. It is estimated that it will support just over 500 additional jobs in the tourism industries and will increase the number of visitor to the Museum from 100k to between 200-250k per annum.

## PROGRESS SINCE LAST REPORT

Since the last Scrutiny report there has been considerable progress with the following milestones having been achieved:

- The Museum staff has packed, moved and documented a total of 54,982 objects. Including 8152 Natural History objects, 5000 spirit preserved collections and 152 radioactive minerals which have been relocated to a newly equipped temporary store and some relocated to the University who are helping out with specialist's facilities. The decant has included moving 4000 Paintings, 20,000 Prints, Miniatures, Glass, Frames and Works on Paper, 4000 Silver and Costume items 11,754 Ceramics, Egyptology, Woodwork, Metals, World Culture collections. In all a mammoth move!
- A total of 100 guests celebrated the Ground Breaking of the enabling works, where the first physical construction works to the site began. The event was widely reported on Television and by Radio marking this important milestone. Since the 16th January Tavistock Place has been turned into a major construction site ready for the main works to commence.
- Successful announcement of a grant of £250k from the Garfield Weston foundation and a successful announcement of £2m from the Coastal Communities for the project.
- A major funding application has been made to the Arts Council England for a total of £4.1m revenue income over 4 years.

- The Record Office was awarded the Accreditation Standard by The National Archives (TNA), based on its current operation along with the planned History Centre facilities. This being partially important as start of the History Centre journey began many years ago with the criticism by TNA of the Record Office being in completely unsuitable premises, and the threat that Plymouth could lose its records.
- Museum on tour programme has included two major exhibitions in the Council Chamber firstly the Plymouth Society of Artists: Land and Water' and the current exhibition which explores the history of post-war design and is on display until 3 June.



- The project remains well supported by public opinion. Social media and more traditional audiences have continued to grow steadily there are now 2212 Twitter followers and 1870 Face Book Followers and the regular Newsletter that goes to 1805 people on the mailing list.

## CURRENT PROJECT FUNDING POSITION

The project team have been very successful in obtaining external grants for the project, a total of £24.33m grant has been applied for and currently a total of £22.38m has been successfully announced. This success rate is testimony to the way the vision of the project has captured imaginations as a successful strategic facility that a city with such a rich historic culture should have.

Since the last Scrutiny report announcements have been made on the Garfield Weston, Clore and Coastal Communities funding applications and the current situation on these applications are as follows:

- The Garfield Weston which is a Trust that funds cultural organisations has funded an application through our partners, the South West Film and Television Archive (SWFTA). The total of this application is £250k. This application proved successful and was announced on the 20th March 2017.
- The Clore foundation funds education spaces in cultural organisations, many major museums across the country have Clore education rooms to promote the use of culture in education of all ages. Our application for £500k was not successful, however this will not deter the project from including a fully equipped education room to the same standards as a Clore space because the promotion of education remains a key deliverable of the vision.
- The Coastal Communities funding is a central government grant aimed at the economic prosperity of coastal towns and cities, so is jobs focused. The application for £2.9m was agreed at round 1 in the autumn 2016 and has now been agreed at a level of £2.0m at round 2 announced on the 3rd April 2017.

External Grants	Bid for £/m	Received £/m
Heritage Lottery Fund	15.77	15.77
Arts Council Capital	4.18	4.18
Wolfson Foundation	0.50	0.13
Clore Duffield Foundation	0.50	0.00
Coastal Communities	2.93	2.00
Garfield Weston	0.30	0.30
The Foyle Foundation	0.15	TBC
	<b>24.33</b>	<b>22.38</b>

There remains one application currently outstanding which is the Foyle Foundation for a sum of £150k. Announcements are expected later in the spring and early summer.

The adjacent table sets out the funding applications with their successful outcomes.

## CURRENT BUSINESS FUNDING APPLICATIONS

The business plan for opening was put together with the assistance of Fourth Street, a consultant business planner with a reputation for business planning within arts organisations. A very important revenue income for arts organisations is the National Portfolio Organisation (NPO) grant funding from the Arts Council. This is a grant the council has received in the past, however the next 4 year grant period is currently subject to a bidding round and the project team has submitted a major application. This application was made on the 31st January for a total of £4.1m, this consisting of £875k for 2 years followed by £1.198m for the following two years after opening. This is a substantial increase in revenue funding and reflects the scale and importance of the future Arts programming that the new centre will be able to offer.

Clearly the success of the NPO application will determine the business plan going forward and there will be a good deal of work on this once the grants are announced in the early summer 2017.

## ENABLING WORKS

The enabling works were commenced on 16 January following a ground breaking event. The works consist of the formation of the turning head in Tavistock Place, which was needed in order for the road to be closed, the erection of the site compound and scaffolding as well as the demolition works to clear the site for construction to commence.

The enabling works is quite a substantial package with a value of £1.78m. This works contract was subject to a delegated decision that was published on the 13 February 2017. The works are currently ongoing and progress can now be viewed by viewing the site web cam on the arts and Heritage website at the following address:

<https://plymhearts.org/arts-heritage-service/history-centre/>

As the project has a good deal of public interest the contractor has been asked to run Hard Hat tours that allow the public to book viewing tours of the site progress. The first of these took place at the end of March where there was a good turn out to see



how progress had begun and how the limited demolition will form sufficient area to house a substantial development. The above photograph shows the first of these visits. There are similar Hard Hat tours planned throughout construction that can be booked through the Arts and Heritage web site.

It is the council's intension that a high profile project such as the History centre is used to promote employment in the construction industry. At the recent Building Plymouth "Open Doors" week, which took place between 27-31 March 2017, thirty people visited the History Centre site to see how the construction industry might offer them employment opportunities in the future; the group were a mixture of school children, college and university students as well as direct job seekers. This event was widely promoted and positively featured in the press.

## **PROCUREMENT OF THE WORKS CONTRACT**

Over the summer 2016 the procurement of the first stage of the construction work was concluded. It was announced in July 2016 that Wilmott Dixon had been appointed for a pre-contract agreement period, this has included the enabling works to set the site up.

The design development was held up due to investigation works in the existing buildings. A number of technical issues were discovered following the decanting of all the museum objects over the autumn period. The technical issues included the discovery of small quantities of Asbestos, an invasive plant species known as Japanese Knot Weed, and number of areas where water ingress has caused damage to the building fabric. The largest technical issue however has been the discovery that, in the road, there is a very old culvert that is in very poor condition and in places collapsed which needs to be replaced.

With the collections removed, core holes have been drilled and further ground condition surveys have been undertaken, which has revealed that there is more rock than expected. This is good news for the foundations of the heavy archive, but results in more breaking out of rock for the formation of the basements, which has time and cost implications.

The surveys have been undertaken to de-risk the project when in contract but have resulted in a number of redesign details that has delayed the procurement of subcontractor tenders. As a result the details of the total price for the works has been delayed until early May. Currently the details of the costs are being negotiated along with the apportionment of risk. It is therefore too early to report formally of the cost implications. However it is clear that the scope of the works to overcome the technical issues encountered will have eaten away substantially the contingency allowance made for the project at the development stage.

## **INFLATION**

In the October scrutiny report it was reported that "there remains the risk that the market place's response to the capital building works could be higher than predicted, this is a function of the condition of the construction market". Whilst there is no direct price for the works to report it is clear that there is inflation in the construction market place. This is chiefly driven by the rise in the cost of imported materials following the fall in value of the pound in the summer last year. Manufacturers and suppliers have been slow to pass on increased costs, uncertain of the long term effects of the import market, however as we move into the first quarter of 2017 material prices are rising and those with an imported component are rising by double digit percentage rates.

The large pressures in the supply chain are currently in the concrete frame (returns £526k over the cost plan) and the groundwork (£927k over the cost plan). Detailed analysis of these including the contractors price for attendances to these packages are yet to be completed, however it is felt that these packages are affected by Hinkley as these are the trades that are in significant demand which mean that their order books are full.

The national picture on construction inflation is also uncertain. The Building Cost Information Service (BCIS) established in 1962 by the Royal Institute of Chartered Surveyors, forecasts that there has been a 6.3% increase in construction pricing at the end of 2016. It should be noted that when the stage 4 cost plan was developed in the autumn 2016 the BCIS was predicting a fall in construction pricing following Brexit. This fall was not considered locally as a real forecast and so some project inflation was allowed for, however the scale of the increase is above what was locally predicted at the time. Looking forward the BCIS is predicting a flat market up to the end of 2017, however this is again not considered locally as a real forecast. Whilst the project team have not reached a recommended position on inflation the contractor is currently suggesting a rate of 7.5% is allowed to the mid stage of the project which demonstrates the concern there is in the market place that prices are continuing to rise.

## **EXHIBITION**

The exhibitions that will be housed in the History Centre are being designed by Event Communication, which is a London based design company that specialises in national quality museum exhibitions. Event Communications worked closely with the council in the run up to the Heritage Lottery (HLF) stage 2 applications in April 2016. With the announcement of the success of the HLF application Event have been brought back from a pause in their programme. This has meant that the exhibition design has been progressed substantially over the past few months, with a considerable amount of cross party member support to the process. The designs will have been reviewed and the stories to be included in the new exhibition will be concluded by May 2017 ready for the detailed design to take place over the summer and autumn this year. Procurement of the exhibitions will commence in the autumn.

## **TIMESCALES**

The driver for the programme is to have the visitor experience open for the spring season in the year of 2020, in time for the Mayflower celebrations. This is a fixed deadline that imposes constraints to the programme and risks to the procurement and funding assembly.

As reported in the October scrutiny report the programme is broken down into five stages and we have now completed stages 1 and 2, We are very nearly at the completion of Stage 3 which will see the construction procurement all completed. Stage 4 has in fact commenced with the starting of the enabling works which makes ready for the building contracts to be let and the construction started in earnest. The building period is a long process which will take 2 years to complete before the project can start its final stage 5 which is the major fit-out of new museum and visitor exhibitions. The high-level time table (Fig.1) below shows how the programme will continue through construction, and fit-out for a completion date in early 2020.

The careful decanting was executed in a way that allowed all the buildings to be vacated in time for the building programme across the whole of Tavistock Place. The major decant was all completed on time. This has been a major undertaking and absorbed all the Arts and heritage staff between closing the museum at the beginning of September and the end of

January this Year. The completion of this Milestone on time removed the risk of delaying the start on site and allowed the enabling works to start as originally planned. The experiences learnt from this process are being put together into a plan for the recanting of the completed

History Centre, which is a larger operation as the total solution will bring together 9 buildings scattered around the city into just one building complex at Tavistock Place.

The Master programme has been revised to take account of the procurement delays set out above. Whilst there is delay in obtaining a confirmed price for the works this has been mitigated through the development of the enabling works which has been under way meaning the works have commenced as originally programmed. This means that the original opening date of April 2020 remains the same.

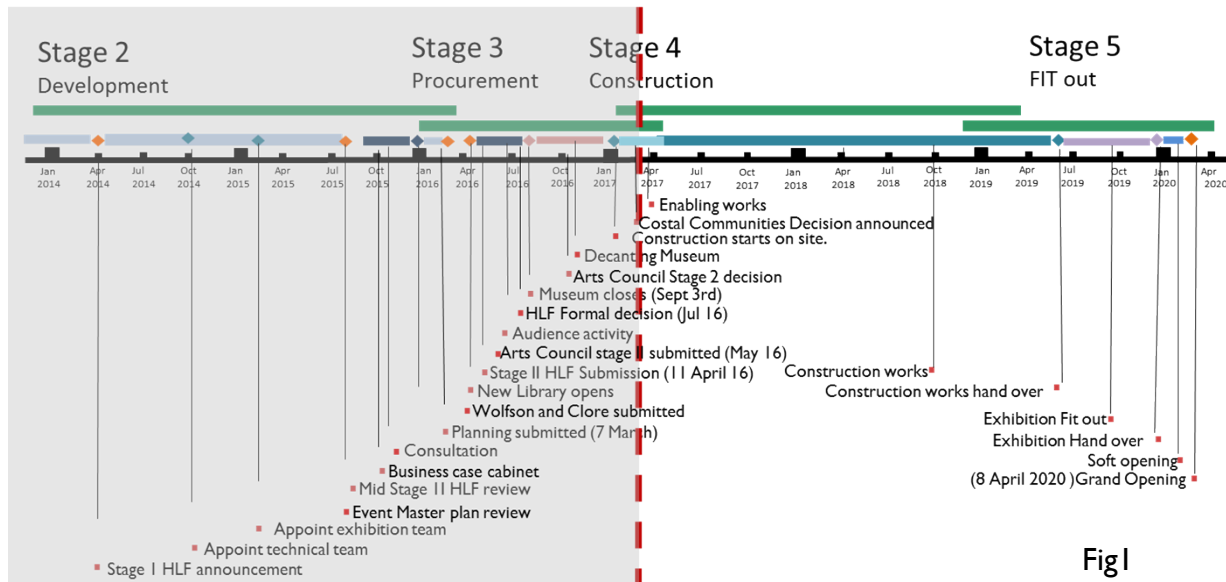


Fig 1

## COSTS

The overall value of the project remains as reported in the autumn last year at a value of £34.11m. This includes the move of the Central Library undertaken in 2015/16. This is the total capital and one off revenue cost but is however subject to the final market pricing through procurement as set out above. This estimate was derived from a comprehensive elemental cost analysis of the proposals undertaken by the teams professional cost consultant.

The above cost is broken down into £29.96m capital and £4.15m one off revenue cost; the revenue is largely funded through the HLF as this grant is not specific in its revenue/ capital split. Excluded from these costs, however, is “in kind” support which is reported to HLF and the Arts Council. If these are valued they would account for a further £2.88m.

It is clear however that when final pricing from the construction market place is concluded the effects of overcoming technical challenges and building inflation will have increased the cost liability. However this has been off-set by the very successful generation of external grants. The council made provision when concluding to proceed with the project for the failure of the receipt of external grants so this underwrite position offers the opportunity for cabinet to deal with the effects of increased costs without substantially delaying the project while seeking or making available additional funds.

## PHYSICAL OUTCOMES



It is worth reminding scrutiny of the content of the buildings when complete as the new extension will consist of a café and shop as well as an orientation exhibition known as the “Catalyst Space” on the ground floor with a study area including the local history library known as an “Active Archive” on the first floor. Above this, on a second floor, will be a “floating” archive that will be the repository of the collections housed in environmentally

controlled storage space. The works will also include the refurbishment of all of the museum galleries, expanding these where functions such as the education room, café and shop are moved out into the new sections. The parts of the old Central Library that will be kept will be converted to staff work rooms and offices as well as room for the University and History Centre to teach a new MA course in archives and record management.



A further physical outcome will be the conversion of St Luke's Church formally used as a library annexe, into an exhibition hall that will offer the largest art exhibition space in the South West. The building will be refurbished externally and converted internally to gallery standards.

To ensure that the buildings function together a new public realm will be created in Tavistock Place extending down to the Drake Circus crossing.

## **STRATEGIC RISK**

As expected of a project that has strategic benefits, there are a number of risks that the Council is taking in delivering such a large and complex project.

It has been widely accepted from its inception that a project that seeks to make a step change in the cultural experience of the city will have a sizeable price tag, The Council has been very successful in gaining external funding support for the venture with the announcements outlined above, however, it is right that the Council is also funding a proportion of the cost and remains in a position where it stand behind the outcome costs of the project. The Council is therefore holding the risk that the construction market place for both the building and exhibition contract offer exaggerated costs for the works. This risk has been mitigated through very extensive supply chain engagement, and has been helped locally by the publicity of the project, which has opened up the project to greater competition.

## **NEXT STEPS**

The key next step is to conclude the contractor's price for the works and formally let the major building contract which is planned for May 2017. Beyond this there is the formal launch of the branding which is planned for July 2017 and then the exhibition content design development that will be concluded in October 2017.

## **RECOMMENDATIONS**

It is recommended that:

The content of this report is noted and Scrutiny recommends to Cabinet that the arrangements for the development of the History Centre project remain on target and that the risks are being carefully considered.

That the cabinet recognise the effects of inflation in the construction market place and the pressures that have been caused by technical surveys and the issues encountered.