
**DARLINGTON RAILWAY CENTRE AND MUSEUM:
RELEASE OF FUNDING**

Responsible Cabinet Member - Councillor Lee Vasey, Leisure Services Portfolio

Responsible Director – John Buxton, Director of Development and Environment

Purpose of Report

1. To seek approval to release external funding awarded by Heritage Lottery Fund, Northern Rock Foundation, Railway Heritage Trust, English Heritage and the European Regional Development Fund (ERDF) for Phase 1 of the refurbishment of Darlington Railway Centre and Museum.

Background

2. At its meeting on 9 May 2006, Cabinet considered the long-term Development Plan for the Darlington Railway Centre and Museum site, which set out the Council's aspirations for future capital developments at the museum within the context of an integrated plan for the development of the site as a whole. This plan included a number of proposed phases with Phase 1 being the refurbishment and refitting of the museum. This phase of the Development Plan is being considered as a stand alone project.
3. This report contains further details of Phase 1 of the proposed museum re-development scheme included within the Development Plan for Members to review when considering the approval to release the funds.

Information and Analysis

Description of Scheme

4. Phase 1 of the scheme will involve the completion of the roof and other fabric repairs which began in 2005, the replacement or upgrading of building services and amenities, and a programme of internal relocations and re-interpretation to make better use of space. It will also include the complete renewal of all the displays to meet the needs and expectations of 21st Century visitors.
5. The main elements of the project are as follows:
 - (a) Element 1
Repair and restoration of the Station roof - work to recover the roof, in line with English Heritage requirements, which will include work to the slates, battens, counter battens, ridge tiles, verge tiles, eaves and flashings.

- (b) Element 2
Repair and restoration of the Station Building - some remedial work, plastering, redecoration and flooring work will be carried out where required. UV protection will be added to existing windows and some asbestos will be removed.
- (c) Element 3
Internal alterations – will include alterations to the entranceway with a glass partition and glass automatic bi-fold doors being installed, an upgraded and refitted shop, enhanced displays, themed costume models and interpretation of the original ticket booths to highlight the original features of the building. Improvements will be made to walls, flooring and racking within the existing storage areas and a new opening will be created from the exhibition space on to the platform. Work will be undertaken to ensure Disability Discrimination Act compliance and new fire and intruder alarms will be installed. Mechanical and electrical work will also be undertaken, including environmental controls.
- (d) Element 4
New interpretation - interpretation will be improved by redesigning the sequence of displays within the Museum. The displays will contain sound effects, using interactive display techniques to bring the stories to life and to create both an educational and an enjoyable experience.
6. It is envisaged that the project will take ten months to implement, from placing the advert requesting expressions of interest to completion of the works. It is anticipated that the contract period will be 24 weeks.

Other Options Considered

Option	Impact on performance	Cost/Saving	Risk
Option 1 - Status Quo – not doing the Capital works	The museum would continue the slow but steady decline in numbers and popularity	Nil initially, but costs in future years	The condition of the main Museum building continues to deteriorate and repairs will cost the Council money in later years
Option 2 – implement Phase 1 of the Development Plan	Proposals for the overall regeneration and renewal of the North Road site with a series of measures involving physical developments and policy changes. These measures would result in a visitor offer significantly different to that at present.	Some net additional revenue costs (see paras 15, 16). Potential for income generation from increased visitor numbers in the longer term. Savings on potential more severe maintenance costs later.	The key risk associated is that the venture ultimately fails to achieve its objectives. This risk can never be more than minimised through careful business planning, the setting of realistic targets, and rigorous appraisal of both outline proposals and detailed plans.

The preferred option is Option 2, to implement Phase 1 of the Development Plan

Objectives and Outcomes of the Scheme Including Performance Measures

Objectives of the Phase 1 Project

7. This project will secure the sustainable future of Darlington Railway Centre and Museum, ensuring that an important part of the North East's industrial heritage is preserved and that Darlington's contribution to the birth of the railways continues to be celebrated. The objectives of the project will be to :
 - (a) Preserve the historically important Station Building (Grade II* listed)
 - (b) Develop interpretation and exhibits reflective of 21st century visitor expectations
 - (c) Improve visitor facilities
 - (d) Improve educational resources and facilities
 - (e) Improve marketing and promotion, linking with other rail heritage leisure providers

Outcomes of the Phase 1 Project

8. The outcomes of the project will be to:
 - (a) Explain the significance of Darlington to railways, and of railways to Darlington.
 - (b) Preserve for future generations, and to make available for education and enjoyment, the unique historical collections the Museum holds in trust.
 - (c) Make a worthwhile contribution to community development and economic prosperity in Darlington.

Outcomes of the Scheme relating to the Community Strategy

An Area Creating and Sharing Prosperity

9. The museum's objective is to make a worthwhile contribution to community development and economic prosperity in Darlington. The scheme will enable the museum to maximise its penetration of the regional day-visits market and maximise attendances from amongst leisure and business visitors to the region. The scheme will also assist the museum in developing its image, and that of the Council, as an organisation that is professionally excellent, managerially and financially stable, and innovative. The museum will develop a skilled and stable workforce, involving volunteers to an extent that will enable it to sustain levels of activity beyond those achievable by paid staff alone.

A Location for Learning, Achievement and Leisure

10. This scheme will allow the museum to maximise the extent to which it supports the delivery of formal education and maximise its contribution to leisure learning amongst people of all ages. This will be achieved by establishing effective strategic links with Children's Services to develop an understanding of the National Curriculum, creating and maintaining working relationships with each of the Council's primary and secondary schools, promoting site visits and its use as an educational resource amongst other primary, secondary and independent schools together with developing close liaison arrangements with Sure Start and other pre-school service providers in the Borough.

A Place for Living Safely and Well

11. This scheme will maximise the extent to which the museum is used by all sectors of the Borough's population by building links with Adult Services, Children's Services, and with established local community and cultural organisations. This will be possible through the development of museum outreach activities in areas currently under-represented amongst the museum's visitors and by targeting participants in outreach activities with promotional offers, particularly for events. In addition the museum will actively promote inclusive, supported, volunteering opportunities for all age, ability, interest and cultural groups.
12. The museum will establish a regime of full compliance with the Health and Safety at Work Act, with the Railways and Other Guided Transport Safety Regulations, and other relevant safety legislation or railway industry standards.

A High Quality Environment with Exceptional Communication Links

13. The museum will establish a reputation for excellence in the care and conservation of historic buildings.

Performance Indicators

14. This scheme will ensure that the museum attains the targets set in relation to performance indicators.

Delivery of the Project

Month	Action
September 2006	Appoint contractors for roof repair work
September 2006	Commence roof repair work
December 2006	Completion of roof repair work
December 2006	Appoint contractors for building restoration and internal works
January 2007	Appoint contractors for interpretation work
January 2007	Commence building restoration and internal works
June 2007	Completion of physical work

15. The above timetable depends on the ability to access funding, discussed later in the report.

16. Any revenue costs to cover maintenance, power, heat, light and insurance for the project can be met within the Department's budget.
17. In the longer term, and in order to maximise the benefits to the 'new look' museum from this first phase of capital investment, it will be advantageous to consider additional expenditure on events, marketing, education and other outreach activities. This will be sought through other separate revenue funding bids to external funding sources and from increased income from visitors.

Total Cost of the Scheme and How it will be Funded

Darlington Railway Centre and Museum – Phase 1 Capital Costs			
Project Cost		Funding	
Element of Scheme	Budget £	External Funding	Amount £
Element 1		English Heritage - Confirmed	191,000
Repair and restoration of Station Roof Work:		Railway Heritage Trust - Confirmed	100,000
Preliminaries	51,470	DBC Capital – Confirmed *	28,419
Works	245,097		
Fees	22,852		
Total Element 1	319,419		319,419
Elements 2, 3 and 4		Heritage Lottery Fund – Confirmed	498,128
Element 2		Northern Rock – confirmed	400,000
Repair and Restoration of Station Building:		ERDF – awaiting decision	386,650
Preliminaries	38,943	Railway Heritage Trust – awaiting decision	50,000
Works	185,435	DBC Capital – Confirmed *	40,859
Fees	13,108		
Sub Total	<u>237,486</u>		
Element 3			
Internal alterations:			
Preliminaries	107,126		
Works	510,125		
Fees	43,359		
Sub Total	<u>660,610</u>		
Element 4			
New interpretation:			
Works	454,801		
Fees	22,740		
Sub Total	<u>477,541</u>		
Total Elements 2, 3 & 4	1,375,637		1,375,637
Total Project Cost	1,695,056	Total Capital Funding	1,695,056

- * Capital scheme L0037 Railway Museum National Lottery (Capital monies previously allocated to museum National Lottery Project)

Constraints and Timescales on the Funding

18. English Heritage and Railway Heritage Trust monies have been awarded specifically for the re-slating of the train-shed roof. English Heritage are currently requesting that the work must start by 30 September 2006 and the monies must be spent and the work completed by 31 March 2007. On the assumption that the funds are released as requested, work can start immediately and is scheduled to take 10-12 weeks, with completion being achieved by December 2006. This would be within the time constraints required by English Heritage and would not, therefore, present a risk for the Council. Conversely, if the funds are not released and the works do not start in September, the funding will be withdrawn by English Heritage and the Council will be required to source other capital funds to replace the lost amount. If the funds are not found and the re-slating of the museum roof does not occur this autumn, then the recent £500,000 structural repair project will be placed in jeopardy, because without the roof being re-slatted at some point in the future, water will ingress and over time the roof will deteriorate once again.
19. Therefore, if English Heritage will not revise their timescale requirement it is proposed that element 1 proceeds independently, to ensure that works to the roof are done, even if this jeopardises the funding for elements 2, 3 and 4. If English Heritage will revise their timescale requirements then the roof works would take place when all other funding was confirmed, to maximise the opportunity to gain funding for elements 2, 3 and 4.
20. The Northern Rock monies are to be spent on creating better educational spaces, better exhibitions and more audiovisual material. The Heritage Lottery Fund and ERDF monies are to be spent on refurbishment of buildings and improvements to the facilities for visitors and users. There are no specific timescales linked to Northern Rock, ERDF or Heritage Lottery Fund monies. However, the Heritage Lottery Fund would like to see the whole of the Phase 1 works carried out as package (i.e. element 1 not starting until all elements can be committed). There is therefore a risk that the Heritage Lottery Fund grant could be withdrawn if element 1 starts ahead of other funding being confirmed. Also, ERDF funding could be reduced if element 1 starts before ERDF funding is confirmed (because ERDF would be available as a proportion of spending after ERDF funding is confirmed). Therefore, there is a real risk, unless English Heritage remove their requirement to start in September, that the funding for elements 2, 3 and 4 could be lost. These elements would then not take place.

Specific Risks of this Scheme and Control Measures in Place to Reduce these Risks

Incomplete Funding Package (High Risk)

21. The project will cost £1,695,056 to deliver and complete. This can only be achieved through a 'cocktail' of funding as identified above. Failure to secure any element of the funding would restrict development of the project. A gap in the funding package would require some work being removed from Phase 1 and further applications to be made to smaller funds for more specific elements of the work. Contracts will only be let within the approved funding available. As described in paragraphs 18 to 20, it may not be

possible to carry out elements 2, 3 and 4 unless funders change their conditions.

Cost Over Runs (Major Risk)

22. Unforeseen additional costs are always an unknown risk when dealing with contracts relating to listed buildings. This risk will be managed through the preparation of a risk management strategy with specific attention paid to cost control. This will consider issues such as the need for above normal contingency allowances and for draconian budget control, introducing compensation events agreed only when there are overpowering cost reductions. Cost estimates and contingences have taken into account the additional costs involved in working on a Listed Building. If necessary, elements would be taken out of the works to keep within budget.

Delays in the Construction Process (Medium Risk)

23. Delays can often occur within large capital projects, particularly when the conservation of historic buildings is concerned. Delays could occur as a result of the following:
 - (a) Planning application not approved/delayed – this risk has been minimised by working closely with the Planning Section, to prevent any issues arising when the planning application is considered. All relevant planning and statutory permissions are now in place.
 - (b) Tenders over budget – strict design control will be implemented and a contingency sum is included within the construction cost. If this is insufficient, redesign of the latter stages of development may be required.
 - (c) Delays during construction work (eg weather, material/labour supply problems) – delays should be minimised through careful monitoring of the construction process through regular reports and progress meetings.

Visitor Numbers (Low Risk)

24. The risk of visitor numbers remaining at current levels has been minimised through the detailed preparation work undertaken in the development phase of this project. A slower than expected increase in visitor numbers would be tackled through an increase in marketing, increase in events which would have revenue consequences in the short term, but would be necessary to ensure the longer term viability of the Museum.

Long Term Sustainability (Low Risk)

25. The project has been designed to ensure that the Museum has a long-term future. Following completion of the capital works, the number of paying visitors will obviously be the biggest factor in the sustainability of the Museum. The detailed nature of the Museum's Development Plan should ensure that the costs of running the Museum have been accurately forecast and all activities and events are geared towards maximising the number of paying visitors.

Outcome of Consultation

26. Extensive consultation was undertaken with all stakeholder organizations and railway related users of the Museum site during the preparation of the Development Plan. The Phase 1 proposals subject of this report are in accordance with the approved Development Plan.

Legal Implications

27. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

28. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. Ways of avoiding crime will be considered in the design process.

Council Policy Framework

29. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

30. For the purpose of the 'call-in' procedure this represent an urgent matter. Funding to implement Element 1 of the Phase 1 works needs to be released to enable a contract to be let before the end of September 2006 or these external funds will be withdrawn.

Recommendation

31. It is recommended that:
 - (a) Members approve the release of English Heritage and Railway Heritage Trust funds relating specifically to Element 1 of Phase 1 so that the roof repair element of the scheme can commence.
 - (b) Members also approve the release of the other awarded funds and authorise Officers to proceed with the implementation of the remainder of Phase 1 of the redevelopment scheme at the museum if the ERDF and Railway Heritage Trust funding is approved and the other funding described in the report remains available.
 - (c) No further capital funding from the Council be made available other than that set out in the report.
 - (d) Cabinet note that no increase in net revenue funding is required by these works.

Reasons

32. The recommendations are supported by the following reasons:

- (a) To ensure that the monies from English Heritage and the Railway Heritage Trust are not lost and that the Council's liability for future costs of roof repairs is minimised.
- (b) To improve the Museum as a visitor attraction for Darlington in order to deliver an increase in economic impact from the tourism economy whilst improving social impact through the social inclusion and learning activities plan.

John Buxton
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Background Papers

Drawings, designs and cost appraisals prepared by Ferguson McIlveen May 2006

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