

EAST HERTS COUNCIL

THE EXECUTIVE – 11 JANUARY 2011

REPORT BY EXECUTIVE MEMBER FOR  
COMMUNITY DEVELOPMENT, LEISURE AND CULTURE

LOTTERY PARTNERSHIP (CAPITAL) FOR HERTFORD MUSEUM

WARD(S) AFFECTED: All Hertford wards

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**Purpose/Summary of Report**

- **To consider a request from Hertford Museum for an additional capital grant of £10,000 in 2010/11 as partnership funding towards the cost of the Museum's major redevelopment project.**

**RECOMMENDATION FOR DECISION:**

<b>(A)</b>	<b>That a supplementary capital estimate of £10,000 for Hertford Museum be approved.</b>
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1.0 Background

1.1 East Herts Council awarded Hertford Museum capital programme grants of £45,000 (November 2006) and £55,000 (May 2008) for a major redevelopment project, making a total of £100,000. These grants contributed to the partnership funding required to provide match funding for an award of £985,000 from the Heritage Lottery Fund (HLF).

1.2 The following awards of capital funding have been made to other East Herts museums for redevelopment projects in the last four years:

- Ware Museum was awarded a grant of £5,000 from the Partnership Investment Fund in 2006/07;
- Much Hadham Forge Museum was awarded a grant of £10,000 from the Partnership Investment Fund in 2008/09.

## 2.0 Report

### 2.1 Hertford Museum's redevelopment project included the following:

- A completely revamped first floor which has enabled more of the collections to be displayed to tell the story of the town;
- A new lift to allow access for all;
- A new ground floor resource room where visitors can access the Museum's diverse paper collections;
- A full time Learning Officer post on a three year contract (September 2008 to August 2011);
- A new learning space/meeting room on the ground floor.

A breakdown of the project budget is attached as **Essential Reference Paper 'B'** and project capital expenditure as **Essential Reference Paper 'C'**.

2.2 In addition to the £100,000 from the council, the Museum has raised £124,189 in partnership funding from grant-giving trusts, individuals and other sources (see **Essential Reference Paper 'B'**). The council's support is acknowledged on a list of project funders displayed at the Museum and on publicity material such as leaflets.

2.3 The Museum re-opened at the end of February 2010. In the period March to September 2010 it attracted 20,679 visitors, compared with 16,874 visitors in March to September 2008 (the Museum was closed for redevelopment in 2009). This is an increase of 3,805 visitors (22.5%). The museum plays an important role in contributing to the tourism and economic offer of the town. A report commissioned by the council shows that tourism in Hertford has contributed an estimated £35,322,000 to the local economy.

2.4 The Museum still has retentions to pay for the building work and the fit out, which are due in January 2011. The learning and outreach element of the project continues until August 2011, so the Museum has until then to find the remaining partnership funding for the HLF grant.

2.5 The Museum has no cash reserves other than a portfolio of stocks and shares from which it draws income to cover some of the running costs of the Museum. The Museum has realised £63,983

from these shares to cover the VAT element of the project (see **Essential Reference Paper 'B'**).

- 2.6 Despite vigorous efforts by the Museum to raise the remaining partnership funding, there is still a shortfall of £16,276 (see **Essential Reference Paper 'C'**). The Museum has negotiated a bank overdraft to cover the deficit until May 2011. It is expecting to receive a further award of £2,500 from the Hertford Civic Society towards the shortfall.
- 2.7 Breakdowns of income and expenditure for the running of the Museum in 2009/10 and 2010/11 are attached (see **Essential Reference Papers 'D' and 'E'**).
- 2.8 Hertford Museum is requesting a further £10,000 from the council as capital partnership funding. This money will be allocated to the new shop area at the Museum which comprises a new counter and floor and wall units displaying items for sale. Revenue from the shop greatly helps the running costs of the Museum.
- 2.9 If the grant is approved by Members, the capital programme will be increased by £10,000 for 2010/11.
- 2.10 The Museum is requesting a capital grant from the council rather than an interest free-loan because it is already committed to paying back money it has drawn down from its investment portfolio of stocks and shares for the project (see **Essential Reference Paper 'B'**). It is also reluctant to place an additional financial burden on future trustees to find the money to repay a loan. The income generated from the Museum shop is put towards day-to-day running expenses and could not be used to accumulate capital to repay a loan.
- 2.11 There have been discussions between Emma Parlow (Marketing and Audience Development Manager, Hertford Theatre) and Museum staff to share information on display lighting, audience development and marketing. The Museum has received a grant of £2,000 for a film project with young people, which may involve some filming at Hertford Theatre. There will be further opportunities for collaboration between the two venues now that the Theatre has re-opened. Local business, especially retail and hospitality, will also benefit from this investment and from the collaboration between the Museum and the Theatre.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

None

Contact Member: Cllr Linda Haysey, Executive Member for  
Community Development, Leisure and Culture

Contact Officer: George Robertson, Director of Customer and  
Community Services – Ext 1410

Report Author: Andrew Holley, Heritage Officer

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i></p>	<p><b>Promoting prosperity and well-being; providing access and opportunities</b> <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Shaping now, shaping the future</b> <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b> <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>Hertford Museum: Curator and individual trustees.</p>
<p>Legal:</p>	<p>No legal implications.</p>
<p>Financial:</p>	<p>If approved, the council will award a capital programme grant of £10,000 to Hertford Museum in 2010/11. There are no revenue implications for the council.</p>
<p>Human Resource:</p>	<p>No human resource implications.</p>
<p>Risk Management:</p>	<p>No risk management implications.</p>

## ESSENTIAL REFERENCE PAPER 'B'

### Hertford Museum Redevelopment Project Budget Income and Expenditure

#### Capital Costs

	<b>Expenditure</b>		<b>Income</b>
<b>Professional Fees</b>		<b>Heritage Lottery Fund Grant</b>	985,000
Architect	46,000	Pre-submission project costs	21,688
Quantity Surveyor	21,750	Non Cash contributions	27,136
M&E	26,300	<b>Secured Grants</b>	
Structural Engineer	7,400	East Herts Council	100,000
CDM Co-ordinator	3,300	Hertford Civic Society	10,000
<b>Revenue Costs (Salary, Travel etc.)</b>	86,580	Lafarge	20,000
<b>Learning &amp; Outreach Budget</b>	12,000	AMOT	1,000
<b>Repair &amp; Conservation Work</b>	61,400	David Webster Charitable Trust	10,000
<b>Building Work</b>	557,300	Herts Disability Group	500
<b>Design &amp; Fit</b>	221,157	Nigel Copping	10,000
Design & Fit Prof Fees	28,007	Curry Fund	430
<b>Other Costs</b>		Awarded Grants	4,600
Contingency @ 10%	112,000	<b>Donations</b>	
Inflation @ 4%	44,800	Private	32,187
<b>Non Cash Contributions</b>	27,136	Corporate	8,905
Pre-submission project costs	21,688	<b>Fundraising</b>	26,567
		<b>Bank Interest</b>	3,701
		<b>Gift Aid</b>	4,379
		<b>Museum Capital Funding</b>	£63,983
		(money raised from stocks & shares)	
<b>Total Cost of Project</b>	£1,276,818	<b>Total Income</b>	£1,330,076
<b>VAT incurred on HLF Project</b>	£70,000		
<b>TOTAL</b>	£1,346,818		

## Hertford Museum Redevelopment Project Capital Expenditure

### Projected Capital Costs

Professional Fees	132,757
Building Work	557,300
Design & Fit	221,157
Contingency	112,000
Inflation	44,800

**Total** 1,068,014

**Overspend** -80,259  
**Sale of Stocks and Shares to cover VAT** 63,983

**Shortfall** -16,276

### Actual Capital Costs

Professional Fees	194,923
Building Work	678,658
Design and Fit	274,692

**Total** 1,148,273

ESSENTIAL REFERENCE PAPER 'D'

**Hertford Museum Financial Plan  
Income and Expenditure, 2009/10**

The Museum was closed for redevelopment work until the end of February 2010, so there were limited opportunities to generate income from visitors in 2009/10.

<b>Budget 2009-2010</b>		
<b>Income</b>	<b>Estimated</b>	<b>Actual</b>
Trusts and Corporate Grants	112,352	112,350
Hertford Museum Capital Funding B/Fwd	1,537	64,688
Acquisitions Grant / Donations	100	89
Investments	24,300	19,395
Activities / Events	700	506
Enquiries / Photocopies	0	62
Shop	6,696	6,560
On-line Shop	880	58
Exhibitions	400	100
Marketing	0	0
Education	2,050	1,612
Room Hire	30	3,001
Loan Boxes	1,000	565
Craft Case Hire / Commission	0	34
100+ Lottery Club	2,119	2,120
Donations incl G/Aid	4,575	5,159
Sundries	25	150
<b>Total</b>	<b>156,764</b>	<b>216,449</b>
<b>Expenditure</b>	<b>12mth Budget</b>	<b>12mth Actual</b>
Bank Charges	100	3,725
VAT HLF Work	0	56,361
Professional Fees	5,758	5,165
Utilities/Garden	3,480	3,658
Insurance	2,000	2,108
Seed Warehouse Rent	11,355	11,355
Seed Warehouse Charges	6,424	7,372
Communications	2,172	2,219
Staff Salaries	114,997	112,375.33
Recruitment Costs	0	0
Collections/Acquisitions	2,047	1,662.54
Exhibitions	0	20.6
Activities/Events Costs	420	785
Education	100	161
Loan Box Development	0	66
Shop Purchases	4,695	3,679
On-line Shop Purchases	0	9
HM Capital Funding	1,578	1,537

Building Maintenance	1,640	1,136
Marketing	6,315	306
Leased Equipment	5,416	4,719
100 Club Lottery Prizes	739	842.6
Sundries/Office	1,200	1,846
Subscriptions	558	562.5
IT	1,000	0
Training & Expenses	1,135	387
<b>Total</b>	<b>173,129</b>	<b>222,057.57</b>
<b>Net Income &amp; Expenditure</b>	<b>-16,365</b>	<b>-5,608.57</b>

ESSENTIAL REFERENCE PAPER 'E'

**Hertford Museum Financial Plan  
Income and Expenditure, 2010/11**

<b>Budget 2010-2011</b>		
<b>Income</b>	<b>FULL YEAR Estimated</b>	<b>ACTUAL to 30/9/10</b>
Trusts and Corporate Grants	115,720	57,860
Hertford Museum Capital Funding B/Fwd	1,537	
Acquisitions Grant / Donations		
Investments	18,000	4,528
Activities / Events	5,250	3,403
Enquiries / Photocopies	480	199
Shop	27,320	9,748
On-line Shop	800	66
Exhibitions	100	100
Marketing		
Education	1,800	848
Room Hire	1,740	1,027
Loan Boxes	700	125
Craft Case Hire / Commission	300	1,601
100+ Lottery Club	2,000	2,080
Donations incl G/Aid	8,000	4,055
Sundries		416
<b>Total</b>	<b>183,747</b>	<b>86,056</b>
<b>Expenditure</b>	<b>12mth Budget</b>	<b>Actual to 20/9/10</b>
Bank Charges/Interest	1,000	410
VAT HLF Work	9,000	674
Professional Fees	8,000	4,036
Utilities	6,200	1,817
Insurance	2,500	2,295
Seed Warehouse Rent	11,356	5,678
Seed Warehouse Charges	7,372	3,686
Communications	3,180	1,868
Staff Salaries	116,110	52,695
Recruitment Costs	100	94
Collections	2,000	663
Exhibitions	2,000	580
Activities/Events Costs	1,100	883
Education subsidised by HLF		104
Loan Box Development		89
Shop Purchases	9,500	5,116
On-line Shop Purchases		39
HM Capital Funding	1,537	
Building Maintenance	3,575	2,686
Marketing	2,320	775
Leased Equipment	4,556	2,278

100 Club Lottery Prizes	756	344
Sundries (includes cleaning services HTC recharge)	4,508	3,027
Subscriptions	530	587
IT	100	
Training & Expenses	500	53
<b>Total</b>	<b>197,800</b>	<b>90,477</b>
<b>Net Income &amp; Expenditure</b>	<b>-14,053</b>	<b>-4,421</b>