

EXECUTIVE 17th March 2022

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| Report Title | Kettering Alfred East Art Gallery, Library and Museum Project Update (Cornerstone) |
| Report Author | David Watts, Executive Director of Adults, Communities and Well-being |
| Lead Member | Cllr Helen Howell – Executive Member for Sport, Leisure, Culture and Tourism |

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| Key Decision | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are there public sector equality duty implications? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information (whether in appendices or not)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974 | |

List of Appendices

Appendix A – Brand presentation

1. Purpose of Report

- 1.1 The purpose of the report is to bring Executive Members up to date with the current progress of the Gallery, Library and Museum project including the progress of the capital development and current financial projections, the new branding, business plan development and planned activity for 2022.

2. Executive Summary

- 2.1 In August 2020 Kettering Borough Council secured £3,000,000 from the Getting Building Fund, which is being administered by South-East Midlands Local Enterprise Partnership (SEMLEP), this funding was match funded by the council and represents a total capital project value of £3,940,000. A further £120,100 was allocated from the Kettering Borough and NCC library property betterment budgets to bring the total budget to £4,060,100.

- 2.2 The project, formerly referred to as GLaM, aims to revitalise the cultural services within the heart of Kettering Town Centre, helping to unify the three sites including; Alfred East Art Gallery, Kettering Library and Kettering Museum. The funding will deliver significant improvements to the Alfred East Art Gallery and Kettering Library and will welcome a new two-storey extension to the rear of the Art Gallery.
- 2.3 The project has a professional team appointed to support the ambitious programme which has a series of milestones aligned to the funding drawdowns from SEMLEP, as well as a set of key outputs which are anticipated to be delivered by the project.
- 2.4 The capital works are due to be completed in the Spring of 2022 with the anticipation of the full services being mobilised in several phases over the first 6 months and being fully operational (see below regarding the Museum) by September 2022.
- 2.5 This report sets out the progress to date regarding the capital programme and current financial projections. It introduces the new name and brand adopted for the venue; details the work begun on the integration of the exiting services on site, the business mobilisation programme and the development of a new business plan. It also explains some of the challenges being faced, proposed mitigations and finally sets out the further work and activities to be undertaken over the next 6 to 12 months.

3. Recommendations

- 3.1 It is recommended that the Executive:
- a) Notes the positive progress to date with the Gallery, Library and Museum capital works programme and future business development.
 - b) Notes the contingency uplift of £75,000 requested as part of the Capital Budget report for Executive, 17th March 2022
 - c) Endorses the new name of Cornerstone and branding set out at paragraph 5.3
 - d) Delegates authority to the Executive Member for Sport, Leisure, Culture and Tourism, in conjunction with the Executive Director for Adults, Communities and Wellbeing, to take the actions necessary to ensure successful completion of the capital programme, mobilisation of the site in readiness for re-opening, and further development of the business plan.
- 3.2 Reasons for Recommendations: Approval for these recommendations will allow for officers to:
- To ensure successful completion of the capital programme
 - To develop a communications and marketing plan to promote the new offer on site and to deliver appropriate signage and wayfinding on site.

3.3 Alternative Options Considered – None as this is a progress update only.

4. Report Background

4.1 On 15th September 2020, Kettering Borough Council's Executive Committee endorsed the indicative funding and recommended the additional capital budget, which was subsequently approved by Kettering Borough Council's Full Council on 23rd September 2020. A notification report was later taken to the North Northamptonshire Unitary Shadow Executive on 24th September 2020, where members resolved and noted the significant investment secured.

4.2 The capital project's objective is to revitalise and extend the physical assets and the offer within them to become a creative and cultural anchor for North Northamptonshire. The investment has enabled the construction of a two-storey extension to the rear and between the library and Alfred East Gallery which are adjacent to the Museum – unifying the facilities, providing a blend of cultural amenity, space and teaching facilities.

4.3 The enhanced offer will include and enable:

- **Flexible “interactive” workspace and exhibition space** supporting creative start-ups, with wrap-around support provided by the **British Library led Business and IP Centre (BIPC)** Northamptonshire, providing the correct environment for creative and cultural businesses to start up and grow.
- **Increased engagement with schools and educational institutions** to deliver collaborative programmes, to build curiosity, develop a pipeline of creative and cultural talent, creating future user and visitor opportunities.
- **A new atrium space, café and improved public gardens** on the site, enabling a wider range of events and activities including commercial events and opportunities.

4.4 On 22nd June 2021 Executive approved the awarding of the Main Capital Works JCT contract to GF Tomlinson Ltd, the contractor previously procured by Kettering Borough Council; and on 16th December 2021 the Council Executive approved a procurement process for the Concession Catering Contract at 'GLaM'.

5. Issues and Choices

5.1 Capital Programme

5.1.1 Works are progressing on site as follows;

- The groundworks are now complete on site
- The steel frame is complete on site for the new extension and the retaining wall is poured.
- Pre-cast concrete stairwell is in fabrication
- The Gallery wall linings / flooring have been stripped and redecoration is underway.

- British Library Business Intellectual Property Centre (BIPC) construction and refurbishment is substantially complete (new window and final internal finishes outstanding)
- Archaeological supervision continues on site as required by planning

5.1.2 A new visual of the extension was developed and is shown here:



5.2 SEMLEP

5.2.1 The monitoring report for July-September 2021 was issued in line with SEMLEP requirements in October 2021. A mid-year report was also issued as requested by the funders. The latest monitoring report was submitted on 26th January 2022 and a financial claim was made against the second milestone (BIPC progression and bat planning condition discharged).

5.2.2 The evaluation template for monitoring of outputs post construction has also now been agreed with SEMLEP.

5.2.3 Relations continue to be very positive with SEMLEP who provide consistent support as well as championing the project. They are aware of the significant challenging market conditions that are being experienced in relation to supply issues, labour shortages and increased prices which are not unique to this project but exist across their portfolio.

5.2.4 The client team are currently reviewing the cashflow to assess when the full £3m SEMLEP funding will be spent against the programme.

5.3 Branding

5.3.1 This service was tendered to four suppliers, two of which were local. Productive Designs were appointed in October 2021 and a series of workshops were held with the staff teams between then and December 2021. A number of brand naming options were considered. The preferred brand, **Cornerstone**, was agreed by the Portfolio Holder for Culture, Sport, Leisure and Tourism before Christmas and was informally presented to the Executive on January 13th 2022.

- 5.3.2 Cornerstone is the overall brand for the site, which is a North Northamptonshire Council-wide asset, reflecting how the old parts of the library and gallery buildings will coalesce with the new extension, as well as the site's corner position within Kettering town centre. However the brand also encapsulates the individual identities of Kettering Library, Kettering Museum, the Alfred East Gallery and the Manor House Gardens.
- 5.3.3 The strapline **Discover | Explore | Inspire** has been adopted to reflect the theme of learning and the site's wide-ranging offer that allows visitors to discover the past, explore the present and inspire for the future.
- 5.3.4 A visual representation of the Cornerstone brand is shown at **Appendix A**.
- 5.3.5 Productive Design have also been contracted to provide signage and wayfinding and the designs for this are currently being scoped.

5.4 **Opening programme**

- 5.4.1 The opening programme continues to be developed by the Council's project team and the relevant service leads. This is likely to be a phased approach with the library fully re-opening first, along with the BIPC, followed by the rest of the building/services.
- 5.4.2 The library continues to operate within a reduced footprint and hours have now been extended to 9am-5pm.
- 5.4.3 A website update focussing on the BIPC and its functions was delivered in December 2021 to raise awareness of the service and the opportunities it will provide for our businesses and communities.
- 5.4.4 A formal launch of the new site is being planned for September 2022 to coincide with a large community art exhibition. There are some dependencies that might affect this programme such as the final practical completion date, and any impact on the recant programme due to the time required to allow for 'off gassing' post decoration of the art store before the recant can commence. Officers are currently working through the detail in order to finalise the opening programme.
- 5.4.5 It remains unlikely that the Museum will re-open fully during 2021. Previous surveys of the museum building demonstrated that the top floor was structurally unsound and woodworm in the roof timber required treatment. Staff offices and some of the collections have had to be decanted to lower floors and the top floor remains unusable. The movement of objects to the lower floors currently affects how the museum might operate should it re-open to the public.
- 5.4.6 Council officers are using the closure period to undertake a comprehensive price of work to 'understand the collection' which meticulously involves reviewing and updating both documentary and digital records which curate the collection.
- 5.4.7 This curation programme will enable the Council to begin early engagement with

museum stakeholders and the wider public, probably through events held in the new extension and other parts of the Cornerstone site, on the collection and its future exhibition and interpretation. These events are being planned as part of the opening and first year programming for Cornerstone.

- 5.4.8 The ambition is that there will be a second phase of the Cornerstone capital project in the future, subject to securing the necessary funding, which will include a refurbished and extended Museum. An improved facility will enable an extended programme of activity including educational and commercial activity

5.5 Stakeholder and Community Engagement:

- 5.5.1 A number of key stakeholder engagement sessions, site tours and meetings were held late in 2021 including key community leaders, Friend of Groups and commercial stakeholders. Feedback was very positive from each session.
- 5.5.2 A communications plan is under development to effectively promote the new brand an offer over the coming months.
- 5.5.3 A further session will be held before site completion later in March where the new brand and the communications plan will be shared.

5.6 Business Plan development and site mobilisation

- 5.6.1 The development of a Cornerstone business plan, for the future operation the site, is well underway. Work to understand fixed costs and benchmarking across similar venues has been completed with support from within the Transformation team. Some further modelling of the potential commercial income is required before the plan can be completed.
- 5.6.2 The emerging business plan sets out the aims of the site:
- To revitalise and extend their physical assets and the offer connecting people and places through culture, heritage and learning
 - To provide an inclusive, modern, sustainable and high-quality public service at the heart of every community
 - To build, develop and enhance sustainable communities by providing cultural activities to meet the needs of local people for their economic, social and personal wellbeing.
 - To ensure more people have access to quality and diverse cultural experiences and events, especially those less likely to access arts and culture.
 - To sit at the heart of communities, reflecting and responding to local needs with a reach that extends right across income brackets, ages and ethnicities.
 - To play a vital role in promoting local community cohesion and providing many with access to vital online services.
- 5.6.3 Existing staff structures and resources have been reviewed. It was identified that other than a Library Manager there was no operational management resource in place for the Gallery or Museum or moving forward, to deliver across

the whole site. A case was made for a revenue budget uplift to be allocated in the Council budget 2022-23 of £50,000. This uplift is included in the Council's Annual Budget report approved by Executive on 10th February 2022 and by Full Council on 24th February 2022.

- 5.6.4 This new additional revenue funding will be used to recruit an Operations Manager for Cornerstone. This key post is required to drive the whole project forward. Once in place the manager will complete the Business Plan to maximise new and commercial opportunities and partnerships, to successfully bring the Gallery, Museum and Library services together, coalescing them around the delivery of the new vision and Business Plan and ensuring the site works well for our customers.
- 5.6.5 A number of key workshops have taken place with the wider council teams to further define the business mobilisation plans. These include ICT, Facilities Management, Legal, Procurement, Environmental services finance as the focus of the programme slowly shifts from construction to business and site mobilisation. Work is focussing on such issues as a connecting the different IT, income management and room booking systems that were in place for the services when they operated under Kettering Borough Council and the County Council.
- 5.6.6 Due to the significant changes to operations once the buildings re-open, a change management session for existing staff was scheduled in December. Unfortunately, due to quantities of staff in attendance this was cancelled because of Covid concerns and a staff newsletter was produced instead. The session has been rescheduled for March 2022.
- 5.6.7 Regarding the new catering offer on site, a café options appraisal was commissioned via Turpin Smale who are industry experts with a specialism in visitor attractions/heritage sites. They recommended progression of a concession model for the new café within the extension which was approved by the Council's Executive in December. The procurement process is underway and is anticipated to take 6 to 9 months.

5.7 Capital Programme Financial Projections

- 5.7.1 The project is experiencing budget pressures due to the speed of the design process for this redevelopment. Usually for a project of this nature it would be expected that the Royal Institute of British Architects (RIBA) design stages 1 to 4 to take at least 12 months whereas they were completed in 6 to 9 months for Cornerstone in order to meet the funder's timelines. The consequence of this is that there are now some design co-ordination issues on site which are increasing costs. Like most construction projects at the moment the contractors are challenging the Council at every opportunity to minimise costs, in an industry also affected by the economic impacts of Covid, supply chain issues, labour shortages and rising inflation.
- 5.7.2 The Council so far has received two Extension of Time (EOT) claims from the contractor in October for delays on site due to design issues, such as changes to the steel structure, to the mechanical ventilation and to the external doors, needing to be revisited and rectified. Each claim is being rigorously scrutinised

and challenged by the Council's client team so that there is a robust approach to the authorisation by the Senior Responsible Officer of any contract variations.

- 5.7.3 To date the Council has accounted for a 5-week delay in the most recent cost report and is in the process of undertaking a full commercial review with the contractor and design team. As a result, the cost report from end of January 2022 estimates that once the EOTs are agreed, the project is currently projected to be £8k over budget, inclusive of contingency.
- 5.7.4 However there are still coordination issues emerging from the design information and this projection could increase over the next reporting period. Design workshops are also taking place to attempt to finally resolve any outstanding issues so that risks can be fully and accurately costed. The risk of unknowns, the current construction market and the condition of the historic buildings still presents a risk to the project.
- 5.7.5 Throughout the project the project team has consistently reviewed scope to maximise value engineering in order to control costs, whilst not compromising quality or SEMLEP outcomes. To date £106,500 has been removed from scope.
- 5.7.6 The risk register cost projections currently exceed the remaining contingency, 172k of risk against a remaining contingency of £132k. Following the design workshops and the commercial review the project team will review outstanding risks against the updated budget position. Cashflow projections show that the project will not be overspent until May 2022.
- 5.7.7 Based on a projected overspend of between 8k and 50k a recommendation has been brought before Executive to approve an uplift to the contingency of £75k to ensure the project can be successfully completed within the next few months, without incurring further delays, which would only further increase contract costs.
- 5.7.8 This 75k uplift is presented to the Executive as part of the Capital Budget report dated 17th March 2022.

6 Next Steps

- 6.1 Following the design workshops and the commercial review the project team will review outstanding risks against the updated budget position and report to the Project Board which meets monthly.
- 6.2 Confirmation of practical completion date will be sought from the Contractor, estimated to be May 2022., and successful completion of the capital project
- 6.3 Recruitment of the Cornerstone Operations Manager and finalisation of the business plan and site mobilisation, including signage.
- 6.4 Finalise the proposals for the site re-opening and include in a comprehensive communications plan for delivery from April 2022 onwards.
- 6.5 Completion of the procurement of the café operator.
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7 Implications (including financial implications)

7.1 Resources, Financial and Transformation

7.1.1 The full budget breakdown is set out in Table 1; the reduction in scope is set out in Table 2; and the full expenditure breakdown is set out in Table 3.

Table 1: Budget Breakdown

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| GLaM Project (original) | |
| SEMLEP Grant Funding | £3,000,000 |
| Match Funding (<i>former Kettering BC</i>) GLaM Capital £100,000 Economic Dev Reserves £440,000 Town Centre Improvement S106 £100,000 | £640,000 |
| S106 (Hanwood Park) £300,000 | £300,000 |
| | £3,940,000 |
| Existing Property Betterment | |
| Library Betterment (<i>former NCC Property Budget</i>) | £47,000 |
| Stock Condition Budget (<i>former KBC Museum</i>) | £70,600 |
| Timber Treatment (<i>former KBC Emergency Property Budget</i>) | £2,500 |
| | £120,100 |
| Total | £4,060,100 |

Table 2: Reduced Scope

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|--|--|
| Reduced Scope to date: £106,509 | |
| Reception Desk | £10,000 |
| Gift shop fit out | £15,000 |
| Gallery Lighting | £38,509 |
| AV | £10,000 (being funded by Adult Learning) |
| Gallery Roof | £13,000 |
| Minor Betterment works | £10,000 |
| Business Mobilisation | £10,000 |

Table 3: Current Budget overview to date February 2022

| | |
|---------------------------------------|-----------------|
| GLaM Project Spend | |
| Original Main Contract sum | £3,102,737 |
| | £600,224 |
| Professional Fees (Various contracts) | |
| Property Betterment | £120,100 |
| Contingency remaining | £132,014 |

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|-------------------------------|---|
| Client Direct costs (various) | £225,125 (fixtures, equipment, branding, comms, decant/recant etc) includes 10k contingency |
| Total | £4,060,100 |

7.1.2 The project, formerly known as GLAM, was supported by the Transformation Team on the development of the Business Case to ensure commerciality. Work was also undertaken with the Change and Engagement Manager in enabling workshops with the architect and the gallery library and museum staff to work together to develop and understand the new building and the new ways of working required to deliver that business plan. This change and engagement support will continue as the building comes into operation.

7.2 Legal and Governance

7.2.1 The capital uplift to the contingency budget, should it be approved by the Executive, will require approval by Full Council, as it will require additional capital borrowing.

7.3 Relevant Policies and Plans

7.3.1 Cornerstone's objectives align with the priorities within NNC's emerging corporate plan supporting the following objectives:

Active, fulfilled lives:

Value and support our carers and volunteers

Improve the accessibility and use of leisure, culture and sport

Better, brighter futures:

Promote better training, further education and employment opportunities for young people

Safe and thriving places:

Strengthen the cultural identity of towns, villages and rural communities

Help town centres and villages respond to changing trends

Attract tourism, visitors and inward investment

Support the creation of high-quality, better skilled jobs

Connected communities:

Respect and engage our local communities

Empower a thriving voluntary and community sector

Modern public services:

Provide good quality and efficient services valued by our customers

Enhance the services provided at our community hubs

Use our assets, skills, knowledge and technology to make a real difference

7.3.2 **Kettering Town Centre Area Action Plan:** The plan's vision is to create a vibrant heart for Kettering and focal point for North Northamptonshire. Cultural and Heritage facilities are recognised within the plan as playing a vital role,

providing a powerful sense of place, belonging and acting as a key visitor draw. Cornerstone supports this objective with the provision of quality space to showcase culture, heritage and creative industry enabling people and businesses to flourish. By removing barriers to accessing cultural and creative activities, Cornerstone will contribute towards job creation, skills development and social.

- 7.3.3 **Kettering Town Centre Delivery Plan 2018-2025:** The plan recognises that although town centres are still important shopping places, they are also important places for people to live, work and enjoy leisure time. The rich mixture of usage builds successful safe, adaptable and resilient town centres. It further identifies those plans for Kettering, such as Cornerstone, must encompass the wider view of the Town Centre as a community hub or civic heart incorporating leisure, education, arts, entertainment as well as a strong evening/leisure offer for families, young people and older generations.

7.4 Risk

- 7.4.1 The programme set by central Government via the funders is extremely ambitious for a project of this nature. The risk of coordination issues on site relating to the design as noted in section 5 of this report, has led to variations to the contract which impact cost and programme. Although the majority of these items are in fact minor, the current market conditions exacerbate time and cost pressures with the contractor.
- 7.4.2 Without the uplift to the capital contingency budget of £75,000 there is a risk the project will over commit against approved budgets. If the uplift is not made in a timely way, then the Council will not be able to continue to instruct the contractor on site, which will lead to delays and further Extension of Time claims which will incur more cost to the Council.
- 7.4.3 Procurement of the café operator may not result in successful or compliant tenders affecting ability to offer this service.
- 7.4.4 It is difficult to finalise the opening programme without a confirmed practical completion date due to outstanding extension of time claims.
- 7.4.5 Failure to recruit a suitable Operations Manager will make completion and effective delivery of the new business plan challenging. In addition, the day-to-day management of key personnel will be hindered.

7.5 Consultation

- 7.5.1 There is regular dialogue with SEMLEP, as the main partner funding body.
- 7.5.2 As detailed in paragraph 5.5 there is ongoing community and stakeholder engagement around the project.

7.6 Consideration by Scrutiny

7.6.1 This report has not been considered by Scrutiny. It is not a key decision report.

7.7 Consideration by Executive Advisory Panel

7.7.1 This report largely provides an update to an existing project so has not been considered by an Executive Advisory Panel.

7.8 Equality Implications

7.8.1 There are opportunities of positive impacts on the local community from the whole project including the local economy through employment and supply chains and social and environmental through encouraging more visitors to Cornerstone.

7.8.2 In addition to the SEMLEP commercial space output noted, new jobs creation is also a key output. Eight new jobs are required to be created by March 2024 of which 2.5 roles have currently been secured.

7.8.3 The café concession would create opportunities for employment of local people and will contribute to the SEMLEP objectives.

7.8.4 The cafe offers a town centre, accessible meeting space for the community which includes enhanced access and certified changing place toilet.

7.8.5 Thousands of visitors and service users, and all members of the public will have somewhere to meet within the facility and can be catered for.

7.9 Climate Impact

7.9.1 The contractor operates a BS EN ISO 14001:2015 accredited Environmental Management System (EMS) which is audited by UKAS approved BM TRADA and is applied to all construction sites. Included within their EMS is their Environmental Policy that demonstrates their commitment to protection of the environment in the construction of their works throughout all stages including assessment, procedures, review and audit.

7.9.2 The contractor also operates a Site Waste Management Plan (SWMP) which is based on the principles of Reduce, Reuse and Recycle.

7.9.3 The project capital works are focused on heritage buildings, all of which have listed building status. Whilst heritage buildings create limitations in relation to 'green' modifications that can be made, the project team have targeted improvements to refurbishment where possible to ensure the heritage assets are improved and restored thereby future proofing them for generations to come.

7.10 Community Impact

- 7.10.1 There has long been ongoing support and recognition of the need to effectively invest capital to enhance, protect and future proof the prime heritage assets for existing and future generations of North Northamptonshire. The investment has wider benefits of promoting social inclusion by improving connectivity and offering improved community access to a wider cultural, heritage and learning offer, which the public may not have previously engaged with.
- 7.10.2 The project will further secure long- term sustainability of the assets by strengthening the local delivery, management and improving digital connectivity. Exploring new income, funding streams, and developing new cultural and commercial opportunities to capitalise on improved facilities. For example, from Jan to March 2020, for the first time, artwork from the Tate, which has galleries in London, Liverpool and Cornwall, visited Kettering as part of the 2020 Vision exhibition at the town's Alfred East Art Gallery. Investment into improved facilities will enable future, more frequent and larger exhibitions of this calibre

7.11 Crime and Disorder Impact

- 7.11.1 None identified.

8 Background Papers

Kettering executive Committee 15 September 2020 -

https://www.kettering.gov.uk/meetings/meeting/1858/executive_committee

Kettering Full Council 23 September 2020 -

<https://www.kettering.gov.uk/meetings/meeting/1861/council>

North Northamptonshire Shadow Executive 24 September 2020

[Meeting of North Northamptonshire Shadow Executive Committee on Thursday 24th September, 2020 - North Northamptonshire Council \(moderngov.co.uk\)](#)

North Northamptonshire Executive 21 June 2021

[Meeting of North Northamptonshire Executive - 21st June 2021](#)

North Northamptonshire Executive 16 December 2021

[Meeting of North Northamptonshire Executive - 16th December 2021](#)