

## THE BEACON MUSEUM EXPANSION PROJECT

**EXECUTIVE MEMBER:** Councillor Elaine Woodburn  
**LEAD OFFICER:** Julie Betteridge, Head of Customer and Community Services  
**REPORT AUTHOR:** Julie Betteridge / Elizabeth Kwasnik

### WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Beacon is Copeland's local museum setting out the culture and heritage of the borough through its galleries for local residents and visitors to experience and interact with. The collaboration with Sellafield Limited is enabling the Sellafield Story to complement the existing exhibition and continue the Beacon presence in Whitehaven Harbour for all Copeland communities.

### WHY HAS THIS REPORT COME TO THE EXECUTIVE? (eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

**This report sets out the recommendation from Executive on the Beacon Expansion project. The report sets out the grant conditions, confirms the spend requirements and requests the receipt and spend of capital and revenue grant during 2014 to 2016.**

### RECOMMENDATIONS:

Full Council are requested to:

- a) Note the attached PID for the Beacon Museum Expansion project;
- b) Agree to accept the Copeland Community Fund grant of £400k and the Coastal Community Fund grant of £900,993; and to
- d) Agree to capital and revenue expenditure as set out in the grant applications between April 2015 and December 2016, see Appendix A.

## 1. INTRODUCTION

- 1.1 The Beacon Museum is part of the delivering differently approach being pursued by the Council as a result of the policy led budget reduction measures agreed by Full Council in February 2013 which set out the option for the Council to move the Beacon to a collaborative arrangement or to close the Council's museum.
- 1.2 The Executive has received reports on the Beacon Collaboration at meetings over the past two years. As a result of these reports, the Executive has agreed to the new operating model which has the Council as lead party for the Museum, continuing to act as the asset owner, accountable body and the employer of Museum staff and to the lease terms for our collaborative party, Sellafield Ltd, to locate its new exhibition, the 'Sellafield Story' on floor 2 as an integral and interactive part of the Beacon Museum. The Executive received and agreed the detailed Business Plan in March, 2014, the revised business plan incorporating the expansion grants in December, 2014, and the project PID in March, 2015.

## 2. PROPOSALS

- 2.1 The five year Beacon Museum Business Plan sets out its development requirements to deliver the business plan projections. In year 2, 2015/16, as part of the move to a strong future programming approach to maximise on commercial and national exhibitions visiting the Beacon Museum, the development plans build on the recognition that the building offers many opportunities for widening the accessible offer of the Museum and attract new audiences. In particular, the business plan set out its intention to use the existing footprint to maximise space to maintain and expand its product delivery. As the business plan states the original design of the Beacon building included the potential of the external area from floor 4 as additional exhibition space to develop for the future. The Beacon Expansion project delivers the physical development plans through capital grants and provides an 18 month revenue resource to embed the physical developments as sustainable, income generating assets for local, business and tourist visitors.
- 2.2 The new floor 4 'Light and Dark' Gallery will offer additional high museum specification exhibition space with the opportunity for event and hire use. The Beacon Museum set its pricing policy on evidence and customer knowledge from previous years. We have maintained the Harbour Gallery programme in the first year and a half with temporary exhibitions able to be accessed free by visitors. 2015 as the international year of light has provided a theme for a series of temporary exhibitions attracting different visitor audiences. Our commitment to refreshing our permanent gallery will be met more effectively through the new 'Light and Dark' gallery. This additional product and diverse exhibition programming will ensure continued interest in the paid element of the Museum thereby ensuring paying visitors and pass holders return to the Museum more regularly than present.
- 2.3 Business, event and meeting hire income is a core strand to the commercial collaborative operating model. The business plan development plans for year 2 recognised the need for the Beacon to identify both additional learning and meeting space "adjacent to the Museum or nearby and linked". The Beacon Collaboration has built on the Museum's experience and previous trading experience to ensure developments specifically expand the opportunity for learning activity space whilst still "enabling income generating hire space to underpin the business plan resource requirements". The new build conference and learning centre within the footprint of the Museum, ie on the top car park space, will provide a modern and complementary design to the main Beacon building. The capital grant will provide a one storey facility with the potential for a further floor at a later development stage. The business plan ensures a mix of commercial and community hire with the ability to use this space for Museum related activities. The business plan income revisions agreed by Executive in December 2014 were particularly related to the additional income potential from this development element.
- 2.4 The strategic and project risks have been carefully monitored throughout the Collaboration and brought regularly to Executive as part of the Beacon reports. Particular attention has been given to marketing and development activity to underpin the Business Plan. £30,000 has been spent on marketing activity in the first half year which has built on past experience and a full summer marketing plan including a radio campaign and promotional links with GoLakes, Northern Rail and other existing bodies who have worked closely with the Beacon Museum in the past six years. The Beacon Expansion project grants provide a budget of £62,000 to enable marketing activity to embed the two new products with visitors, businesses and tourists.

- 2.5 As set out in the Business Plan, the Beacon Pass has been re-introduced in year 2, ie 2015/16. The formal launch weekend was 14<sup>th</sup> February, 2015, which was also a free entry day to the Beacon Museum as set out in the business plan for year one operation. The Beacon Pass is linked to a loyalty card approach offering flexible routes to obtaining one during the year. The previous VIP annual pass was popular and feedback from customers and early purchases indicate it will continue to be in 2015/16.
- 2.6 The Beacon Museum marketing and exhibition planning for 2015 is in place with the Harbour Gallery continuing to be provided free during the year. A mixed approach will be followed from 2016, both free and paying exhibitions, as set out in the Business Plan. The Beacon Expansion project has been designed to enable an 18 month programme of exhibitions on floor 4 new Light and Dark Gallery and within the existing Harbour Gallery as complementary spaces. Three new exhibitions will be commissioned using the £105,000 provided from the external grants. Engagement activity with a wide range of visitors including the communities of Copeland will be given a boost by the £32,468 budget provided from the two grants. The marketing and exhibition plan for the Light and Dark Gallery is being finalised. This includes activities with new collaborators engaging with the Beacon Museum including UCLAN as part of the 2015 International Year of Light focus.
- 2.7 Visitors during the first year of the Collaborative Operating Model have been highly complimentary of the Museum and their visit. The Beacon Museum has been one of 57 visitor attractions throughout England who have received a recently launched “Accolade” from Visit England. The Accolade given to the Beacon Museum in February 2015 has been given of the Beacon as an outstanding attraction “going the extra mile to create an enjoyable and memorable experience for visitors”.
- 2.8 The Business Plan set out the financial challenge of moving to a commercial collaborative model. From 1 April 2014, the Sellafield party to the collaboration bring an income stream of just over 60% in the first year. The 2013/14 final trading account provided £22,438 operating surplus which went into the Beacon Sinking Fund leaving a total of £81,080 in this ear marked reserve for year 1. Apart from Sellafield there has been no income into the Beacon in 2014/15 until the soft launch re-opening on 24<sup>th</sup> May 2014. It has taken a little time for the Beacon income streams to build momentum following a five month closure for new gallery development in early 2014. The December 2014 Executive meeting revised the income and expenditure projections for the rest of 2014/15. The Collaborative Steering Group and the Council’s internal monthly Beacon Project Board regularly monitor the income and visitor projections against actual income and Museum attendance figures.
- 2.9 Education delivery has been maintained through the commercial model for 2014/15 and has met delivery targets set. The Beacon Expansion project will enable schools activity to continue within the Beacon building without competing with commercial hire availability. The new Conference space offers more appropriate commercial hire space.
- 2.10 The expansion project has been successful with its two external grant applications: £400,000 from the Copeland Community Fund, and £900,993 from the Coastal Community Fund. Both funders’ grants are a combination of capital and revenue elements. Please see Appendix A of this report for the breakdown. The Copeland Community Fund grant for the Beacon Expansion project has standard conditions. For both, grant has to be used for the purpose agreed with all expenditure being effectively recorded and evidenced. Records of spend, outputs and outcomes will

need to be kept and made available with appropriate reporting made on a timely basis. All grant expenditure and output records will need to be kept for 10 years. Both funders require recognition as funders, marketing outputs and branding of the resources developed and delivery activities. The Copeland Community Fund reserve the right to claim back any or part of the £244,599 capital element of the £400,000 if the new facilities are not used for the purposes agreed within the grant offer for 10 years from the grant acceptance. The Coastal Community Fund grant, resourced from the Crown Estate via the Big Lottery, will be provided from DCLG as a Section 31 grant for £900,993 in 2015/16. This means that the Big Lottery standard grant conditions for the Coastal Community Fund do not apply. A grant award letter is being sent after 1<sup>st</sup> April 2015 in line with the financial year for the grant expenditure. As a grant award from DCMS there are no clawback conditions, assuming completion of the project as outlined. Once the grant award is made and the money paid to the Council, it lies with the local authority to be spent against the project.

- 2.11 The tender process is in place with a range of preparatory work to ensure the project will be ready to start on site by the end of May 2015. Planning permission is in place for the floor 4 exhibition expansion and the new conference and learning centre.
- 2.12 During the 2014/15 year the Beacon ensured its staffing complement focused on what is affordable. The shift to a commercial model from day one of the collaboration has been highly challenging and the business plan sets out the staffing requirements to deliver the cultural shift to commercial, the development plan and the business as usual. The staffing changes for year 2 and 3 were approved as part of the December 2014 Executive and are required to strengthen the commercial capacity and deliver and embed the Beacon Expansion project.

### **3. CONCLUSIONS**

- 3.1 The expansion plans assist the Beacon meet its original income targets. The externally funded capital development will ensure the delivery of the Business Plan development plans thereby facilitating the potential for the Beacon Museum to meet its future income generation targets through increased exhibition and meeting space.
- 3.2 The Business Plan, as set out to the Executive in December 2014, has been revised to take account of the two new products to be provided through the successful external funding. These are a) the new Light and Dark Gallery on floor 4 able to host national touring exhibitions and a wider variety of exhibitions than the current space enables, and b) the new Beacon Conference and Learning Centre with dedicated high tech meeting space for hire. The Original Collaboration Business Plan endorsed by Executive in March 2014 set out the requirements for these additional spaces and hence the visitor and other commercial hire income expectations remain consistent with the original business plan.
- 3.3 The expansion project also includes an 18 month revenue element which will assist and underpin some of the core resources needed to maximise the tourism potential of the Beacon Museum as a visitor attraction through additional marketing and exhibition resources, assisting job creation and local economic impact through the commercial opportunity of the Conference and Learning Centre and through creating some new posts at the Beacon to focus on the expansion delivery and visitor and community engagement.
- 3.4 We have a monthly performance management framework managing known risks and identifying continuing opportunities to maximise income opportunities to consolidate the commercial collaborative operating model. Both the Collaboration Steering

Group and the Council's internal Beacon Project Board have considered the expansion development to deliver the business plan targets and projections.

- 3.5 The Beacon Expansion Project is a key development focus with clear funding conditions able to be effectively met by the collaborative model which has a vision for the future operation of the Beacon. Executive are being asked to endorse and agree to recommend to Council that they receive and spend external grant monies offered from the Copeland Community Fund £400,000 and from the Coastal Communities Fund of £900,993 in line with the known funding conditions set out in 2.10.

#### **4. STATUTORY OFFICER COMMENTS**

- 4.1 The Monitoring Officer's comments are: No further Comment
- 4.2 The Section 151 Officer's comments are: The project costs and funding within the PID are noted, with no requirement for additional capital or revenue resources from Copeland Borough Council to fund the project. Clawback conditions are as laid out in the report and award of grants assume completion of the project as outlined. Subject to approval, the project will be added to the overall 2015/16 capital programme for progress and cost monitoring purposes.
- 4.3 EIA Comments: The collaborative option addresses the equality impact assessment undertaken as part of the Policy Development Group process in Summer 2012 which highlighted concerns about impact on schools of the Beacon reducing its budget and education work. The Collaborative delivery approach has not reduced the work with schools and the externally funded Gone Fishing initiative has increased the interaction with West Cumbria schools. The Equality Impact Assessment undertaken against the collaborative operating model and five year business plan with the Council and Sellafield ensures continued access for all local residents.
- 4.4 Policy Framework: In February 2013, Full Council concluded a policy-led budget setting process which identified an overall budget strategy driven by a clear set of new priorities for the Council. The approach being taken with the Beacon Collaborative Operating Model is consistent with the agreed budget policy position taken by the Council in February 2013 of: "We will manage income from fees and charges looking to move discretionary services to a self-financing position where they cover their costs including overheads."
- 4.5 Other Consultee Comments, if any: Specific feedback has been sought from the Friends of Whitehaven Museum and other key partners. Customer feedback continues to be sought from all visitors to the museum through a number of mechanisms in the Museum, independent quality assessment and at the Museum reception area.

#### **5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

- 5.1 The parties to the Collaborative Operating Model have set out what project management roles they are taking. The Collaborative Steering Group has terms of reference and a focus on delivering the business plan. The internal Project Board set up under the Delivering Differently framework meets monthly to monitor risks and performance.

- 5.2 The Beacon Expansion Project has a project schedule attached at Appendix B. The project PID is attached at Appendix A. The full schedule of building works will be identified from the tender process but is anticipated to start by the end of April 2015 and complete by the end of October 2015.
- 5.3 The strategic risk register for the collaborative operating model moving to a commercially sustainable Beacon Museum is reviewed and revised twice a month. This includes the risks for the Beacon Expansion – the latter reproduced within the project PID attached at Appendix A. Consistently the most significant risk to the Museum is in increasing visitor interest and income in line with the business plan projections. This expansion project is this risk mitigation - a development initiative set out in the original business plan and now with resources to deliver to address the most significant Beacon Museum collaborative operating model risk.

## **6. RESOURCE REQUIREMENTS**

- 6.1 The Council are the lead party for the day to day operation of the Beacon. This is in line with:
- The Beacon building asset being owned by the Council who is required to maintain the structural framework in line with its leases;
  - The Council holding a linked lease for a small strip of Whitehaven Harbour Commissioners land on the harbour-side;
  - The Council holds the Museum and Curatorial policies and procedures which underpin the Museum Accreditation Status renewed by the Council in the past year. Accreditation was renewed in 2012 and runs until 2017;
  - All staff are employees of the Council;
  - The Beacon has run effectively as a cost centre within the Council in the delivery of its last five year Business Plan including recycling all surplus back into the delivery and development of the Museum through an ear marked reserve mechanism.

## **7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

- 7.1 The Beacon Collaborative Operating Model has been developed to deliver the Council's budget reduction target for the Beacon for 2014/15 onwards. It has met its target for year 1.
- 7.2 The Beacon, operating on a full cost recovery basis, will be retained as an accredited museum and local education centre on Copeland's heritage and culture as long as its commercial approach delivers a sustainable income.
- 7.3 The Beacon facility will be physically expanded to include a new gallery space with Museum security requirements for more diverse exhibitions and a new conference space. These additional assets owned by the Council.

### **List of Appendices**

Appendix A: Beacon Expansion Project PID

### **Background documents**

Previous executive reports, Beacon Business Plan, Beacon Expansion project file



# BEACON EXPANSION PROJECT

**ID:** Beacon Expansion Project  
**Version:** v1.0  
**Author:** Julie Betteridge/ Elizabeth Kwasnik  
**Date:** February 2015



## **1. Background**

The Beacon Museum is part of the delivering differently approach being pursued by the Council as a result of the policy led budget reduction measures agreed by Full Council in February 2013.

The Executive and Full Council agreed to the new operating model which has the Council as lead party for the Museum, continuing to act as the asset owner, accountable body and the employer of Museum staff and to the commercial lease arrangement for our collaborative party, Sellafield Ltd, to locate its new exhibition, the 'Sellafield Story' on floor 2 as an integral and interactive part of the Beacon Museum.

The Executive received and endorsed the detailed Business Plan in March, 2014, and the revised business plan following six months of collaborative delivery in December 2014. The Business Plan sets out the financial challenge of moving to a commercial collaborative model.

## **2. Business Case**

The scheme was set out as the major physical development plan within the collaborative Beacon Museum Business Plan 2014-2019. The scheme's expansion of existing facilities will ensure the delivery of the five year Business Plan thereby facilitating the potential for the Beacon Museum to meet its future income generation targets through increased exhibition and meeting space.

The Business Plan has been revised to take account of the two new products to be provided through the external funding. These are:

- a) the new Light and Dark Gallery on floor 4 able to host national touring exhibitions and a wider variety of exhibitions than the current space enables, and
- b) the new Beacon Conference and Learning Centre with dedicated high tech meeting space for hire.

The Original Collaboration Business Plan endorsed by Executive in March 2014 set out the requirements for these additional spaces and hence the visitor and other commercial hire income expectations remain consistent with the original business plan.

The expansion plans assist the Beacon to meet its original income targets. The grant funded expansion project also includes an 18 month revenue element directly providing resources into the business plan cashflow for year 2 and 3 of the Business Plan. This will provide the core resources needed to maximise the tourism potential of the Beacon Museum as a visitor attraction through additional marketing and exhibition resources, assisting job creation and local economic impact through the commercial opportunity of the Conference and Learning Centre and through creating new posts at the Beacon to focus on the expansion delivery and community engagement. In particular,

### **3. Project Objectives and Scope**

#### **3.1 Project Objectives**

The Collaborative Business Plan for 2014-2019 sets out the market evidence for the Museum and visitor profiles and targets. It details market research and feedback undertaken in the tourism sector on core issues and opportunities. Highlights linked to the Beacon's importance as a key tourist attractor are:

- a) using the coast as tourism USP;
- b) need for wet weather attractions;
- c) the interactive approach and commitment to temporary and refreshed exhibitions; and
- c) importance of quality products and customer care. (The Beacon Museum

The research also sets out some important factors for sustainability which the Beacon is strengthening through this project:

- 1) The new Light and Dark Gallery is in direct response to visitor and stakeholder feedback where maximum impact on visitor numbers is related to the ability to host exhibitions and events which are not generally available in West Cumbria. (44% visitors come for specific exhibitions).
- 2) The design ensures that the new gallery expands the available Beacon space of security and accredited museum standards to host more and larger national exhibits, a known hosting requirement. The revenue project element will provide resources to commission three new interactive blockbuster exhibitions.

In 2013, 96% Beacon visitors were from the UK. Currently the Cumbria Coast receives 9% of the visitors to the Lake District and this has been a relatively constant percentage for 10 years. The ability to bring new and different exhibitions to the Beacon through the additional space and early pump priming resources from the grant application will attract new audiences locally and across the Lake District.

The new Conference facility spec and delivery plans draw on the business plan, market research and existing network of commercial, public and community users. The design and high specification multi-media infrastructure for the space will offer something discussed with the local supply chain and will be unique in Whitehaven.

Heritage Lottery Fund support in 2007 was on the basis of the Beacon core principle of continuous development of new galleries and exhibitions. The additional space is a planned development to ensure this continuous refresh, sustainability and resilience. The evidence for the business plan highlights the best routes for income are via commercial rental of space and local and tourist visitor spend throughout the Museum.

#### **3.2 Project Scope**

This project will be delivered by CBC on behalf of the Collaboration. The project will improve the Council's asset, the Beacon facility. All building and fit out is included within the project. At the end of the project a fully operational extension will have been completed incorporating a high indemnity standard light and dark gallery on the fourth floor and a new conference and learning centre on the upper level of the existing car park. Funding towards 18 months revenue costs have been included to support the new posts created during construction and over the first 12 months of operation to ensure capacity is available to attract and support

additional visitors and business users to the Beacon and support the introduction of a new visitor monitoring system. The project budget is attached at appendix A.

The structural and underpinning planned maintenance requirements for the Beacon Museum are the responsibility of the Council as asset owner. A new Condition Survey is being completed and will inform a new Planned Maintenance Programme from April 2015. Integration of the new alarm systems for the physical extension will be incorporated into the existing system.

#### **4. Project Deliverables**

- a) Continued delivery of the commercial Beacon Collaboration Business Plan at no cost to the Council - year one has been a struggle but has been managed to deliver this
- b) The Beacon, operating on a full cost recovery basis, will be retained as an accredited museum and local education centre on Copeland's heritage and culture as long as its commercial approach delivers a sustainable income. This physical expansion provides a stronger viability to meet this commercial requirement.
- c) Construction of a new 151m<sup>2</sup> light/dark fourth floor gallery to the highest indemnity standards possible to enable nationally significant exhibitions to be hosted at the Beacon.
- d) Construction of a new 79m<sup>2</sup> Conference and Learning Centre with associated utility services and high tech infrastructure availability.
- e) Creation of 4.5 FTE (6 posts) and safeguarded 5 FTE (9 posts).
- f) 4 people assisted in their skills development and gaining qualifications.
- g) 8 new volunteering opportunities.
- h) Increase existing visitor numbers and business users to meet targets within the business plan.
- i) A full tendering process will be undertaken by CBC to appoint a contractor to carry out the works.
- j) A commissioned dedicated project manager funded through the grant for the capital build.

#### **5. Project Approach**

Bradshaw Gass & Hope (BG&H) were commissioned by CBC to undertake a feasibility study for the Beacon extension and conference centre in early 2014. An estimated costing at this early stage suggested construction only costs of £329,500 for the gallery and an additional £289,300 for the conference centre with an additional sum for required alteration to the existing to accommodate the new gallery entrance, plus fees and disbursements.

CBC commissioned BG&H and their full professional team to develop the accepted design to RIBA stage 3 and submit for planning approval.

The project gained Planning Permission in October 2014 and further Planning Permission for revisions to the Beacon Conference and Learning Centre element in February 2015.

Work on the detailed design has continued with input from the Arts Council Security Advisor to advise on indemnity standard design and construction for the gallery.

Updated cost estimates now give a total construction cost of £675,389.  
The work currently sits at RIBA 4.

## **6. Project Plan**

The RIBA Plan of Work stages will continue to be adhered to.  
A draft project plan is attached at Appendix B.

## **7. Organisation – Roles and Responsibilities**

The parties to the Collaborative Operating Model have set out what project management roles they are taking. The Collaborative Steering Group has terms of reference and a focus on delivering the business plan. The internal CBC Project Board set up under the Delivering Differently framework meets monthly to monitor risks and performance.

The Beacon Expansion Project has a project schedule until the building works begin. The project PID is informed by the revised Business Plan, agreed by Executive in December 2014. The full schedule of building works will be identified from the tender process but is anticipated to start in April 2015 and complete by October 2015.

The strategic risk register for the collaborative operating model moving to a commercially sustainable Beacon Museum is reviewed and revised monthly; by the Council Project Board and the Collaborative Steering Group.

Julie Betteridge, Head of Regeneration and Community, is the Council's lead on the Beacon Museum Collaboration and the project lead for the Council on the Beacon Expansion Project. The Council will procure independent capital project management and retain the professional services of BG&H who will be the contract administrators, QS and CDM co-ordinator.

Elizabeth Kwasnik, Director of the Beacon Museum, will be the Beacon Museum project lead and will have direct responsibility for delivery of the revenue element, communications and marketing of the project and Beacon as a whole.

The Cost Consultant will provide monthly valuations, financial statements and cash-flow forecasts.

The architects alongside the capital project manager will oversee the construction and the project manager alongside the QS will ensure cost control.

Les Donnan, Beacon Operations Manager, will provide daily on site contact and ensure public, visitors, staff and partner health and safety adherence by the Beacon Museum during the physical works.

## **8. Communications**

A collaborative marketing and communications group meet fortnightly to set and deliver the Marketing Plan. A full Marketing Strategy incorporating the expansion products is being prepared by the Beacon and will be finalised once the Business Development Officer is in post.

In terms of communications during the construction phase a number of key parties exist including:

- **Beacon Project Board:** A special project sub-group will be established to receive regular reports on progress. This will consist of up to two members of the Beacon Steering group including one of the Councillor representatives. This group will ensure all milestones and community interests are met. Timely reports will be made to the full Board.
- **Beacon Visitors.** Plans showing the project will be on display within the existing building including the timescales for construction and opening of the new facilities. Information will be included on the website, facebook and twitter pages and in targeted e-newsletters
- **Local Residents.** Site boards will be erected including a descriptive scheme title together with contact telephone numbers for further information. Press releases will also be issued in conjunction with the Council to update on progress.
- **Funders.** Regular monitoring reports will be completed for funders and clear acknowledgement given on site boards and in external communications.
- **Council.** The Council lead a Project Board of Council and Beacon representatives which currently make regular reports to the Executive and Full Council on progress and performance. Meetings will be held with Council officials during construction as required.
- **Internal project team.** CBC's Regeneration Project Officer will act as the council's project manager reporting to the Head of Customer and Community Services and overseeing the procured professional project management staff. The Beacon Director will be responsible for coordinating the Beacon team and all communication matters.

## **9. Resource Requirements**

This project will be managed by CBC with support from Beacon staff and additional procured QS and project management. £400,000 has been secured from the Copeland Community Fund together with a further £900,993 from the Coastal Communities Fund. The Beacon will be using £14,269 from its Sinking Fund, an existing ear marked reserve. This was agreed by Executive at its meeting in October 2014. No capital or revenue funding from CBC is requested.

All development costs to date have been met through the Coastal Initiative projects budget which has supported the scheme to deliver a significant coastal project for Copeland.

Construction costs do not include VAT in line with the Council's VAT threshold levels.

## **10. Project Costs**

Projected costs for the Beacon Expansion are estimated as follows and will be confirmed once the tender process is completed. The revenue detail is fixed and shown in Appendix A.

	£
Construction costs	675,389
Contract contingency	76,900
Equipment	74,000
Fees	60,197
Revenue	421,307
<b>Total</b>	<b>1,364,350</b>

## **11. Project Quality**

*Define any standards or ways of working that need to be met (e.g. ISO standards, quality systems).*

We are striving for Arts Council Indemnity standard and have included this within the tender brief.

*Identify any quality reviews or audits to be conducted and who will be responsible for conducting them.*

Standard quality assurance for new build and building extensions.

*Define any management processes needed to support the project (e.g. change control, configuration management).*

The final capital budget will be confirmed following the tender outcome. At this stage we do not anticipate any need for a change control from either funders or from the Beacon Sinking Fund.

## **12. Project Controls**

Costs and projected contract final sum will be reported to the Council and the Beacon Museum Collaborative Steering Group on a monthly basis as set out above. Project Board will meet monthly and management and required discussions will take place as part of the monthly contract meeting. The Collaborative Steering Group will receive timely reports on progress. The special project team will report to both with the Head of Service as the SRO.

There will be weekly verbal updates between the project management leads with a particular focus on progress and risk management.

## **13. Risk Management**

The project benefits from a recent planning approval and the site is wholly within the Council's ownership. The Council through its additional project management resource will be mitigating against any project management risks to the Council. Known risks do exist as follows:

<b>Risk</b>	<b>Probability</b>	<b>Potential Impact</b>	<b>Management</b>
Tender price exceeds estimates	Low	High	Professional estimates have been obtained and updated a number of times during the design phase.
Unexpected cost increase / cost overrun	Low	High	Clear project management will be in place to keep this risk low. Cost estimates include contingency amounts.
Weather disruption	Medium	Medium	Management of potential disruption caused by the weather will be negotiated during the tendering period.
Reduction in visitors during construction	High	Medium	Marketing and information available will ensure people are informed that the Beacon will be operation throughout (although a few additional days shut down may be required dependent on the nature of the works)
Failure to recruit key personnel including project manager	Medium	High	Will use Council HR processes for recruitment of staff and commissioning and procurement framework for the project manager.
Not able to attract new opportunities and national museum partners to engage	Low	High	Resources for the first 3 exhibitions are provided through the grants. Contacts are in place and being used to arrange these first 3 exhibitions.
Project delivery on time and to budget	Medium	High	Procurement of skilled capital project manager and existing procurement of qualified technical team. Council has project management framework and experience in running regeneration projects efficiently.
Ability to procure within required timescales for funding spend	Low	High	The council has strong experience in procurement and has set out the timetable for procurement. The technical team has been procured and will be delivering the tender details and procurement brief. The team includes a QS/architect to assess tender bids with the

			Council.
Lack of Capacity to maximize opportunities	Low	High	Existing staff team engaged with the project. Written in revenue project within expansion project funding bids to enable resources to do this. Key resource will be the Business Development Officer and Director. Design has worked within green museum parameters where possible and ensured future proofing and design to accredited museum requirements on floor 4.
Lack of visitor, community and business engagement with new facilities and exhibitions	Low	High	Project will enable 3 specific exhibitions to attract new visitors in the first year of the expansion completion. BDO and marketing group and plan will be pro-active in getting expansion sales info out to various customer groups.

Appendix A: Beacon Expansion Project Budget

	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>	<i>All Years</i>
	<i>Q4</i>	<i>All Year</i>	<i>Q1-Q2</i>	
<b>Income</b>		£	£	£
Beacon Development Costs	49,089			49,089
Beacon		14,269		14,269
Coastal Community Fund Cap		592,798		592,798
Coastal Community Fund Rev		234,916	73,279	308,195
Copeland Community Fund Cap		244,599		244,599
Copeland Community Fund Rev		78,703	76,698	155,401
				-
<b>Total Income</b>	<b>49,089</b>	<b>1,165,285</b>	<b>149,977</b>	<b>1,364,351</b>
<b>Expenditure</b>		£	£	£
Recruitment costs		2,000		2,000
Business Development Officer	-	36,615	18,308	54,923
Trainee curator		26,950	13,475	40,425
Reception and Visitor Host		14,863	11,223	26,086
Facilities management during project		47,074	31,888	78,962
Travel and Subsistence		3,500	1,500	5,000
Staff Training		4,500	2,250	6,750
Exhibitions 2/year incl deposits in yr1		80,000	25,000	105,000
Office related		7,894	5,293	13,187
Marketing and Promotions		42,000	20,000	62,000



Appendix A **Beacon Expansion Project Initiation Document**

Engagement projects		22,468	10,000	32,468
Project Direction and Management		40,024	6,040	46,064
Project Evaluation			5,000	5,000
<b>Total Revenue Expenditure</b>	-	<b>327,888</b>	<b>149,977</b>	<b>477,865</b>
<b>Capital Expenditure</b>				
Construction		675,389		675,389
Fees and Disbursements		60,197		60,197
15% contingency		53,446		53,446
Inflation		23,454		23,454
Equipment	-	74,000		74,000
<b>Total Capital Expenditure</b>		<b>886,486</b>		<b>886,486</b>
<b>Total Project Costs</b>	-	<b>1,214,374</b>	<b>149,977</b>	<b>1,364,351</b>