

**Decision Maker:** EXECUTIVE

**FOR PRE-DECISION SCRUTINY BY THE R&R PDS  
COMMITTEE**

**Date:** Executive: Wednesday 19 July 2017  
R&R PDS: Wednesday 5 July 2017

**Decision Type:** Non-Urgent Executive Key

**Title:** BIGGIN HILL MEMORIAL MUSEUM

**Contact Officer:** Lydia Lee, Head of Culture  
Tel: 020 8313 4456 E-mail: Lydia.Lee@bromley.gov.uk

**Chief Officer:** Director of Regeneration

**Ward:** Biggin Hill;

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1. Reason for report

- 1.1 The development of the Biggin Hill Memorial Museum project is now complete and all funding is secure. This report seeks authority to take the project through to delivery.
- 1.2 Additionally this report asks Members to approve the award of the works contract and the investment of the endowment.

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2. **RECOMMENDATION(S)**

**That Members of the R&R PDS: -**

- 2.1 **Note the contents of this report and make any comments available to the Executive.**

**That Members of the Executive: -**

- 2.2 **Note that the Heritage Lottery Fund (HLF) has awarded a grant of almost £2m to the Biggin Hill Memorial Museum scheme.**
- 2.3 **Approve the delivery of the project to completion at a total cost of £5.325m as detailed in paragraph 3.4 of this report.**
- 2.4 **Formally allocate £257k from capital receipts, as the additional Council contribution towards the scheme, which includes the match funding element towards the HLF grant.**

- 2.5 Increase the capital estimate for the scheme by £2.666m, a total scheme cost of £3.086m, subject to approval by Full Council.**
- 2.6 Approve the investment of £1.55m from the Treasury Grant, into a Charitable Investment Fund in the name of the Biggin Hill Memorial Museum Trust, to create an endowment fund as detailed in paragraph 3.25 of this report.**
- 2.7 Agree that the £689k HLF grant can be used to develop an activity plan, to meet the requirements of the grant conditions.**
- 2.8 Note that the outcome of the tender process, and recommendation to award the works contract, will be detailed in a Part Two report to follow. Due to the programme constraints this report will be circulated at the Executive Committee and not provided to Members in advance.**
- 2.9 Note for future consideration the estimated value of delivering the learning centre and memorial wall as set out in paragraphs 3.20 to 3.24 of this report.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The museum's activity plan identifies young people as a target audience, and will both actively seek to engage this group and provide opportunities for free access and engagement.
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### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Regeneration
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### Financial

1. Cost of proposal: Estimated Cost £5.325m
  2. Ongoing costs: Non-Recurring Cost
  3. Budget head/performance centre: Capital Programme and Culture Projects
  4. Total current budget for this head: £5.325m
  5. Source of funding: Treasury Grant, Central contingency, HLF Grant, S106 monies, BHMM Trust contribution and Capital receipts
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### Personnel

1. Number of staff (current and additional): 1 FTE
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Non-Statutory - Government Guidance
  2. Call-in: Applicable
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### Procurement

1. Summary of Procurement Implications: The correct procurement process has been followed in relation to the value of the works contract.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The museum is expected to attract 25,000 visitors per annum.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Cllr Benington and Cllr Stevens fully support this project.

### 3. COMMENTARY

- 3.1 The background to this project and the project strategy is described in report DRR15/101 which was considered by the Executive in December 2015. A further report DRR16/051 in June 2016 set out the preferred museum scheme, including design, capital funding strategy, governance and business plan. Additionally an update report DRR17/001 was provided to the Executive in January 2017.
- 3.2. The update report confirmed that all capital funding was now secure with the exception of the Heritage Lottery Fund (HLF) grant of £1,998,200. The HLF's London committee has now considered the grant application. On the 15<sup>th</sup> June 2017 the Council was informed that the grant application had been successful and that the full request of £1,998,200 was being awarded to the project. The committee voted unanimously in favour of the grant, describing the project as 'exemplary'.
- 3.3. Therefore the project team has raised the total £4m external funding required to deliver this project, which in turn releases the S106 monies of almost £1m which are only available for the delivery of a heritage centre scheme at Biggin Hill. Therefore in total almost £5m external funding has been secured.
- 3.4. All funding is now in place to deliver the scheme and enable the self-sustaining business model through an endowment. Therefore officers seek approval from the Executive to proceed to delivery of the project. The total cost of delivering the project is £5.325m as set out in the following table.

COST OF SCHEME	Capital	Revenue	Total
	£'000	£'000	£'000
Development costs to RIBA Stage 4	420		420
Capital works (main works, fit-out and exhibition space)	2,317		2,317
Professional fees (architect and exhibition design multidisciplinary teams to RIBA Stage 7).	110		110
Activity plan (requirement of HLF grant)		628	628
Contingency on capital costs	239		239
Contingency of activity costs		61	61
Endowment (as required by business model - paragraph 3.25)		1,550	1,550
<b>TOTAL COST OF SCHEME</b>	<b>3,086</b>	<b>2,239</b>	<b>5,325</b>
FUNDING	Capital	Revenue	
	£'000	£'000	£'000
Treasury grants	450	1,550	2,000
S106 monies - secured as works due to start in July 2017	914		914
HLF grant - secured	1,309	689	1,998
Biggin Hill Memorial Museum Trust	3		3
Bromley Council contribution (incl HLF match funding & £54k S106 top up)	410		410
<b>TOTAL FUNDING</b>	<b>3,086</b>	<b>2,239</b>	<b>5,325</b>

## Capital scheme – award of works contract

- 3.5. The Executive previously approved the publishing of the works tender prior to the HLF's final funding decision being known. A full Invitation to Tender was published on 12<sup>th</sup> May 2017 and tender returns were received on 16<sup>th</sup> June 2017. The budget for the capital scheme is £1,565,000 plus 10% contingency.
- 3.6. An unrestricted open tender process was followed and tenders are being evaluated on a 60% price and 40% quality weighting criteria.
- 3.7. The tenders have been evaluated for quality by a panel of four people which includes officers from the Council's Leisure and Culture team and Amey. The panel were advised by the project's design team. The final quality evaluation panel meeting took place on Monday 26<sup>th</sup> June. The submitted prices are at the time of writing this report being checked and clarified by the design team's Quantity Surveyor.
- 3.8. The consensus quality scores and confirmed prices will be entered in to the Council's evaluation matrix which utilises the Chartered Institute of Public Finance and Accountancy (CIPFA) evaluation model.
- 3.9. Price: The matrix calculates an overall mean price, ie the arithmetic average value bidded across all tenders received. Each bidder is automatically allocated an initial 30 points – half of total weighting points available. Individual scores are then allocated an additional 1.2 points for each 1% above the mean, or deducted 1.2 points for each 1% below the mean. The Council may, where permissible, exclude bids assessed to be a) too low to be credible, or b) any bid that has been priced 25% above the mean as these are deemed too high to be affordable.
- 3.10. Quality: Tenderers are assessed for suitability through a standard pass/fail questionnaire. Officers evaluate all tenders that pass the suitability questionnaire against eight quality criteria which measure the tenderers ability to deliver the project:

<b>Q</b>	<b>Content</b>	<b>Scoring Criteria</b>
<b>Q 1</b>	Financial Resources and Contract Affordability	5%
<b>Q 2</b>	Quality & Operational Competence	25%
<b>Q 3</b>	Technical Ability to Deliver the Project	25%
<b>Q 4</b>	Conservation Works	10%
<b>Q 5</b>	Health & Safety	10%
<b>Q 6</b>	Sustainability	10%
<b>Q 7</b>	Partnership Working	10%
<b>Q 8</b>	Equal Opportunities	5%

3.11. All tenderers were required to score 5 or above against each criteria in order to be considered compliant. Tenders that score below this threshold for any criteria are not considered for contract award. The scoring methodology used was as follows:

Rating	Score	Level	Comment	Summary
<b>FAIL</b>	0	Inadequate	Insufficient information provided or does not meet the Council's requirements	Not acceptable
	1	Extremely Poor	An extremely poor, well below expectation response: there is a lack of content / explanation in addressing each of the requirements; most proposals are unrealistic / unjustified / unsupported or lack significant content / explanation; a very significant proportion of proposals are unacceptable from a risk perspective; a significant degree of failure to demonstrate technical and commercial aspects.	Much less than acceptable, major areas of weakness
	2	Very poor	A very poor, below expectation response: there is a lack of content / explanation in addressing each of the requirements; some proposals are unjustified / unsupported or lack significant content / explanation; a significant proportion of proposals are unacceptable from a risk perspective; a degree of failure to demonstrate technical and commercial aspects.	
	3	Poor	A poor, below expectation response: Not many requirements are addressed; and/or proposals lack significant content / explanation; and/or many proposals are unacceptable from a risk perspective; and/or many proposals lack an acceptable approach to technical and commercial aspects.	Less than acceptable, more weaknesses than strengths
	4	Weak	A weak, below expectation response: Very few requirements are addressed; and/or proposals lack significant content / explanation; and/or some proposals are unacceptable from a risk perspective; and/or some proposals lack an acceptable approach to technical and commercial aspects	
<b>PASS</b>	5	Adequate	An adequate response that barely meets expectation: A few requirements are addressed; proposals have a reasonable level of content / justification and explanation; proposals should be acceptable from a risk perspective; an acceptable approach to technical and commercial aspects.	Acceptable, but with some minor areas of weakness
	6	Quite Good	Quite a good response that meets expectation: Some requirements are addressed; proposals have a reasonable level of content / justification and explanation; proposals should be acceptable from a risk perspective; an acceptable approach to technical and commercial aspects.	
	7	Good	A good, above expectation response: Many requirements are addressed; proposals have a good level of content / justification, explanation and risk perspective; a good / sound approach to technical and commercial aspects.	Highly acceptable, strong with few weaker areas
	8	Very Good	A very good, above expectation response: Most requirements are addressed; proposals have a very good level of content / justification, explanation and risk perspective; a good / sound approach to technical and commercial aspects.	
	9	Excellent	An excellent response: Vast majority of requirements are addressed and most of the bidder's proposals include sound, innovative suggestions; proposals are quite detailed in content / justification and explanation; proposals are highly acceptable from a risk perspective; an outstanding approach to technical and commercial aspects which delivers more than expectations supported by evidence.	Extremely acceptable, many strengths, no weaknesses
	10	Exceptional	An exceptional response: All requirements are addressed and all of the bidder's proposals include sound, innovative suggestions; proposals are very detailed in content / justification and explanation; proposals are highly acceptable from a risk perspective; an outstanding approach to technical and commercial aspects which delivers more than expectations supported by evidence.	

- 3.12. The outcome of the tender process will be presented in a 'to follow' report at the Executive Committee as a Part Two item due to commercial sensitivity. The Executive will be asked to approve the award of contract to the winning tenderer. This approach is being taken to keep the project to programme. The Council wishes the museum to open in November 2018.
- 3.13. The winning tenderer's programme will commit to completing the building works in August 2018 enabling the fit out contract to complete and the museum to open in November 2018, marking one hundred years after the end of the First World War.
- 3.14. Planning permission was granted in April 2017.

#### Memorial wall and learning space

- 3.15. The delivery strategy for the Biggin Hill Memorial Museum project split delivery in to two phases. The rationale for this strategy was:
- The funds initially identified as likely to be secured would deliver phase one only, a significant proportion of the project, successfully opening the museum on a sustainable footing.
  - Waiting for potential funding to be available for the wider scheme would risk the project never being delivered, as the identified funding for phase one would not be available in perpetuity.
  - The Ministry of Defence's withdrawal from the Chapel created new time pressures to resolve project delivery.
  - The second phase works (learning centre and memorial wall) were not crucial to the sustainability of the site and could be fundraised for and delivered at a later time.
- 3.16. The funding for phase one is now secure as detailed above. Phase one will see the museum project delivered and open to the public under the governance of the Trust who will employ a small staff team to manage the site and visitor experience, in line with the previously agreed business plan.
- 3.17. Phase one includes the building of the museum exhibitions, conservation and renovation of the Chapel, landscaping of the grounds, and the introduction of visitor facilities including an on-site café. Phase one is scheduled to be completed in time to open the site to the public in November 2018, leading the borough's remembrance activity, marking one hundred years after the end of the First World War, and taking part in the RAF 100 celebrations.
- 3.18. The total value of phase one, as detailed in point 3.4 of this report, including the Trust's endowment to enable the self-sustaining business model, is £5.3m. The Council's agreed financial contribution is £410k (8% of the project value) with all other funding having been secured from external sources. The £410k is made up of the Council's original £106k contribution to the project, the committed £250k match funding for the HLF grant and the £54k to meet the shortfall in S106 monies. The Council agreed at the January 2017 meeting of the Executive to underwrite the potential shortfall of £54k from S106 monies if Taylor Wimpey decided to proceed with the lesser housing scheme. Taylor Wimpey has confirmed they are proceeding with the lesser housing scheme this July and therefore these monies are required from the Council.
- 3.19. Phase one delivers the basic scheme required for the museum's business model to be self-sustaining, but it doesn't deliver the full museum scheme. Phase two will see the full scheme implemented with the delivery of the learning space and memorial wall. The funding for phase two has not been identified. An application for the funding of the learning

space was made to the Clore Foundation in 2016, however this application was unsuccessful.

3.20. The cost of delivering phase two is estimated to be £600k.

3.21. The benefits of delivering phase two at the same time as phase one are:

- Visually, the full scheme, the concept of the museum wrapping around the Chapel would be achieved on opening.
- The cost of delivery is lower as the works contractors will already be on site and therefore site costs would not be duplicated in the future.
- The museum would not be subjected to disruption by works being undertaken in the future whilst the site is open to visitors, many of whom will visit to pay their respects, an activity that is not conducive to building site activity.
- The learning space would allow the museum to run additional evening events and generate ongoing additional income for the benefit of the site.
- The memorial wall would be delivered in time for the borough's commemorative events to mark one hundred years after the end of the First World War.
- By funding the learning space build now the Council will be seen to be actively supporting young people's wider access to education in the borough in 2017/18.

3.22. Members are asked to note for future consideration Council funding for the delivery of phase two. This will not negate the need for the Trust to continue fundraising. Firstly, the business plan relies on the Trust fundraising £15k per annum through donations and sponsorship in perpetuity. Secondly, the Trust would need to fundraise for the memorials which would be placed on the wall. The Trust could do this by inviting specific organisations and companies to commemorate groups, such as the Auxiliary Fire Service, by sponsoring the cost of a specific memorial to them.

3.23. Funding the estimated £600k required for phase two would increase the Council's financial contribution to the project to 16% of a then total £5.9m cost.

3.24. The museum's opening in 2018 is seen as a flagship event not only in the Council's calendar but nationally, in the commemoration of both one hundred years of the RAF and one hundred years since the end of the First World War. Completing the scheme and bringing forward the whole vision would have a bigger impact than bringing forward phase one only in this important commemoration year.

#### Investment of endowment

3.25. Approval is sought to invest the £1.55m endowment in a Charitable Invest Fund (CIF) in the Trust's name.

3.26. Officers will work with finance to identify the most suitable CIF. As per the business plan previously presented to Members it is anticipated that the endowment will generate annual interest of 4%.

## **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

4.1 The Biggin Hill Memorial Museum will be a new cultural destination within the borough that is easy for Bromley's vulnerable adults and children to access by public transport or car.

4.2 The activity plan being developed, a requirement of the HLF application, identifies young people as a target audience, and will provide opportunities for free access and engagement. The museum's activity plan includes a schools programme, and evening, weekend and holiday activities for adults and young people.

## 5. POLICY IMPLICATIONS

- 5.1 It has been a long standing objective of the Council to facilitate a heritage centre at Biggin Hill.
- 5.2 The RAF enclave lies within a Major Developed Site in the Green Belt where infill development is subject to guidelines set out in the UDP; it is also wholly within the RAF Biggin Hill Conservation Area. The Chapel is a Grade II listed building.
- 5.3 A strategic plan is currently in development for the Biggin Hill West Camp, within which the Chapel is sited.

## 6. PROCUREMENT IMPLICATIONS

- 6.1 Officers have followed the correct procurement procedure, as detailed in this report, in relation to the works contract in regards to its value.
- 6.2 Permission was sought in advance of the tender being published from the Head of Procurement in relation to the percentage weightings within the quality criteria questions.

## 7. FINANCIAL IMPLICATIONS

- 7.1 The estimated cost of delivering the BHMM is £5.325m and the resources that have been secured to fund the project are detailed in the table in paragraph 3.4. In summary: -

<b><u>COST OF SCHEME</u></b>	<b>£'000</b>
Capital	3,086
Revenue - one -off contribution form HLF	689
Endowment	1,550
<b>Total</b>	<b><u>5,325</u></b>

- 7.2 The table below summarises the capital costs of the scheme: -

<b>Capital</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Expenditure</u></b>		
Development costs to RIBA Stage 4		420
Implementation Costs		
Capital works incl exhibition and fit-out costs	2,556	
Professional fees	<u>110</u>	
Total Implementation costs		<u>2,666</u>
<b>Total Capital costs</b>		<b><u>3,086</u></b>
<b><u>Funding</u></b>		
HLF grant	1,309	
S106 monies	914	
Treasury grant	450	
Capital receipts	257	
Central Contingency	153	
Contribution from Biggin Hill Memorial Museum Trust	<u>3</u>	
<b>Total Funding for Capital</b>		<b><u>3,086</u></b>

- 7.3 It should be noted that the lower S106 contribution of £914k will be received, as Taylor Wimpey has now confirmed which planning application will be implemented. This means that an extra £54k will be required as agreed by the Executive on 11 January 2017.

- 7.4 Including the £54k above, an additional £257k is required from capital receipts. £203k of this relates to the match funding for the HLF grant as set out in the Executive report on 15 June 2016. This would mean that the total Council contribution towards this scheme will be £410k and Members are asked to formally agree the extra £257k.
- 7.5 Approval is sought to increase the capital estimate by £2.666m, resulting in a total scheme cost of £3.086m, subject to agreement by Full Council.
- 7.6 Approval is also sought to invest £1.55m of the Treasury grant in a Charitable Investment Fund, to create an endowment fund for the BHMM Trust to use as funding for the running costs of the museum as detailed in the business plan.
- 7.7 The HLF is contributing a sum of £689k to meet the cost of developing an activity plan for the museum, over a period of 4 years. This is the revenue element of the project and authority is sought to spend this grant and add to the revenue budget, according to the spend profile below: -

Year	Amount £'000
2017/18	105
2018/19	270
2019/20	189
2020/21	125
<b>Total HLF Grant</b>	<b>689</b>

- 7.8 The on-going revenue costs of the scheme will be met by the Trust, including use of income from the interest earnings from the Endowment Fund.

## 8. PERSONNEL IMPLICATIONS

- 8.1 The Museum Development Manager post is currently funded up to September 2017.
- 8.2 After this time the museum posts identified in the business plan will begin to be recruited. These posts are funded by the HLF until after the museum opens, at which time the museum's income streams will cover the ongoing costs of these staff.

## 9. LEGAL IMPLICATIONS

- 9.1 The value of the works contract is below the EU threshold therefore the contract is not subject to EU tendering requirements. The contract was competitively tendered in line with the requirements in the Council's Contract Procedure Rule 8.
- 9.2 If the contract award is approved then a contract will be drawn up with the successful contractor using the JCT Intermediate works contract which is a standard form of industry contract.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	DRR17/001 Update: Biggin Hill Memorial Museum DRR16/051 Biggin Hill Memorial Museum (plus appendices) DRR15/101 Biggin Hill Memorial Museum