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<b>Report To:</b>	<b>Inverclyde Council</b>	<b>Date:</b> 24 February 2011
<b>Report By:</b>	<b>Corporate Director Regeneration &amp; Environment</b>	<b>Report No:</b> RMcG/LA/646/11
<b>Contact Officer:</b>	<b>Rona McGhee</b>	<b>Contact No:</b> 01475 712113
<b>Subject:</b>	<b>The Watt Complex: Feasibility Study and Options Appraisal - Remit from Regeneration Committee</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to request the Council, as Trustees of the Watt Institution, to consider a remit from the Regeneration Committee.

## 2.0 SUMMARY

- 2.1 The Regeneration Committee at its meeting on 20 January 2011 considered the attached report by the Corporate Director Regeneration & Environment advising of the findings of a feasibility study carried out on the Watt Library, McLean Museum, Art Gallery and the Watt Hall with a view to identifying funding and developing a bid application to the Heritage Lottery Fund and Historic Scotland.

APPENDIX

- 2.2 The Committee decided:-

- (1) that Option C set out in the report be identified as the preferred development option and that the Council be requested to consider making up to £4M available for the project over the period 2011-15 as part of the budget setting process;
- (2) that subject to funding being made available within the budget process, it be remitted to the Corporate Director Regeneration & Environment to further investigate funding and recurring income generation opportunities to assist in funding the project and, where necessary, identify tenderers and appoint a project manager to assist in preparing the detailed application to the Heritage Lottery Fund as outlined in paragraph 6.5 of the report;
- (3) that the costs of £57,000 required for packing and storing the collections for the duration of the building programme and the estimated £7,750 to provide 10 public access PCs with appropriate cabling and networking to allow access to the internet and electronic genealogy sources be funded from the Watt Institution Fund; and
- (4) that the recommendations of the Committee be referred to the next meeting of the Council for approval as Trustees of the Watt Institution.

## 3.0 RECOMMENDATION

- 3.1 That the Council, as Trustees of the Watt Institution, consider the remit from the Regeneration Committee.

Rona McGhee  
Legal & Democratic Services

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<b>Report To:</b>	<b>Regeneration Committee</b>	<b>Date:</b>	<b>20<sup>th</sup> January 2011</b>
<b>Report By:</b>	<b>Corporate Director Regeneration and Environment</b>	<b>Report No:</b>	<b>R179/11/SJ/SM</b>
<b>Contact Officer:</b>	<b>Head of Planning &amp; Regeneration and Head of Educational Planning &amp; Culture</b>	<b>Contact No:</b>	<b>01475 712321</b>
<b>Subject:</b>	<b>The Watt Complex : Feasibility Study and Options Appraisal</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is present the findings of a feasibility study carried out on the Watt Library, McLean Museum, Art Gallery and the Watt Hall (the Watt Institution) with a view to identifying funding and develop a bid application to the Heritage Lottery Fund and Historic Scotland.

## 2.0 SUMMARY

- 2.1 Over a number of years, the Watt Complex has experienced problems relating to the maintenance and repair of its buildings. Although major roof repairs have been carried out, there are ongoing issues relating to fabric of the building and non compliance with DDA regulations. Although the McLean Museum & Art Gallery was refurbished in 1990, the Watt Library has never had the advantage of any refurbishment. Dry rot has been identified and the public areas, staff workrooms and storage rooms are badly in need of an upgrade to allow the local history service to fully realise its potential and exploit the benefits that cultural tourism could bring to Inverclyde.
- 2.2 The following options have been considered:
- a) Option A: Repairs continue to be carried out on a care and maintenance basis - with the understanding that conditions will deteriorate.
  - b) Option B: A repair and refurbishment scheme is carried out at an estimated cost of £3,882,000, which will involve the refurbishment of key areas and the installation of platform lifts in the Museum and Art Gallery to address minimum DDA compliance; this option will not improve disabled access to the Watt Library.
  - c) Option C: A full refurbishment of the Watt Library and McLean Museum at an estimated cost of £5,471,000, including a new extension providing a shared reception area with lift access to the upper floors of the Museum, a café / activity area and disabled access and toilet provision for both the Library and Museum.

### **3.0 RECOMMENDATION**

#### **3.1 That Committee:**

1. Identifies Option C as the preferred development option and requests that the Council consider making up to £4million for the project over the period 2011-15 as part of the budget setting process; and,
2. Subject to funding being made available within the budget process, remit to the Corporate Director to further investigate funding and recurring income generation opportunities to assist in funding the project and, where necessary, identify tenderers and appoint a project manager to assist in preparing the detailed application to HLF as outlined in 6.5.
3. Agrees that the costs of £57,000 required for packing and storing the collections for the duration of the building programme should be funded from the Watt Institution Trust Fund
4. Refers the recommendations to the next meeting of The Inverclyde Council for approval as Trustees of the Watt Institution.

Aubrey Fawcett  
Corporate Director  
Regeneration and Environment

## 4.0 BACKGROUND

- 4.1 Inverclyde Council (Inverclyde District Council) took over responsibility for running the Watt Library and the McLean Museum and Art Gallery from the Watt Trust in 1973. In July 1984, the existing trustees were discharged from their relative trust obligations and the whole Trust estate invested in the former District Council, to which the present Council has succeeded. The Court of Session, at that time, declared a Scheme of Administration for the future management and use of the assets and funds invested in the trust and all of the land and buildings and movable assets transferred to the Council at that time.
- 4.2 The Council is responsible for holding the land and buildings in trust as a memorial to the late James Watt LLD and to use it as a Library, Museum and Hall for the benefit of the inhabitants of Greenock. Additionally, the Council is to hold and apply the whole of the moveable property the investments from time to time representing the same and the income thereof in trust for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum. The balance in the Watt Institution Trust Fund currently stands at £169,776.69 as of December 2010 and any expenditure from this fund must meet the conditions listed above.
- 4.3 There are two conditions specified by the Watt Institution Trust: that the statue of the late James Watt is retained within the Watt Institution and kept in so far as possible in the position that it has occupied in the past; and that the Greenock Philosophical Society continues to have the right to use the Watt Hall free of charge for the purpose of giving or providing lectures or meetings.
- 4.4 The Burns Club currently occupies one of the upper rooms in the Watt Library, which houses the Club's collection of memorabilia and papers: it is used by club office bearers and access is not available to the general public. There is no written agreement regarding this arrangement unlike the conditions set out in paragraph 4.3.
- 4.5 The Watt Institution consists of the Watt Library, which houses Inverclyde Council's local history and archives collection and the McLean Museum, Art Gallery and Watt Hall, which is a four star Visit Scotland attraction. As it is a grade A listed building, any repairs will also need to respect the architectural integrity of the building.
- 4.6 Several major repairs have been carried out since the Council took over responsibility of the Watt Institution in 1973, but there is still an urgent programme of works that needs to be carried out to ensure the buildings are wind and water tight and also to address DDA regulations. Recent repairs have included £110,000 for major high level masonry and slate repairs in June 2005 and £18,000 for rot work inside the Museum entrance in 2008. Stock has also been decanted to other premises to take account of load bearing issues on ceilings and floors.
- 4.7 A feasibility study has been carried out to assess the state of both properties and consideration has also been given within the feasibility study to include developments which encourage cultural tourism and would help to exploit the strengths of the collections. Three options have been identified and detailed associated costs are attached in the appendices. The three options are as follows:
- a) Option A (Status Quo): Repairs continue to be carried out on a care and maintenance basis - with the understanding that conditions will deteriorate and assets may be damaged

- b) Option B: A repair and refurbishment scheme is carried out at an estimated cost of £3,882,000, which will involve the refurbishment of key areas and the installation of platform lifts to give access to the upper floors in the Museum and Art Gallery (but not the Watt Library): the refurbishment would include improvements to the external fabric (including stone, windows and roof) and interior (including rot eradication, heating, electrics, ventilation, redecoration and shelving etc.). This option will not improve access to the Watt Library, which has several steps up to the main door from the Union Street entrance
- c) Option C: A full refurbishment of the Watt Library and McLean Museum at an estimated cost of £5,471,000 including a new extension providing a shared reception area; this would extend disabled access to the ground floor of the Watt Library and also provide lift access to the upper floors of the Museum and Art Gallery, a café / activity area and disabled access and toilet provision for both the Library and the Museum. This option provides more opportunity to access HLF funding because of the added community engagement and learning elements.

- 4.8 It is estimated that additional costs of £57,000 would be required for packing and storing the collections for the duration of the building programme, as it would be necessary to decant a large number of items while building work is carried out.
- 4.9 In addition, it would cost an estimated £7,750 to provide 10 public access PCs with appropriate cabling and networking to allow access to the internet and electronic genealogy sources.

## 5.0 FUNDING

- 5.1 There has been consultation with both the Heritage Lottery Fund and Historic Scotland in attempt to identify funding sources. Both organisations have indicated that this project would meet their required criteria, but stressed that there are competing pressures arising from the Olympic and Commonwealth Games.
- 5.2 The maximum grant awarded by Historic Scotland is £500,000 and no matched funding is required. This grant is awarded for building and property restoration and maintenance.
- 5.3 Heritage Lottery has identified Inverclyde as one of four priority areas in Scotland – i.e. areas receiving the least HLF funding. Following discussions with the HLF team, it has been confirmed that the development of the Watt Complex would fall within the Heritage Grants programme. Heritage Lottery Heritage Grants can fund projects from £50,000 up to £5million, though this is a very competitive process. Heritage Grants are funded in 2 phases:
  - Submit Stage 1 application including potential development funding. Development funding can pay for a Development Manager to assemble the required match funding / business plan for a Stage 2 bid.
  - A successful Stage 1 application has up to 18 months to submit the much more detailed and robust Stage 2 bid.
  - Stage 2 bid must include a full activity / business plan and have all partnership / match funding confirmed.
- 5.4 HLF assess all applications in two rounds.
- 5.5 Heritage Grants is a rolling programme and there are no deadlines for applications under £5million. It will take three months from the date the application is received for it to be assessed.

**Grants of over £50,000 and under £1million**

Committees meet four times a year to make decisions on Heritage Grants of over £50,000 and under £1million – June, September, December and March.

**Grants of over £1million and under £5million**

HLF Board meets six times a year to make decisions on Heritage Grants of over £1million and under £5million.

The next available application rounds are

- 5.6
- 16 February 2011 for the Board meeting on 24 May 2011
  - 11 April 2011 for the Board meeting on 19 July 2011
  - 19 June 2011 for the Board meeting on 27 September 2011

5.7 The grant request is the combined total of your development grant (if applicable) and delivery grant.

- For a grant of less than £1million, the applicant must contribute at least 5% (reduced from 10%) of the project cost.
- For a grant of £1million or more, the applicant must contribute at least 10% (reduced from 25%) of the project cost.
- The applicant's partnership funding can be in cash or kind, with some contribution coming from your own resources.
- If the applicant needs to prepare a management and maintenance plan as part of its application to HLF (for projects involving more than £200,000 worth of capital works) the applicant can now count five-years' worth of the additional maintenance costs identified towards the applicant's partnership funding contribution. However, this cannot be the only partnership funding the applicant offers.

5.8 The development work can help with the preparation of the following documents which are required for Round 2:

- An Activity Plan
- A Management and Maintenance Plan
- A Conservation Plan
- Financial and Market Appraisal
- Detailed Architects Plan to RIBA stage D

5.9 If a Round 1 pass is received and a Development grant awarded as part of this process, there is no requirement to repay this element.

**6.0 PROPOSAL**

6.1 It is proposed that Committee identifies Option C as the preferred development option and requests that the Council consider making up to £4million for the project over the period 2011-15 as part of the budget setting process of which £155,000 would be required to be provided in 2011/12 to develop the project to the stage that funding bids can be progressed.

6.2 It is also proposed that the Corporate Director further investigates funding opportunities to help finance the remainder of the project. In this regard Inverclyde Community Development Trust has offered to assist in the preparation of a Heritage Lottery Stage 1 Heritage Grant application for the Watt project at no cost. The Trust has a successful track record of developing and managing local heritage projects, with a particular expertise in community involvement, which is crucial for any successful Heritage Lottery Bid.

- 6.3 Over the last 4 years, The Trust has secured heritage lottery grants for 4 different programmes and has worked in partnership with Heritage Lottery to assist other local groups and organisations to develop bids to increase the per-capita spend from HLF in the Inverclyde area. Over £300,000 of heritage programmes, creating 22 full, part-time and sessional employment opportunities have been undertaken by The Trust since 2006.
- 6.4 The Trust has recently been successful in securing Stage 1 development funding from the Heritage Grants programme for their “Identity” project and have recently submitted their Stage 2 bid. This is the same funding stream that the Watt Project would be applying to. Only 1 other community based project in the UK has succeeded in getting this far on HLFs “Heritage Grant” programme, as generally this is reserved for large capital projects.
- 6.5 If Stage 1 development funding is awarded, it is proposed that a tender process be undertaken to provide the necessary project management input for Stage 2 and the Trust would be invited to tender for this work.
- 6.6 It is proposed that the costs of £57,000 required for packing and storing the collections for the duration of the building programme and the estimated £7,750 to provide 10 public access PC’s with appropriate cabling and networking to allow access to the internet and electronic genealogy sources should be funded from the Watt Institution Trust Fund.

## 7.0 IMPLICATIONS

### 7.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report £000	Virement From	Other Comments
Regen Capital	McLean Museum Refurbishment – Feasibility	2011/12	155		Subject to Council agreement
	McLean Museum Capital Project	2011/15	up to 3,845		Net of estimated external funding and subject to Council approval.
Cy Pres Scheme		2011/15	65		

### Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

- 7.2 Equalities : Equality and diversity processes and procedures have been embedded in service planning and key officers have received Corporate Equality Champions training.

## 8.0 CONSULTATION

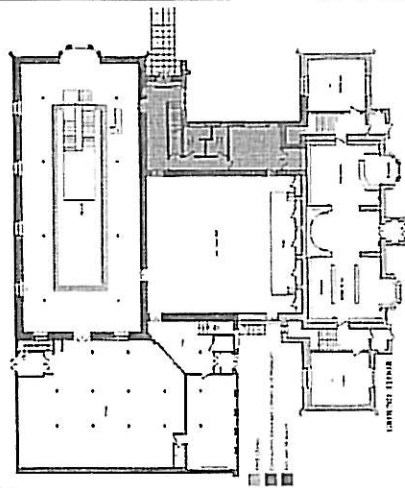
- 8.1 Finance and Legal have been fully consulted in this matter. The Head of Legal and Democratic Services comments that as the subjects are held and administered by the Council as Trustees of the Watt Institution, any recommendation of this Committee will require to be referred to The Inverclyde Council for decision.

**9.0 BACKGROUND PAPERS**

9.1 Watt Institution Trust Scheme of Administration / Court of Session Extract

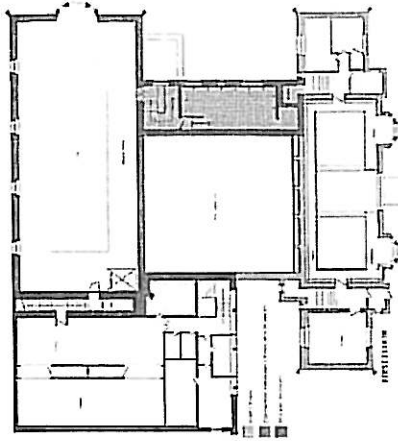


Watt Library and McLean Museum and Art  
Greenock  
Existing Ground Floor Plan



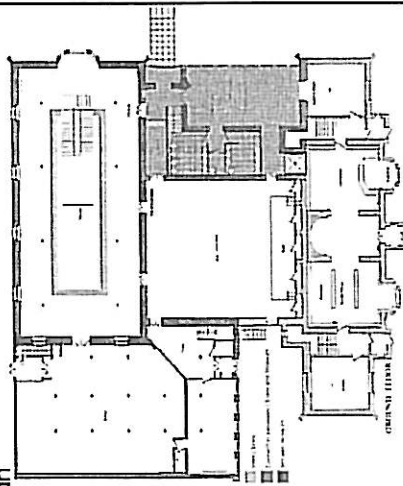
Inverclyde  
council

Watt Library and McLean Museum and Art Gallery  
Greenock  
Existing First Floor Plan



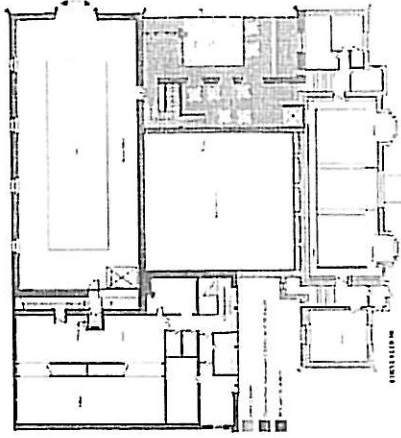
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Watt Library and McLean Museum and Art Gallery  
Greenock  
Proposed Ground Floor Plan



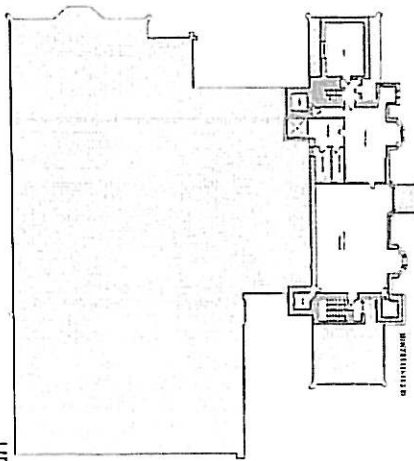
Inverclyde  
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Watt Library and McLean Museum and Art Gallery  
Greenock  
Proposed First Floor Plan



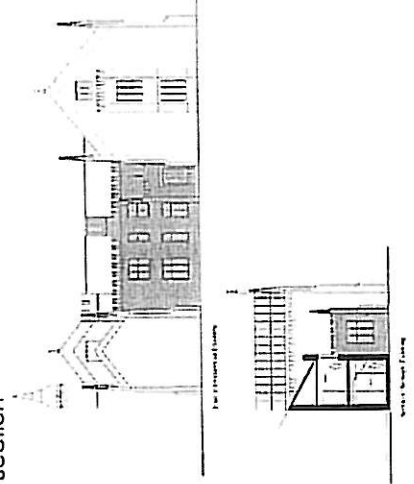
Inverclyde  
council

Watt Library and McLean Museum and Art Gallery  
Greenock  
Proposed Second Floor Plan



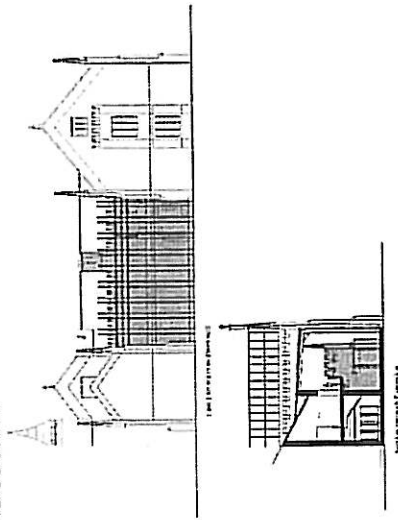
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Watt Library and McLean Museum and Art Gallery  
Greenock  
Existing Elevation and Section

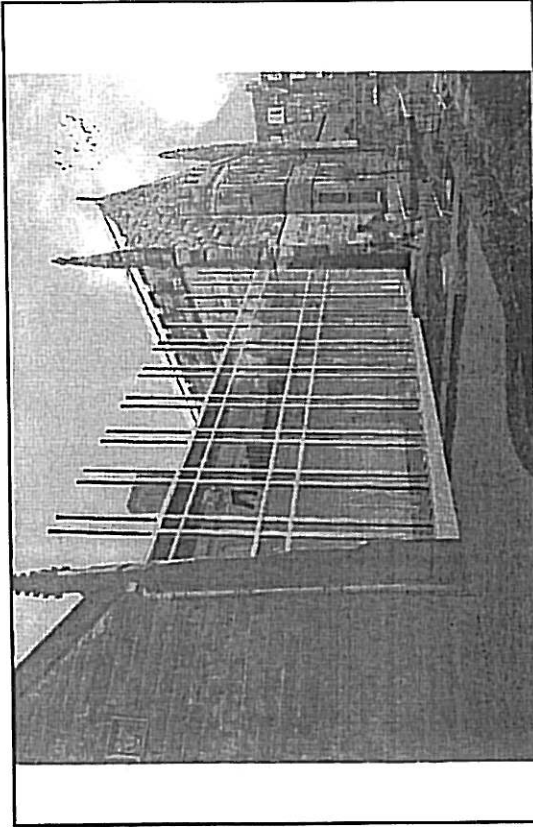


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Watt Library and McLean Museum and Art Gallery  
Greenock  
Proposed Elevation and Section



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