

## **Report to CABINET**

# **Gallery Oldham – Priority Maintenance Work**

**Portfolio Holder:** Cllr Arooj Shah, Leader and Cabinet Member for Reform & Regeneration.

**Officer Contact:** Emma Barton, Deputy Chief Executive (Place)

**Report Author:** John Winterbottom – Divisional Manager

**26<sup>th</sup> February 2024**

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### **Reason for Decision**

This paper provides information about the priority maintenance work required for the Gallery Oldham. Cabinet is requested to accept the funding offer from Museum Estates and Development Fund (MEND) as detailed within the body of this report. Cabinet is also requested to note the scale of investment required to the Gallery Oldham and approve the appropriate budget to proceed with the identified priority maintenance work.

### **Executive Summary**

Significant funding is required to address the priority maintenance work in respect of the Gallery Oldham over the next 4 years covering 2023–2027. The essential work has been identified through a detailed Asset Management Condition Survey report recently completed (April 2023). The report forecasts the priority maintenance work over the next 4 years.

The Council have received confirmation of a successful bid for MEND funding that is ringfenced for limited aspects of the identified priority maintenance work.

### **Recommendations**

The recommendation is for Cabinet to accept the MEND funding and approve the budget to progress the required works in accordance with the Council's Contract Procedure Rules. This will assist to maintain and facilitate improved functional use of the Gallery Oldham whilst mitigating relevant operational, health and safety risks in addition to reducing future energy consumption through introducing greener technologies for replacement plant and equipment.

Cabinet

26<sup>th</sup> February 2024

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## Gallery Oldham – Priority Works

### 1 Background

- 1.1 The Council has identified that priority work involving maintenance and investment exists at the Gallery Oldham. The identified work is prioritised to maintain the operational use and value of the Gallery Oldham and to mitigate risks associated with statutory compliance, health and safety and further consequential damage with associated additional costs.
- 1.2 Greater Manchester Combined Authority (GMCA) recently funded and commissioned a feasibility study of 8 x Oldham Council assets including Gallery Oldham to identify energy efficiency measures to support Decarbonisation and the wider Green New Deal agenda. A feasibility report completed by Anthesis (Appendix B) was supplemented with an asset management condition survey (Appendix A) that further identified essential maintenance work across a 5-year outlook. The condition survey report identified priority works required within the next 4 years.
- 1.3 Approval has previously been provided to submit an 'Expression of Interest' (EOI) to the Museum Estates and Development Fund (MEND) for a grant that will allow a range of urgent maintenance and improvements to Gallery Oldham.
- 1.4 The MEND programme is an Arts Council managed capital fund targeted at non-national accredited museums and local authorities based in England. The programme provides funding to apply to undertake vital infrastructure and urgent maintenance backlogs which are beyond the scope of day-to-day maintenance budgets.
- 1.5 The Council was notified that the 'Expression of Interest' submission was successful, the Council was subsequently invited to submit a 'full application' which was made on 18th August 2023. Approval was provided in advance by CIPB on 29th June 2023 to submit the full application.
- 1.6 A 'formal' decision from MEND will be announced in March 2024. Activities must commence no earlier than 17 April 2024 and no later than 17 May 2024. The absolute deadline to complete activities and claim payment is 31 March 2027.
- 1.7 The Council have now received 'informal' confirmation of a successful application and full funding decision in principle from Arts Council England. This will not be publicised until press release in late March. It is anticipated and recommended that the Council accept the funding from MEND. It should be noted that any likely funding received from MEND will still require further investment from Oldham Council to address the remaining priority works.
- 1.8 The Gallery Oldham is a key asset with the Council's portfolio. Whilst perceived as a modern asset, Gallery Oldham was constructed over 20 years ago and opened in 2002 as a new home for the collections of Oldham Museum and Art Gallery. The building includes permanent displays, temporary exhibitions, and storage for the gallery's art collections.
- 1.9 A detailed condition survey has been undertaken at the Gallery Oldham as part of an asset management process and to evaluate the feasibility proposals put forward in the Anthesis report. This was completed to establish essential data to inform and support property management, maintenance, operation, investment, and planning.
- 1.10 Most components of Gallery Oldham (including Building Services Infrastructure) are original from the construction date. Many of these components have a designed shelf life of circa

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15 years and are consequently deemed life expired with essential replacement parts no longer available for repair.

## 2 **Current Position**

- 2.1 It is important to note that the original equipment and systems still in use are now over twenty years old, as such deemed obsolete and inefficient, when comparison is made to the modern equivalents and established state of the art. The obsolescence and lack of serviceability can present a significant risk to the premises operation, as systems and equipment failures become increasingly likely. The cost of repairs (maintenance overhead) can very quickly become prohibitive, and the disruption associated with failures can be significant.
- 2.2 Investment in replacements to end-of-life equipment will minimise reactive repairs, reduce risks to collections and increase financial resilience and environmental sustainability through upgrading energy efficient technologies. Without investment in equipment and infrastructure there is a risk of failure of key components leading to the potential closure of the Gallery Oldham.
- 2.3 Consideration and approval are required to fund the associated cost of priority maintenance works to Gallery Oldham from the Corporate Landlord Capital Budget. The essential works are prioritised over the next 4 years.
- 2.4 Immediate costs are required for the current and next financial years 2023/2024 and 2024/2025 respectively. Finance requirements are contained in Part B report.
- 2.5 It is stressed that works have been identified as required during this current financial year (2023/2024). The 'formal' outcome of the MEND bid is not expected until March 2024, however informal confirmation of a successful bid has now been received. Consequently, the associated preparation (design) works should be progressed urgently and prior to the MEND decision announcement to avoid potential risk of systems failure. All the elements of works identified for 2023/2024 are covered within the MEND bid and therefore all associated cost could potentially be recovered subject to the successful MEND bid.
- 2.6 Further costs are identified for the future financial years 2025/2026 and 2026/2027 respectively. The opportunity to reduce maintenance costs, the risk of disruption to site operations, energy utilisation and the carbon profile at the premises exists. This can be realised when new modern equipment, systems and controls are installed to replace obsolete and inefficient equipment that can be costly to maintain.
- 2.7 It is acknowledged that there are other building projects scheduled in the locality of Gallery Oldham over the coming years. All risk to the ongoing service continuity of Gallery Oldham along with the associated priority maintenance/upgrade work related health and safety risks will be appropriately considered, mitigated and managed through the Construction Health and Safety Plan. A Construction Health and Safety Plan requires that detailed and robust risk assessment and method statements are provided in advance of any works progressing.

## 3 **Options/Alternatives**

- 3.1 Option 1 - Do nothing. This is not considered viable as the Building Services Infrastructure is deemed 'end of life' and if not replaced will eventually lead to critical failure resulting in the need to close the asset. The lack of planned maintenance will increase the need for reactive (responsive) maintenance, result being a significant impact on the associated R&M budget.

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3.2 Option 2 – This is the preferred and recommended option. To approve the associated funding from the Corporate Landlord Capital Budget for the priority works across the next 4 years. This will allow priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. The funding could potentially be reduced subject to the decision outcome of the MEND bid.

3.3 Option 3 – To approve the associated budget from the Corporate Landlord Capital Budget for the immediate priority works across the next 2 years. This will allow immediate priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. The funding could potentially be reduced subject to the decision outcome of the MEND bid. A disadvantage with this option is that it will reduce options in terms of scheduling and delivering work, potentially increasing disruption, and opportunities to reduce costs.

#### 4 **Preferred Option**

4.1 Option 2 is the preferred option. To approve the associated funding from the Corporate Landlord Capital Budget for the priority works across the next 4 years. This will allow priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham.

4.2 Option 3 is the ‘most viable’ and recommended option considering the current financial challenges and the absolute need to mitigate the risk of systems/equipment failures - To approve the associated funding from the Corporate Landlord Capital Budget for the immediate priority works across the next 2 years. This will allow immediate priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. A disadvantage with this option is that it will reduce options in terms of scheduling and delivering work, potentially increasing disruption, and opportunities to reduce costs.

#### 5 **Consultation**

5.1 Consultation has been held with key stakeholders at the Gallery Oldham including Head of Heritage, Libraries and Arts.

#### 6 **Financial Implications**

6.1 Finance comments contained in Part B

(James Postle)

#### 7 **Legal Implications**

7.1 Legal Services supports the recommendation. The client team should work closely with procurement colleagues to ensure that any procurement process followed for the award of any Works is in compliance with the Council’s Contract Procedure Rules and Public Procurement Regulations.

(Sukie -Kaur Solicitor)

#### 8. **Co-operative Implications**

8.1 Gallery Oldham is an important asset in Oldham. It is widely accessed by residents, including children, young people and families and serves as an important educational site. Additionally, it is also an important site for tourism in Oldham. Maintaining it is crucial for children and young people and to boost footfall into Oldham

(Mahmuda Khanom, Policy Support Officer)

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9 **Human Resource Implications**

9.1 No HR implications

(Catherine Reed, Strategic HR Lead)

10 **Risk Assessment**

10.1 There are significant insurance risks associated with this project, as there is already a substantial amount of work being undertaken in close proximity. There is also a risk around works being carried out in the Gallery whilst the artwork is in situ, any work will need to be agreed with insurers prior to work being carried out, this will include providing full schemes of work, risk assessments etc. This is a condition precedent in the insurance policy so failure to obtain agreement could result in their being no cover for the fine arts whilst work is undertaken. This could result in additional financial expenditure and time delays to the project which will need to be factored in. There are also health and safety risk to employees and members of the public whilst work is being undertaken due to the public nature of the building, a risk assessment will need to be in place to manage these risks.

Vicki Gallacher (Head of Insurance and Information Management)

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 The priority maintenance work has been identified though a detailed condition survey completed by the Councils property team. The work is prioritised to maintain the operational use and value of the Gallery Oldham and to mitigate risks associated with statutory compliance, health and safety along with further consequential damage with associated additional costs. Consideration should be given to explore energy efficient technology and systems to support the Councils Green New Deal.

(Katy Webster – AD Property & Projects)

13 **Procurement Implications**

13.1 Should the funding be approved all related works and/or services as per Table 1.1 will need to be procured in line with the Council's Contract Procedure Rules of which the Commercial Procurement Unit will support with.

(Irfan Oomer)

14 **Environmental and Health & Safety Implications**

14.1 Environmental: The preferred option will deliver a range of infrastructure improvement works at Gallery Oldham which will include energy efficiency / decarbonisation measures supporting achievement of the 2025 carbon neutrality target for Council Buildings and Street Lighting as set out in the Oldham Green New Deal Strategy 2020 – 2025. As the preferred option will deliver works over a four-year period, over this time there will be an opportunity to revise and optimise the schedule of proposed energy-related works in light of new technologies and schemes coming online, for example the proposed Oldham Low Carbon District Heat Network which is currently scheduled to come online in 2025/26 and could therefore mitigate the need for new heating boilers in Year 3.

(Andrew Hunt – Green Energy & Sustainability Manager)

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14.2 Health & Safety: As an employer/duty holder, Oldham Council has a statutory duty to ensure so far as is reasonably practicable, the health, safety and welfare at work of all its employees, and persons not in its employment who may be affected by their work, are not exposed to risks to their health or safety. Oldham Council's Health and Safety Team have no objections to the content of this report as we have been assured that all contractors will have signed up to construction line. Specific risk assessments and other safety documentation will still need to be checked for individual jobs/projects during the planning/construction phases of any works. There is a concern surrounding the volume of major building refurbishment projects in and around this location and this will have to be managed accordingly to ensure any health and safety risks are mitigated.

(Neil Crabtree, Head of Public Protection)

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 There are no community cohesion implications arising from the proposals within the report.

(Natalie Downs).

15.2 There are no Crime and Disorder implications arising from the proposals contained within this report

(Phil Bonworth – Community Safety Operations Manager)

16 **Equality Impact Assessment including implications for Children and Young People**

16.1 Yes

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 ESR-31-23

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 None