

CARLISLE CITY COUNCIL

Report to:- **Carlisle City Council**

Date of Meeting:- **13th November 2012**

Agenda Item No:-

Public

Title:- **OLD TOWN HALL – APPROVAL OF ADDITIONAL CAPITAL TO ENSURE DELIVERY OF PREFERRED REPAIR AND IMPROVEMENT PROGRAMME**

Report of:- **Director, Economic Development**

Report reference:- **ED 30 / 12**

Summary Report:-

To provide Council with an update on the project to carry out substantial repairs to the Old Town Hall and to seek approval to release further City Council capital funding to carry out such work and enabling access to grant funding for eligible parts of the work from English Heritage, as reported to the Executive on 3rd September 2012 (ED30 /12)

Recommendation:-

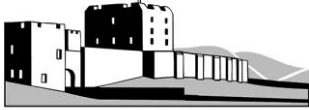
Council is asked to approve:

- i) The revised capital project for the Old Town Hall at a total cost of £490,200, noting that this relates to reduced grant from English Heritage and additional City Council match funding;
- ii) Additional City Council match funding of £109,400 to be vired from the 2012/13 capital programme as set out in the report to Executive on 3rd September 2012 (ED30 /12);
- iii) The revised programme of delivery of the project that now proposes a start on site in January 2013, and a completion date of June 2013.

Contact Officer: Chris Pearson

Ext: 7015

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None



REPORT TO EXECUTIVE

PORTFOLIO AREAS: ECONOMY AND ENTERPRISE/ CULTURE, HEALTH, LEISURE AND YOUNG PEOPLE PORTFOLIO HOLDER

Date of Meeting: 3rd September 2012

Public Yes

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework Yes

**Title: OLD TOWN HALL – APPROVAL OF ADDITIONAL CAPITAL TO ENSURE
DELIVERY OF PREFERRED REPAIR AND IMPROVEMENT PROGRAMME**

Report of: DIRECTOR ECONOMIC DEVELOPMENT

Report Reference: ED 30 / 12

Purpose of the Report: To provide Members with an update on the preparatory work for substantial repairs to the Old Town Hall and to seek approval to release further City Council capital funding to carry out such work and enabling access to grant funding for eligible parts of the work from English Heritage.

Recommendations:

The Executive is asked to:

- i) Note the revised capital project for the Old Town Hall if Members approve option (i) at a total cost of £490,200, noting that this relates to reduced grant from English Heritage and additional City Council match funding;
- ii) Make recommendations to Council on the additional City Council match funding of £109,400 to be vired from the 2012/13 capital programme as set out in the report;
- iii) The Executive agree the revised programme of delivery of the project that now proposes a start on site in January 2013, and a completion date of June 2013, subject to agreement of English Heritage

Contact Officer: Chris Pearson

Ext: 817015

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. Background Information

- 1.1 The Old Town Hall is a prominent two storey Grade 1 Listed Building situated within the City Centre Conservation Area and acts as the central focus for the city centre retail area and a gateway to the adjacent Historic Quarter. Carlisle City Council owns and manages the building. The ground floor is currently fully let on commercial leases to a range of retail businesses, whilst the first floor level houses the Tourist Information Centre (TIC) and the underutilised Assembly Room.
- 1.2 In 2010 a substantial scheme was drawn up for the Old Town Hall to develop its role as a gateway to Carlisle's historic attractions, including a Conservation Management Plan setting out a schedule of recommended repairs. The overall scheme also comprised installation of a new entrance lobby at ground floor and enhanced access by way of a new lift to serve a fully refurbished TIC. The overall cost of the scheme was estimated at c.£1,300,000 with the total funding package coming from, Carlisle City Council, English Heritage, North West Development Agency and a bid to the Heritage Lottery Fund (HLF). However an HLF Funding Application was turned down and NWDA funding was subsequently not forthcoming.
- 1.3 Discussions with English Heritage continued and it was agreed that a more modest scheme of restoration and repair relating to the historic fabric of the building was to be progressed using the remaining capital funds as set out below, subject to agreement on the eligibility of proposed works. As part of this work a Structural Survey Report was commissioned for the building and carried out by A.L. Daines in May 2011.

Original Budget Position:

	Total
Carlisle City Council (LABGI)	£164,700
Carlisle City Council (capital)	£131,300
Carlisle City Council Total	£296,000
English Heritage HBMDL	£40,000
English Heritage PSICA	£215,000
Total Available Funding	£551,000

HBMDL - Historic Buildings, Monuments and Designed Landscapes

PSICA - Partnership Scheme in Conservation Areas

2 Position as at March 2012

- 2.1 The English Heritage PSICA funding allocated to the Old Town Hall is part of a wider programme covering a number of important historic buildings and structures within the City Centre Conservation Area. This funding is only available until 31st March 2013 and normally only covers up to 50% of cost of eligible restoration works.

Because of the amount of funding allocated to the project from the PSICA funding pot, English Heritage insisted that a 'Referrals' application be submitted to them setting out a detailed prioritised schedule of building works for their agreement. This was submitted in January 2012 and was based upon:

A schedule of repair works eligible for PSICA funding from English Heritage of £265,234, with a 50% grant contribution of £132,617 being applied for, including a full repair to the roof.

A further schedule of non eligible repair works of £50,422 – to be wholly funded by the City Council. The City Council's capital contribution set down in the Referral application was £183,039.

- 2.2 To enable wider use of the City Council capital allocation of £296,000 a schedule of further non eligible works was drawn up totalling £112,909. This included a number of internal repairs and improvements such as improved services, lighting, plaster repairs, decoration and floor coverings in the TIC and the Assembly Room.

Accordingly the City Council Executive in March 2012 (Ref: ED.09.12) approved a total scheme cost of £428,565 with funding comprising:

English Heritage Grant (PSICA):	£132,617
City Council Capital:	£295,948

Further capital adjustments were subsequently made to the City Council allocation to the project as a result of the outturn of the 2011 / 12 of a reduction of £8,700 LABGI and an increase of £37,700 from General Capital Pot giving a net increase of City Council capital of £29,000 to £325,000.

3. Current Position

- 3.1 In anticipation of an early response from English Heritage and to enable the scheme to be progressed through detailed design, tender process and supervision of the works, the City Council appointed Johnston and Wright (as an approved conservation Architect) in early April 2012 as the scheme architect. This was with the full agreement of English Heritage and envisaged a start on site date in early September 2012.

As a first part of this commission Johnson & Wright carried out a full condition survey of the building and in line with the previous Conservation Management Plan recommended that a full repair to the roof be carried out. This should include the full strip of slates enabling necessary works to roof timbers, and installation of breathable membrane and insulation at roof level.

Because of the ever deteriorating state of the building Johnson & Wright also recommended an additional number of repair items taking the overall cost of the scheme to £490,200, including additional stone and render work, and plaster work. (This is in comparison to the previous total scheme cost of £428,565)

- 3.2 English Heritage formally responded to the Referrals Application on 22nd May. They indicated that a proportion of the proposed works to the building as set down in the Referrals Application, and with particular reference to a full re-slating of the roof and stonework replacement, cannot be justified from a building conservation point of view. In line with this English Heritage stated that some works were not eligible for PSICA grant funding.

The strongly held view of English Heritage (as based on the A.L Daines Report of May 2011) is that re-slating works should be restricted to the minimum necessary to allow replacement of lead work and flashings and suggested that a provisional sum of £5,000 would be adequate for re slating to accommodate this. This sum is only a fraction of what was put forward in the Referrals Form.

English Heritage has also now withdrawn the £40,000 funding originally offered from the Historic Buildings, Monuments and Designed Landscapes stream.

- 3.3 Upon receipt of the English Heritage response to the Referrals Application Johnston and Wright were instructed to further review the previously submitted Schedule of Works and cost plan to fully understand the options for the repairs scheme (this also included a review of the 2011 A.L. Daines Structural Report.) A.L Daines have also now recommended that full reslating is also now their preferred option.

These options and the effect on the level of City Council capital contribution are set out below:

i) Complete Scheme including full Re-slating

Based upon the maximum grant that English Heritage are currently willing to contribute to the scheme.

Total cost	£490,200
English Heritage PSICA Grant funding	£55,800
Total City Council capital funding required	£434,400

This results in a shortfall of **£109,400** against the City Council's approved budget of £325,000.

	Original	March 2012	Revised
Carlisle City Council (LABGI)	£164,700	£156,000	£156,000
Carlisle City Council (capital)	£131,300	£169,000	£169,000
Carlisle City Council (additional)	£0	£0	£109,400
Carlisle City Council Total	£296,000	£325,000	£434,400
English Heritage HBMDL	£40,000	£40,000	£0
English Heritage PSICA	£215,000	£215,000	£55,800
Total Available Funding	£551,000	£580,000	£490,200

This option has the following benefits:

- i) It allows the City Council to have a sound and presentable building when developing future commercialisation options for the building.
- ii) It gives a complete remedy for any roof defect that will ensure it being watertight for 40+ years without further significant expenditure
- iii) It gives a certain remedy to cure continuing water ingress and arrest any further deterioration to the internal structure and fabric of the building.
- iv) It allows roof timbers to be fully attended to and installation of a breathable membrane as under felt.
- v) It allows installation of full roof insulation to help achieve the required Energy Performance Certificate as required by 2018 to continue to allow the City Council to commercially let the building.

Following the response to the initial Referrals Form and discussions with English Heritage a revised Referrals Form was submitted to English Heritage. This was intended to again request a fuller funding package however their previous stance remains unchanged.

ii) Limit the Repairs and Refurbishment Works to Accommodate the Existing City Council Budget

This option would still attract the £55,800 from English Heritage but requires a further review of the overall project to achieve approximately £109,400 of savings to meet the approved City Council capital expenditure of £325,000.

Some external repairs would need to be curtailed and it would be seen very much as a “patch and repair” approach with every possibility that further investment in repairs would need to be made within 10 years or less. Internal items would also need to be seriously curtailed including replacement of the boiler, repairs to plasterwork, improved lighting to the TIC area and decoration and floor coverings.

There are no discernible benefits in this course of action as it will detract from plans to be able to develop future commercial uses of the building and doesn’t allow for any interim improvements to the operation of the TIC or the Assembly Room.

4. Programme for the Project

- 4.1 The programme for carrying out the repairs has up until now indicated that a start on site for the external works would be early September 2012 with completion by the end of November 2012 thus not disturbing Christmas related activities in and around the Old Town Hall.

This also meant that all repairs eligible for English Heritage PSICA grant funding would have been completed well ahead of the March 31st 2013 deadline for such grant drawdown. Internal

repairs which are not eligible for English Heritage grant would have followed on from January to March 2013.

- 4.2 However due mainly to the delay in English Heritage responding to the original Referrals Form and the resultant ongoing discussions with them regarding the level of grant a revised programme has been drawn up.

It is now recommended that a start on site for the project should be made in early January 2013. This will allow the Council to clarify and align the project with available funds. A site start in January 2013 would also enable the building contract to proceed to one overall completion date without the need for a punctuated contract period over the Christmas period.

However, the completion date would be mid June 2013 and would require English Heritage to confirm relaxation of their requirement to complete works funded under the PSICA programme by 31st March 2013 or agree to an extension of the programme.

The revised Referrals Form to English Heritage (as referred to above in 3.3) requested such a relaxation of the longstop date for the PSICA programme where circumstances such as the weather may delay completion of specific grant qualifying works into Quarter 1 of 2013/14. Whilst they have responded to the Referrals Form, at the time of writing this report, they have not confirmed the acceptance of the extended timescale. Members will be updated of this response once further clarification is obtained.

The revised programme is:

- 15th August 2012: Pre-qualification Questionnaire (Stage 1 Tender) issued.
- 29th August: Pre-qualification Questionnaire (Stage 1 Tender) returned.
- 30th August - 18th September: Stage 1 tenders appraised. List of selected Stage 2 Contractors agreed.
- 19th September: Stage 2 tenders issued to selected Stage 2 tenderers
- 10th October: Stage 2 tenders returned.
- 11th – 31st October: Stage 2 tenders appraised. Recommended contractor selected.
- 13th November: Full Council agrees City Council budget based upon the tender.
- 7th January 2013: External restoration and repairs commence on site;
- 29th March 2013: External restoration and repairs complete on site;
- 8th April 2013: Internal repairs commence on site;
- 14th June 2013: Internal Repairs complete on site;

As noted above this scheme requires a two stage tender process. Officers had given detailed consideration to the use of the North West Construction Hub for this scheme however the nature of the work involved to this Listed Grade 1 building has prevented this from happening. There are a number of contractors within the region who have appropriate direct specialist conservation experience but were not included on the Construction Hub. The need for specialisms and the requirements to comply with English Heritage funding has meant that the North West Construction Hub could not be used in this instance.

5. Future Utilisation and Commercialisation of the Old Town Hall building

5.1 The future utilisation of the Old Town Hall, and especially the upper floor, is currently under consideration and there are several factors that need to be taken into account.

i) That the City Council are able to consider future options from a position of strength and underpinned by having a sound and presentable building befitting its Grade 1 Listed status.

ii) The future of the Tourist Information Centre (TIC) – An Overview & Scrutiny Task Group is currently looking at the future development of the TIC and how it can provide a more commercially orientated and modern service. The Task Group is due to complete their work and recommendations by November 2012.

iii) There is the potential to revisit the original scheme for the Old Town Hall as drawn up in 2010 develop its role as a gateway to Carlisle's historic attractions, including a new entrance lobby at ground floor and enhanced access by way of a new lift to serve a substantially upgraded Tourist Information Centre. Such a scheme, however, must be seen as a further future phase of improvement to the Old Town Hall and a separate suite of capital funding will need to be identified to achieve such a goal which could include revisiting a bid to the Heritage Lottery Fund and other external funding sources.

6. Recommendations

- i) Note the revised capital project for the Old Town Hall if Members approve option (i) at a total cost of £490,200, noting that this relates to reduced grant from English Heritage and additional City Council match funding;
- ii) Make recommendations to Council on the additional City Council match funding of £109,400 to be vired from the 2012/13 capital programme as set out in the report;
- iii) The Executive agree the revised programme of delivery of the project that now proposes a start on site in January 2013, and a completion date of June 2013, subject to agreement of English Heritage

7. Reasons for Recommendations

7.1 The recommendations above are made in order to ensure that:

- i) The City Council secures and maximises the grant funding available in support of the repair / restoration works to the Old Town Hall
- ii) The fullest possible repairs and refurbishment scheme is completed in one phase thus allowing the City Council to work from a firm base in looking at future options for maximising the use and commercialisation of the Old Town Hall building.

- ii). The full extent of work can be carried out and completed within the lifetime of the English Heritage grant before the end of March 2013.

8. Implications

- Staffing/Resources – There is sufficient in house resources to manage the project through to completion.
- Financial – This project was approved as part of the 2011/12 and 2012/13 capital programmes at a total cost of £551,000, which included a provisional grant allocation from English Heritage of £255,000 with the balance of £296,000 being funded from Council funds. The 2011/12 out-turn revised the Council's contribution to £325,000.

The revised project now indicates a total cost of £490,200 but with English Heritage grant funding now limited to £55,800; thus requiring additional Council funding of £109,400.

This report requests additional funding from the City Council of £109,400 to enable the scheme to progress subject to the receipt of English Heritage's revised funding approval. There is sufficient capacity within the existing capital programme to allow funds to be re-directed to this scheme from the following schemes:

		Note
Regeneration Capital Projects	£35,600	
Enhancements to Council Properties	£50,000	1
Housing and Planning Delivery Grant	£23,800	2
Total	£85,600	

Notes:

1. Tullie House roofing improvements will be delayed until 2013/14.
2. This is an unringfenced grant and there is sufficient capacity within the balance brought forward to cover some of the additional requirements of this scheme.

The City Council is asked to approve the revised use of the above funds for the Old Town Hall project. If approved, the funds will be released into the 2012/13 Capital Programme. Due to the timescales of the project, it is likely that some of the funding will be required in 2013/14 and will therefore be subject to the usual carry forward process at the year end.

The Council's grants and external funding procedures and the terms and conditions of the grant from English Heritage will need to be adhered to especially the requirement to incur costs by 31st March 2013 in order to draw down English Heritage funding.

The Procurement Team has reviewed the contractual requirements for the project and has put the necessary tendering arrangements in place to comply with the Council's contract procedures. However, given the tender process is by definition a competitive

arrangement and therefore subject to market conditions, the potential for bidders to submit a priced bid below the base estimate of £490,200 or indeed above the base estimate needs to be borne in mind.

Any potential reduction in rental income will need to be accommodated within existing budgets.

- Legal – As the property owner the Council is entitled to carry out repairs to the fabric of its building providing it complies with the requirements of any leases granted to tenants. Any Grant monies from English Heritage must be spent in accordance with the terms of such a grant and any tenders for work (to which the EH money related) must be subject to receipt of that money. Appointment of all advising specialists and contractors must be subject to terms and conditions.
- Risk Management – A Risk Register for the project will be developed as part of the overall project management process. This will include the possibility of reduced income from tenants during the works and also the risk that slippage in the scheme could result in reduced English Heritage funding plus the potential for increased costs through the procurement process.
- Environmental – The outcome of the project will result in a more energy efficient and sustainable building within the custodianship of the City Council.
- Crime and Disorder – Not applicable
- Impact on Customers – The outcome of the project will be a building within which more accessible and customer friendly services will be able to be offered.
- Equality and Diversity – No adverse Equality and Diversity issues arise from the project.

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
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Does the policy/service impact on the following?		
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	No	
Rurality	No	

If you consider there is either no impact or no negative impact, please give reasons:

Whilst the primary object of this project is to maintain the fabric of the Old Town Hall as a Grade1 Listed Building, it will provide indirect positive benefits for all equality groups through conservation and enhancement of the built environment

If an equality Impact is necessary, please contact the P&P team. N /A