



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: ECONOMIC DEVELOPMENT

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**Date of Meeting:** 12 March 2012

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**Public** Yes

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**Key Decision:** Yes

**Recorded in Forward Plan:** Yes

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**Inside Policy Framework** Yes

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**Title:** OLD TOWN HALL – APPROVE DELIVERY OF REPAIR PROGRAMME  
AND RELEASE OF CAPITAL FUNDING FOR DELIVERY OF PREFERRED  
SCHEME

**Report of:** DIRECTOR ECONOMIC DEVELOPMENT

**Report reference:** ED.09/12

**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 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:

1. The Executive note progress on the preparatory work for restoration and repair work to the Old Town Hall
2. The Executive approve the release of £551,000 earmarked for this scheme in the 2011/12 and 2012/13 Capital Programmes, noting that this relates to City Council match funding of £296,000, to enable maximum grant funding of £255,000 to be drawn down from English Heritage to part fund the project.
3. The Executive delegate authority to the Director of Economic Development in consultation with the portfolio holder to progress tender invitations for appointment of the Conservation Architect and support team, ahead of EH approval of grant expenditure w/c 2nd April.

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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.
- 1.2 Carlisle City Council owns and manages this historic building which over the years has seen a number of important civic uses. The ground floor of the building is currently fully let on commercial leases to a range of retail businesses, whilst the first floor level houses the Tourist Information Centre (TIC), which is used annually by 125,000 visitors to the City. Also on the first floor is the Assembly Room which is largely unused and increasingly is not achieving both its civic and commercial potential.
- 1.3 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.

The scheme was primarily focused on creating a visionary and modern Visitor Information Centre on the first floor of the building that would act as a centre piece for the growing visitor economy for Carlisle. The proposal included substantial alterations to the building by installation of a new entrance lobby at ground floor and enhanced access by way of a new lift.

The project also necessarily included prioritised restoration and repairs to the overall fabric of the building as identified in the Conservation Management Plan for the building as drawn up in May 2010.

- 1.4 The overall cost of the scheme was estimated at c.£1,300,000 with the total funding package coming from:
  - Carlisle City Council - LABGI and capital programme.
  - English Heritage - Historic Buildings, Monuments and Designed Landscapes (HBMDL) and 'Partnership Schemes in Conservation Areas Programme' (PSICA),
  - Visitor Information Infrastructure funding from the North West Development Agency
  - A substantial bid to the Heritage Lottery Fund.

## **2. Current Position and Issues**

- 2.1 The prospective NWDA funding was subsequently withdrawn in August 2010, and the bid for HLF funding in 2010 proved to be unsuccessful. Following discussions with English Heritage it was agreed that £40,000 Historic Buildings Monuments & Designed Landscapes (HBMDL) and £215,000 Partnership Scheme in Conservation Areas (PSICA) grant funding for restoration and repairs to the building remains in place, subject to eligibility of proposed

works. The City Council match funding will be drawn from Capital and LABGI. This provides a confirmed available funding package amounting to £551,000, as set out below.

	<b>2011/12</b>	<b>2012/13</b>	<b>Total</b>
Carlisle City Council (LABGI)		£164,700	£164,700
Carlisle City Council (capital)	£29,200	£102,100	£131,300
Carlisle City Council Total			<b>£296,000</b>
English Heritage HBMDL	£20,000	£20,000	<b>£40,000</b>
English Heritage PSICA	£17,500	£197,500	<b>£215,000</b>
<b>Total Available Funding</b>	<b>£66,700</b>	<b>£484,300</b>	<b>£551,000</b>

A decision was made to progress a more modest scheme for the Old Town Hall using these remaining available capital funds. The project is now predominantly focused on the required restoration and repairs to preserve the fabric of the building leaving a much smaller amount for internal repairs and improvements to the first floor area currently occupied by the Tourist Information Centre. (See Schedules 1 & 2 set out in 3.2 and 3.3 below)

- 2.2 Part of the English Heritage funding that is allocated to the Old Town Hall is part of a wider PSICA programme covering a number of important historic buildings and structures within the City Centre Conservation Area. This funding is only available until 31<sup>st</sup> March 2013.

The English Heritage grant funding can only be utilised for “prioritised” building restoration works relating to the historic fabric of the Old Town Hall building, and normally only covers up to 50% of cost of those works.

- 2.3 English Heritage have insisted that to ensure that the PSICA grant allocated to the Old Town Hall is spent by 31<sup>st</sup> March 2013 that the City Council submit a ‘Referrals’ application to them setting out a detailed prioritised schedule of building works for their agreement. Furthermore English Heritage is also insisting that the full funding package for the Old Town Hall project is fully agreed and confirmed to them by the 31<sup>st</sup> March 2012.
- 2.4 This ‘Referrals’ application was submitted to English Heritage on 19<sup>th</sup> January 2012, setting out in detail the required schedule of works that will be eligible for grant assistance and we are awaiting for their response.

### **3. Proposed Building Restoration and Repairs, and Costs**

- 3.1 In order to maximise the use of the available funding in carrying out repairs and making improvements to the Old Town Hall, two separate schedules of building restoration and repairs have been drawn up with estimated costs. The works schedules have been drawn up to secure the fabric of the building and ensure that any future use of the building can be accommodated. Schedule 1 tackles restoration work and basic repair to the building and is mostly eligible for grant funding from English Heritage, whilst Schedule 2 sets out enhanced repairs and work to the interior parts of the building, which would need to be

funded entirely by the City Council. These schedules are referred to below and also set out in detail in Appendix A

### 3.2 Schedule 1 – Restoration Works and Basic Repairs

Schedule 1 includes building restoration and repairs focused on Priority 1 repairs as identified in the Conservation Management Plan dated May 2010. This includes structural roof repairs and re-slating, rainwater goods, insulation, structural stabilisation works to the intermediate floors, asbestos removal, and external masonry / rendered surfaces repair and external re-decoration. These works will all be eligible for grant funding from English Heritage.

The gross cost of these eligible restoration works is estimated at £265,234 which would attract a 50% grant contribution from English Heritage, hence the City Council contribution will be £132,617.

Additional repairs are also included within Schedule 1 which are required to maintain the basic functionality of the building. These works, which will not be eligible for grant assistance, will need to be funded entirely from the City Council's budget at an estimated cost of £50,422.

The total cost of Schedule 1 works and funding package is:

Total cost :	£315,656
English Heritage Grant funding:	£132,617
Total City Council capital funding:	£183,039

### 3.3 Schedule 2 – Enhanced Repairs and Improvements to the interior of the Building

Schedule 2 includes works to partly upgrade the first floor area currently occupied by the Tourist Information Centre thus giving a 'baseline' condition for the interior fabric, for consideration as part of the ongoing Tourism review. The schedule also includes works to modernise the incoming services to the building and ensure separate metering to the TIC and individual commercial units.

The total cost of Schedule 2 works is estimated at circa £113,000 and fully utilises the remaining City Council capital funding available for the Old Town Hall

- 3.4 It should be noted that if English Heritage approves the requested grant of £132,617 for eligible restoration works, an unallocated balance of £122,383 will remain against the original HBMDL / PSICA grant funding of £255,000. English Heritage have indicated that they remain open to further suggestions, providing such project(s) will deliver physical benefits and monies can be expended by 31<sup>st</sup> March 2013. Agreement will be sought with English Heritage that the total amount of capital investment by the City Council into the Old Town Hall project can act as match funding to the remaining grant.

#### **4. Management Arrangements**

- 4.1 The project will be managed internally working to an overall Management Group comprising key stakeholders from relevant Services across the City Council.
- 4.2 Subject to agreement with English Heritage, the Group will be supported by a multi disciplinary professional team who will develop the previously detailed proposals for restoration and repair of the building. This professional team is yet to be appointed but is a critical stage in the detailed preparation and delivery of the project.

Such appointment will be subject to a competitive procurement exercise which will need to be undertaken in accordance with European, English Heritage and Carlisle City Council procurement procedures.

#### **5. Programme of Project Delivery and Issues Arising.**

- 5.1 The Programme to deliver the overall project is set out in Appendix B to this report.

Subject to receipt of English Heritage's funding approval by week commencing 2nd April 2012, the external restoration works as set out in Schedule 1 are programmed to be undertaken between September and November 2012, thus avoiding summer and Christmas holiday periods when the Old Town Hall will act as the support venue for a number of civic events.

The works set out in Schedule 2 are programmed to be undertaken between January and February 2013 and are timed to allow for temporary alternative arrangements for the Tourist Information Centre during the quieter winter period.

- 5.2 In order to meet the target dates for completion of the scheduled works, it will be necessary to issue tenders for the appointment of a co-ordinating consultant by no later than week commencing 20<sup>th</sup> February 2012, since it is critical that the full professional team can be appointed immediately after receipt of English Heritage funding approval as above.

#### **6. Conclusion**

The Old Town Hall is a significant building both in terms of its history and its position in the centre of Carlisle city. The proposed works will help secure the fabric of the building in the short to medium term.

#### **7. Recommendations**

- 1. The Executive note progress on the preparatory work for restoration and repair work to the Old Town Hall

2. The Executive approve the release of £551,000 earmarked for this scheme in the 2011/12 and 2012/13 Capital Programmes, noting that this relates to City Council match funding of £296,000, to enable maximum grant funding of £255,000 to be drawn down from English Heritage to part fund the project.
3. The Executive delegate authority to the Director of Economic Development in consultation with the portfolio holder to progress tender invitations for appointment of the Conservation Architect and support team, ahead of EH approval of grant expenditure w/c 2nd April.

## **8. Reasons for Recommendations**

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

1. The City Council secures and maximises the grant funding available in support of the repair / restoration works to the Old Town Hall
2. The work can be carried out and completed within the lifetime of the grant ie. as per Appendix B Programme of works, before the end of March 2013.

## **9. 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. The report requests the release of the capital budget of £551,000 to enable the scheme to progress subject to the receipt of English Heritage's funding approval. A full business case has been prepared and will be considered by the Project Assurance Group in due course.

The budget provided includes £255,000 of funding from English Heritage. A request for funding of £132,617 has been made to English Heritage for Schedule 1 works, the outcome of which will be known early April. If approved, there will be an unallocated balance of £122,383. If agreement with English Heritage is not received for this amount, the capital programme will be reduced accordingly.

The full £296,000 Council funding is required to complete Schedule 1 and 2 works to the required standard.

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.

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.

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.
- 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?**

<b>Equality Impact Screening</b>	<b>Impact Yes/No?</b>	<b>Is the impact positive or negative?</b>
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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**

## Appendix A – SCHEDULES OF WORK TO THE OLD TOWN HALL

### Schedule 1 – Restoration Works and Basic Repairs

<b>Summary of Grant Eligible Costs:</b>		<b>Summary of Ineligible Costs:.</b>	
Roof Area:	£143,072	Roof Area	£750
External Walls	£14,250	External Walls	-
Floor	£5,000	Floor	-
Asbestos Removal	£10,000	Asbestos	-
Services	-	Services ( New boiler, and various electrical works)	£25,000
External Decoration	£10,000	External Decoration	-
Internal Decoration	-	Internal Decoration	£7,000
Sub Total	<b>£182,322</b>	Sub Total	<b>£32,750</b>
Contingency – 15%	£27,348	Contingency – 15%	£4,912
Sub Total	<b>£209,670</b>	Sub Total	<b>£37,662</b>
Preliminaries – 15%	£31,451	Preliminaries – 15%	£5,649
<b>Total</b>	<b>£241,121</b>	<b>Total</b>	<b>£43,311</b>

### Breakdown of Costs, English Heritage Grant & City Council Contribution

	<b>Eligible</b>	<b>Ineligible</b>	<b>Total</b>
Cost of Works (from above)	£241,122	£43,311	£284,433
Professional Fees – 10% of eligible - 16.5% Of Ineligible	£24,112	£7,111	£31,223
<b>Total Project Costs (Gross)</b>	<b>£265,234</b>	<b>£50,422</b>	<b>£315,656</b>
Total Grant Eligible Costs	£265,234		
<b>Proposed English Heritage Grant at 50%</b>	<b>£132,617</b>	<b>£0</b>	<b>£132,617</b>
<b>Required City Council Contribution</b>	<b>£132,617</b>	<b>£50,422</b>	<b>£183,039</b>

## Schedule 2 – Enhanced Repairs and Improvements to Interior of the Building

Description	Cost	Justification
Reinstate old lath & plaster ceilings to heritage standard using lime based plaster.	£6,300	To replace failed ceiling with evidence of water penetration in conjunction with the renewal of light fittings & redecoration.
Reinstate old lath & plaster walls to heritage standard using lime based plaster.	£2,000	To make good areas of water damaged / failed plaster prior to redecoration.
Provide & fix secondary glazing and blinds to main area windows.	£5,000	To match secondary glazing at lift lobby & Assembly Room windows.
Provide new entrance screen consisting of vestibule & inner & outer doors.	£6,500	Reconfigured entrance doors to allow reversal of existing projecting draught lobby structure which does not work & is considered incongruous to the historic geometry of the building.
Replacement carpet.	£4,440	Replacement of worn carpeting.
Construct & install new reception counter.	£30,000	New work station compliant replacement counter including storage behind; graphic displays to cover cupboard areas (Optional).
Replace and upgrade incoming water and electrical services to provide separate metering to individual demises.	£20,000	Replacement of non compliant lead pipe incoming water services. Separate metering will make tenants directly responsible for units of water & electricity consumed reducing the residual balance currently paid for by the City Council.
<b>Sub Total</b>	<b>£74,240</b>	
Add: Contingency – 15%	£11,136	Price variance/unforeseen works.
Sub Total:	<b>£85,376</b>	
Add: Preliminaries – 15%	£12,806	Contractor overheads & profit.
Sub Total:	<b>£98,182</b>	
Add: Fees – 15%	£14,727	Conservation Team / CDM supervisor / site supervision.
<b>Total ‘Schedule 2’ works</b>	<b>£112,909</b>	

## **Appendix B : PROGRAMME OF WORKS AND PREPARATORY STAGES**

- |                                                                 |                                        |
|-----------------------------------------------------------------|----------------------------------------|
| 1) Funding application submitted to English Heritage            | <b>19<sup>th</sup> January 12</b>      |
| 2) Co-ordinating consultant 'Invitation to Tender' issued       | w.c 20 <sup>th</sup> February 12       |
| 3) SMT consider / approve project proposals                     | 21 <sup>st</sup> February 12           |
| 4) Executive consider / approve project proposals               | 12 <sup>th</sup> March 12              |
| 5) Receipt of co-ordinating consultant tenders                  | w.c 19 <sup>th</sup> March 12          |
| <b>6) English Heritage - Funding approved;</b>                  | <b>w.c 2<sup>nd</sup> April 12</b>     |
| 7) Co-ordinating consultant appointed                           | w.c 9 <sup>th</sup> April 12           |
| 8) Commencement of Stage 1: 'Development of Detailed Proposals' | w.c 16 <sup>th</sup> April 12          |
| 9) Stage 1 'Final Project Plan' approved                        | w.c 21 <sup>st</sup> May 12            |
| 10) Commencement of Stage 2: Implementation                     | w.c 28 <sup>th</sup> May 12            |
| 11) Statutory Applications submitted                            | w.c 4 <sup>th</sup> June 12            |
| 12) Building work tenders issued                                | w.c 2 <sup>nd</sup> July 12            |
| 13) Building work tenders returned / Statutory approvals        | w.c 30 <sup>th</sup> July 12           |
| 14) Main Contractor appointed                                   | w.c 13 <sup>th</sup> August 12         |
| <b>15) External restoration works commence on site</b>          | <b>w.c 3<sup>rd</sup> September 12</b> |
| <b>16) External restoration works completed</b>                 | <b>w.c 26<sup>th</sup> November 12</b> |
| <b>17) Internal repairs commence on site</b>                    | <b>w.c 7<sup>th</sup> January 13</b>   |
| <b>18) Internal repairs complete on site</b>                    | <b>w.c 11<sup>th</sup> March 13</b>    |
| <b>19) PSICA Programme completion</b>                           | <b>31<sup>st</sup> March 2013</b>      |