

Policy Committee – 11th September 2017**Redevelopment of Skipton Town Hall – Heritage Lottery Fund Stage 2 Application and Future Capital Funding**

Report of the Strategic Manager Planning and Regeneration
Ward(s) affected: All Wards

1. Purpose of Report

To request permission to submit the Stage 2 Heritage Lottery funding application for the redevelopment of Skipton Town Hall by the 15th September 2017, to present the range of funding sources that are being pursued to deliver the scheme and request permission to apply to these funds, and in order to support the submission of the Stage 2 HLF application request additional capital budget.

2. Recommendations

It is recommended to:

- 2.1 Approve an addition to the capital budget of £136,000 in 2018/19 using the New Homes Bonus to Redevelop Skipton Town Hall.
- 2.2 Provide an underwriting facility of £1,600,000 of capital funding to cover the external funding applications that will fund the redevelopment of Skipton Town Hall.
- 2.3 Delegate Authority for the Director of Services in discussion with the Chief Finance Officer and the Lead Member for Enterprise to submit the Stage 2 HLF application by the 15th September 2017.
- 2.4 To grant authority to the Strategic Manager of Planning and Regeneration to submit funding applications as set out in table 3.

3. Background

3.1 The successful Stage 1 application set out a vision to create a revitalized museum and to achieve this £1.5m was set aside subject to a successful Stage 2 application. In order to prepare for the stage 2 application considerable work has been undertaken including:

- A full assessment and mapping of the museum's collections – around 60,000 objects.
- Consultation with partners and stakeholders, including the establishment of a working group to undertake more in-depth work developing museum interpretation themes
- Development of an interpretation plan
- Preparation of an activity plan for the three year HLF project, which also includes revision of the volunteer policy, development of the formal education offer, sustainability plan and evaluation strategy
- Preparation of future budget scenarios

- Preparation of the architectural designs for the Museum, Gallery and TIC areas
- Preparation of architects schemes for the extension
- Undertaking of ceiling condition survey for the Concert Hall
- Public consultation on the plans and designs

- 3.2 A range of actions and activities have been pursued to build confidence with funders to better enable understanding of the vision and also show the long term security of the cultural service. The lease with Wildwood, the taster programme of performances and events a and subsequent positive feedback, and the increase in quality and range of the autumn and winter 2017 events programme is developing the new audience both locally and from neighboring towns and cities.
- 3.3 It is essential that the services and facilities in the building work as a whole cultural service and hub venue so we commissioned the architects appointed for the HLF project to design all stages of the Town Hall's development at once. From the subsequent designs it is clear that for the HLF scheme to work an extension to the rear of the Town hall is necessary. As this extension will house non-HLF funded facilities a further level of complexity is created, as certain items would not be eligible - for example we would have an HLF funded Education Room in an extension that was not eligible for HLF funding. We have therefore discussed with the HLF if they would be willing to allocate their £1.5m to the entire scheme and not to specific components. They have said that they are content to do this so that it will make procurement, project delivery and the seeking of other external funds much simpler.
- 3.4 The challenge with this approach is that it has brought forward the requirement to secure all of the funding for the redevelopment of the Town Hall development, as the HLF require assurances that the whole scheme will be delivered.

4. Latest Architect and Museum Designs

- 4.1 The designs and images in Annex 2 show the vision for a modern museum, gallery and hall that will provide high quality standards and services. These designs are the result of considerable research and a series of consultation events, both with stakeholders and the general public.
- 4.2 The key changes in the design since the initial stage 1 business plan are that the commercial unit at rear of the Town Hall has been removed to allow space for a kitchen, community space (education room) and associated toilets necessary to allow for all functions to operate within the building, often simultaneously. These facilities could not be accommodated in the space available along with a commercial unit in the rear. The commercial areas are therefore focused at more economical attractive front of the building.

5. Redevelopment Costs and Funding Sources

- 5.1 Annex One provides a breakdown of the costs to produce the complete redevelopment of Skipton Town Hall. It shows that the total cost of the redevelopment including the revenue costs that are part of the HLF application comes to £4,577,620.
- 5.2 Most of the design adaptations did not make any significant difference to the costs as the overall footprint of the building remained the same. The key changes in the costs outlined in the Stage 1 HLF application are related to the decision to progress the redevelopment of all of the Town Hall as one project, which has therefore accelerated the work programme and required the funding of the scheme to be brought forward.
- 5.3 The other significant cost change since the Stage 1 application relates to the cost of decanting and storing the museum collections which was undercosted.

- 5.4 Table 1 below sets out the cost of the scheme and the funding through HLF and Craven District Council budget that has already been agreed.

Table 1: Redevelopment Costs and 'Secured' Funding Sources

COST	£4,577,620
FUNDING	
HLF funding (Stage 2)	£1,501,500
CDC Match	£807,800
CDC Capital 17-19	£532,390
Sub Total	£2,841,690
FUNDING GAP	£1,735,930

- 5.5 Craven DC have submitted further funding applications to the YNYER LEP Growth Deal 4 and also to the Leeds City Region EAFRD fund as set out in table 2 below. In addition we plan to submit a funding application to the Country Houses Grant Fund by the 15th September 2017.
- 5.6 An unsuccessful application was made to the Clore Duffield Trust seeking £400,000 to fund the Education Room. Unfortunately the fund was oversubscribed and the bid was not shortlisted but they have encouraged us to resubmit in April 2018.
- 5.7 If the current funding applications are successful then there will still be a funding gap of £136,000. This funding will need to be found before the project can proceed.

Table 2: Current Funding Applications

FUNDING GAP	£1,735,930	
CURRENT FUNDING APPLICATION		
EAFRD European funding	£850,000	Stage 1 submitted and response expected mid-September
LEP funding	£600,000	Submitted and awaiting response
Country Houses Grant	£150,000	In preparation for submission by 15 th September
Sub Total	£1,600,000	
REMAINING FUNDING GAP	£135,924	

- 5.8 It cannot be assumed that we will be successful with these funding applications as the sources are very competitive and funds such EAFRD are very technical so they may not come to fruition.
- 5.9 Other sources that we are discussing with partners are in table 3 below. The Northern Cultural Regeneration Fund is a £15m fund to support 3 to 4 projects across the north of England that will complement the Great Exhibition of the North in Newcastle in 2018. This

will be a very prestigious accolade and so is likely to be very competitive but the timescales to have a project with match funding in place and ready to start will be a difficult hurdle for many other projects in the region, so we believe we are in a favourable position in this regard and that it is worth pursuing this opportunity. The process for this fund is for LEPs to choose their favorite project which is then submitted to a DCMS panel. We have received early encouragement from both YNYER and Leeds City Region LEPs for the Town Hall project.

Table 3: Alternative Sources of External Funding

Funding Source	Amount (£)	Status
Country House Fund	£150,000	In preparation for submission by 15 th September
Northern Cultural Regeneration Fund	£2,500,000	Outline to be submitted by 22 nd September. Bid encouraged by both YNYER and LCR LEPs
Clore Duffield	£300,000	First attempt unsuccessful but encouraged to reapply in April 2018

6. Underwriting of the Redevelopment of Skipton Town Hall

- 6.1 HLF have requested that Craven DC underwrite the outstanding budget for the entire project as it is clear to them that for the HLF project to be successful, the extension and ancillary facilities such as the kitchen and the dedicated toilets for the education space are required.
- 6.2 The current funding gap, assuming that we are unsuccessful with all of the funding applications is £1,735,924.

7. Alternative Ways Forward

- 7.1 There are a number of alternative approaches that could be followed:
 - A. It is possible to delay the HLF stage 2 submission until April 2018 in order to allow us the opportunity to attract more external funding to deliver the entire scheme as one project. The drawbacks to this approach are that the project will be delayed so there will be a gap between funding rounds and resources for staff essential to the project. We will therefore either lose the staff already in place for delivery of the HLF project, or additional funding for their posts will be required. We have also received advice from HLF officers that such an approach will likely reduce the confidence of the HLF Board when deciding the Stage 2 application.
 - B. It is possible to split out the costs for the redevelopment of the main hall including the repairs to the ceiling, plasterwork, any floor strengthening, improvements to the stage and overall redecoration. It is estimated that this will delay approximately £500,000 of expenditure to allow time to seek external funding for this discrete project.
 - C. In principle all of the match funding to the HLF project does not have to be in place until HLF grant us permission to start the project which is likely to be sometime in Spring 2018. We could therefore theoretically submit the application in its current state but the clear advice from the HLF officers is that this course is likely to raise concerns with the HLF Board when they are considering our Stage 2 application and so put at risk the HLF funding.

8. Next Steps for the Project

8.1 The next steps are for the project is expected to be:

- The final Stage 2 application along with supporting evidence is currently being compiled. This includes the research, consultation results, designs, draft budgets and activity plans.
- On the 15th September the Stage 2 HLF application needs to be submitted.
- We expect the HLF regional board to consider the application in November 2017
- The planning application is expected to be made in early September and it is hoped that a decision will be taken in November 2017.
- There will be further funding submissions outlined in Table 3 and also the stage 2 EAFRD application made over the next 2 months in order to support the delivery of the project.
- There is a flying freehold over the museum annex and although this does not preclude the Council from submitting the Stage 2 application there will be discussions on the options for the future in the coming months.
- If successful with the Stage 2 application we would expect to receive a permission to start the project in April 2018

9.0 Implications

9.1 Financial Implications

The financial implications are contained within the body of the report and they are summarized in Table 4 and in Annex 1. The Council is required to underwrite the cost of the project in full in order to secure the Stage 2 HLF funding.

Table 4: Summary of Funding

	Current Funding Approach	Underwriting Approach
HLF funding (Stage 2)	£1,501,500	£1,501,500
CDC Match	£807,800	£807,800
CDC Capital 17-19	£532,390	£532,390
Growth Deal 4	£600,000	£0
EAFRD	£850,000	£0
Country House	£150,000	£0
New Homes Bonus	£136,000	£136,000
Underwriting		£1,600,000
Sub-total	£4,577,690	£4,577,690
Cost	£4,577,620	£4,577,620

In order to fund the full £1.6m to underwrite the full project there are two broad approaches:

- Borrow from the PWLB at 2.3% (29/08/17) for 100 year loan would cost an estimated £53,000 pa.

- The sale of assets can generate sufficient resources cover the £1.6m

Whichever approach is taken at the time it is clear that we need to raise the funds then a further report will go to the Policy Committee to confirm the best value approach.

9.2 Legal Implications

9.3 Contribution to Corporate Priorities and the Community Strategy –

The proposed changes would contribute to achieving the following corporate priorities:

- Enterprising Craven
- Resilient Communities

10. Risk Management

The Council is required to underwrite the entire project in order to secure the HLF funding as there is a risk that the Stage 2 HLF funded will not be awarded.

The planning application related to the HLF project is expected to be submitted in early September. There is a risk to the HLF funding if planning consent is not secured prior to the permission to start from the HLF.

11. Consultations with Others –

Legal, Finance

12. Access to Information: Background Documents – Stage 2 HLF application

13. **Appendices –** Annex 1 – Cost Schedule for the Skipton Town Hall Refurbishment Scheme
Annex 2 – Architect and Museum Designer Images

14. Author of the Report –

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

DEVELOPED PROPOSAL BUDGET

CAPITAL COSTS	£
Construction Cost	
Preparatory work	3,000
Museum & Gallery Zone	
Demolition & alterations	65,590
Builder/structural work	21,070
Upper floors	9,910
Roofs (excluded)	
Stairs	20,500
External walls, windows & doors	33,850
Internal walls, partitions & doors	61,770
Finishes	119,950
Fittings	32,450
Services	333,410
Preliminaries	93,030
Design development	32,560
New platform lift	32,000
Fabric repairs (roofs)	76,700
Fit out of toilets, changing rooms and stores	247,840
Extension	808,800
Racking storage to museum store	35,000
Main Hall upgrading works	405,210
Museum Fit Out Works	718,850
Direct Spend	8,580
Professional Fees	598,090
Statutory Fees	12,310
ACTIVITY COSTS (HLF)	
New staff costs	203,500
Conservation - museum collections	10,000
Training for staff	2,280
Training for volunteers	300
Travel for staff	2,350
Travel & expenses for volunteers	2,500
Equipment & materials (activity)	17,840
Collections decant, transportation, storage and recant	137,800
Activity facilitators	10,150
Interpretation	16,000
OTHER COSTS (HLF)	
Recruitment	0
Publicity & promotion	4,000
Evaluation	2,000
Contingency	292,190
Inflation	106,240
TOTAL	4,577,620

Designs and Images of Skipton Town Hall



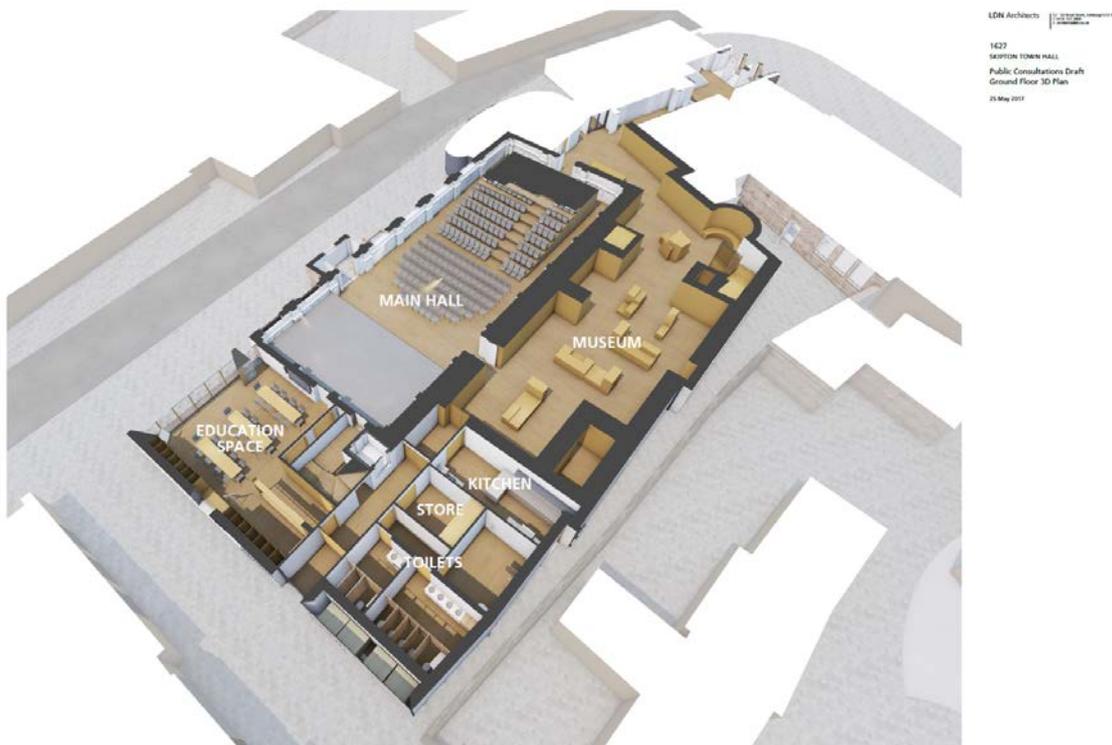
Extension (Eastern Elevation)



Extension (Southern Elevation)



Main Hall and Extension (internal)



Ground Floor Layout



LDN Architects
1627
SKIPTON TOWN HALL
Public Consultations Draft
First Floor 3D Plan
25 May 2017

First Floor Layout



LDN Architects
1627
SKIPTON TOWN HALL
Public Consultations Draft
Main Hall
25 May 2017

Main Hall



New Museum Entrance



Collections Layout