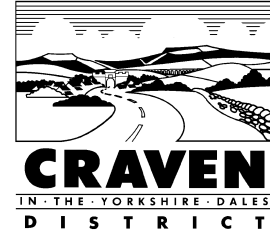


## Policy Committee - 19<sup>th</sup> August 2014

### SKIPTON TOWN HALL



#### Report of the Director of Services

Ward(s) affected: Skipton Wards

#### 1. Purpose of Report

- 1.1 To update Members on the progress of the refurbishment and redevelopment of Skipton Town Hall:
- 1.2 To request a supplementary capital estimate to deliver the next phase of the business plan to form commercial letting units to the front of the building and prepare an application to the Heritage Lottery Fund for a new museum, gallery, community and entertainment venue.

#### 2. Recommendations

Members are recommended to:

- 2.1 Note the progress of the refurbishment and redevelopment works to date.
- 2.2 Approve a supplementary capital estimate of £773,900 to enable works to be carried out to form commercial letting units to the front of the building and a supplementary revenue estimate of £25,000 to prepare an application to the Heritage Lottery Fund for a new museum, gallery, community and entertainment venue.

#### 3. Background

- 3.1 The Council's Policy Committee of 23<sup>rd</sup> April 2013 (POL.509/12-13) requested the Council pursue its own arrangements for the future management of the Town Hall, Museum and Tourist Information Centre ensuring opportunities to maximise the value from the Council's assets, in particular 17 & 19 High Street, Skipton are fully explored.
- 3.2 Subsequently the Council's Policy Committee of 19<sup>th</sup> November 2013 approved the Town Hall Business Plan detailing a phased approach for the refurbishment and redevelopment of Skipton Town Hall and associated buildings.
- 3.3 Approval was also given for an initial capital budget contribution of £220,000 to be funded from the New Homes Bonus Infrastructure Reserve for the delivery of a Phase 1 refurbishment project as detailed in the Business Plan, essentially to demolish the existing toilet block and rebuild incorporating a new accessible entrance and lift to the first floor.

A further supplementary capital estimate for £125,000 was approved for the purchase and installation of a replacement boiler for the Town Hall.

- 3.4 Since November 2013 Policy Committee regular Member seminars and public consultations have been held to provide Members and the public with the opportunity to view and

# AGENDA ITEM 8

comment on progress, the design of the lift/replacement toilet facilities/accessible entrance for the building and the future plans for 17 & 19 High Street, incorporating the current Tourist Information Centre.

- 3.5 Planning permission for the phase 1 lift/replacement toilet facilities/accessible entrance has been obtained, design and cost estimates acquired and the build contract will be issued in August / September 2014. Work will commence October 2014 with completion expected end March 2015. It is projected the cost of the work will be within the initial capital budget contribution of £220,000.

## 4. Next Phase

- 4.1 Beyond phase 1 there are numerous exciting options for the redevelopment of the Town Hall. Work has commenced on the scoping of a new museum, gallery, community and entertainment venue for submission to the Heritage Lottery Fund and there is the potential of commercial lettings to generate the income that can then be re-invested in the building.
- 4.2 Two firm expressions of interest have been received to lease parts of the Town Hall, one from Skipton Town Council and another from a company wishing to establish a Real Ale Bar. Heads of Terms were issued to the Town Council in February 2014 whilst a change of use planning application from the Real Ale company is expected in Autumn 2014.
- 4.3 To determine the best commercial opportunities from the remaining void parts the Council commissioned a report on reconfiguring the frontages of the Town Hall and 17 / 19 High Street to achieve the lettings that would generate a sufficient income stream to develop and maintain the property. The report was explicitly requested not to consider the Council Chamber, Museum, Gallery and Main Hall, which will be retained for community use and parts of which will be included in the application to the Heritage Lottery Fund.
- 4.4 The report recommended the Town Hall is better suited to securing commercial interest if the combined floor space of 17/19 High Street and current Tourist Information Centre area was available as a single unit and this has been proven from interest already expressed by prospective future tenants. The Tourist Information Centre would be re-located to a pivotal position within the centre of the building.

The report also suggested that the Council should undertake landlord works prior to any tenant signing a lease to ensure a good covenanted tenant is attracted.

- 4.5 To create the combined floor space for 17/19 High Street and undertake landlord works to ensure the commercial space can be functional for the two confirmed interested tenants (Skipton Town Council and the Real Ale Bar) the following works are required at a total estimated cost of £415,600 (costs based on Building Price Index and Quantity Surveyors experience and local knowledge):-

- *To combine the floor space for 17/19 High Street, creating a single commercial let;-*

opening of structural wall, rear of building fire escape route including internal and external stairs, ground works to level floor, open traditional double doors, works to the wall between the unit and the Town Hall front entrance lobby which will make the unit attractive and integrated with the remainder of the building. *Cost estimate £155,000.*

- *First floor offices, currently being viewed by Skipton Town Council:-*

Works to the office space to incorporate a self-contained kitchen and accessible WC, interior wall removals and new partition wall. *Cost estimate £60,000.*

# AGENDA ITEM 8

- *South eastern corner unit, to allow occupation from a Real Ale Bar;-*

New external to internal entrance to form self-contained unit, new WC, acoustic and fire protection panelling between the ground and first floor units, external drainage works. *Cost estimate £27,500.*

- *For all commercial lettings as identified by the structural survey;-*

Structural steel support works, asbestos and mass concrete filling to further support infrastructure works. *Cost estimate £53,800.*

- *For overall improvement of the Town Hall including commercial lettings and relocated Tourist Information Centre;-*

Ground floor lobby space redecoration/renovation, exterior stonework repairs, and fire and intruder prevention and alarm upgrades. *Cost estimate £119,300.*

4.6 The professional fees to deliver the above works are estimated to be £119, 500. These include architects works, a construction design management regulations co-ordinator, quantity surveyor, structural engineer and mechanical and electrical design.

4.7 The works listed in 4.5 and 4.6 above do not need to be, nor will they be, undertaken until heads of terms are exchanged however the design and intent need to be evident to any prospective tenant. This evidence includes having in place listed building consent, change of use planning approval and budget allocation.

4.8 An application for listed building consent and change of use was submitted on 25<sup>th</sup> July and will be considered by Planning Committee on 22<sup>nd</sup> September 2014 whilst this report seeks Member approval for a supplementary capital estimate for the budget allocation.

## **5. Utility Works**

5.1 A new boiler and building wide heating system for the Town Hall to enable the commercial lets and improve efficiency to all parts of the building including the extensive community areas is required. A feasibility study carried out by the Council's external mechanical and electrical engineering advisers into the potential use of different renewable technologies concluded the best solution for the building is a new modular gas boiler system. This includes new pipework and radiators throughout the building due to the age and condition of the existing, and independent gas supply to each proposed new commercial unit. £125,000 is already included within the 2014/15 capital programme for the boiler.

5.2 Independent water and electricity supplies for each of the proposed new commercial units are also required to ensure each tenant is responsible for their own services and associated costs, minimising administration costs for the Council.

5.3 This work allows for individual commercial lettings and benefits from efficiencies both in terms of revenue savings and improved equal heat distribution. The estimated cost for the utility works described in 5.1 to 5.2 above including the boiler is £363,800. Table 1 overleaf summarises the financial information in paragraphs 4.5 to 5.3.

# AGENDA ITEM 8

| <b>FINANCIAL SUMMARY OF WORKS</b>                        |                |
|--|----------------|
| <b>Description</b>                                       | <b>Cost</b>    |
|  | <b>£</b>       |
| Combining Floor Space 17/19 High Street                  | 155,000        |
| First Floor Office Reconfiguration                       | 60,000         |
| New Entrance and Toilet                                  | 27,500         |
| Steel Works  | 53,800         |
| Ground Floor Lobby Space Works and Refurbishment         | 119,300        |
| Utility Works – (excluding capital sum already approved) | 238,800        |
| Professional Fees  | 119,500        |
| <b>Total Costs of Phase 2</b>                            | <b>773,900</b> |

Table 1

## **6. Other Activity**

- 6.1 A second phase of development work for the Town Hall seeks to create new and improved space for the museum, gallery and community areas to enhance the Council's heritage and entertainment offer. Work could include a new build at the rear of the Town Hall, improvement of the stage and changing rooms and the restoration of the main hall ceiling. A contract has been awarded to local architects, Bowman Riley to develop a scheme proposal and design brief which will then be used to prepare and submit a funding bid to Heritage Lottery.
- 6.2 A raft of initial improvements have already been made to the external and internal fabric of the building including the repair, draught proofing and decoration of all windows (except the annexe and backstage areas), a new viewing area created in the 1<sup>st</sup> floor museum area to allow items from the Museum store to be more accessible to the public and a lean-to linking the rear of the Town Hall to 19 High Street has been demolished to allow separate lettings. Work is also underway to repair the lean-to on the Jerry Croft side of the Town Hall.
- 6.3 Additional work, funded from a successful £50,000 bid to the Arts Council, is also nearing completion. This work included security improvements, temperature and CCTV upgrades and enables the Council to satisfy this Government's Indemnity Status. This then allows the Museum to enhance the exhibitions it puts on by being able to display more valuable items.
- 6.4 Discussions are being held with Rural Arts with a view to arranging a series of events in 2015 to help establish audience participation levels that in turn inform future programming for the Town Hall. Rural Arts run a rural touring scheme to enable rural communities to access live performance by professional musicians, dancers, puppeteers, actors and performers. Each year Rural Arts produces a brochure of high quality performers who are able and equipped to perform in small venues. The community venue e.g. Skipton Town Hall chooses the performances and either pays the full fee and retains all box office receipts, or negotiates a subsidised fee to minimise risk to the venue, but where Rural Arts keeps up to 80% of the box office income.
- 6.5 Discussions have been held with Skipton Camerata with regards the potential of establishing a resident orchestra in Skipton Town Hall. Skipton Camerata was created in 2004 and consists of a professional orchestra with professional guest singers – often from Opera North and sometimes Covent Garden. Their presence in the Town Hall would benefit both parties, the Camerata from having a permanent home and the Council with the opportunity of hosting an increasing number of concerts in the Town Hall. The arrangement could also benefit both parties by giving each a greater ability to apply for grant funding.

# AGENDA ITEM 8

## 7. Implications

### Financial Implications –

- 7.1 The Council approved a capital budget for phase 1 of £220,000 in December 2013. Works for phase 1 are projected to be contained within this amount (subject to completion).
- 7.2 A full cost plan for all of the work to facilitate the commercial lettings (para 4.5, £415,600), utility works (para 5.3, £363,800) and professional fees (para 4.6, £119,500) (total £898,900) has been prepared by an externally appointed quantity surveyor.
- 7.3 A sum of £25,000 is required to recruit the necessary expertise to develop the application to the Heritage Lottery Fund for a new museum, gallery, community and entertainment venue.
- 7.4 As part of the 14/15 capital programme, the Council already approved £125,000 for the purchase and installation of a replacement boiler for the Town Hall which will be included in the utility works proposed. A supplementary capital budget of £773,900 (£898,900 less £125,000) and a supplementary revenue budget of £25,000 is therefore requested to undertake the work to facilitate the commercial lettings, utility works and develop the Heritage Lottery Funding application respectively.
- 7.5 The work provides for a conservatively estimated annual rental income of £80,000 from the three units to be let. Assuming there are no void periods the payback period based on outlay: rental income is 10 years. In addition to the rental income there are also savings in NDR and utility costs resulting an overall revenue budget saving of £10,500 per annum (net of borrowing capital borrowing costs) reducing the payback period to 8.5 years
- 7.6 By approving the supplementary capital estimate and undertaking the work to facilitate the commercial lettings and the utility works annual revenue budget savings of £90,500 will be delivered by end March 2016. This saving contributes significantly to the saving required by the the income and savings plan that forms part of the Council's Medium Term Financial Strategy from the Skipton Town Hall project of £150,000 by end March 2017. If the investment is not made and/or the lettings are not forthcoming the Council will need to identify alternative savings proposals to address the shortfall in the MTFs.
- 7.7 The £773,900 supplementary capital estimate can be funded from a combination of borrowing and new homes bonus – see table 2 below. The £20,000 supplementary revenue estimate can be funded from Enabling Efficiencies.
- 7.8 The financial information is summarised as follows;

| Description                                     | Cost             | Funding Source        |
|---|------------------|-----------------------|
|   | £                |                       |
| Immediate Maintenance Works in 2013             | 70,000           | Enabling Efficiencies |
| Phase 1 - Toilet Block & Lift                   | 220,000          | New Homes Bonus       |
| Phase 1 - Boiler                                | 125,000          | Capital Receipts      |
| Museum Upgrades & Security Improvements         | 50,000           | Arts Council Grant    |
| Phase 2 - Building & Utility Works              | 250,000          | New Homes Bonus       |
| Phase 2 - Building & Utility Works              | 275,000          | Borrowing             |
| Phase 2 - Building & Utility Works              | 248,900          | Capital Receipts      |
| Heritage Lottery Fund Application Assistance    | 25,000           | Enabling Efficiencies |
| <b>Total Costs on Town Hall Project to Date</b> | <b>1,263,900</b> |                       |

Table 2

# AGENDA ITEM 8

7.9 **Legal Implications** – None arising directly from this report.

7.10 **Contribution to Council Priorities** – Enterprising Craven, Greener Craven, Financial Resilience. By letting out commercial units the Council will be contributing to the economic vitality of the town centre. The installation of an energy efficient boiler will contribute to the overall reduction in CO<sup>2</sup> emissions. By investing in the Town Hall and letting out commercial space to support the community elements of the building, additional income will be generated to help make this a self-sustaining building.

8. **Consultations with Others** –

Council's employed professional team comprising:  
Architects, Quantity Surveyor, Health & Safety Co-ordinator, Structural Engineer  
Asbestos Surveyor, Ecology Surveyor, Topographical Surveyor  
CDC's Finance Manager, Health & Safety Officer and Building Control

9. **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.