

Public Document Pack



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28 May 2020

Dear Councillor

NOTICE OF DECISION TAKEN BY THE LEADER OF THE COUNCIL – (LD04) RESTORATION OF MAISON DIEU (DOVER TOWN HALL)

Please find attached details of a decision taken by Councillor Trevor Bartlett, Leader of the Council, in relation to the restoration of the Maison Dieu (Dover Town Hall).

This decision is outside the Council's budget and policy framework. However, it is not practical to convene a quorate meeting of the full Council in the current circumstances so the agreement of the Chairman of the Overview and Scrutiny Committee has been obtained, in accordance with Paragraph 4 (Urgent decisions outside the budget or policy framework) of Part 4 (Rules of Procedure) of the Constitution.

Councillor M D Conolly, Chairman of the Council, has agreed to suspend call-in for the reasons set out in paragraph 1.3 of the Decision Notice.

Appendix 1 of the accompanying report is exempt under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972.

Members of the public who require further information are asked to contact Kate Batty-Smith on 01304 872303 or by e-mail at democraticservices@dover.gov.uk.

Yours sincerely

A handwritten signature in purple ink that reads "Kate Batty-Smith". Below the signature is a short horizontal line.

Democratic Services Officer

ENCL

1 **NOTICE OF DECISION TAKEN BY THE LEADER OF THE COUNCIL - (LD04)
RESTORATION OF MAISON DIEU (DOVER TOWN HALL)** (Pages 2-14)

Decision Notice

Decision No:	LD04
Subject:	RESTORATION OF MAISON DIEU, DOVER
Notification Date:	28 May 2020
Implementation Date:	29 May 2020
Decision taken by:	Councillor Trevor Bartlett, Leader of the Council
Authority:	By virtue of Section 9E (2) (a) of the Local Government Act 2000 (Discharge of functions by senior executive member)
Decision Type:	Executive Key Decision
Call-In to Apply?	No (<i>The Chairman of the Council has agreed to suspend call-in for the reasons set out in paragraph 1.3</i>)
Classification:	Unrestricted - but Appendix 1 to the attached report is Restricted and NOT FOR PUBLICATION by reason that it contains information which is exempt by virtue of the provisions of Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972
Reason for the Decision:	<p>To increase the Council's match-funding contribution to the project to restore the Maison Dieu, Dover by £1.5 million;</p> <p>To confirm agreement to the Council taking a direct role in managing the premises on completion of the project; and</p> <p>To confirm agreement to the proposed approach taken with regards to the surrender of the Your Leisure lease.</p>
Decision:	<ol style="list-style-type: none"> 1. To note and welcome the progress made with the project during the development phase. 2. To increase the Council's match-funding contribution within the Capital Programme by £1.5 million to meet the additional costs identified relating to backlog of maintenance and works required to make the building fit for purpose. 3. To confirm agreement to the proposal that the Council takes a direct role in managing the premises on completion of the project. 4. To confirm agreement to the proposed approach taken with regards to the surrender of the Your Leisure lease and to delegate responsibility to conclude the agreement to the Strategic Director (Operations and Commercial), in consultation with the Portfolio Holder for Environment and Commercial Services. 5. It is the opinion of the decision-maker that this decision is an urgent one and therefore not subject to call-in.

1. **Consideration and Alternatives** *(if applicable)*
 - 1.1 See attached report.
 - 1.2 This decision is not in accordance with the budget approved by full Council in March 2020. However, it is not practical to convene a quorate meeting of the full Council in a timely manner at this time due to the Coronavirus pandemic, and the Leader is therefore taking the decision as a matter of urgency as provided for under Paragraph 4 (Urgent decisions outside the Budget or Policy Framework) of the Budget and Policy Framework Procedure Rules of Part 4 (Rules of Procedure) of the Constitution. In accordance with this provision, the agreement of the Chairman of the Overview and Scrutiny Committee has also been obtained.
 - 1.3 The Chairman of the Council has agreed to suspend call-in due to the imminent deadlines associated with the application to the National Heritage Lottery Fund (NHLF). The Council is seeking to make a second-round application for the delivery of the project, the work on which is required to be complete by 30 April 2020, with the application bid submitted by 29 May 2020.
2. **Any Conflicts of Interest Declared?**
 - 2.1 None.
3. **Supporting Information** *(as applicable)*
 - 3.1 See attached report.

Subject:	RESTORATION OF MAISON DIEU, DOVER
Date:	18 May 2020
Decision to be taken by:	Councillor Trevor Bartlett, Leader of the Council
Report of:	Roger Walton, Strategic Director (Operations and Commercial)
Portfolio Holder:	Councillor Oliver Richardson, Portfolio Holder for Environment and Commercial Services
Decision Type:	Key Decision
Classification:	Unrestricted - but Appendix 1 is Restricted and NOT FOR PUBLICATION by reason that it contains information which is exempt by virtue of the provisions of Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972
Authority	Section 9E(2)(a) of the Local Government Act 2000 (Discharge of functions by senior executive member)
Purpose of the report:	To provide an update on the progress with plans to restore Maison Dieu, Dover following the award of a development grant from the National Lottery Heritage Fund (NLHF), formerly the Heritage Lottery Fund (HLF), in July 2018, and to seek agreement to the allocation of additional funds to the project within the Capital Programme to meet the additional costs identified relating to the backlog of maintenance and the arrangements for the future management of the building.
Recommendation:	<p>To agree:</p> <ol style="list-style-type: none"> 1. To note and welcome the progress made with the project during the development phase. 2. To increase the Council's match funding contribution within the Capital Programme by £1.5m to meet the additional costs identified relating to backlog of maintenance and works required to make the building fit for purpose. 3. To confirm agreement to the proposal that the Council take a direct role in managing the premises on completion of the project. 4. To confirm agreement to the proposed approach taken with regards to the surrender of the Your Leisure lease and to delegate responsibility to conclude the agreement to the Strategic Director (Operations & Commercial) in consultation with the Portfolio Holder for Environment & Commercial Services.

1. Summary

- 1.1 The Leader will recall that the Council was awarded a development grant from the National Lottery Heritage Fund (NLHF), formerly the Heritage Lottery Fund (HLF), in July 2018 towards the costs of this project, which seeks to restore the Maison Dieu in Dover.

- 1.2 Cabinet subsequently resolved at the meeting on 10 September 2018 to accept the NLHF grant and to approve the Council's match funding contribution from the Capital Programme for the development phase, during which the project proposals are refined in a much greater level of detail to enable the preparation of the second round application for the delivery phase, which needs to be submitted by 2 July 2020.
- 1.3 This report updates on the progress made over the past 18 months during the development phase of the project and asks the Leader to allocate additional funds from within the Capital Programme to meet the projected increase in the overall project cost, which has arisen as a consequence of the need to allow for additional repair works to the structure to be undertaken at this time as identified during this phase of the project.
- 1.4 The report also sets out proposals for the future management of the building on completion of the project, which it is proposed will see the Council taking a more direct role in the management of the premises.
2. **Introduction and Background**
 - 2.1 The Council has been working on proposals for the refurbishment of Maison Dieu, Dover for several years and has allocated funds within the Medium-Term Financial Plan to support the project.
 - 2.2 To recap; the Maison Dieu is a substantial DDC-owned asset situated within the Dover Town Centre Conservation Area and is a Grade 1 Listed Building and a Scheduled Ancient Monument. It has a long history dating back to 1203, originating as a mediaeval hospital (Maison Dieu). The building is an extensive and complex property that has been extended several times throughout its life encompassing many architectural periods.
 - 2.3 Following Cabinet agreement in July 2014, the consultants Ingham Pinnock Associates (IPA) were commissioned to prepare a sustainable business plan for the future refurbishment and redevelopment of Dover Town Hall. This was presented to Cabinet at the meeting held on 3 November 2015 when Cabinet agreed to allocate funds from the Regeneration Reserve within the Earmarked General Reserves to enable the project to move forward to the next stage and to support the development of a bid for grant support to HLF.
 - 2.4 Subsequent reports to Cabinet considered in October and November 2016, agreed to allocate a further £30k from the Special Projects Reserve to support the preparation of the bid and to increase the monies allocated to this project within the capital programme from £2m to £3m.
 - 2.5 The initial submission made to HLF for a Heritage Grant of £8.5m towards an estimated project cost of £13.2m as agreed by Cabinet was submitted in December 2016.
 - 2.6 Applications for Heritage Grants above £5m were at that time required to be made by December each year, with a decision made in April. The Council's initial application was thus considered at the National Heritage Memorial Fund Board Meeting on 25 April 2017. The minutes of the meeting record that the Committee for South East England considered that the project represented a high priority (1 of 2) for support and that The Board considered that the project represented a high priority for support, but rejected the application in light of the available budget for the meeting. The Council was advised accordingly of the Board's decision in June 2017.
 - 2.7 Feedback from HLF Officers received subsequent to the decision was very positive regarding the proposed restoration project and the Council was encouraged to resubmit the proposals to a future funding round with the proposals reworked to meet changes to the grant structure, with some elements of the project being phased or

funded through other means to reduce the project costs and thus the level of grant required.

2.8 A new application based on these revised proposals was then made to HLF in March 2018 seeking a grant of £4.272m towards an estimated project cost of £8.388m.

2.9 This application was considered on 26 June 2018, following which the Council was advised that the HLF had awarded the project a first-round pass and the development grant of £427k to support the preparation of a second-round application for the delivery of the project, the work on which is required to be completed by 30 April 2020 with the application itself submitted by 29 May 2020.

3. **Development Phase Update**

3.1 Following the confirmation from HLF in July 2018 of the Council's successful application to the HLF for a grant to support the project, tenders were invited, and appointments made for the various consultants required to support the project and enable the preparation of the second-round application.

3.2 The consultancy team that were appointed to lead on this phase of the project are as follows:

- (a) Project Co-ordinator & Business Planner & Activity Planner: Ingham Pinnock Associates (IPA);
- (b) Lead Consultant, Architectural and Contract Administration: Haverstock
- (c) Interpretation Consultant: DesignMap (DM).

3.3 The work undertaken during the development phase of the project, with the support of funding from NLHF aims to enable the project to be refined and developed in greater detail to a point where it is ready for delivery.

3.4 Accordingly, the consultancy team have been working over the past 15 months on reefing and developing the details of the project following the RIBA project management structure taking the project to the completion of Stage 3; Developed Design.

3.5 The key elements of the project from a property perspective comprise:

- Creating an entirely new, welcoming visitor entrance and reception area at street level on the High Street that allows independent access to the Connaught Hall and Stone Hall and improves DDA compliant access to the whole building. The new entrance will become a landmark in Dover, allowing passers-by glimpses of the Connaught Hall and the fantastical reinstated Burges gothic interior;
- Enabling free public access to the Stone Hall via a new entrance way to allow visitors to come into the building and explore. Visitors will be able to follow routes into other parts of the building when they are not in use and will be guided by an entirely new interpretation scheme;
- Converting the Mayor's Parlour suite of rooms to become a high-quality self-catering accommodation unit serving visitors to Dover and the surrounding countryside. The let will include extensive recreated and conserved Burges decorative finishings and original furniture. The let will be operated by The Landmark Trust who will provide public access to the space throughout the year;
- Providing new WCs, cloaks, building services, kitchen and other back of house facilities to improve the way that the building functions for visitors. The works have been designed to allow for independent use of the Stone Hall and Connaught Hall and the separate use of other spaces such as the Council Chamber;

- Enabling works to the Old Gaol to provide a new café unit for a third party to fit-out and operate;
 - Recreation of the William Burges gothic decorative scheme within the Connaught Hall, Mayors parlour and ancillary areas;
 - Installation of a new interpretative scheme to inform visitors.
- 3.6 Alongside the capital works, an energetic and creative Activity Plan will be delivered over four years by an Education Officer and Support Officer that will deliver a step change in public access and understanding of the Maison Dieu in a way that responds to the project objectives.
- 3.7 Extensive survey work has been undertaken over the past few months within the building to inform the design process and seek to ensure that any risks to the project are identified and where possible dealt with at this stage.
- 3.8 These surveys have included:
- Full dimension survey;
 - 3D Modelling of Building
 - Detailed condition survey of all areas
 - Intrusive built fabric investigations;
 - Structural investigations
 - Below ground drainage survey
 - Mortar analysis
 - Historic paint and decoration analysis
 - Stained glass condition and repair survey
 - Specialist clock survey
 - Archaeological investigations including watching brief
 - Archaeological assessment of building
 - Heritage at risk assessment
 - Utilities searches
 - Below ground services traces
 - Desktop and targeted intrusive asbestos surveys
 - Interior finishes and fixtures survey
 - Ecology survey
 - Access audit
- 3.9 To further minimise the identified risks to both the delivery of the project and the future operation of the building the following specialist reports and assessments have also been commissioned and costed:
- Conservation Plan
 - Management and Maintenance Plan
 - Fire Strategy Assessment
 - Strategic Catering Review and Design Development
 - Acoustic Assessment of proposed holiday let
 - Internal Lighting, AV & Sound Design Development

4. **Project Costs and Funding**

- 4.1 The table below illustrates that the Development Phase of the project is being delivered on budget. The split between the areas of work is broadly in line with the 2018 budget estimate. The variation comes from additional resources needed to better understand the nature and scope of works required to replicate the Burgess decorative scheme.

Development Phase Budget				
Area of Work	2018 Budget Estimate	2020 Budget Estimate	Difference	Reason for Change
Fees	£ 311,420.00	£ 300,262.00	-£ 11,158.00	Underspend used to fund further investigation works - see below
Sundry services and surveys	£ 326,022.00	£ 337,180.00	£ 11,158.00	Additional investigation of historic decorative scheme
Total Development Costs	£ 637,442.00	£ 637,442.00	£ -	

- 4.2 The detailed design work and the information gained from the surveys undertaken has, as intended, enabled the details of the project to be refined to a point where accurate costings for the Delivery Phase have now been prepared. It is therefore clear that the budget estimate prepared as part of the 2018 submission needs adjusting as noted below.

Delivery Phase Budget				
Area of Work	2018 Budget Estimate	2020 Budget Estimate	Difference	Reason for Change
Capital Costs - including repairs and interventions	£ 5,316,255.00	£ 5,842,016.00	£ 525,761.00	Intrusive surveys have identified a more extensive list of urgent and essential repairs including unforeseen roof works
Ancillary Capital Costs - including items required to ensure building is fit for purpose	£ 460,000.00	£ 716,648.00	£ 256,648.00	Identification of decanting costs and the inclusion of fitting out the commercial kitchen and supply and installation of Audio/Visual equipment
Fees	£ 668,980.00	£ 864,546.00	£ 195,566.00	Reflects the additional complexity and scope of proposed works and includes for additional project coordination services
Sundry services and surveys	£ 104,618.00	£ 100,000.00	-£ 4,618.00	Savings of survey costs made due to extensive works carried out during development phase
Activity Plan (including interpretation work)	£ 698,760.00	£ 708,488.00	£ 9,728.00	On recommendation from NHLF the costs now includes for Education Support Officer
Contingency for Defined Risks	£ -	£ 525,757.00	£ 525,757.00	Costed risk items identified during the development phase
Contingency for Unforeseen Risks	£ 678,000.00	£ 152,243.00	-£ 525,757.00	Reduced as a consequence of determining and costing defined risks
Total Delivery Budget	£ 7,926,613.00	£ 8,909,698.00	£ 983,085.00	

- 4.3 As can be seen from the table above the budget estimate for the project has increased from £7.927m to £8.910m.
- 4.4 With regards to the funding for the project, the Round 1 submission in 2018 included a funding gap of approximately £644,000 and set out in a funding strategy included within the documents submitted proposals as to how this gap would be bridged.
- 4.5 Work has been ongoing through the past 18 months and this original gap has now been reduced thanks to a successful grant application to the Wolfson Foundation.

- 4.6 However as outlined above, project costs have increased and whilst every effort has been made to minimise costs there is therefore now a need to seek agreement for an increase in the overall budget for this project.
- 4.7 As can be seen from the tables below an additional match funding contribution of £1.5m is required from the Council in order to alleviate the additional capital burdens identified in the Delivery Phase Budget table in item 4.2.

Income Streams			
Stakeholder	2018 Budget Estimate	2020 Budget Estimate	Difference
Dover District Council	£ 2,800,000.00	£ 4,300,000.00	£ 1,500,000.00
Dover Town Council	£ 200,000.00	£ 200,000.00	£ -
Dover Society	£ 10,000.00	£ 10,000.00	£ -
National Heritage Lottery Fund	£ 4,272,500.00	£ 4,272,500.00	£ -
Wolfson	£ -	£ 130,000.00	£ 130,000.00
Kent County Council	£ -	£ -	£ -
Total Projected Income	£ 7,282,500.00	£ 8,912,500.00	£ 1,630,000.00

Summary			
	2018 Budget Estimate	2020 Budget Estimate	Difference
Total Project Income	£ 7,282,500.00	£ 8,912,500.00	£ 1,630,000.00
Less Total Delivery Budget	£ 7,926,613.00	£ 8,909,698.00	£ 983,085.00
Surplus/Deficit	-£ 644,113.00	£ 2,802.00	£ 646,915.00

- 4.8 The most significant pressure on the overall budget is a direct consequence of the additional work identified during this development phase as being required to deal with the deterioration in the fabric of the building, which is far greater than was originally anticipated. To some extent this falls outside the primary aims and objectives of the NLHF project, but from a construction perspective, it makes sense to undertake the work at this time as this will bring some long term savings in cost, given that we would need to do this work at some point in time and including the work within this contract offers some economies through taking advantage of the availability of scaffold access to certain areas and so forth.
- 4.9 The project team have made every effort possible to minimise this cost pressure, but with a building of this age, there was always a risk that the investigative work would uncover unexpected problems, and this has been the case here. For example, the work required to the roof of the Connaught Hall is now far more extensive as there is an urgent need to deal with defects caused as a consequence of poor-quality repairs undertaken in the 1980s.
- 4.10 A secondary budgetary pressure comes from the need to replace and upgrade catering and audio/visual infrastructure and equipment. This is to ensure that the building is fit for purpose and able to function in the capacity outlined in the Business Plan. The necessity of carrying out this work now is further strengthened by the Council taking a direct role in managing the premises.
- 4.11 The Business Plan submitted as part of the bid includes a detailed financial appraisal of the capital and revenue expenditure and the implications for the Council's future Medium-Term Financial Plan, which has been reviewed and accepted by the Council's Finance team.
- 4.12 This concludes with regards to the budgetary impact that once the cost of new staff posts and other management costs have been taken into account, the project results in the building costing the Council around £150,000 pa to operate which represents a saving on the current position of 50% or around £150,000 each year.

- 4.13 This saving consists of a combination of capital & reserve funded works and base budget funding. The overall saving is sufficient to cover the cost of borrowing the capital required to meet the shortfall in the budget allocation, however as the works are not funded directly from the revenue budget borrowing the full value of the deficit may result in a General Fund pressure on completion of the project. This cost will be included in the financial forecasting and Medium Term Financial Plans for future years.

5. Future Management Arrangements

- 5.1 Cabinet considered a report on 15 January 2018, setting out the terms under which Your Leisure (YL) surrendered the lease of Dover Leisure Centre. These terms included an agreement that the Council would grant an extension of the Tides Leisure Centre and Maison Dieu leases with Your Leisure until 31 March 2025.
- 5.2 Although negotiations to complete the revised leases have continued with Your Leisure since the surrender of the lease on the old Dover Leisure Centre, these have not yet been concluded partly because both the Tides and Maison Dieu projects have been developing in parallel.
- 5.3 As a result, the agreed lease extension for Maison Dieu has not been formalised and Your Leisure is still managing the property and holding over on the lease which expired in 2012. YL continues to receive an annual grant to support the operation of Maison Dieu, which for 2020/21 is £78,000.
- 5.4 The project has a direct impact on the lease as it is now recognised that the scale of works involved will require the premises to be closed for a two-year period from September 2021 to September 2023.
- 5.5 With regards to the future management arrangements, the 2018 bid had assumed that on completion of the Maison Dieu project;
- (a) The cultural venue would be leased to a specialist operator with any potential returns reinvested into the building and maintenance.
 - (b) The Mayors Parlour Suite of rooms would be converted to high quality self-catering accommodation managed by a specialist holiday operator such as The Landmark Trust.
 - (c) The Old Gaol or Visitor Information Centre would be converted to provide a café/restaurant and be the subject of a lease to a food or drink operator.
- 5.6 As the Development Phase of the project has progressed it has been increasingly clear that this approach to the future management of Maison Dieu may not be the best approach to take. The scale and complexity of the building have made management and maintenance difficult as evidenced by the problems uncovered during the investigative work. This situation has been exacerbated by the arms-length nature of having a tenant in charge of most of the building.
- 5.7 Regardless of lease provisions in practical terms and on a day to day basis the Council has limited control over internal building maintenance, and this would most likely be the case in the future if a third-party tenant were introduced. Historically this lack of control in part has led to significant maintenance issues and, the loss of historic fabric and, ultimately increased repair costs incurred by the Council, which is an unacceptable risk for the Council to take.
- 5.8 There is inevitable confusion across such a large and complex building about where responsibility lies for particular areas of maintenance. The complicated arrangement of internal and external spaces, courtyards, lanterns, valley gutters, access and egress points, service areas etc. is confusing and whether by the principal tenant or third-party

contractors can result in issues not being addressed, where maintenance problems effectively fall between two stools

- 5.9 There is a disconnect between the Council's facilities management team who inevitably focus on buildings that are owned and occupied by the Council and the maintenance staff/contractors at the Maison Dieu which results in problems being missed or under-reported. Where this is the case such as with a blocked parapet or drain, relatively minor maintenance issues can quickly spiral into significant defects
- 5.10 The Council has limited control over the procurement of third-party maintenance or repair contractors and their sub-contractors who may not be suitably qualified or experienced to address issues in such a sensitive Grade I Listed building. It is likely that this would also be the case if the space were re-let to a third party. This can result in inappropriate repair or maintenance works being undertaken which have a negative impact on the condition of the building
- 5.11 The increased obligation to provide free public access to the building which the Council considers to be of critical importance is likely to be viewed by prospective tenants as an additional organisational and financial burden. It will inevitably limit the ease with which spaces can be used for commercial purposes and could therefore impact income. This requirement to maximise free public access creating an additional financial burden will likely deter tenants from coming forward for an operation that has already failed to turn a profit in many years
- 5.12 There is considered to be a very limited pool of potential occupiers for large, complex cultural venues such as the Maison Dieu. It is also a matter of public record that the site operates at a significant loss which is likely to deter potential tenants even more. There is a high risk that any potential procurement would not result in the Council finding a tenant or improving its commercial position. Indeed, the Council's requirements for the building in terms of public access could be watered down by bidders and the Council could find itself in a worse commercial position than present
- 5.13 The Council has seen decisions over recent years which have led the Council to take a more direct role in the delivery of services such as grounds maintenance and the Kearsney Café and so it is now proposed that on completion of the project the Council should take back direct control of the day to day management of the Maison Dieu as a property asset and implement a new regime of management and maintenance guided by the Conservation Management Plan and the Management & Maintenance Plan produced as part of the project.
- 5.14 The Business Plan has been developed on this basis.
- 5.15 It is not proposed at this stage that the Council take a direct role in the provision of catering or the management of the building as an entertainment venue, which are services that can be separated from the management of the building as a property asset. The proposals for the mayor's parlour suite and the old gaol and visitor information centre are unchanged.
- 5.16 This change in the future management arrangement clearly impacts on the lease arrangements with Your Leisure with the discussions now focussed on surrender of the lease.
- 5.17 The terms of an agreement reached with YL are contained in Appendix 1 (pink copy) to this report and is restricted and not for publication by reason that it contains information which is exempt by virtue of the provisions of paragraph 3 of part 1 of schedule 12a of the local government act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

6. Identification and Evaluation of Options

6.1 The report sets out some detail and evaluates the matters for consideration by the Leader. It is therefore recommended that the Leader:

- Notes and welcomes the progress made with the project during the development phase;
- Agrees to increase the Council's match funding contribution within the Capital Programme by £1.5m to meet the additional costs identified relating to backlog of maintenance and works required to make the building fit for purpose;
- Confirm agreement to the proposal that the Council take a direct role in managing the premises on completion of the project;
- Confirm agreement to the proposed approach taken with regards to the surrender of the Your Leisure lease and to delegate responsibility to conclude the agreement to the Strategic Director (Operations & Commercial) in consultation with the Portfolio Holder for Environment & Commercial Services.

7. Resource Implications

7.1 The overall budget for this project is forecast to be £8.912m of which £4.612m is to be externally funded and £4.3m is required to be funded by the Council. The 2020/21 approved Medium Term Financial Plan included funding of £2.8m for this project, resulting in a shortfall of £1.5m for the project.

7.2 The additional £1.5m can be identified through savings from other projects in the programme or from borrowing. The cost of borrowing £1.5m, based on a 40-year annuity loan at 3%, would equate to approximately £60k per annum. This maybe able to be part funded through the revenue savings delivered by the project and a reduction in costs for management and maintenance of the building but as some of these costs are not directly funded from the General Fund revenue budget there maybe an element of budget pressure created from borrowing for the scheme.

7.3 As this scheme is a DDC led scheme any additional costs incurred through additional works identified, overrun of timescales, increases in contract costs, etc. will be a DDC pressure and require further savings or borrowing to be undertaken to offset such pressures.

8. Climate Change and Environmental Implications

8.1 The project will deliver improvements to the energy efficiency of the building and thus contribute to the Council Climate Change objectives.

9. Corporate Implications

9.1 Comment from the Director of Finance: There are significant financial risks associated with the progression of the project including the potential revenue pressures from borrowing and the funding of any overspends/unseen costs. These have been detailed in the report for the Leader's consideration. (HL)

9.2 Comment from the Solicitor to the Council: The additional £1.5m contribution requested by this report is not included within the Council's budget. Under these circumstances regulation 5(1) and schedule 4 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 would operate to remove responsibility for making the decision from the executive. The decision to either increase the budget or to make a decision not in accordance with it would have to be taken by the full Council.

9.3 The regulations provide that the restriction specified in paragraph 9.2 above does not however apply where:

- (a) The circumstances which render the making of the decision may reasonably be regarded as urgent; and
 - (b) The individual or body by whom the decision is to be made has obtained from the chairman of a relevant overview and scrutiny committee, a statement in writing that the determination needs to be made as a matter of urgency.
 - 9.4 HLF require the Council to commit to the additional funding by 29 May. This does not admit of the full Council considering the issue before that deadline. Cllr L Keen, the Chairman of the Overview and Scrutiny Committee has provided this statement in writing.
 - 9.5 Where making a decision in these circumstances the individual or body making the decision is required, as soon as reasonably practicable after making it, to submit to the Council a report which includes particulars of:
 - (a) The decision;
 - (b) The emergency of other circumstances in which it was made: and
 - (c) The reasons for the decision
- It is recommended that these requirements are met by placing a copy of this report and the notice of the decision on the agenda of the next meeting of the full Council.
- 9.6 Comment from the Equalities Officer: This report does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>

Contact Officer: Roger Walton Ext. 42420

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted