

**Eden District Council
Overview and Scrutiny**

12 May 2022

Single Site Update

Portfolio:	Services
Report from:	Deputy Chief Executive
Wards:	Penrith North
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 The purpose of this report is to update the Committee on progress with the single site programme.

2 Recommendation

- 2.1 It is recommended that this Committee notes the report.

3 Background

- 3.1 The consolidation of most Council operations onto a single site has been an ambition of the Council for near a decade. This ambition is supported by a capital programme allocation, initially set at £2.3m in April 2018, and increased to its current allocation of £4.13m in November 2021. The Single Site Programme has been subject to a number of different iterations over the years, but significant progress has been made over the last two years to realise this ambition through the acquisition and redevelopment of Voreda House as the main base of operation and repurposing of the Town Hall.

Voreda House

- 3.2 On 7 October 2021 Executive considered a report on a revised procurement approach and budget for Voreda House in the context of Local Government Reorganisation, attached as Appendix 1. The revised budget was subsequently approved by Council on 25 November 2021. Following the negotiated procurement process approved by Executive, a pre-contract service agreement then a full contract with Collinson Construction Ltd to deliver the scheme was finalised in January 2022.
- 3.3 The current programme of works is as follows:
- **March 2022** - take over site and complete detailed site investigations.
 - **April 2022** - Establish site compound including site security, signage, welfare accommodation and the commencement of enabling works.
 - **May 2022** - Removal of existing external cladding and the protection of retained areas in the central core of the building. Drainage and substructure work commences. Ground slabs and superstructure work to the undercroft, plant room and entrance begins.
 - **May/June** - Installation of new cladding, roof works and mechanical and electrical installation begins.
 - **June 2022 onwards** - Cladding work, mechanical, and electrical installation continues. Installation of windows begins. First and second fix starts.

- **October 2022 onwards** - Work on the external groundworks - landscaping and paving - begins.
- **November/December 2022** - Final fit out ahead of project completion.

3.4 A revised programme management structure has been established and members will be kept informed of progress through regular briefings, the most recent being 24 March 2022. From May the programme will include detailed work on the internal fit out arrangements, engagement with partners that may co-locate and the logistics of moving services and staff.

Town Hall

3.5 On 19 April 2022, Cabinet considered a report concerning the Arts and Culture in Eden Development Framework and Options for the Town Hall. This is attached as Appendix 2. This report set out the results of a specialist feasibility study commissioned in 2021 into the repurposing of the Town Hall to support arts and culture. The vision is to repurpose the Town Hall as hub for the cultural and economic renaissance of Penrith and to provide a physical location in which the Arts and Culture Programme can develop and flourish.

3.6 The consultants examined the costs, deliverability and outcomes of 6 options summarised below.

Summary of Options for Repurposing the Town Hall

Option	Description	Capital Cost (£m)
1	Arts Centre - <i>A platform for public programming and studio complex for artists and makers.</i>	4.1
2	Creative Hub - <i>Crafting arts and teaching studios focussed on enhancing creative skills and enterprises.</i>	3.9
3	Creative Futures - <i>creative learning and development Centre for innovative practice, skills and enterprises serving the future of local livelihoods.</i>	3.6
4	Performing Arts/Music Centre - <i>practice and performance space for performing arts/music company.</i>	5
5	Visual Arts Gallery/Museum - <i>gallery and events space run by independent bodies or expanded Penrith museum.</i>	4.7
6	Test Bed - <i>encouraging access to the Town Hall for arts and cultural activities involving minimum physical changes, to test demand and identify opportunities for longer term, larger scale investment.</i>	0.11

3.7 The consultants recommended that the Council should consider pursuing Option 6 - the 'Test Bed' which would require limited improvements to the building, notably a new lift. Cabinet approved this approach and also approved the use of £150k from the agreed capital programme allocation of £750k to fund its delivery.

3.6 Works on the Town Hall to deliver the preferred option will begin after the move to Voreda House completes in line with the programme given in 3.3 above. In the meantime small events will be held in the Council Chamber to promote the concept, the first being held on the evening of 20 April.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, Safe and Secure;
- Connected; and
- Creative

4.2 This report relates to all four corporate priorities.

5 Consultation

5.1 As stated in 3.4, members are kept abreast of progress on the single site programme through regular briefings.

6 Implications

6.1 Financial and Resources

6.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 There are no direct implications from this report. The financial implications of recent decisions on Voreda House and the Town Hall are set out in section 6.1 of the attached appendices.

6.2 Legal

6.2.1 There are no direct implications from this report. The legal implications of recent decisions on for Voreda House and the Town Hall are set out in section 6.2 of the attached appendices.

6.3 Human Resources

6.3.1 There are no direct implications from this report. The human resource implications of recent decisions on for Voreda House and the Town Hall are set out in section 6.3 of the attached appendices.

6.4 Environmental

6.4.1 There are no direct implications from this report. The environmental implications of recent decisions on for Voreda House and the Town Hall are set out in section 6.4 of the attached appendices.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no direct impacts on Equality and Diversity.
Health, Social Environmental and Economic Impact	There are no direct impacts on Equality and Diversity.
Crime and Disorder	There are no direct impacts in relation to Crime and Disorder

Consideration:	Details of any implications and proposed measures to address:
Children and Safeguarding	There are no direct impacts in relation to Children and Safeguarding.

6.6 Risk Management

6.6.1 No direct risks from this report. The risks associated with recent decisions on Voreda House and the Town Hall are set out in section 6.6 of the attached appendices.

7 Other Options Considered

7.1 This is not applicable to this report.

8 Reasons for the Decision/Recommendation

8.1 An update on the Single Site programme is included in this Committee's work programme.

Tracking Information

Governance Check	Date Considered
Relevant Director	27 April 2022

Background Papers:

Appendices:

Appendix 1 - Eden District Council Executive, 7 October 2021, Single Site Programme Delivery of Voreda House

Appendix 2 - Eden District Council Cabinet, 19 April 2022, Arts and Culture in Eden Development Framework and Options for the Town Hall (appendices to this report are not attached as not relevant)

Contact Officer:

Les Clark, Deputy Chief Executive

Report No: CE12-21

Eden District Council

Executive

7th October 2021

Single Site Programme Delivery of Voreda House

Portfolio:	Resources
Report from:	Deputy Chief Executive
Wards:	All Wards
Open Public Item	

1 Purpose

- 1.1 To provide an overarching project update and set out options to consider for the delivery of the scheme.

2 Recommendations

- 2.1 It is recommended that Executive:
- 2.1.1 Authorises the extension of the current procurement process, to include a negotiated process; and
- 2.1.2 Delegates authority to the Deputy Chief Executive in consultation with the Leader and Portfolio Holder for Resources to appoint the contractor subject to the variation of the capital programme specified in 2.1.3.
- 2.1.3 Recommends Council approve the variation of the capital programme for Voreda House.

3 Background

- 3.1 The consolidation of operations onto a single site has been an ambition of the Council for near a decade. This ambition is supported by a capital programme allocation of £2.3m that has remained static in value since April 2018. The Single Site Programme has been subject to a number of different iterations over the years, but significant progress has been made over the last 18 months to firmly realise this ambition.
- 3.2 The Council purchased Voreda House from the NHS in July 2020 for this purpose. The original plan for Voreda House was a straightforward refurbishment with no significant changes to layout or exterior. However the Council made a successful bid for £856k grant from the Public Sector Decarbonisation Fund administered by Salix, to transform the building into a low carbon exemplar for building re-use, increasing the space within the building and significantly improving its appearance in the process. The Council has also engaged with a range of public and voluntary sector partners including Citizens Advice, the Police and the local Credit Union about collocating to strengthen partnership working and improve the offer to customers. The vision for Voreda House has therefore moved from being a

straightforward single site for Eden District Council to being a modern, accessible public service hub of the highest environmental standards. The plans now align much more strongly with Corporate Priorities.

- 3.3 The decision on the configuration of Local Government Reorganisation in Cumbria has strengthened the need for a local service hub in Penrith. The chosen East-West configuration of the new unitary councils has resulted in a geographically large East authority with significant distances between the main service centres in Eden, Barrow and South Lakeland. There also is less alternative public service building space nearby compared to if we had been partnered with Carlisle in the North-South configuration.
- 3.4 The move to Voreda House has in turn opened opportunities for the repurposing of Mansion House and the Town Hall to make greater contributions to the economic and social fabric of Penrith. A planning application for the conversion of Mansion House to a high quality hotel is expected to be submitted within the next month. A feasibility study exploring options to transform the Town Hall into a facility supporting arts, cultural, community and business uses is nearing completion and options will be brought forward to members this quarter. The capital programme includes £750k to support the preferred outcome.

4 Project Update

4.1 Introduction – Construction Project Scope and Lifecycle

- 4.1.1 In broad terms the scope of a construction project is defined by what the project is intended to deliver. In the case of Voreda House the broad key deliverables are:
- A single site for local government operations that is fit for purpose and cost efficient
 - A building that achieves the PassivHaus standard in terms of being carbon neutral
 - A public service and community hub for Eden residents
 - Office and meeting space accommodation for members and public sector partners
- 4.1.2 The Council has established an experienced delivery team responsible for taking the project from concept to delivery which can be subdivided into four main stages:
1. Create an initial design – This design is not detailed at this stage but can best be described as a broad architectural solution to deliver the client requirements.
 2. Establish a budget – the outline design is used to set an estimated budget.
 3. Appoint a construction contractor – This involves choosing the method of procurement which fits with the project design.
 4. Complete construction works – To deliver the client requirements.

4.1.3 The Voreda House project remains in the final parts of stage 3, the procurement of a contractor via a competitive tendering process. Owing to the skills required to deliver the PassivHaus standard a named list of 6 capable contractors was chosen as the preferred method of procurement as opposed to an open tender.

4.2 Voreda House – Tender Process

4.2.1 A tendering process for the construction of the Voreda House scheme is underway and nearing completion.

4.2.2 Four significant issues are influencing the market response to the tender:

- The most significant, is the buoyancy of the construction market set against the contraction of market capacity due to the pandemic. The impact of the pandemic and the associated employee furlough scheme is unprecedented in the construction industry. Construction capacity contracted rapidly and when the government flooded the market with construction project funding, to kick start the economy, the market could not respond at the same pace.
- The pandemic has also created significant inflation in the construction industry materials supply chain and labour wage rates are rising rapidly. This is particularly important when considering when the construction budget was set as construction inflation is now increasing on a monthly basis.
- The PassivHaus standard, as this is challenging to the market particularly in relation to the building air tightness test. The standard, when combined with the furlough scheme, influenced the response to the tendering exercise culminating in 5 out of the 6 contractors withdrawing from the process. The reality is that the government's intervention in the market has created the conditions for contractors to select less challenging contracts.
- The change to the external treatment of the building as defined by the planning consent proven technically undeliverable from a construction perspective.

4.3 Tender Submission

4.3.1 The consequence of these issues has been that only one contractor submitted a tender and is still engaged in the tender process.

4.3.2 The tender submission has identified technical restrictions and additional costs associated with:

- The existing building structure is unable to support the weight of sandstone cladding.
- Inflationary increases in the construction industry and escalating materials costs. Covid related cost escalation for construction projects is an issue that is impacting upon the sector as a whole and is not confined to the Voreda House project.

4.3.3 The circumstances leading to the estimated costs of the single site programme have changed radically, as set out in 4.2.2 and 4.3.2, and the existing capital allocation is no longer sufficient.

4.4 Construction Cost

4.4.1 Since receipt of the tender the project team have been focussed on two areas. The first was undertaking the necessary due diligence on the contractors tender submission and the second is a technical assessment of the construction approach.

4.4.2 This has focussed on an alternative external cladding solution that closely reflects planning approval and is technically deliverable. This will be subject to a revised planning application.

4.5 Salix Grant

4.5.1 Discussions with Salix representatives have taken place to ensure they are fully appraised of the current situation and the options being considered as outlined in this report. They remain fully supportive of the scheme as long as the grant is spent before the end of March 2022 and a contractor in place by w/c 1st November 2021.

4.5.2 The ability to deliver the Voreda House Project in line with Council's sustainability priority which is focussed on delivering the national, international, and local targets to reduce carbon emissions to which all levels of government are committed is dependent on spending this grant within these time limits.

4.6 Procurement

4.6.1 If the decision is to progress with the scheme it will be necessary to extend the current procurement process and enter into a negotiated process. This will allow for the final technical discussions to legitimately take place with the contractor and the contractor to be appointed subject to funding approval.

4.6.2 To secure the Salix funding it will be necessary to appoint the contractor and place orders for the Salix funded items prior to securing the revised planning approval as a new planning application and approval process will take two months to complete.

4.7 Options to Consider

4.7.1 Abort the project – Remain in the existing office provision and discount the repurposing of the Town Hall and Mansion House. This is discounted as neither building is compliant with disability and other legislation, and would not offer appropriate facilities for the use by the unitary authority.

4.7.2 Proceed with the original scheme – this is discounted as the proposal is technically unfeasible and unaffordable and there are alternative solutions to consider.

4.7.3 Commence a new procurement exercise – This is discounted as it will result in the loss of the Salix grant owing to the time required and the construction inflation trajectory would likely increase costs.

4.7.4 Proceed with the revised scheme reflecting the alternative external treatment through a negotiated procurement process.

4.8 Project Management

4.8.1 A revised programme for the delivery of the scheme has been established with an indicative completion date of September 2022. The programme has been informed by the construction procurement process, the project delivery team and the perceived construction materials supply chain lead in times.

4.8.2 Should the approval for the scheme be granted the existing project delivery team, supported by the appropriate expertise available from the Council, have the necessary skills and capability required to deliver the scheme from both a technical and service perspective.

4.8.3 Subject to approval, the intention is to monitor the construction activity on a weekly basis and provide detailed reports to Executive on a monthly basis evidencing progress to date for both programme and spend.

5 Policy Framework

5.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

5.2 This report relates to all council priorities as the delivery of the scheme contributes to the organisation as a whole.

6 Consultation

6.1 Broad consultation for the scheme has been undertaken on two occasions to secure planning approval. Further consultation will need to be completed should the decision be taken to proceed with the scheme to secure final planning approval.

6.2 Regular and detailed consultation has been ongoing throughout the project development phase with both the One Eden Member Working Group and One Eden Member Briefings.

6.3 All staff have been consulted and provided with the opportunity to communicate their thoughts and preferences in relation to the overall scheme design and their future service and individual requirements.

7 Implications

7.1 Financial and Resources

7.1.1 Should the option be taken to proceed with the full project then the projected costs are as follows:

Funding	
Original Estimate	£2,300,000

Salix Funding – External Grant	£850,000
Capital Receipts	£980,000
Total Revised Budget	£4,130,000
Estimated Costs	
Acquisition Costs	£1,040,000
Main Construction Costs	£2,680,000
Professional Fees	£200,000
Total Estimated Cost	£3,920,000
Additional Contingency Allowed (inc. internal fit out)	£210,000

7.1.2 The MTFP presented to Council in February 2021, estimated savings of moving to a single site as an average of £50,738 per annum excluding any income from rental of space to partners.

7.2 Legal

7.2.1 If the decision is taken to approve the project then a negotiated procurement procedure will be undertaken to appoint the contractor and proceed with the delivery of the scheme.

7.3 Human Resources

7.3.1 Should the project not progress then staff will be required to continue with their current arrangements in facilities that do not meet the needs of customers, the community, members and staff. The current provision will also likely be unable to meet the emerging needs of the east Cumbria LGR arrangements.

7.4 Environmental

7.4.1 Should the project not proceed then the opportunity for Penrith to reduce its carbon footprint through grant funding investment in an iconic PassivHaus office and public sector hub will no longer be available.

7.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	The project design addresses all of the relevant equality and diversity requirements to provide a solution that not only improves on the existing

Consideration:	Details of any implications and proposed measures to address:
	provision but also satisfies the emerging LGR requirements.
Health, Social Environmental and Economic Impact	The PassivHaus specification provides the highest industry standard for occupants and users of the facility in relations to air quality. It also achieves a net zero carbon environmental standard. From an economic perspective it brings an existing building back into use, increases the asset value and also significantly reduces the current office provision operating costs.
Crime and Disorder	The planned partner and community space will enable agencies to work together to tackle crime and disorder issues in the most responsive and impactful way. The Police are still intending to use the facility as a community hub if the project is progressed.
Children and Safeguarding	The potential for agencies to work together more closely when using the building as a community hub will improve service responsiveness for Children's services.

7.6 Strategic Risks

Risk	Consequence	Controls Required
Inability to secure a construction contractor	Project undeliverable	The procurement of the project is still underway with confirmed market interest in delivering the scheme. Should Executive agree to proceed with the scheme the procurement needs to be extended to include a negotiated process to secure the contractor.
Salix funding extension not granted	Project undeliverable	Should this situation occur then the project will not proceed unless additional funding is secured to fund the Salix items.
Outcome of structural and site surveys	Impact on price and programme	All of the necessary structural and site surveys have been completed when the building was purchased or via contractor due diligence as part of the procurement approach. Any unforeseen issues that may arise during construction would be

Risk	Consequence	Controls Required
		addressed via the contingency sums included in the contract.
Securing Planning Approval	Project undeliverable as Salix funding clawed back.	Revised planning application being developed and will be submitted for approval. The application will closely reflect the external treatment of the building that was previously granted permission.
Availability of building materials	Loss of the Salix funding	Market investigations undertaken by the project team have confirmed that the materials necessary to complete the project are available in the timescales to satisfy the delivery programme.
Adverse weather conditions impact on the construction programme	Potential loss of some Salix funding.	The project is a refurbishment as opposed to a new build which means the building interior of the building will not be exposed to inclement weather and should progress without delay. The contractor is confident that any weather issues can be mitigated by their construction approach.

8. Other Options Considered

8.1 The options are outlined in section 4.7.

9. Reasons for the Decision/Recommendation

9.1 To deliver the vision for Voreda House project as a low carbon, fit for purpose public service hub for residents of Eden, the rationale for which has been strengthened by the outcome of LGR.

Background Papers:

Medium Term Financial Planning Report – February 2021

Contact Officer: mike.poulter@eden.gov.uk

Report No: DCE01/22

Eden District Council

Cabinet

19 April 2022

**Arts and Culture in Eden
Development Framework and Options for the Town Hall**

Portfolio:	Leader
Report from:	Assistant Director Communities
Wards:	All Wards
<p>REPORT OPEN PUBLIC ITEM</p> <p>APPENDIX 2: Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972</p>	

1 Purpose

- 1.1 The purpose of this report is to inform Cabinet on establishing a firm foundation for Arts and Culture in Eden through a Development Framework that provides both funding for Arts and Cultural activities and a physical environment for activity to flourish through repurposing the Town Hall.
- 1.2 To request an allocation of funds from the Cultural Development Initiatives Corporate Priority for the purpose of supporting key Arts and Cultural organisations in Eden and for widening participation in Arts and Culture in Eden, as detailed in Section 2 of this report.
- 1.3 To seek approval for delegated authority to the Assistant Director Communities to approve the award of grants in accordance with the approved criteria, set down in Appendix 1.
- 1.4 To seek approval to progress with the refurbishment of the Town Hall in line with the ‘test bed’ option set out in section 3.4 of this report.
- 1.5 To seek approval for the use of £150k from the agreed capital programme allocation of £750k for the refurbishment of the Town Hall to fund the delivery of this preferred option.

2 Recommendation

- 2.1 It is recommended that Cabinet:
 - 2.1.1 Approve an allocation of £112,000 from the Cultural Development Initiatives budget for supporting key Arts and Cultural Organisations in Eden.
 - 2.1.2 Approve an allocation of £112,000 from the Cultural Development Initiatives budget for widening participation in Arts and Culture in Eden through an Open Access Grant.
 - 2.1.3 Delegate authority to the Assistant Director of Communities to approve the award of grants in accordance with the criteria attached at Appendix 1.

- 2.1.4 Agree to progress with the refurbishment of the Town Hall in line with the ‘test bed’ option set out in section 3.4 of this report.
- 2.1.5 Approve the use of £150k from the capital scheme Refurbishment of the Town Hall to fund the delivery of this preferred option.

3 Report Details

3.1 Background

- 3.1.1 In Spring 2021, Eden District Council commissioned We Are Team to create an Arts and Culture Programme for the district, and to review the council’s arts and culture funding. The aims of the commission are to increase participation in Arts and Culture, develop the creative economy, connect communities, support educational opportunities, develop the visitor offer, add to town centre vibrancy and contribute to economic development.
- 3.1.2 In January 2022 Cabinet approved a budget of £235,000 for Cultural Development Initiatives under corporate priorities, subject to further Cabinet approval. The purpose of this report is to recommend that Cabinet approve the proposal to draw down £224,000 for the two programmes, as detailed in sections 3.2 and 3.3.

3.2 Support to Key Arts and Culture Organisations

- 3.2.1 Support for key Arts and Culture Organisations in Eden District will take the form of service level agreements with five of the larger scale arts organisations in Eden. This investment plan will help to build the Arts and Cultural sector’s foundations, capacity and enable creative growth. For the five arts organisations, Eden District Council’s goal through the proposed investment is to support both programming and organisational resilience.
- 3.2.2 Discussion has been had as to their proposals for investment to ensure that it meets the objectives of enhancing their programme or sustaining activity that would otherwise be at risk; the opportunities they will offer for creative participation, the impact investment would have on the local economy and how the investment will make the organisation more resilient. Responses from the five organisations outlining the ways in which they will use the funding and the distribution of the funding between the organisation are contained in Appendix 2.
- 3.2.3 If the funding is approved for supporting these organisations this will be allocated in the form of a service level agreements for 2022/23, the outputs and outcomes of which will be drawn up, and agreed on the basis of previous discussions and the submissions. These service level agreements will be monitored by the Communities and Wellbeing team and the Portfolio Holder.

3.3 Open Access Grant

- 3.3.1 The Open Access Grant is a fund designed for widening participation in Arts and Culture in Eden. Applicants would be able to apply to a grant fund totalling £112,000 through a series of funding rounds scheduled to run until the end of December 2022. Applicants would have until March 2023 to draw down all funds and would be able to apply for up to 80% of their total project costs (with a maximum grant of £10,000).

- 3.3.2 A grant panel will be chaired by the Leader of the Council and include the Assistant Director of Communities, the Arts and Culture Officer as well as sector representatives, both creative practitioners and those involved in supporting the sector.
- 3.3.3 Due to the time limitations imposed by Local Government Reorganisation there is a need to have allocated and paid out all grants before 31 March 2023, approval is sought for the Arts and Culture grant panel to allocate funding within terms of the Criteria without the need for a report to be submitted to Cabinet to approve individual grant decisions. The Assistant Director of Communities would be given the delegated authority to approve these grants. This will ensure that the process is responsive to the sector. All panel decisions will be recorded and regular updates can be given to Cabinet on grant allocation progress. Details of the Open Access Grant Fund can be read in Appendix 1.

3.4 Alignment with wider Policy

- 3.4.1 This report links with the Inspiring Eden Economic Prospectus and Investment Package, both of which were agreed by Cabinet in November 2021. In particular there will be very close alignment and working with the Inspiring Eden Economic Development Framework and the Arts and Culture Programme. Discussions are already underway with the economic development team to develop this joint approach.
- 3.4.3 This approach is supported by a strong regional and national policy context, with Arts and Culture forming a strong element of Inspiring Eden as well as being a priority in the Borderlands initiative and the emerging Penrith Place Plan. It is also central to the Government's policy on Levelling Up, with support for maintaining and expanding cultural and heritage assets being one of the three pillars of the Levelling Up Fund, along with local transport and town centre regeneration. There are strong synergies between the aims of the Arts and Culture programme set out in 3.1.1 and themes of Levelling Up. The Local Government Association (LGA) in their submission to the Digital, Culture, media and Sport inquiry into Cultural placemaking in March 2022 state that a thriving cultural offer will become ever more important in driving footfall to high streets as changes in consumer behaviours make traditional town centres less retail sustainable. They also state that creatives working within the cultural sector have an advantageous skillset and experience in community outreach which can add significant value to local decision making. Our focus on supporting key local Arts and Culture organisations and smaller groups aligns with this thinking.
- 3.4.4 Round II of the Levelling Up Fund was launched on 23 March 2022 with a deadline of 3 July 2022 to bid for up to £20m of grant funding. The LGA in their submission referred to in 3.4.3 also state that Councils whose culture teams already have the least resources, often in smaller towns and rural areas, have an inherent disadvantage in developing successful (Levelling Up Fund) bids. This Arts and Culture Development Framework helps address this shortfall in Eden and clearly places the Council in a stronger position to make a cogent and policy-compliant bid to the Fund.

3.5 Penrith Town Hall

3.5.1 In 2021 the Council commissioned consultants Howarth Tompkins to carry out a feasibility study in to the repurposing of the Town Hall as part of the Single Site programme. The vision was to repurpose the Town Hall as hub for the cultural and economic renaissance of Penrith and to provide a physical location in which the Arts and Culture Programme could develop and flourish.

3.5.2 The consultants examined the costs, deliverability and outcomes of 6 options summarised in Table 1.

Table 1 – Summary of Options for Repurposing the Town Hall

Option	Description	Capital Cost (£m)
1	Arts Centre - <i>A platform for public programming and studio complex for artists and makers.</i>	4.1
2	Creative Hub - <i>Crafting arts and teaching studios focussed on enhancing creative skills and enterprises.</i>	3.9
3	Creative Futures - <i>creative learning and development Centre for innovative practice, skills and enterprises serving the future of local livelihoods.</i>	3.6
4	Performing Arts/Music Centre - <i>practice and performance space for performing arts/music company.</i>	5
5	Visual Arts Gallery/Museum - <i>gallery and events space run by independent bodies or expanded Penrith museum.</i>	4.7
6	Test Bed - <i>encouraging access to the Town Hall for arts and cultural activities involving minimum physical changes, to test demand and identify opportunities for longer term, larger scale investment.</i>	0.11

3.5.3 The consultants recommended that the Council should consider pursuing Option 6 - the 'Test Bed'. They state that "Before pursuing a major refurbishment, we are recommending a 'blank canvas' approach to the building, with public access to the two big spaces on the ground and first floor (Revenues and benefits Office and the Council Chamber). It is imagined that these spaces can change purpose and form with ease and enable very different local and national partners to programme the space to test new ideas and invite participation in the production process. This will build confidence in the long-term vision and help inform the offering and approach based on early market feedback."

- 3.5.4 The proposal would involve limited changes to building including installation of new lift and improving welfare facilities and accessibility. It should be noted that these changes would be compatible with other uses for the building.
- 3.5.6 It is recommended that this option is progressed and that these plans for the Town hall incorporated into the overall Single Site programme. The capital costs of the works have been identified at £110k but it is recommended that it is prudent to allocate £150k to cover the costs of detailed design, project management and additional inflation as well as the physical works.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

This report meets Creative corporate priority.

5 Consultation

5.1 The Leader of the Council as portfolio holder has been consulted. Consultation has been carried out with the Key Arts and Culture Organisations.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 The funding required to support the recommendations in this report is included in the approved budget for 2022/23. There is a revenue budget of £235k for Cultural Development Initiatives for the Arts and Culture programme and a capital budget of £750k for Town Hall Redevelopment.

6.2 Legal

6.2.1 Development of subsequent relevant SLAs will be undertaken with the support of Legal Services.

6.3 Human Resources

6.3.1 There are no Human Resource implications arising from this report.

6.4 Environmental

6.4.1 There are no adverse environmental implications arising from this report.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no equality and diversity implications associated with this report.
Health, Social Environmental and Economic Impact	A strong and accessible Arts and Culture offer will make a positive contribution to improving residents mental and physical health and creates opportunities for communities to come together and strengthen. The importance of Arts and Culture in supporting Town Centre regeneration and economic sustainability is widely recognised.
Crime and Disorder	There are no Crime and Disorder implications associated with this report.
Children and Safeguarding	There are no Children and Safeguarding implications associated with this report.

6.6 Risk Management

Risk	Consequence	Controls Required
That there is insufficient monitoring of paid support to key Arts and Cultural organisations.	Funding not used for its intended purpose.	Each organisation will have a Service level agreement and monitoring visits will be undertaken by EDC officers.
That there is insufficient monitoring of paid grants through Open Access Grant.	Grants are not used for their intended purposes.	Grants are managed in accordance with the agreed criteria of the grant. Grants are paid in two stages – 75% on approval from Executive and 25% on receipt of the project completion form and accompanying documentation.
Organisation dissolves for some reason following the award of Open Access Grant.	Reputational harm to the Council.	Financial checks are undertaken in order to reduce this risk.
Organisations may disagree with decision on award of Open Access Grant.	Limited reputational risk to the Council.	Decisions are made in accordance with established criteria.

Risk	Consequence	Controls Required
Cost of the works to the Town Hall are higher than anticipated.	Additional funding required to be drawn down.	There will remain a significant allocation in the capital programme for this purpose.
The 'test bed' option is not successful.	Future bids for a larger scale refurbishment for arts and cultural purposes may not be deliverable.	The proposed works in the 'test bed' option are compatible with a range of possible future uses.

7 Other Options Considered

- 7.1 In respect of the Town Hall the option for leaving the building dormant or to sell on the open market were considered. These options were rejected because the potential for the Town Hall to contribute to the cultural and economic prosperity of Penrith would not be realised.

8 Reasons for the Decision/Recommendation

- 8.1 The recommendations set out in this report fulfil the aspirations of Eden District Council to develop and deliver initiatives around the Arts and Cultural sectors as stated in the Corporate Plan 2019 - 2023.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	30 March 2022
Monitoring Officer (or Deputy)	18 March 2022
Relevant Assistant Director	29 March 2022

Background Papers:

Appendices: **Appendix 1 - Open Access Grant Fund Criteria**
Appendix 2 - Submissions from Key Arts and Cultural Organisations

Contact Officer: **Robert Docherty, Assistant Director Communities**