

Eden District Council  
Overview & Scrutiny Committee

1 December 2022

## Update on Single Site Programme

<b>Portfolio:</b>	Resources
<b>Report from:</b>	Deputy Chief Executive
<b>Wards:</b>	All Wards
<b>OPEN PUBLIC ITEM</b>	

### 1 Purpose

1.1 To update Overview and Scrutiny Committee on the Single Site Programme.

### 2 Recommendation

2.1 It is recommended that Overview and Scrutiny Committee note the report.

### 3 Background

3.1 At its last meeting of 7 October 2022, this Committee requested an update on the Single Site Programme. The single site programme consists of three interrelated projects for:

- Voreda House
- Town Hall
- Mansion House

#### Voreda House

3.2 Cabinet and Council have received reports relating to Voreda House during November. The Council report of 24 November 2022 attached at Appendix 1 sets out in detail the current position on Voreda House. As the agenda for this Overview and Scrutiny Committee is required to be published prior to the Council meeting, the outcome of the Council decision will be reported on the night.

#### Town Hall

3.3 The Town Hall will be vacated when Voreda House is completed. It is planned to be repurposed as an Arts and Culture Hub. In April 2022 Cabinet considered options for the redevelopment of the Town Hall for this purpose and approved progressing with a relatively limited scale refurbishment to establish 'test bed' for a period of 18 months to better inform longer term options. £150k from the capital programme allocation of £750k for the refurbishment of the Town Hall was released for this purpose. This Cabinet report is attached at Appendix 2.

3.4 The detailed design work for the limited refurbishment has been procured, with the construction works being procured early in the New Year in advance

of Town Hall being vacated upon the move to Voreda House in the Spring. The timescale for the construction works will be confirmed through the procurement process.

### **Mansion House**

3.5 Mansion House will also be vacated on the completion of Voreda House. The Council has approved the sale of Mansion House subject to planning. Whilst the details remain commercially confidential, the intention is to refurbish the building and grounds as a high quality hotel. This will make a significant contribution to the regeneration of the Town Centre.

3.6 The developer has carried out detailed technical and planning surveys and a planning application is being prepared. The planning process has been complicated by the introduction of new requirements relating to nutrient neutrality for some types of developments, including hotels, earlier this year. Council officers are working closely with the developer to determine appropriate mitigation measures to meet the new requirements.

## **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 primarily to the sustainable priority.

## **5 Consultation**

5.1 Consultation carried out in relation to Voreda House is set out in section 10 of Appendix 1.

5.2 Consultation carried out in relation to the Town Hall is set out in section 5 of Appendix 2. Additionally updates on the Town hall have been included in all member briefings.

## **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 financial implications relating to Voreda House are set out in section 11.1 of Appendix 1.

6.1.3 The financial implications relating to the Town Hall are set out in section 6.1 of Appendix 2.

### **6.2 Legal**

6.2.1 The legal implications of relating to Voreda House are set out in section 11.2 of Appendix 1.

6.2.2 The legal implications of relating to the Town Hall are set out in section 6.2 of Appendix 2.

### **6.3 Human Resources**

6.3.1 There are no direct human resource arising from this report.

### **6.4 Environmental**

6.4.1 The environmental implications relating to Voreda House are set out in section 11.4 of Appendix 1.

### **6.5 Statutory Considerations**

6.5.1 The statutory implications of relating to Voreda House are set out in section 11.5 of Appendix 1.

6.5.2 The statutory implications of relating to the Town Hall are set out in section 6.5 of Appendix 2.

### **6.6 Risk Management**

6.6.1 The risks relating to Voreda House are set out in section 11.6 of Appendix 1.

6.6.2 The risks relating to the Town Hall are set out in section 6.6 of Appendix 2.

## **7 Other Options Considered**

7.1 None – report is for information.

## **8 Reasons for the Decision/Recommendation**

8.1 To update the Committee as requested.

### **Tracking Information**

<b>Governance Check</b>	<b>Date Considered</b>
<b>Chief Finance Officer (or Deputy)</b>	N/A
<b>Monitoring Officer (or Deputy)</b>	N/A
<b>Relevant Director</b>	22 November 2022

### **Background Papers:**

#### **Appendices:**

**Appendix 1 - Report No: DCE55/22 Single Site Programme Voreda House Project Business Case and Construction Progress Report**

**Appendix 2 - Report No: DCE01/22 Arts and Culture in Eden Development Framework and Options for the Town Hall**

Eden District Council

Council

24 November 2022

## Single Site Programme Voreda House Project Business Case and Construction Progress Report

Portfolio:	Resources
Report from:	Deputy Chief Executive and Interim Director of Resources
Wards:	All Wards
<b>OPEN PUBLIC ITEM</b>	

### 1. Purpose

- 1.1 To provide an update on the construction programme for Voreda House and to identify funding for its completion.

### 2. Recommendation

It is recommended that Council:

- 2.1 Notes progress on the delivery of the key project objectives.
- 2.2 Approves the variation in the capital programme to enable the completion of the project as detailed in section 8.3.
- 2.3 Approves the amendment in funding as set out in 8.5.

### 3. Voreda House Business Case

- 3.1 The consolidation of office accommodation onto a single site has been an ambition of the Council for over a decade. Moving to a single site model was necessary not only to enable the organisation to function more effectively, culturally and operationally, but more fundamentally because the split site provision was not fit for purpose in relation to accessibility, perceived future needs and escalating maintenance costs.
- 3.2 The Voreda House project is the physical manifestation of this ambition and was subject to an in depth development process, involving a number of iterations, to ensure alignment with corporate priorities, the emerging local government reorganisation (LGR) requirements and the highest possible environmental standards to reduce the Council's carbon footprint and operating costs.
- 3.3 In particular, the decision relating to the configuration of LGR in Cumbria strengthened the need for a local office and 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. Without a fit for

purpose building location in Penrith the likelihood is that both employees and services would be located elsewhere.

- 3.4 In summary, the broad key objectives of the project are:
  - 3.4.1 A single site for local government operations that is fit for purpose. This is a key consideration to secure public sector jobs in Penrith.
  - 3.4.2 A public service and community hub for Eden residents that is in close proximity to service local needs and be accessible to the community.
  - 3.4.3 Office and meeting space accommodation for members and public sector partners to maintain a strong Penrith presence for the new unitary authority arrangements.
  - 3.4.4 A building that achieves the PassivHaus standard in terms of being carbon neutral.
  - 3.4.5 A building that significantly reduces current operating costs.

## **4 Progress on Achievement of Objectives**

- 4.1 On the 12 September 2022, the Westmorland and Furness Shadow Authority Cabinet agreed to implement a distributed model for office accommodation based on 'anchor' buildings in key service locations, namely Voreda House (Penrith), South Lakeland House with Kendal Town Hall and County Offices (Kendal) and Barrow Town Hall (Barrow).
- 4.2 Confirmation that Voreda House has been identified as an anchor building for the new authority demonstrates the strength of the business case and delivers objective 3.4.1 and 3.4.2 by securing public sector jobs and a public service and community hub in Penrith.
- 4.3 The project delivers high quality member office and meeting provision together with the additional office capacity for public sector partners to achieve objective 3.4.3.
- 4.4 The outstanding PassivHaus credentials of the project to deliver objective 3.4.4.
- 4.5 The initial revenue savings projections on utilities costs for Voreda House over a 25 year period were estimated at £1.02m. All-inclusive cost savings were estimated at £6.18m. Given the significant increase in utility costs the estimates have been recalculated (August 2022) and utility cost savings over a 25 year period are now estimated at £4.8m. All-inclusive cost savings over 25 years are estimated at £10.7m. This achieves objective 3.4.5 and validates the capital investment required for the construction and fit out.

## **5 Construction Background**

- 5.1 Prior to purchase, and recognising that the facility required refurbishment, the necessary technical and desk top surveys were completed to the standard required for a project of this nature. The surveys are designed to identify, without causing undue damage to the building, any defects or issues that need to be taken into consideration as part of the transaction.
- 5.2 Following the purchase architectural consultants were appointed to develop the refurbishment proposals to enable a procurement to be undertaken.

- 5.3 In October 2021, following a procurement process, the Council agreed to enter into a contract with Collinson Construction to complete the refurbishment of Voreda House as part of the Single Site Programme.
- 5.4 Prior to contract signature the necessary due diligence was undertaken culminating in a Pre Contract Service Agreement (PCSA) contract being signed and in place in December 2021. At this point the turbulence in the construction market, due to global economic conditions, was emerging and the contract arrangements were designed to mitigate escalating materials and labour inflation where possible through implementing a (PCSA). In summary the PCSA enabled the contractor to reduce construction risks by completing pre contract ground investigations and design works.
- 5.5 The overarching construction contract was completed in February 2022 and incorporated a target works completion by the end of December 2022.

## **6 Construction Issues and Programme**

- 6.1 The construction programme commenced as planned with site preparation works and further site surveys. This was followed by the completion of the site compound and boundary fencing. At this point the contractor achieved the Considerate Contractors Scheme to demonstrate their commitment to high quality construction practices.
- 6.2 The second phase consisted of the internal strip out with a focus on recycling all of the internal materials in line with the 'green' credentials established for the building.
- 6.3 The third phase was the removal of the external concrete tiles which progressed ahead of programme due to the outstanding working practices of the contractor. At this point an inspection of the insulation materials situated behind the concrete tiles could be completed which identified the presence of asbestos.
- 6.4 Specialist asbestos removal contractors were commissioned to remove the asbestos in line with the relevant regulations. Following the asbestos removal a clean air certificate was achieved and construction recommenced but the programme was now behind schedule.
- 6.5 Removal of any remaining materials could now be completed which fully exposed the floor one and two concrete support pillars for inspection. The inspection identified that the integrity of each support had been compromised by previous building occupants or contractors and required temporary bracing to allow the construction to recommence. Steel reinforcement is required as a permanent solution which is being progressed but the issue has also impacted on programme resulting in additional delays.
- 6.6 At this point the exposed concrete support pillars and floors were tested for levels of carbonation. When refurbishing a building that contains concrete supports and floors it is necessary to test the concrete for levels of carbonation prior to completing the works. High levels of carbonation weaken the concrete structure which requires treatment by applying a protective coating. The tests results identified that carbonation levels require treatment on all pillars and floors which also has an impact on programme.

- 6.7 Works were then focussed upon the forming the necessary foundations to enable the concrete base to be set to accommodate incorporating the undercroft into the building. When excavating the foundations further asbestos was uncovered which prevented any programmed works being progressed until the specialist contractor could confirm removal and a further clean air certificate is issued. This has also created further delays to the programme to the extent that the works are now unlikely to be completed until the end of March 2023 although the contractor will endeavour to accelerate the programme where possible.
- 6.8 Given that the building is now stripped to the frame and the excavation works are near completion the likelihood of any further abnormalities is minimal. It is also clear that the pre purchase and construction surveys could not have identified these issues prior to construction.

## **7 Construction Market Conditions**

- 7.1 Inflation in the construction sector is at unprecedented levels fuelled by the pandemic and more recently the conflict in the Ukraine. All materials and labour are affected and further escalation is being driven by fuel and utilities costs.
- 7.2 The fluent situation is forcing sub-contractors and suppliers to review their prices at shorter intervals so any programme slippage can severely impact costs.
- 7.3 The contractual arrangements put in place with the contractor were designed to mitigate known inflation issues but the further escalation and extension of the programme have had a substantial impact on the cost of construction.

## **8 Estimated Construction Costs & Funding**

- 8.1 The construction contract sum included in the overarching contract is £2.9m which includes a contingency amount for unexpected construction issues that are not accounted for in the contract.
- 8.2 The nature and impact of the construction issues, and the associated mitigating measures, combined with the unprecedented construction market inflation levels, have resulted in costs that have substantially exceeded the predicted budget level.
- 8.3 In summary the estimated cost of inflation now represents an increase of £800k which, when combined with the adjustments for the construction issues and extended programme £677K (asbestos £70k, contaminated materials £100k, steel bracing £55k, lift £90k, carbonation £200k, electrical feed upgrade £25k, design £30k and extended programme £107k results in an increased contract sum of £1.47m.
- 8.4 The inflationary increase for labour and materials is impacting upon the construction industry as a whole and the levels of inflation for the project are in line with current industry norms.
- 8.5 The funding implications are dealt with firstly through an increase in available capital receipts, which generates an additional £500k. There is also an adjustment made in the programme, which results in additional funding of

£450k. The remainder of the funding can be found from programmed slippage, which is reported in the Quarter 2 monitoring report.

- 8.6 Given the contract programme position, the in depth analysis undertaken by the project team quantity surveyor and the contractor supply chain the estimated increase should not require any further revision.
- 8.7 When considering the increased construction costs it is important to consider these in the context of the substantial revenue savings outlined in section 4.5.
- 8.8 On 15 November 2022, Cabinet agreed to recommend to Council a variation in the capital programme to enable the completion of the project as detailed in section 8.3 and an amendment in funding as set out in 8.5 above.

## **9 Policy Framework**

- 9.1 The Council has four corporate priorities which are:
- Sustainable;
  - Healthy, safe and secure;
  - Connected; and
  - Creative
- 9.2 This report relates to all Council priorities as the delivery of the scheme contributes to the organisation as a whole.

## **10 Consultation**

- 10.1 Broad consultation for the scheme has been undertaken on two occasions to secure planning approval.
- 10.2 Regular consultation has been ongoing throughout the project development phase with both the One Eden Member Working Group and One Eden Member Briefings.
- 10.3 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.
- 10.4 All service areas are represented on the Voreda House Transitional Group which is designed to enable full consultation and engagement in relation to transitional arrangements and internal building design and fit out.
- 10.5 The Shadow Authority are engaged evidenced through Voreda House being designated as an anchor building and service location.

## **11 Implications**

### **11.1 Financial and Resources**

- 11.1.1 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.
- 11.1.2 The financial implications are set out in detail within the report.

## 11.2 Legal

11.2.1 The Council is in contract with Collinson Construction for the completion of the refurbishment. If insufficient funds are available to complete the works then the legal implications will need to be fully considered.

## 11.3 Human Resources

11.3.1 The Voreda House project will provide a high quality and flexible working conditions and collaborative space for existing and future employees, partners and customers.

## 11.4 Environmental

11.4.1 The Voreda House project plays a significant role in the existing and future authorities' desire to achieve carbon reduction targets. It is an exemplar facility which can set the standard for future accommodation across the Shadow Authority.

## 11.5 Statutory Considerations

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
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 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.
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.

## 11.6 Strategic Risks

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
Adverse weather conditions	Impact on the delivery programme	The next phase of work will be to make the building water tight through fitting the internal elements of the cladding system which will mitigate any weather related issues.
Final planning consent	Final planning approval not granted	The drawings and elevations required to finalise the planning consent are being produced and there are no material changes proposed.
Further cost escalation in the materials and labour supply chain	Budget is not sufficient to complete the scheme	The indepth analysis of costs in relation to economic factors and the associated supply chain has created a high level of confidence in budget requirements.
Additional capital funding is unavailable	Unable to complete the contract	No options are available to mitigate the additional funding requirement.

## 12 Other Options Considered

- 12.1 There are no other options available to enable the completion of the construction.

## 13 Reasons for the Decision/Recommendation

- 13.1 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.

### Tracking Information

<b>Governance Check</b>	<b>Date Considered</b>
<b>Chief Finance Officer (or Deputy)</b>	16/11/22 (Deputy)
<b>Monitoring Officer (or Deputy)</b>	15/11/22
<b>Relevant Assistant Director</b>	14/11/22

**Background Papers:** Single Site Programme – Delivery of Voreda House – October 2021

**Appendices:** None

**Contact Officer:** Mike Poulter, Single Site Programme Manager

**Eden District Council****Cabinet****19 April 2022****Arts and Culture in Eden  
Development Framework and Options for the Town Hall**

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

**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**

<b>Option</b>	<b>Description</b>	<b>Capital Cost (£m)</b>
1	<b>Arts Centre</b> - <i>A platform for public programming and studio complex for artists and makers.</i>	4.1
2	<b>Creative Hub</b> - <i>Crafting arts and teaching studios focussed on enhancing creative skills and enterprises.</i>	3.9
3	<b>Creative Futures</b> - <i>creative learning and development Centre for innovative practice, skills and enterprises serving the future of local livelihoods.</i>	3.6
4	<b>Performing Arts/Music Centre</b> - <i>practice and performance space for performing arts/music company.</i>	5
5	<b>Visual Arts Gallery/Museum</b> - <i>gallery and events space run by independent bodies or expanded Penrith museum.</i>	4.7
6	<b>Test Bed</b> - <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

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
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

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
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.

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
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**

<b>Governance Check</b>	<b>Date Considered</b>
<b>Chief Finance Officer (or Deputy)</b>	30 March 2022
<b>Monitoring Officer (or Deputy)</b>	18 March 2022
<b>Relevant Assistant Director</b>	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**