

Lowestoft Town Hall Project

Progress Report for Full Council, November 2023

This report covers the period from 8 October to 20 November 2023.

PWLB Application

- We (LTC admin, steering committee councillors plus me) met with the Suffolk Association of Local Councils (SALC) and an officer from the Department of Levelling Up, Housing and Communities (DLUHC) on 24 October to discuss the application process.
- The loan can be drawn down in variable tranches, as dictated by project cashflow. The rate of interest would be that applicable on the day of drawdown, so at this stage we are only able to get an indication of how much could be borrowed. ¹
- Drawdown can be deferred, allowing us to manage operational cashflow more easily, with the first repayment not due until the 25/26 financial year. This means we can secure the loan in order to get Permission to Start (PTS) from the Heritage Fund but can delay calling on it until absolutely necessary.
- The £4m proposed loan includes an additional £900k contingency over the project budget estimated in the last stage. If we do not need the full £4m, we inform DLUHC, do not draw down the balance, and no fee will be payable.
- As there is no proposed increase in the precept as a result of the project, the decision will be at deputy director level at DLUHC. There is less emphasis on the results of public consultation.
- Once in place, the loan agreement cannot be changed. This means that there is no risk of interest rates being increased in future, once drawdowns have completed.
- The full application needs to be submitted in early December – the lead time from DLUHC is eight weeks, so this would give a decision in mid-February. This minimises the time before PTS, when funds expended can be reclaimed from NLHF, as well as from other funders.

PWLB consultation

- Two consultations were held in Kirkley (3/11) and the Triangle Market (9/11). Jess Johnston (Heritage Project Manager, MossKing), Katarina Santic (Architect, HAT) and I attended, supported by several project committee members.
- We had 67 people attending consultations in total (41 +26). Although relatively low attendance, the level of engagement was high, as was support for the project. This is perhaps predictable, ie those that support it turn out to find out more!
- With the survey (online and on paper) complete, we had just 58 responses, which is disappointingly low. However, 87% were in favour of the project and of taking out the loan. Those who objected to the loan also object to the project, and no respondent was in favour of the project but not the loan.

¹ Note that the amount to be borrowed is constrained by the commitment not to raise council tax as a direct result of the loan – therefore should interest rates continue to rise, the total amount borrowable will potentially decrease.

- Statistically, the sample size of the survey allows us to be 90% confident that between 76% and 98% of residents would support both the project and the loan.

Planning & Listed Building Consent

- Planning and Listed Building consent was granted on 14/11. We can now focus on the planning conditions, none of which are onerous.

Design Stream

- RIBA Stage 4 design work is moving ahead. This is the most intense design stage. There have been delays in getting requirements to the design team, but we are now making solid progress.
- A new UKPN substation quote has been provided, which is about £2.5k lower than the previous. We have a year to accept it but will need to move relatively quickly in order to develop the planning application for approval and get the work scheduled, which is complex. The location of the substation will be decided by ESC and the creation of a suitable enclosure will be included in the main contract.
- I have discussed street lighting with Suffolk County Council. The design team specified wall mounted heritage lanterns replacing most of the lamp standards, but SCC are unable to support this, and propose new columns with heritage fittings instead. These are more expensive than lanterns (£18.8k v c.£10k provision in cost plan), but I plan to instruct so we can get the work out of the way ideally before the main contract starts, as it involves shutting down the local UKPN network for a period to replace cabling.
- RIBA4 is scheduled to complete (reports out in draft for review) by 8 March, with approval to prepare tender documentation to be secured by 22 March. This is a very short period for review, but essential to keep on track.
- PV panels are included in the planning application but have not yet been fully designed into the building. The project committee agreed that these must be included, to support the Council's commitment to tackling climate change. This decision needs to be ratified by Full Council. The committee agreed that it would seek to secure grant funding for panels – a cost of around £100k is a reasonable target.

Degradation and Asbestos Removal

- There is now more daylight at 1st floor level and air flow through the building. This will delay degradation, but, now that it is possible to see properly, it is clear that there has been significant deterioration, even just in the last six to nine months.
- Spillings have completed the latest degradation work specified in the summer, which included some asbestos removal. We will commission Broadland Group to update their full asbestos survey, so that we have a single comprehensive document to include with the main construction tender.
- On 3 November, our conservation architects and engineers had a site inspection. Several key recommendations from the dry rot report must be progressed, in particular, removal of several first floor ceilings. These have had significant water ingress, are beyond repair and are harbouring dry rot. Conservation at ESC are aware of the action.

- Our architects have developed a specification for the required follow-up works for pricing. This is likely to cost around c £20k and is urgently required to halt dry rot. A Full Council decision will be required re whether this work can be let as soon as possible to avoid further dry rot spread.
- This will not be a full enabling works – there is insufficient time or manpower to specify the full works now, and have it tendered before the main contract begins. However, it will remove some redundant plumbing and electrics, suspended ceilings etc, so will still be of benefit.

Procurement

- The Quantity Surveyor and Contract Admin tenders were published on 16 November. There is strong interest.
- As previously noted, the tenders were split so that QS and CA can bid separately or together. This should result in better quality bids and a lower price for combined services.
- We need a Construction and Design Manager to advise the client team. Although we have a CDM on the design team, parallel support is required by law for the client, as they control contracts, budgets etc, and therefore have a significant influence on the health and safety aspects of the project. The estimated cost is under £20k.
- The CDM brief was not included in the pack that went to NLHF, although the costs are in the detailed budget that was approved by Full Council. A delegation on this procurement by Full Council would be helpful.
- An evaluation consultant is needed to start developing baseline measures. The tender process will begin in January. This will be a five year appointment, covering both activity and project during development and for three years into live running.
- No other procurements are scheduled until after Permission to Start is secured.

Interpretation & Activity Plan

- Jess Johnston and I facilitated a site meeting between HAT Projects and PLB, our interpretation designers. The aim was to ensure that all the requirements/plans for interpretation were fully integrated into the RIBA4 building designs. This means that things like power supply locations, how lighting and exhibits will be controlled etc, can all be built into the RIBA4 design.
- I have agreed that RIBA4 (detailed design) for interpretation should be completed by PLB by May 24. This gives sufficient time to develop technical designs and go out to manufacture well ahead of completion of the building.
- A meeting of the Heritage Focus Group is scheduled for the end of November. This will be a good opportunity to start work on content development.
- The delays to recruiting the Heritage Manager (awaiting greater certainty on PTS being imminent) means that the activity plan is on hold currently. We will catch up in the New Year.

Registrars

- Heads of Terms need to be agreed with the Registrars in preparation for them signing a lease for the building. This should ensure that agreement can be reached, and that our bespoke design for them is not wasted. The Council must meet with Suffolk County Council's estates surveyor to begin this work asap as it is required for Permission to Start.

HAT Contract

- The contract with the architect still needs to be signed. HAT are finalising the arrangements with the design team subcontractors and developing a fee schedule. I have already agreed with Hana Loftus the fee ceiling in the budget.

Financials

- The budget for the delivery stage of the project currently sits at £9,290,089. This excludes the additional <£900k contingency a £4m PWLB loan would provide.
- I will manage the budget on the same basis as previously – NLHF has approved this approach and are happy with the quality of the information and the financial control
- No invoices have been received in this period although several are expected imminently.

Permission to Start

- Permission to Start is the official point at which the NLHF allow us to start reclaiming money expended since the grant was awarded on 18 September. Thereafter, claims will be 3-monthly. This is reflected in the project cashflow. There are several key deliverables required to gain PTS:
 - Cost breakdown and cashflow for the project, programme plan and structure (SK to update those previously submitted)
 - Evidence of secured funding, ie Towns Fund, ESC, PWLB plus Planning/LB consent (LTC Admin)
 - Minutes of resolution to accept NLHF funding (LTC Admin – done)
 - Boundary agreement with ESC – suggest that a surveyor should have marked boundaries, letter exchanged with ESC, and boundary documents submitted to Land Registry (Town Clerk)
 - Heads of Terms with Registrars - subletting is prohibited, but partial leases are permissible subject to approval by grants officer. (Town Clerk)
 - Restriction on title application to Land Registry - application made is all that is required in recognition of LR lengthy timescales (Town Clerk)
 - Proof of ownership – resubmit (SK produced document for bid, which was accepted)

Next steps up to PTS

- PTS is unlikely to be secured until late February at the earliest. This means that we will have virtually completed RIBA4 on the building design by then.
- During this period, I will be managing the following:
 - Procurement of QS/CA, CDM consultant, evaluation consultant. Most briefs already approved by Full Council as part of the application to NLHF.
 - Begin Heritage Manager recruitment?
 - Submission of the PWLB loan application
 - Production of all documentation to support PTS/liaison with NLHF
 - Procurement of degradation follow-up works
 - Finalising building requirements from LTC admin/others (urgent)

- Detailed RIBA₄ building design including instructions; attending design team meetings
- Development of Cost Plan(s) for RIBA₄ to confirm we are on track
- Progression of UKPN substation decisions/commissioning HAT to develop planning application
- Detailed specification of café/prep kitchen fit out with catering consultant
- Procurement of any surveys or specialist advice to support RIBA₄
- Development of content for interpretation
- Financial control over expenditure to support the above (in line with approved budgets)

Sheila Moss King
Project Manager