

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1. Meeting:	Cabinet
2. Date:	9th March 2011
3. Title:	Boston Castle
4. Directorate:	Environment and Development Services

5. Summary

The report presents the proposal that has been submitted to the Heritage Lottery Fund for their financial support.

6. Recommendations

- 1. That the proposal submitted to the Heritage Lottery Fund is approved;**
- 2. that Cabinet recommend that £560,261 (build costs £475,307 + development costs £84,954) is included in the Capital Programme for 2011/2012 funded by Prudential Borrowing (borrowing costs funded Centrally), this being the Council's contribution to enable the project to proceed;**
- 3. that an additional £21,000 is included annually in the Revenue Budget for the period 2012/13 to 2015/16 and then a further additional £20,000 is included annually in the Revenue Budget from 2016/17 onwards.**

7. Proposals and Details

The proposals that were submitted to the Heritage Lottery Fund (HLF) on 1st December 2010, are detailed below.

Proposal

The following scope of works has been developed up to RIBA Stage D for the capital works and in line with the HLF criteria for the Activity Plan. Both of these elements have been approved by the Boston Castle Project Board for inclusion in the HLF submission:-

- Restoration of the existing Castle, to allow use for interpretation, functions and meetings.
- Retention of the western wall of the Victorian extension, but demolition of the remainder and various outbuildings.
- Erection of a two-storey extension, within the retained western wall of the Victorian extension, that allows the provision of a platform lift, stairs, toilets, storage and plant rooms and allows access to the various levels of the Castle.
- Extensive landscaping work to the Courtyard adjacent to the Castle to form an Event space. This has been the subject of a separate successful application to Biffaward for £50,000.
- Modifications to the entrance to allow a separate pedestrian access to the park.
- Provision of car parking in the existing area adjacent to the Bowls Pavilion.
- Security and external lighting to suit.
- A 5 year Activity Plan that focuses on school groups, guided learners and open access learners.
- An Activity Plan that includes the provision of two additional part time resources to manage the activities programme
- An Activity Plan that requires the input of a number of volunteers to assist in the delivery of the activities programme

The project team has used the services of the consultants involved in the original scheme, following approval by the HLF. The HLF have also given the go ahead to negotiate the new contract sum with the previous successful contractor. Both of these groups have been through a rigorous selection process that was based on achieving value for money. This use of the existing team has given the project the advantage of speed in arriving at a suitable design and certainty that the proposed costs and programme are based previously known information. It will also ensure a shorter lead in period prior to a start on site.

The following are the costs associated with the project ie excluding development costs:

Capital Costs	
Design Fees	£ 94,697
Capital Works	£ 902,194
Operating Costs (up to 2015/16)	
Activity costs	£ 128,150
Management costs	£ 82,470

Volunteer Time –
Notional Cost fully recoverable from HLF £ 19,350

Total Costs £ 1,226,861

The above Operating costs are those associated with delivering the various activities, i.e. costs that are eligible for the HLF Grant Funding up to 2015/16 and Management Costs, i.e. costs associated with operation and maintenance of the facility, which are not eligible for HLF Grant Funding.

Funding

The following funding is forecast for the period 2010/11 to 2015/16

RMBC Capital Programme	£ 475,307
RMBC Revenue Budget	£ 82,470
Income Stream	£ 9,735
Biffaward	£ 50,000
Volunteer Time	£ 19,350
HLF Grant Award (52%) (£471,584 Cap + £118,415 Revenue)	£ 590,000

Total Funding £ 1,226,861

The above costs as a Summary and further notes

- Council's prudential borrowing costs based on a £475,306 contribution (39%) approx. £33,000 per year over 50 years, total repayable £1.65m.
- Development cost of £84,954 will also be funded via prudential borrowing at an approximate cost of £5,900 per year over 50 years, total repayable £0.295m.
- Additional professional fees (to produce the revised scheme) costed at £94,697 (have been included in the revised bid and won't need a separate Council revenue source)
- Council's revenue costs over the life of the project are currently unfunded and revenue budget investment over the next 5 years will be required as follows:

○ 2011/12	£3,480
○ 2012/13	£15,920
○ 2013/14	£21,020
○ 2014/15	£21,020
○ 2015/16	£21,020
Total	£82,460
- When the HLF funding comes to an end in 2015/16 to continue to run the Castle will require a further revenue budget investment as annual revenue running costs are estimated to be in the region of £41,000 per annum. Assuming that revenue funding is secured to fund the revenue running costs over the life of the project (above) a further investment of £20,000 will be required from 2016/17 onwards.

Total Cost to the Council

Approx £38,900 per year, total annual borrowing costs (£33,000+ £5,900)
Approx. £41,000 per year, dependant upon income stream generated by the Activities at the Castle. (ongoing revenue cost)

Conclusion

This proposal has capital costs of approx. £1.2m (RMBC capital contribution of approximately £475,000 + £85,000 = £560,000) and a revenue cost of £41,000 per annum. This means that a saving of approx. £540,000 on capital costs as the provision within the Capital Programme of £1.2M can be reduced. There will also be an annual saving on the capital borrowing costs of approx. £35,100.

There will still be a revenue pressure during the project (approx £21,000) and from the point at which the HLF funding comes to an end in 2015/16 (approx £20,000), which will need to be included in the Council's Medium Term Financial Strategy.

8. Finance

Financial risks / implications have been identified in each of the options above.

Given the current financial position of the Council finding funding for the on-going revenue costs will put further pressure on service budgets.

9. Risks and Uncertainties

If HLF bid is unsuccessful then options to secure and make safe the castle would need to be pursued.

It is also important to note that delaying the start date is likely to have the following implications, which will be greater the longer the delay continues:

- Further costs due to ongoing vandalism to the building
- Potential health & safety risks associated derelict condition of buildings and surrounding areas

10. Policy and Performance Agenda Implications

N/A

11. Background Papers and Consultation

Approval of the Boston Castle Cabinet Report 10 August 2010

Approval of Boston Castle Tender Report dated 29 June 2010

Approval of Boston Castle Tender Shortlist Report dated 27 April 2010

Various Briefing Notes to the Boston Castle Project Board

Contact Names:

Steve Hallsworth, Leisure Services and Community Delivery Manager, ext 22483

steve.hallsworth@rotherham.gov.uk