



# Dorchester Town Council

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14 September 2021

**Agenda** for the meeting of the **Policy Committee**, which will be held at The Recreation Pavilion, Weymouth Avenue, Dorchester, DT1 2RY on **Monday 20 September 2021** at **7.00pm**.

Adrian Stuart  
Town Clerk

## Public Attendance and Speaking at the Meeting

The meeting will be held on the basis that the Government's Covid restrictions remain in place. If you wish to attend it would be very helpful if you could **notify the clerk by 0900 on the morning of the meeting** so that we can include you in our arrangements to keep you and other participants safe.

The Chairman has discretion to allow members of the public to speak at the meeting. If you wish to speak please let the Clerk know when advising of your attendance. We ask speakers to confine their comments to the matter in hand and to be as brief as is reasonably possible.

## Member Code of Conduct: Declaration of Interests

Members are reminded that it is their responsibility to disclose pecuniary or non-pecuniary interests where appropriate. A Member who declares a pecuniary interest must leave the room unless a suitable dispensation has been granted. A Member who declares a non-pecuniary interest may take part in the meeting and vote.

## Membership of the Committee

Mayor G. Jones and Councillors B. Armstrong-Marshall, R. Biggs, A. Chisholm, T. Harries, J. Hewitt, F. Hogwood and S. Hosford (Chairman).

1. Apologies, Declarations of Interest & Signing of Minutes  
To confirm that the Chair may sign Minutes of the meeting of 19 July 2021, adopted by Council on 26 July 2021.
2. Financial Update at 31 August 2021 A
3. Municipal Buildings Update B
4. Town Clerk Recruitment – Verbal Update from the Chairman



## DORCHESTER TOWN COUNCIL

### FINANCIAL UPDATE AT 31 AUGUST 2021

#### 1. Financial Position

- Month 5 spend (Appendix 1) £1k under profile:
  - £13k under on Outdoor Events at Maumbury/Borough Gardens
  - £11k under on Outdoor Staff
  - New £13k grant to Citizens Advice
  - All other under and overspends net £11k over
- Cash Position

	£000	
Lloyds Bank	107	Nil interest
Payden Global	900	c. 0.60% return
National Savings and Investments	7	0.01% interest
CCLA Deposit Account	950	0.025% interest
<b>Total Cash</b>	<b>1,964</b>	<b>(30 June £2,275k)</b>

#### Notes:

- Second precept (£758k) due late September
- Payments on Municipal Buildings project will accelerate during phase 2 works
- Debt over 30 days = £1,732, one debtor – Dorset Council (30 June £1,798, 2 debtors)
- Payments list 1 July to 31 August 2021 on website. Supporting vouchers available from Financial Controller
  - **RECOMMENDED** that the Payments list, totalling £470,207.58 is approved.

#### 2. Municipal Buildings Business Rates

- Altus Group successfully appealed rateable value of Municipal Buildings, reduced from £49,500 to £22,000, backdated to 2017/18. Rates bill approx. 50% of RV
- DTC received refund of £36k, net of the Altus Group fee
- On advice of DA's business plan advisors DTC also received £8k refund for the period Dec 20 – Mar 21 when the building was closed for renovations. Not paying rates at present
- £44k has been added to Municipal Buildings Reserve, while awaiting outcome for 2021/22 financial year

#### 3. External Audit Report 2020/21

- Audit completed with no amendments, certificate on our website
- **RECOMMENDED TO COUNCIL** that the certified Annual Governance and Accountability Return for year ended 31 March 2021 is approved and accepted

Nigel Hayes  
Financial Controller

## MANAGEMENT REPORT AT 31 AUGUST 2021

By Spend Type	Budget £000	Profile £000	Actual £000	-Under/Over £000
Staff	735	308	299	-9
Capital Financing	39	17	17	0
Other Payments	556	232	241	10
To Specific Reserves	309	309	309	0
Income	-122	-35	-37	-2
<b>Net Budget</b>	<b>1,516</b>	<b>830</b>	<b>829</b>	<b>-1</b>

By Service	Budget £000	Profile £000	Actual £000	-Under/Over £000
Allotments	-7	2	4	2
Parks & Open Spaces	104	60	59	-0
Cemeteries	-2	15	18	4
Corp. & Dem. Manage.	37	13	12	-1
Cultural & Twinning	71	26	19	-7
Municipal Buildings	257	168	169	2
Other Services	233	175	175	-0
Office Team	379	174	178	4
Outdoor Services	445	198	194	-4
<b>Net Budget</b>	<b>1,516</b>	<b>830</b>	<b>829</b>	<b>-1</b>

Earmarked Reserves with budgeted Expenditure In Year	Budget £000	Profile £000	Actual £000	-Under/Over £000
Cemeteries	30	0	0	0
Municipal Buildings	1,758	507	507	0
Parks Premises	0	0	11	11
Play Equipment	0	0	0	0
Public Realm	278	1	1	0
Vehicles & Equipment	20	20	18	-2
Dorchester West Ramp	10	0	0	0
Arts & Cultural	5	5	5	0
Christmas Lights	10	0	0	0
Corporate Projects	0	0	0	0
Planning Advice	10	0	0	0
Climate Emergency	50	0	0	0
Treasury	5	0	0	0
<b>Net Budget</b>	<b>2,176</b>	<b>533</b>	<b>542</b>	<b>9</b>

**DORCHESTER TOWN COUNCIL****POLICY COMMITTEE – 19 JULY 2021****MUNICIPAL BUILDINGS WORKS AND THE REPLATIONSHIP WITH DORCHESTER ARTS - UPDATE**

1. This report provides an update based on the report to Minute 2020/15 which commenced the project in July 2020, Minute 2020/30b-f at Council in November 2020, and an Update report to Policy Committee on 15 March 2021.

**Main Contract Works (Phases 1,2 & 3) – Budget £1,800k      Main Contractor Hammonds  
Original Target Dates Mar 2021 (Ph 1) and Dec 2021 (Ph 2 & 3)**

2. This contract covers the Main Roof repairs to the Council Chamber, Corn Exchange and Apse (Ph1), and the Extension (Ph2) and Conversion (Ph 3) of the rear part of the building to provide for the biomass boiler system, upstairs offices and meeting rooms and downstairs multi-purpose space for performer changing, food preparation, meetings and disabled facilities, all under a new roof.
3. The Main Roof works have taken longer than anticipated due to problems uncovered with the Apse metal frame structure and disruption to the supply of materials and skilled labour during the pandemic. It is now anticipated that the external works will be completed by the end of September, with some internal works still required in the Apse area to be completed by December 2021. As this, the most complicated, phase comes to an end the works are broadly on budget.
4. The Extension works have been delayed as a result of the Main Roof works, as scaffolding sits on areas to be excavated for foundations. The internal Conversion works were accelerated, but have now also reached the point where they are dependent on a new roof, which in turn requires removal of the scaffolding from the Main Roof works. The biggest risk remaining relates to new foundation works, while the conversion works have exposed a list of construction problems associated with the original 1980's extension. Notwithstanding this, it is currently anticipated that the works will be completed by March 2022 and are currently predicted to be delivered on budget; but there is now very little contingency left to deal with new structural problems and pandemic related issues.
5. An application has now been submitted for solar panels on the roof of the Corn Exchange and the extension. It has not yet been registered.

**Theatre Improvements (Phase 4) – Budget £250k from s106      Target Date Sep 21**

6. Works were also commissioned to provide a better theatre experience in the Corn Exchange, using s.106 money secured by Dorchester Arts. Again these works have been delayed by internal scaffolding associated with the Main Roof repairs, with most of the AV, Sound and projection likely to be in place at the end of October and the raked seating being installed in November 2021.
7. Modest redecoration improvements have also been made to the Bar area and Magistrates Room as an interim measure to improve front of house experience whilst awaiting a large Front of House Improvements programme.
8. All items have now been procured and the total cost is currently within the budget available.

### **Front of House Improvements (Phase 5) – Budget £500k from Town Council & s106**

9. These works involve reconfiguring the front of the building, relocating toilets away from the prime space, probably into the bar area. This allows non-original walls to be removed to open up the front of the building for community use and improve visitor experience and dwell time ahead of evening events. There is sufficient funding available to carry out an acceptable level of refurbishment.
10. The opportunity has been taken to introduce 3 toilet cubicles in the multi-use space at the rear of the building. These will be available for daytime users of the multi-use space and visitors to performance events in the Corn Exchange. This work reduces the number of toilets that will need to be provided at the front of the building
11. Separately Dorchester Arts have engaged an architect and surveyor to explore the potential to open up access into the basement area, which is currently used for general storage and as a gas boiler room, uses that may not be required in the long term. The exercise has identified significant potential to create a large space, with its own unique atmosphere and with commercial potential. There is no funding for any conversion of the space, although Dorchester Arts are in the early stage of exploring opportunities with grant funders and Dorset Council have been approached regarding Recreational Community Infrastructure Levy generated from Dorchester.
12. Due to delays in implementing the earlier phases the Phase 5 works will now not take place until 2023 at the earliest. This does, however, give time to fully consider the potential for the basement area, to gather evidence to strengthen the case for changes to the listed building and to identify potential sources of funding.

### **Opportunity Wins – Budget £110,000**

13. In March Council approved the retention of the £50,000 underspend on the 2020/21 Revenue Budget for three purposes; incidental opportunity building works deemed possible while the builder is on site, preliminary design ideas for 19 North Square and support for Dorchester Arts during the extended closure period. This supplements £60,000 currently held in the Municipal Buildings Reserve for works that would have a longer term benefit for the building.
14. To date the following additional works have been committed

	£000
Full redecoration of the Corn Exchange inc window masonry & window actuators	32
Electric Vehicle Charging points for 2 vehicles in rear car park	5
LED lights in areas of the building not covered by the contract	12
19 North Square Feasibility study - SPASE	10
<b>Total to Date</b>	<b>59</b>

### **Dorchester Arts Lease and Partnership Agreement**

15. Prior to this meeting the Task Group, made up of Town Council members and DA trustees, will consider the latest draft of the lease and Partnership Agreement, which includes the following
  - The Lease has a 12 year duration (being 2 years to finish off all the building works plus 10 years operating normally), this being the optimum period to satisfy potential grant providers for Front of House works

- Rent of £1pa, with DA meeting operational costs of the building (estimated £53k, mainly utilities) and benefitting from income raised (estimated £47k)
- DA provides DTC with the Council Chamber, office space, and for civic activities
- The Partnership Agreement has a 5 year duration
  - DTC provides an annual grant of £6k to net off the costs transferred under the lease, plus in kind/cash support for Town Hall Keepers (£72k) and retains maintenance obligations for the fabric and infrastructure (£15k pa plus major refurbishments)
  - DA required to operate the building to support Arts/Community purposes, based around their agreement with Dorset Council
  - Monitoring process to resolve issues and with a requirement for DTC to provide an indicative view regarding the content of the next agreement once first 5 years is over

16. The lease and agreement are likely to be implemented when the building reopens, currently scheduled for October 2021. However the Corn Exchange is unlikely to be available until December at the earliest, requiring significant changes to Dorchester Arts programme.

17. While the Opportunity Wins budget above allows the Council to support DA during the closure, at this point it is not anticipated that support will be necessary. DA did not apply for the latest round of Covid Cultural Support.

18. DA are currently finalising their Business Plan for submission to Dorset Council as a condition associated with the release of the s106 monies. They are also finalising the agreement with Thomas Hardy School.

### **19 North Square**

19. One of the funding sources for the overall works is the disposal of the current Council offices (£300,000 assumed, based on valuer advice), with a consequential reduction in running costs (£150,000 over 10 years). The easier solution is to dispose of the property on the open market, but minute 2020/30f authorised the Town Clerk to engage an architect to explore the feasibility for developing the site for affordable housing, to report back within 12 months.

20. Local architect practice, SPASE, have now reported back with preliminary ideas for developing the site for 3 and 5 flats and for 6 units with common areas. Each solution has its merits and weaknesses. We will continue to develop these options with SPASE and report back to the November meeting.

### **Funding the Works**

21. Minute 2020/15a of Council authorised the Town Clerk to prepare a loan request of up to £1.4 Million from the PWLB to fund the works.

22. It was recognised that the upper limit for the loan value would reduce

- Grant funding from Low Carbon Dorset is now confirmed at £196k and available on request
- There is greater confidence that 19 North Square can be sold within a reasonable time period and £300k is a reasonable budget assumption

- In setting the 2021/22 budget Council paid a further £100k into the Municipal Buildings Reserve with the intention of further reducing the maximum dent required
- The delays in construction mean that an additional annual contribution will be made to the Municipal Buildings Reserve in 2022/23 before the scheme payments are finalised

As a consequence of the above, and based on the delivery of the project on budget (by no means yet certain) the anticipated loan that the Council will need to fund is now likely to be in the region of c. £750k.

23. A loan at this level presents an option that was not available in July 2020 when the Council first considered the issue – the option being not to borrow

- The Corporate Projects Reserve is currently at £585,000, growing slowly when CIL payments are received.
- While there are potential projects to use the Corporate Projects Reserve, even if Council decide to proceed with projects, it may be some years before cash payments are being made for actual works taking place, by which stage additional Municipal Buildings Reserve contributions at £78k a year will have been received
- Notwithstanding the above, locking in borrowing at historically low interest rates is still an attractive option, although there is currently little sign that the Council would need to act quickly to lock in low rates

24. Members are therefore faced with a choice not available to them in July 2020

- Option 1 – Borrow to cover the period of time that it will take for Reserves contributions, savings on 19 North Square and RHI payments to cover the debt – currently estimated at around 9 years
- Option 2 – Use the Corporate Projects Reserve for this project, then borrow for any new capital projects emerging from the Corporate Plan as costs arise in some years time

25. The advantage of Option 1 is that the project is well defined and the Council has already consulted on the need to borrow for the project as part of its Corporate Plan consultation in Autumn 2020; it also makes decision making on new opportunity projects easier. Option 2 allows the Council to reduce its cash holdings significantly at a time when they are earning very little. It also supports more objective decision making in relation to any new projects emerging from the Corporate Plan.

26. An indication of which of these options is preferred would be helpful.

Adrian Stuart  
Town Clerk