

**Fordingbridge Town Council**  
**Finance & Policy 24<sup>th</sup> April 2019**  
**Report to Council: Town Hall Buildings Works**

**Background:**

The maintenance of the Town Hall roof has been under review since 2015. Progress has been slow in identifying the problem with contractors and forming a plan of works. The issues are complicated and the building is Grade II listed.

The works have been reviewed by various contractors and professionals and in 2017, Sheerin Bettle Architecture were appointed to move the works forward to prevent further dilapidation of the building.

Works were undertaken to repair the Clock tower in 2010/11 and members were concerned that these were not adequately managed. It was felt that the Town Clerk and RFO were not sufficiently qualified to manage the on-going works and estate management generally and so members agreed to appoint a Buildings Manager to take responsibility for all Council-owned property and to formulate a long-term plan for buildings maintenance.

**Project Cost:**

A schedule of works was issued for tender in December 2018 and in March 2019, a contractor was appointed, at a cost of £166554 (plus VAT). This does not include the on-going cost of the scaffolding in the Council Chamber (£324/mth), storage of painting (£218/mth), building manager, Sheerin Bettle, Harvey & Snowdon engineers or the cost of relocating the offices temporarily. It is likely the final project cost is likely to be in the region of £190000 (plus VAT) – not including costs incurred to date (which have been met from reserves). It should be noted that there is a contingency sum of £25000 within the contract price. Until the tender was issued, the extent and likely cost of the works was unknown. Members had agreed to increase the precept for 2019/20 to cover some additional building works (£6000), but were mindful that further funding might be necessary once the cost of works were known.

**Funding:**

We therefore need to agree how we are going to fund this. At year end the reserves will be in the region of £250000, of which only £107000 would be considered general reserves (the rest are allocated to CIL, skate park or lengthsman). This is equivalent to approximately 50% of our annual expenditure – so is by no means a generous reserve. It might be possible that some of the CIL funding could be used towards the roof repairs, but members need to consider whether it is appropriate to do so.

Members need to agree the way forward. Taking into account the contingency sum, the unknown costs (SBA, Building Manager and engineers), and our current reserve position, our recommendation would be to take out a PWLB loan of £110000, over a period of 25 years, funding the remainder from reserves and CIL as deemed appropriate. Once the project is near completion, this would need to be reviewed.

The approximate cost of borrowing £110000 would be £6964.72 per annum. If we were to borrow £170000, the cost would rise to £10763.66. Within the precept for 2019/20, an allowance of £6000 was made to fund the (unknown) cost of the roof repairs.

**Affordability:**

Within the current budget (2019/20) there is a provision for buildings maintenance of £11500, the loan costs would be met from this figure on an annual basis. The precept would not need to be increased in 2020/21 – other than to meet inflationary pressures (noted at 2% within the budget).

The remaining sums (approximately £80000) would be met from reserves and from CIL – and this would be reviewed at the end of the project once final costs are known.

Members recognise that in the medium term there are likely to be increased buildings maintenance costs (in general) as this was the specific reason why a Buildings Manager was appointed (to preserve the life expectancy of the estate belonging to the council). The impact of this will be established over the next twelve months.

**General Project Consultation:**

The project has been under review and documented for over three years, with information being reported at Council meetings on a regular basis. This information is freely available on the Town Council website and a summary of Council decisions is regularly reported in the local press (notably the Forest/Salisbury Journal).

During this time the Council has not received feedback (positive or negative) from members of the public. The Council will ask residents for their views, via a web-based consultation over the next month.

Martine Coatham, RFO