

PROJECT BOARD MINUTES

Project: North Herts Museum & Community Facility

Date: 22 September 2015

Classification: Confidential

In Attendance: Councillor Tony Hunter (NHDC), Tricia Cowley (NHDC Advisor), Councillor Frank Radcliffe (Senior User), John Robinson (Project Executive), Steve Crowley (Project Team), Ros Allwood (Project Team), Jack Hughes, (Project Team) Sharon Nahal (Minutes)

Apologies: Vaughan Watson (Project Team)

Circulation: Those attending, Vaughan Watson (Project Team)

Introduction

JR welcomed Councillor Frank Radcliffe on to the Project Board and provided an overview of this role as a Senior User. In addition, Jack Hughes was introduced as part of the Project Team who will be responsible for operating the Town Hall.

1. Apologies

Apologies were received from Vaughan Watson.

2. Minutes of the Last Meeting held 1 July 2015

The minutes of the meeting held on 1 July agreed. However, it was noted that the some elements of the minutes would be redacted prior to these being made on available on the Council's website.

Action: JR/SN

3. Project Update

- **Highlight Report No 14**

The Highlight Report detailed all activity between 1 July 2015 – 22 September 2015. The tasks completed to date were as follows:

Stage fourteen 01/07/2015 – 22/09/2015	Date Due	Date Completed
Construction Contract		
Front entrance (paving)	31 July 2015	Ongoing
Snagging	July 2015	Ongoing
Museum Fit Out		
Contractor start on site	13 July	23 July
FF Showcase installation	31 August	Ongoing
GF Showcase installation	7 September	Ongoing
AV pre-install sign off	25 July	Ongoing
Installation of racking and stored items	July onwards	Ongoing

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Shop stock ordered	End July	Ongoing
Uniform ordered	August	Ongoing
Object install in new cases	September	Not complete
New Museum Leaflet	September	Ongoing
Finalise pricing arrangements	30 May	Ongoing
Purchase and installation of new/existing furniture	4 June	March and ongoing
IT Infrastructure	31 August	31 August

Front Entrance

Board noted that work to the front entrance was nearly complete. Borrás are currently waiting for the glass balustrades which should be installed within the next four weeks. This has taken longer than originally anticipated due to Borrás having difficulty sourcing the correct materials.

Snagging

Snagging has been undertaken internally and Borrás are undertaking this work. The external areas of the building will be snagged once the glass balustrades are installed to the main entrance and this area is complete. Once Borrás have completed the snagging Buttress will arrange a date with Borrás to visit site to sign off the items.

Action: SC

Contingency/Indicative Nature of Town Hall Operation Tasks

The dates given in Highlight Report 12, under Item 7 Products Due, were indicative in nature and it was agreed at the meeting of Project Board on 16 April 2015 that as no authorisation has been given for these items, they could not be progressed until Council authorised these. It was also agreed that these dates be amended to include lead times and reflect an anticipated Council decision on 14 July 2015.

Due to the complexity of the contractual and legal disputes with Hitchin Town Hall Limited, the Development Agreement between NHDC and HTH Ltd has not been terminated, as authorised by Council on 14 July 2015. Therefore, approval for the capital expenditure and the progression of contingency arrangements was not possible until the subsequent meeting of Council on 3 September 2015. At this meeting Council approved the capital expenditure required to operate the Town Hall.

Additional Information

Board noted the recent Committee decisions in relation to the project, namely:

On 15 July 2015 Council's decision was to:

RESOLVED:

- (1) That Council not agree to the proposals to vary or replace the Development Agreement submitted by Hitchin Town Hall Ltd.;
- (2) That officers be instructed to serve notice on Hitchin Town Hall Ltd terminating the Development Agreement in the event of non-payment of their capital contribution and, subject to this,

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- (3) It be agreed that NHDC will operate the Town Hall directly in accordance with the general provisions of the Development Agreement, and that Cabinet be requested to approve the necessary revenue budget and reviews this operating model within three years of opening and, subject to this,
- (4) It be agreed that that capital expenditure to a maximum of £138,000 be earmarked for the fit out of the Town Hall.

On 28 July 2015 Cabinet's decision was to:

RESOLVED:

- (1) That the revenue budget for operating the Hitchin Town Hall, as detailed in Paragraphs 8.1, 8.2 and 10.3 of the report, of £67,000 in 2015/16, be agreed, and that £251,500 be built into the base budget for future years;
- (2) That the approach to the operational model be endorsed, and that it be noted that this will be subject to review within three years of opening; and
- (3) That it be noted that any variation to the agreed approach would be subject to approval by Cabinet or Council.

On 3 September 2015, Council subsequently resolved:

RESOLVED:

That the immediate capital expenditure to a maximum of £138,000 for the fit out of the Hitchin Town Hall be approved.

Project Initiation Document

Officers have updated the Project Initiation Document to address recent changes in the overall project and the members of project board, the key changes are the inclusion of Cllr Radcliffe as a Senior User, identifying that the Council is now anticipating it will be responsible for the mobilisation and operation of the Town Hall and the recent Cabinet and Council resolutions. For assistance all changes are highlighted with '**UPDATE SEPTEMBER 2015**' prior to the section.

Delay on fit out / damage to ground floor flooring

Damage has been caused to the ground floor wooden flooring, this was due to the grey water pipe being partially blocked and water entering the facility. Borrás have cleared out the pipe and have capped off a pipe that is not in use to prevent this from occurring in the future. Borrás have also replaced the flooring and repaired the walls where they had to gain access to the pipework.

The result of this taking place has meant a delay on the fit out, as Lightbrigade were not able to gain access to the ground floor until Borrás had laid the new floor. Borrás originally advised Light Brigade they would complete the work by the 3rd week of September, however, following NHDC and Buttress putting pressure on Borrás they completed this work in the first week of September. As Lightbrigade were working to the original date provided by Borrás and had re-programmed the construction of the

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framework that the showcases will sit on they have not been able to make use of the reduced time that Borrás took.

As a result of this Lightbrigade have provided a revised programme with a completion date of 29 November 2015. Their original programme saw them completing on 11 October 2015, therefore, there is a 7 week delay against this programme. Officers are monitoring the potential financial impact arising from this and other delays in the programme.

Officers have received an indication that the subcontractors responsible for making the mounts and object installation are behind schedule. Lightbrigade are currently trying to resolve this issue with the contractor. The Project Manager will provide an update at the project board meeting.

In discussing this, Board noted that they were still not in receipt of the final invoice from Borrás. SC advised that he would expect to receive this once works to the front entrance were completed. It was agreed that SC would liaise with Borrás to seek their final invoice once these works were complete.

Action: SC

Access to Museum

As a result of the ongoing dispute with HTH Ltd investigations are ongoing to consider mitigating actions to allow the Town Hall and District wide Museum to be accessible and operational with the exclusion of 14 & 15 Brand Street.

Combining Project Team Meetings

SC advised that the Council has amalgamated the Design and Construction meeting and the Operational Team meeting into one meeting that is now called the Project Team meeting. The reason for this is because the construction has completed and the main focus is now on the fit out and mobilisation to ensure the facility is ready for opening.

Kitchen & Café Tender & the Sale of Alcohol at Hitchin Town Hall

As part of the capital programme agreed by Council on 3 September 2015, the design, fit out and installation of the kitchen, café and server were budgeted for. This work has now been put out to tender, with responses due back on 23 September 2015, with a view to appointing the successful contractor by October. An indicative timescale for completion of this work is during October and November – this will be confirmed when the successful contractor is appointed. Robert Noble Associates Ltd have been appointed to fulfil the Construction Design and Management Coordinator role for this part of the project.

The sale of alcohol at Hitchin Town Hall for hires and events, either by or on behalf of the Council, could provide a substantial income stream for NHDC. As a result, officers are exploring the option to tender out the rights to sell alcohol and retain a percentage of commission on alcohol sales. This approach will transfer the management responsibility and risk on to the supplier whilst offering a flexible provision of alcohol and a means of income for NHDC.

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External Graphic

Board considered the external graphic which showed the key partners and contractors for the fit out element of the project will be applied to the windows on the main entrance of the museum within the next few weeks. Furthermore, once an opening date had been agreed, this would be incorporated in to the graphic.

Main Museum and Town Hall Sign

SC confirmed that planning approval has been given for the Museum and Town Hall signs, these have been ordered and it is anticipated they will be installed by the end of October 2015.

Councillor Radcliffe asked whether there had been any thought to any graffiti treatment as this may be a risk. It was agreed that SC would look in to this.

Action: SC

Financial Update

The Council Quantity Surveyor is working with Borrás to produce the final account, the contract sets out that this needs to be resolved within six months of the practical completion certificate being awarded, which was Friday 26 June 2015.

The last Quantity Surveyors report number 15 reported the estimated construction cost as £3,399,241 and an overall total cost of £3,455,949. The figure of £3,455,949 was reported and approved at Full Council on 10 March 2015.

Project Issues & Problems

The table below is an extract from the Issue log (Appendix 3), this shows the issues that are currently relevant to this project. Some of the issues identified in the Issue log are currently impacting on the project. There are three new issues which have been shaded in grey: -

Type	Description	Author	Status
Partnership Arrangements	Need to manage public and community expectation of project	SC	Ongoing
Legal & Project	It has been alleged the block work wall to form the two storey storage area to the rear of the stage may be in breach of the Development Agreement. The Council has responded back to HTH Ltd, to date HTH Ltd have not taken further action. At a previous meeting of Project Board Hitchin Town Hall Ltd indicated that the matter was with their lawyers.	KG	Ongoing
Legal & Project	NHDC served notice of breach on 21 st July 2014 and are currently considering HTH Ltd's response	SC	Ongoing

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Type	Description	Author	Status
Project	<p>Our lead architect Buttress have noted large amounts of damp and running water which has managed to penetrate the structure in the basement causing on going issues with decoration. They see little benefit in progressing the decoration to these very damp areas and have advised to place the works on hold or possibly omit from the Contract whilst investigations continue to find a solution</p> <p>June 2015 - damp has reappeared, therefore it is advised that this item is fully investigated when the final account for the construction is known, with an aim to resolve this mater.</p>	KG	Ongoing
Project	Delays in the installation of external and internal IT infrastructure as a result of third party contractor delays	SC	Ongoing
Information Technology	<p>The current timetable for the IT infrastructure has been delayed due to external providers taking longer to undertake site surveys. The current completion date is 31 August 2015, this does not impact on the critical path, however, does reduced the tolerance on this task. Officers will continue to monitor this item.</p> <p>IT infrastructure has been installed</p>	SC	Complete
Procurement	The possible failure to procure a suitable contractor to design, supply and install a café, kitchen and server. This is being mitigated against by seeking advice from Legal and Procurement on the specification. Currently, 15 companies have expressed an interest	JH	Ongoing
Procurement	The possible failure to appoint and mobilise a supplier to supply and manage the sale of alcohol at the Town Hall. Legal and procurement advice has been sought on this issue and the possibility to develop a preferred suppliers list may provide mitigation as an alternative.	JH	Ongoing
Project	Officers have received an indication that the subcontractors responsible for making the mounts and object installation are behind schedule. Lightbrigade are currently trying to resolve this issue with the contractor.	SC	Ongoing

Risk Log

Board reviewed the Risk log and noted the changes at items 19, 32, 44, 45 and 46. However, upon further discussion it was agreed that the following changes be made:

- Risk no 12 – that the impact/probability scores be reduced as the Council will be responsible for running the Town Hall
- Action: SC

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- Risk no 20 – that the impact score be reduced
Action: SC
- Risk no 39 – it was noted the risk had diminished in terms of the brick wall on the stage and that this risk should be downgraded.
Action: SC
- Risk no 44 – the commentary to be amended to read the Council will run the Town hall for 3 years and not 5
Action: SC

Products Due (Next Stage)

Project Board need to be informed of the next stage. The table below identifies the key tasks and dates that need to be completed in this stage:

Next stage 23/09/2015 – 31/11/2015 (stage fifteen)	Completed by
Construction Contract	
Front entrance (paving)	Mid October 2015
Snagging	30 October 2015
Museum Fit Out	
Fit-out Handover	5 December
AV final sign off	Mid October 2015
Installation of racking and stored items	29 November 2015
Shop stock ordered	31 October 2015
Uniform ordered	Mid October 2015
Object install in new cases	29 November 2015
New Museum Leaflet	29 November 2015
Colouring sheet for children produced	29 November 2015
Town Hall Fit Out – Indicative/Contingency Arrangements	
Café/Kitchen – Design, Procurement and Installation	10 December 2015
Vending - Agree supplier and installation	10 December 2015
Staffing – Agree structure, Recruitment, Selection and Training	10 December 2015
Alcohol Franchise – Tender, Selection and Commencement	10 December 2015
Operational Documents (inc Licensing)	18 November 2015
General Fit Out Items	29 October 2015
Museum and Town Hall tasks	
Telephony Infrastructure	29 October 2015

Due to items that have been raised in this and previous highlight reports the total delay on the project is currently 8 months.

Keys Tasks for Project Board to Consider

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Following consideration by Project Board the Project Executive agreed the following:

1. Endorsed the Project Risk Log
2. Endorsed the Project Issue Log
3. Endorsed the completion of stage 14
4. Endorsed the commencement of stage 15
Action: SC

4. Town Hall Fit Out Costs

As part of the mobilisation programme of the Town Hall, officers have forecasted the capital expenditure required, to enable the operation of the Town Hall. This expenditure was approved by Council on 3 September 2015 and is summarised in the table below.

Area	Capital Budget	
Café and Kitchen	£	64,563.27
Admin Office	£	1,540.00
Lucas Room	£	13,200.00
Mountford Hall	£	38,435.00
General	£	20,246.75
Total	£	137,985.02

5. Town Hall Hire Policy

JH provided a brief overview of the draft Hire Policy for the Town Hall. In considering the indicative programme of events, Councillor Radcliffe questioned why the Council were offering community rates when there were a number of other community venues for hire at community rates. JR advised that the decision taken By Council/Cabinet was that community rates be applied and, advised that in taking bookings etc, the Hall Manager would have flexibility in determining rates for example, if there a community event but makes a profit, then commercial rates would be charged.

JR confirmed that benchmarking had been undertaken in forecasting utilisation and income figures and that Officers needed to ensure that income targets set by Cabinet/Council were met.

TC asked whether the indicative programme of events and utilisation/income figures were aligned with that of Hitchin Town Hall Ltd. JR confirmed that these were based on the rationale put forward by Hitchin Town Hall Ltd in their business case in terms of income targets etc.

6. Delay on Opening Implications

Project Board noted the delay on opening the facility in relation to staff at the Museum and it was noted that staff may need to be redeployed until the facility was able to open.

7. Date of Next Meeting

The date of the next meeting of Project Board will be on Thursday 3 December at 4.00 pm in John Robinson's office.