

TITLE OF REPORT: INFORMATION NOTE - NORTH HERTFORDSHIRE MUSEUM AND COMMUNITY FACILITY**REPORT OF THE STRATEGIC DIRECTOR OF CUSTOMER SERVICES**

This information note provides an update on the North Hertfordshire Museum and Community Facility project following Council's decision on 11th November 2010 to proceed with the Hitchin Initiative's sponsored 'community' proposal for Hitchin Town Hall now being taken forward by Hitchin Town Hall Ltd.

Project Issues

Since confirmation of the grant/loan from Futurebuilders England Ltd on 19th February regular updates have been provided via the Members Information Service. Current issues include:

- HMRC have confirmed they will issue a partial exception certificate on NHDC's profiled capital expenditure which would otherwise have breached the de-minimus level and exposed the Council to a significant VAT liability. The partial exemption certificate allows the Council to demonstrate expenditure on the project is extraordinary and will therefore be disregarded for VAT purposes.
- Futurebuilders England have confirmed to Hitchin Town Hall Ltd. that their request for an extension on the previously agreed draw-down arrangements for the grant/loan has been agreed. However, this has caused a delay in completing the exchange of legal documentation (the Development Agreement, Lease and Community Use/Management Agreement) as the grant/loan conditions are a critical component part. Legal documents will now need to be approved by Futurebuilder's legal representatives and the current estimate of additional time needed to complete this task (originally scheduled to be complete by September 2011) is now December 2011/January 2012 .
- Tenders for the appointment of a Supervising Architect have now been received from 7 practices and are currently being assessed against a price/quality framework. It is anticipated that our intention to award a contract will be notified to tenderers on 11 November 2011 under European Union Procurement rules. Following this tenderers have up to 10 days to challenge the award. It is not, however, intended to formally engage the Supervising Architect until such time as Council has formally agreed the development proposals as the appointment would commit the council to approximately £120,000 of expenditure. The timetable for this phase of the project appears overleaf:

Tasks	End dates	Status
Publish Notice Inviting Expressions of Interest	20 th Jun 11	Complete
Closing Date for Receipt of Expressions of Interest	19 th Jul 11	Complete
Closing Date for Receipt of Completed Pre Qualification Questionnaires (PQQs)	26 th Jul 11	Complete
Evaluate PQQs	8 th Sept 11	Complete
Issue Invitation To Tender (ITT)	9 th Sept 11	Complete
Tenderers' Site Visit	13 th Sept 11	Complete
Closing Date for Receipt of Clarification Questions from suppliers	6 th Oct 11	Complete
Closing Date for Receipt of Tenders	26 Oct 11	Complete
Evaluate Tender Bids	10 th Nov 11	
Notification of Intention to Award (Standstill Period)	11 th Nov 11	
Contract Award (10 days from date of Notification)	TBC	
Contract Start Date	TBC	

- As negotiations on the Development Agreement are continuing, and because it will require Futurebuilders and Council's approval, it is not possible to accurately update the forward project plan at this stage. Subject to this, it is estimated that a report seeking approval for the Development Agreement will be presented to Council during the course of December 2011 – January 2012.

Next Steps

- Procurement of the 'Supervising Architect' will continue as set out above.
- Officers will progress to conclude the Development Agreement with Hitchin Town Hall Ltd and submit this to Futurebuilders for approval and subsequently;
- Report to the Council and the Trust to consider the final agreement and to specifically seek authority to lease part of the Town Hall and Trust property to Hitchin Town Hall Ltd for a term of 125 years.

John Robinson
Strategic Director Customer Services

8th November 2011