



AGENDA ITEM: 7
SUMMARY

Report for:	Cabinet
Date of meeting:	22 July 2014
PART:	1
If Part II, reason:	

Title of report:	Jellicoe Water Gardens Restoration: update on Parks for People application and delivery project
Contact:	<p>Cllr Andrew Williams, Leader of the Council and Portfolio Holder for Planning and Regeneration</p> <p>Author/Responsible Officers: James Doe, Assistant Director (Planning, Development and Regeneration)</p> <p>Nathalie Bateman, Strategic Planning and Regeneration Team Leader for Hemel Evolution</p> <p>Claire Covington, Strategic Planning and Regeneration Officer</p>
Purpose of report:	<p>Jellicoe Water Gardens</p> <ol style="list-style-type: none"> 1. To update Members on the outcome of the second round Parks for People application to restore the Jellicoe Water Gardens through funding from the Heritage Lottery Fund/ Big Lottery Fund. 2. To seek approval to deliver the restoration project, as set out in the design proposals, activity plan, management plan and application documents, and to confirm the financial contribution from Dacorum Borough Council.
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet notes the successful outcome of the second round Parks for People application for funding from the Heritage Lottery Fund/Big Lottery Fund to restore the Jellicoe Water Gardens. 2. That Cabinet approves the delivery of the restoration project, as set out in the stage D designs, activity plan, management plan and second round application

	<p>documents.</p> <ol style="list-style-type: none"> 3. That delegated authority is given to the Assistant Director (Planning, Development and Regeneration) in consultation with the Portfolio Holder, Planning and Regeneration, to approve further design, planning and implementation decisions on recommendation 2 above. 4. That delegated authority is given to the Assistant Director (Planning, Development and Regeneration) for the appointment of consultants and contractors to deliver the restoration project as set out under recommendation 2 above. 5. That Cabinet recommends to Council to reprofile the approved budget of £3,251,827 within the Capital Programme for the delivery of the restoration of the Jellicoe Water Gardens following the second round pass from the Heritage Lottery Fund / Big Lottery Fund as set out in Appendix 2. 6. That Cabinet recommends Council to increase the revenue budget by £190k and approve a revenue budget of £548,249 profiled to 2020/21 to support the delivery of the Jellicoe Water Gardens Activity Plan and Management Plan as set out in Appendix 2, with £276,364 funded from the Dacorum Development Reserve and the balance being grant funded. 7. That Cabinet delegates authority to conclude contractual arrangements with the Heritage Lottery Fund / Big Lottery Fund for the award of the grant to the Assistant Director (Planning, Development and Regeneration) and the Assistant Director (Chief Executive's Unit). 8. That Cabinet approves the use of a traditional contract approach for the procurement of the main construction contract. 9. That Cabinet approves the continued governance of the Jellicoe Water Gardens Restoration project through the Hemel Evolution Programme governance structure.
<p>Corporate objectives:</p>	<p>The Hemel Hempstead Town Centre Masterplan supports the Council's vision and in particular the corporate objective of Regeneration.</p>
<p>Implications:</p>	<p><u>Financial</u> *****</p> <p>In December 2012, Capital Strategy Steering Group approved funding of £997,500 to support the capital project costs for</p>

developing and delivering the Jellicoe Water Gardens restoration project.

In December 2012 the Jellicoe Water Gardens was granted a first round pass by the Heritage Lottery Fund/Big Lottery Fund to develop a restoration project of £3.3 million, including an award of £106,000 towards the development of the second round application. The development phase was completed in February 2014 at a cost of:

Capital £151,936
Revenue £12,005
Total £163,941

The costs were financed through a £106,000 grant from the Heritage Lottery Fund / Big Lottery Fund with DBC contributing £57,941.

In December 2013, Cabinet approved the submission of a second round application at a maximum total project costs of up to £3.611 million.

The scope, specification and risk attached to proposed works were scrutinised through the development phase to ensure the second application made in February 2014 will be robust and deliverable. With approval from the Assistant Director (Finance and Resources) and Assistant Director (Planning, Development and Regeneration) the project costs and funding request was submitted as follows:

Dacorum Borough Council £1,057,929
Volunteer time £23,100
Increased management and maintenance £64,048
(funded by Dacorum Borough Council)
Parks for People Grant Request £2,465,700
Total project costs £3,610,777

The total project costs are within the £3.611 million approved by Cabinet in December 2013. The £309,227 difference between the proposed delivery costs of £3,301,550 submitted as the first round bid in August 2012 and the final project costs at the second round were divided equally between Dacorum Borough Council and the Heritage Lottery Fund/Big Lottery Fund, setting Dacorum Borough Council's contribution at 31.1%.

The second round bid included revenue costs of £548,249 for the delivery of the project. Through the Heritage Lottery Fund/Big Lottery Fund grant, £271,885 of this cost will be funded, leaving a balance of £276,364 as Dacorum Borough Council's contribution. It is recommended that this be funded from the Dacorum Development Reserve.

The second round submission of £3,610,777 included capital costs of £3,251,827, as approved in the Capital Programme at Council on 26 February 2014.

Value For Money Implications	<p>The capital / revenue split for the delivery phase is detailed below, with a profiled summary shown in Appendix 2.</p> <table border="1" data-bbox="539 293 1382 434"> <thead> <tr> <th></th> <th>Total</th> <th>DBC contribution</th> <th>HLF/BIG award</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>£3,251,827</td> <td>£1,054,262</td> <td>£2,197,565</td> </tr> <tr> <td>Revenue*</td> <td>£548,249</td> <td>£276,364</td> <td>£271,885</td> </tr> </tbody> </table> <p>*The revenue costs include costs 5 years post completion which are not all in the bid but are committed to as part of it.</p> <p><u>Value for Money</u> *****</p> <p>Dacorum Borough Council's contribution is set at 31.1% with the majority of funding provided by the Heritage Lottery Fund/Big Lottery Fund. This is a great opportunity to lever in grant funding, enabling the restoration of one of Dacorum Borough Council's significant assets within Hemel Hempstead town centre to proceed and to deliver a key objective of the Hemel Evolution programme.</p> <p>Economies of scale benefits for the construction phase are anticipated following Cabinet's approval in June 2014 to combine the Water Gardens works with the new Access and Movement Improvement Project (to the area surrounding the Water Gardens).</p> <p>The Access and Movement Project is entirely separate to the Heritage Lottery Fund/Big Lottery Fund bid and is funded through a £560,000 allocation within the capital programme, plus an additional £400,000 for the improvement works to the Water Gardens (North) car park.</p>		Total	DBC contribution	HLF/BIG award	Capital	£3,251,827	£1,054,262	£2,197,565	Revenue*	£548,249	£276,364	£271,885
	Total	DBC contribution	HLF/BIG award										
Capital	£3,251,827	£1,054,262	£2,197,565										
Revenue*	£548,249	£276,364	£271,885										
Risk Implications	A risk assessment has been prepared as part of the PID for the Water Gardens projects.												
Equalities Implications	A Community Impact Assessment has been completed for the Jellicoe Water Gardens Restoration Project.												
Health And Safety Implications	A CDM Coordinator will be appointed to undertake statutory Health and Safety assessments.												
Monitoring Officer/S.151 Officer Comments	<p>Deputy Monitoring Officer:</p> <p>Comments have been incorporated into the report.</p> <p>Deputy S.151 Officer</p> <p>In December 2013, Cabinet approved a submission to the HLF to secure funding to support a programme of a maximum of</p>												

	<p>£3.611m restoration works to the Water Gardens. This included Project capital costs of £3.25m and project revenue costs of £360k, of which DBC would be funding £1.05m and £65k respectively.</p> <p>Capital</p> <p>The capital requirement for the delivery of the project has not changed since the December 2013 report.</p> <p>Revenue</p> <p>As a condition of the grant award, the HLF requires that the Council commits to a 5-year maintenance plan for the Water Gardens to commence once the construction phase has been completed in Spring 2016. This means that the Council's 5-year maintenance obligation extends to 2021, despite the fact that HLF support ends in 2019.</p> <p>This creates an 18-21 month period over which the Council is committed to supporting a maintenance plan for which it will receive no external funding. This results in a revenue cost to the Council of £190k. This amount was not included in the £3.611m budget recommended to Cabinet in December 2013, although Members were recommended to note that these costs were likely to arise.</p> <p>The Council should fund these staff costs as a time-limited cost rather than incorporating them into base budget. This can be achieved through drawdowns from the Dacorum Development Reserve in 2019/20 and 2020/21</p> <p>Risks</p> <p>Members should note that the HLF has limited funding for this project to a period of 5 years, but that that the Council remains committed to delivering a 5-year maintenance programme regardless of how far after the funding period this extends.</p> <p>Given that the maintenance costs begin after the construction phase is completed, it should be noted that any slippage to the construction phase of the project is likely to increase that amount of maintenance which the Council has to pay without the support of external funding. On this basis, an estimated cost of slippage is £10k per month.</p> <p>Officers should work closely with contractors to ensure that the risk of slippage, and therefore of increased costs, is mitigated.</p>
<p>Consultees:</p>	<p>James Deane, Assistant Director (Finance and Resources)</p> <p>Richard Baker, Group Manager (Financial Services)</p> <p>James Stammers, Transformation Programme Manager for</p>

	DBC, V4 Services
Background papers:	<p>Cabinet Report: Major projects procurement and funding, Water Gardens and Bank Court, December 2013.</p> <p>Cabinet Report: Water Gardens Lottery Fund Bid, January 2013.</p> <p>Cabinet Report: Hemel Hempstead Town Centre Regeneration, July 2012.</p> <p>Cabinet Report: Hemel Hempstead Town Centre Regeneration – Phase 1 Proposals and New Public Service Quarter, November 2011.</p> <p>Water Gardens Study, Hemel Hempstead – Report by Allies and Morrison Urban Practitioners and the Landscape Partnership, October 2011</p> <p>Hemel Hempstead Town Centre Masterplan, 2013</p> <p>Conservation Management Plan</p> <p>Masterplan Report</p> <p>Summary Report</p> <p>Historic Landscape Report</p> <p>Activity plan</p> <p>Management and maintenance plan</p> <p>Water Gardens Design Development Report (HTA Consultants)</p> <p>Appendix 1: Jellicoe Water Gardens Restoration Masterplan</p> <p>Appendix 2: Summary capital and revenue costs</p> <p>Appendix 3: Project delivery plan</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>HLF – Heritage Lottery Fund</p> <p>BIG – Big Lottery Fund</p> <p>EA – Environment Agency</p> <p>EH – English Heritage</p> <p>RIBA – Royal Institute of British Architects</p> <p>LPA – local planning authority</p>

BACKGROUND

1. In December 2012, Capital Strategy Steering Group approved funding of £997,500 to support the capital project costs for developing and delivering the Jellicoe Water Gardens restoration project. The Jellicoe Water Gardens' first round pass from the Heritage Lottery Fund/Big Lottery Fund in December 2012 included an award of £106,000 towards the development of the second round application. The development stage expenditure and funding is detailed below.

Table 1 Development stage costs and funding

	Total	DBC contribution	HLF/BIG award
Capital	£151,936	£51,938	£99,452
Revenue	£12,005	£5457	£6548

2. In December 2013, Cabinet approved the submission of a second round application to the Parks for People programme to secure funding to support the restoration of the Jellicoe Water Gardens, setting a maximum cost for the delivery project of £3.611 million. Authority for the submission was delegated to the Assistant Director (Planning, Development & Regeneration) and the Assistant Director (Finance and Resources) in consultation with the Hemel Evolution Programme Board. Cabinet also noted the requirement to provide match funding of up to 31%, including capital and revenue contributions across the five year period of the bid.
3. Subject to a second round pass Cabinet also:
 - Approved the extension of the Water Gardens park area into the Water Gardens (south) car park to accommodate play facilities within a central community hub, with an associated loss of 12-14 car parking spaces
 - Noted the need for a management plan to control the number of Canada geese within the Water Gardens, to be prepared by officers in consultation with the Portfolio Holders for Planning and Regeneration, Environment and Sustainability, and Residents and Regulatory Services
 - Approved the continued appointment of a part time (15 hours per week) Community Engagement Officer to promote and facilitate community involvement in the Water Gardens. This post to be funded for up to 5 years through the bid
 - Approved the recruitment of a full time specialist gardener from January 2016 to achieve the high standard of management and maintenance in the Water Garden required to support the HLF/Big Lottery bid. This post to be part funded for 3 years through the bid.
 - Approved the recruitment of up to 2 seasonal Clean, Safe and Green operatives (8 months pa) to be based in the Gardens from March

2017 to support a high standard of maintenance, with funded for 2.3 years through the bid.

- Approved the creation of a two year apprentice post to work in the Water Gardens from April 2017.
 - Noted the requirement to provide an activity plan to achieve the Parks for People programme outcomes of increasing the range of audiences, volunteers, and improving skills and knowledge through training.
 - Noted the requirement for an ongoing commitment to deliver high standards within the Water Gardens after the 5 year delivery period through additional maintenance costs, estimated at £97,000.
4. The final designs and supporting documents were subsequently prepared to RIBA Stage D. The key components of the restoration masterplan, attached at Appendix 1, are as follows:
- Restoration of the historic fabric within the Gardens including bridges, balconies, riverbank treatment and flower garden terrace widening
 - Environmental enhancements through the introduction of fish passes at each of the four weirs within the Gardens, removal of silt from the watercourse and wildfowl management
 - Provision of a new community building in the northern section of the Gardens set within a growing and display bed area
 - Relocation of play provision to the Water Gardens (South) car park through an extension to the flower garden area
 - Re-planting of soft landscaped areas, to be in keeping with Susan Jellicoe's original design aesthetic through the flower garden and Lovers' Walk
 - Removal of later additions to the Gardens including tree planting along Waterhouse Street and the two islands in the lake, plus the addition of a greening system to the decked car park to reduce the impact of the structure.

The Second Round Bid

5. Prior to the submission of the bid in February, the scope, specification and risk attached to each capital component was examined. Individual costs and contingency allowances were scrutinised through an independent review to ensure they reflected predicted market conditions, and budget quotes were sought for high risk items such as silt removal. The resulting cost plan, totalling £3,610,777, will be robust and deliverable, reducing the financial risk to the project. Details of the second round submission financing is shown in table 2.

Table 2 Second round submission financing

	Contribution	% Contribution
Dacorum Borough Council	£1,057,929	29.3
Volunteer time	£23,100	0.6
Increased management and maintenance	£64,048*	1.8
HLF Parks for People grant request	£2,465,700	68.3
Total project costs	£3,610,777	

*also funded by Dacorum Borough Council and relating to building maintenance, wildfowl management and seasonal temps

6. The total project costs of £3,610,777 are within the £3.611 million approved by Cabinet in December 2013. This final figure is £309,227 above the proposed delivery costs of £3,301,550 submitted as the first round bid in August 2012. To reduce the risk of the project not receiving funding due to the increase in costs, the uplift was divided equally between Dacorum Borough Council and the Heritage Lottery Fund / Big Lottery Fund. This set Dacorum Borough Council's contribution at 31.1%. The costs and financing were agreed by the Assistant Director (Finance and Resources) and Assistant Director (Planning, Regeneration and Development) as per the delegated authority from Cabinet in December 2013.
7. The bid was submitted with letters of support from the Herts Gardens Trust, Garden History Society, the Friends of the Water Gardens and English Heritage. They commended the proposals as a high quality restoration that recognised the significance of the Water Gardens as an important twentieth century landscape and conserved Jellicoe's original design intent. The proposed new facilities such as the play area and community building were considered to be appropriate and sympathetic to the Gardens' heritage. Support was also received from the Environment Agency who were satisfied that the proposals would be able to adequately address their issues.
8. In July 2014 the Heritage Lottery Fund/BIG Lottery Fund announced that the Water Gardens second round application had been successful. Moving forward they have advised that areas which will be a particular focus for monitoring will be the design of the community building, consent for works from the Environment Agency and the co-ordination of management, maintenance and community engagement across different sections of Dacorum Borough Council.
9. The award offer is subject to a contract between with Dacorum Borough Council and the Heritage Lottery Fund/Big Lottery Fund. In order to receive permission to start Dacorum Borough Council is required to provide proof that the partnership funding is secured, the intended procurement strategy and the project management structure.

Capital Costs

10. The second round submission of £3,610,777 included capital costs of £3,251,827, as approved in the Capital Programme at Council on 26 February 2014. These are summarised in table 2 below.

Table 2 Capital cost of second round bid

	Total	DBC contribution	HLF/BIG award

Capital	£3,251,827	£1,054,262	£2,197,565
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Revenue Costs

11. The Parks for People contract is for a 10 year period. In addition to the capital works the project includes a five year Activity Plan and a 10 year Management and Maintenance Plan, costed for five years from completion of construction in March 2016.
12. The second round bid included revenue costs of £548,249 for the delivery of the project, as set out in Appendix 2. Through the Heritage Lottery Fund/Big Lottery Fund grant, £271,885 of this cost will be funded, leaving a balance of £276,364 as Dacorum Borough Council's contribution. The revenue costs relate to two areas - the delivery of the Activity Plan, and the 10 year Management and Maintenance Plan for the Gardens.
13. The Activity Plan is a requirement of the Parks for People programme and sets out how all the community engagement activities will be delivered. Associated with this is the continued appointment of the Community Engagement Officer (Water Gardens) for a further five years to support the Friends of Jellicoe Water Gardens and promote community involvement.
14. A 10 year Management and Maintenance Plan is required by the Parks for People Programme to demonstrate how the quality of the restored Gardens will be retained post-restoration. The Plan is costed for five years from completion of construction in March 2016 and includes the appointment of a lead gardener, two seasonal operatives and an apprentice, plus an increase in equipment and materials costs to reflect the higher maintenance which will be delivered in the Gardens. The Heritage Lottery Fund/Big Lottery Fund have advised that confirmation from the Council of the implementation and funding of the Management and Maintenance Plan will be a requirement for permission to start. Cabinet are asked to recommend to Council that the balance of revenue costs of £276,364 relating to the Activity Plan and 10 year Management and Maintenance Plan be funded from the Dacorum Development Reserve.
15. The capital / revenue split of expenditure during construction and the five year period of each of the above plans is detailed below. A profiled summary of capital and revenue costs is shown in Appendix 2.

Table 3 Delivery stage costs and funding

	Total cost	DBC contribution	HLF/Big award
Capital	£3,251,827	£1,054,262	£2,197,565
Revenue	£548,249	£276,885	£548,249

Procurement

16. In June 2013, HTA Design LLP was appointed to prepare the second round bid through an OJEU procurement process. The contract included both the development and delivery phases of the project, with a break clause to allow for the contract to be terminated if the second round funding application was

unsuccessful or the consultant did not perform satisfactorily during development. It is proposed to confirm the continued appointment of HTA Design LLP as the lead design team providing the landscape architect and architect role plus co-ordinating sub contracted services including specialist subcontractors for play and environmental aspects. Further consideration will be given as to where best the quantity surveyor and cost manager role should sit within the project delivery structure.

17. A traditional contract route is proposed for the main construction works, with control of design retained separately to ensure that the high level of design quality required for a project of this significance is achieved. Following permission to start, the design proposals will be developed to RIBA Stage E and statutory consent applications submitted to the LPA, English Heritage and the Environment Agency. The project delivery plan is attached as Appendix 3.
18. In order to draw early market attention to the proposed works, a prior information notice was issued in May 2014, ahead of the award announcement. This was to ensure the project received interest from companies with the required specialisms and able to deliver within the project timescales. Subject to the outcome of the tender procedure, value engineering may be required to bring construction to within the budget set at the second round submission. Any changes will be agreed with the Heritage Lottery Fund/Big Lottery Fund and key stakeholders of English Heritage and the Environment Agency to ensure that the quality of design is retained and there is no adverse impact to the Garden's heritage or biodiversity. Delegated authority is sought for the Assistant Director (Planning, Development and Regeneration) in consultation with Portfolio Holder, Planning and Regeneration, to approve any further design, planning and implementation decisions.

Project Governance

19. Included within the Heritage Lottery Fund / Big Lottery Fund's permission to start requirements is confirmation of project governance for the Jellicoe Water Gardens restoration. During the development phase this has been provided by the Hemel Evolution Programme governance structure with monthly reports being presented to the Hemel Evolution Steering Group and Programme Boards. It is proposed that this be continued during project delivery.