

CABINET
9 JUNE 2010

PRINCIPAL SCRUTINY COMMITTEE – 14 JUNE 2010

GUILDHALL PROGRESS REPORT

REPORT OF HEAD OF ESTATES

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RECENT REFERENCES:

CAB 1996 - Walton Room Roof Repairs - 17 March 2010

CAB 1894 – Guildhall Catering Contract – 14 October 2009

CAB 1871 – Guildhall Bapsy Bequest, Essential Repairs and Refurbishment – 16 September 2009

CAB 1859 – Guildhall Bapsy Bequest and Essential Repairs – 17 June 2009

CAB 1857 – Guildhall Catering Contract– 8 July 2009

EXECUTIVE SUMMARY:

The report identifies the progress made to date on the refurbishment of the Guildhall.

The report seeks approval to increase the Guildhall budget by £77,000 subject to agreement with the development of the “Secret Rooms”.

RECOMMENDATIONS:

To Cabinet:

- 1 That the progress on the refurbishment project be noted.
- 2 That Members decide whether they would like to proceed with the development of the “Secret Rooms” and if so that they confirm which of the three phases they would like to proceed with.
- 3 If Members are agreeable to the development of the works to the “Secret Rooms” that a supplementary capital estimate of £77,000 (Phases 1 and 2) be approved, subject to the matter not being called in by Principal Scrutiny Committee.
- 4 If the works are to be proceeded with, the Head of Estates be authorised to submit planning and such other applications for works to be undertaken for which statutory consent is required.
- 5 That the Head of Estates be authorised where it is appropriate and cost effective to do so to extend the work of the existing consultants team and to let the work of constructing the “Secret Rooms” to the existing contractors on site and a direction be made under Contract Procedure Rule 3.3(a) accordingly.
- 6 A further report be submitted to Cabinet in due course on proposals for the use and fitting out of the “Secret Rooms” (Phase 3).
- 7 That it is noted that it is proposed to proceed with the works to repair the roof to the Walton Room with the option that includes the installation of additional steel struts within the room, situated just below the existing steel trusses.

To Principal Scrutiny Committee:

- 8 To consider whether to call-in the supplementary estimate of £77,000 for the works to the “Secret Rooms”, if Cabinet approves the proposals.

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GUILDHALL PROGRESS REPORT

REPORT OF HEAD OF ESTATES

DETAIL:

1 Introduction

1.1 At the special meeting of Council on 1 October 2009, Members approved the proposals for the refurbishment of the Guildhall in the sum of £3.198 million, to be funded from the Capital Programme and by making use of the Bapsy Bequest. A further report to Cabinet on 17 March 2010 brought to Members' attention structural defects in the Walton Room roof which were outside the scope of the original report. Approval was given to carry out repairs to the roof and a further sum was added to the scheme budget to enable the works to proceed.

1.2 The project is being organised on a Construction Management basis. Gentle Associates were appointed as project managers and have broken the project into the following packages for tendering the works:

- Roofing
- Lifts
- General Builder Enabling
- Mechanical
- Electrical
- Flooring
- General Builder
- Kitchen equipment
- Decorations
- Upholstery & Furniture
- Audio visual equipment

- 1.3 The works were advertised locally and nationally and interested parties were required to complete a pre qualification questionnaire, to help in the drawing up of short lists. Following the analysis of the replies the short lists were drawn up and tenders were issued between December and May 2010.
- 1.4 The first tender was for the roofing package and this was opened on 18 December, with the following response:
- Tender 1 £410,266
 - Tender 2 £395,731.05
 - Tender 3 £377,671
 - Tender 4 £592,750
 - Tender 5 £285,092
- 1.5 Following detailed analysis of the tenders by the Quantity Surveyor and the consideration of which roofing material was to be used for the King Alfred Hall, the contract was awarded to Excel Roofing - Tender 5. It was decided to use stainless steel for the roofing material on the Hall, as this had the longest life span of the materials under consideration, was the lightest weight and the most cost effective.
- 1.6 The contractor started work on site at the end of March. Health and Safety requirements dictated that the front of the building required scaffolding and this was quickly erected. Officers in the Historic Buildings Team who have been closely involved in the project requested that as the slates were stripped off the main building as many as possible were salvaged and re-fixed on the front and left hand side elevations.
- 1.7 The banding which was a significant feature of the roof had to be retained, but the Cornish slates used for this purpose were found to be in very poor condition and only 30% could be salvaged. The Cornish slates were no longer quarried in the correct colour and a considerable effort was made to find suitable alternatives. Samples from Northumberland, Spain, Canada and Brazil were obtained but found to be unsuitable. Eventually a quantity of second hand slates of the correct type were located in a salvage yard in Cornwall and purchased for use on the building.
- 1.8 With the scaffolding in situ the opportunity was taken to repaint the clock face and to repair and redecorate the sounding boards. The stone parapets were found to be covered with a thick layer of moss and this was also cleaned off allowing some of the previously hidden stonework features to be seen. Numerous stone repairs were carried out and the structural crack in the Mayors Balcony was repaired.

- 1.9 While the re-slatting was undertaken the contractors installed insulation to the roof voids which will significantly improve the energy efficiency of the building, thus helping to reduce heating costs.
- 1.10 The stainless steel roof to the King Alfred Hall has nearly been completed at the time of writing this report. Before the roof covering could be added the roof had to be strengthened by the addition of substantial bracing timbers. This work was necessary to ensure that the ceiling loads were properly supported and to allow for the increases in weight which will follow from the addition of the air conditioning ducting which will be installed in the roof void.
- 1.11 The building works were split into two contracts; an enabling contract and a main works package. The enabling tenders were opened on 5 March , with the following results:
- Tender 1 £128,837.08
 - Tender 2 £93,252
 - Tender 3 £108,163
 - Tender 4 £130,857
 - Tender 5 £80,480
- Following analysis by the Quantity Surveyor, the contract was awarded to CMS (UK) Ltd – Tender 5. The company have stripped out the interior of the Saxon Suite and formed the shell in which the new café and kitchen will be constructed. The contractor has installed the complex structural steelwork needed to enable the new entrance foyer to be formed and have undertaken the demolition of the beer cellar walls. A new beer cellar has been constructed and fitted out. The lift pit has been excavated and the lift foundations are currently being cast in phases.
- 1.12 The construction of the lift shaft is a very complex operation which has required very considerable input from the project Structural Engineers - Paul Tanner. The opening up works identified a number of areas where structural support would be required to enable the lift pit to be excavated and these preliminary works have all now been completed. Work on the construction of the lift shaft is expected to proceed during June.
- 1.13 While all but the AV contracts have now been tendered, because the contracts have not yet been signed, it is not yet appropriate to disclose the tender prices received and this will be done in a later report.
- 1.14 QS Cost Report
- 1.15 The project Quantity Surveyor issued his report No.4 on 28 May. The report indicated that the estimated forecast of cost was £3,380,027. The budget was initially £3,198,000, but the opportunity has been taken to include further

items in the tenders which are funded separately, such as the replacement of a heating boiler, additional furniture and of course the works to the Walton Room roof. After the allocation of £80,000 of the contingency the project was £92,027 over budget with £150,000 of the contingency to be allocated and £17,000 to be met from the Guildhall furniture budget.

- 1.16 Inherent with a project of this nature are key financial risks which are the subject of continuous review throughout the duration of the project. There have been numerous issues to address as more areas of the building have been opened up, but favourable out turns on the tenders have enabled the project to be kept on budget to date.
- 1.17 With regard to the likelihood of additional costs being incurred, the key area where this will arise is in regard to the potential opening up of the secret rooms. This work would deliver approximately 670 sq ft of additional floor space at an estimated cost of £98,000 inclusive of fees and contingencies. The work could be divided into three parts: 1).Enabling works to form an access to the rooms, 2). The alterations to convert the space into usable accommodation and 3). Fitting out and decoration. The approximate cost of the works has been assessed as follows
- first phase works £28,000
 - The second phase £49,000
 - The fitting out works £21,000.
- 1.18 The opportunity to use the space will be lost if the first phase works at least are not undertaken. The construction of the second phase works will be noisy and disruptive to the use of the building, so if Members wished them to be proceeded with, it would be advisable if they were done while the refurbishment was under way. Cost savings are achieved if the works are done now as the project managers will be able to manage the works at no additional cost to the Council and the contractors on site have the capacity to undertake the additional construction at already tendered rates.
- 1.19 The fitting out could be done either now or at a later date when funds became available. The secret rooms could then be used as either office accommodation or as meeting rooms. As office accommodation the floor space could be let at approximately £12 sq ft and if let to a government organisation or used for Council purposes would generate a capital value of approximately £110,000, exceeding the cost of the works by £12,000 or 12.24%.
- 1.20 If Members did wish to proceed with the works, it would be necessary to decide which phases were to be proceeded with. Subject to the funding then being identified the work could then begin over the summer.

WALTON ROOM ROOF WORKS

- 1.21 The detailed design of the roof works has now progressed and the works will need to be carried out to the Walton Room between the end of June and mid August, the only time when access can be provided.
- 1.22 The lighting in the room is particularly poor and proposals are being considered for its replacement. However the cost of this work is not included in the revised budget and it will only be possible to achieve this if savings can be found elsewhere in the project, or the contingency is not fully required.

NEW LIFT

- 1.23 The detailed design for the lift has now been completed. Due to constraints caused by the final design dimensions of the lift shaft, the lift will be an 11 person fire lift which will allow disabled persons to be evacuated by the Fire Brigade in the event of a fire. Electric buggies as well as traditional wheelchairs will be accommodated by the lift.

GUILDHALL CATERING CONTRACTS

- 1.24 The contract with Fosters Rooms Ltd expired on 31 March 2010. The report to Cabinet on 14 October 2009 gained approval to bring the Café and meeting room catering in house, while the earlier report on 8 July 2009 gained approval to letting the Banquet catering to a range of contractors.
- 1.25 At the beginning of April full, part time and casual staff previously working for Fosters Catering were transferred to the Council under the TUPE regulations. Staff training has taken place and posts have been job evaluated. The equipment required to run the service has been purchased and the supply chain set up, using local suppliers as far as is possible.
- 1.26 The takings in the Café are slightly lower than under Fosters, but this is due to the combination of scaffolding over the Courtyard area and restrictions on access as a result of the works. It is anticipated that the new Café will be completed at the end of June / beginning of July and will open for trading for the summer. .
- 1.27 The new Guildhall beer cellar has been commissioned and Council staff are running bars at events and are preparing and serving canapés at receptions of up to 150 people.
- 1.28 The tendering of the Banquet catering has been successfully completed and a panel of seven contractors have been appointed. The list of companies is as follows:
- Vanilla Catering & Events
 - Elegant Cuisine

- Cresson Creative
- Beales Gourmet Ltd
- The Creative Catering Co Ltd
- Wise Catering Ltd
- Fosters Rooms

The companies are complementary giving customers a choice of caterers offering high quality cuisine across a range of event sizes and prices. Most of the caterers have now served events and the general feedback has been positive. The caterers are paying the Council commission at on the cost of catering. Several of the Caterers wish to run events from the Guildhall in their own right and this will help expand the income generation potential of the Guildhall.

Café Naming Competition

- 1.29 It is important that the new Café is named appropriately and the opportunity has been turned into a public competition, with support from the Echo and Chronicle newspapers. The website is being used to receive suggestions and to date 53 entries have been received. The final name will be chosen from the suggestions by the members of the Guildhall IOMWG.

OTHER CONSIDERATIONS:

2 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 2.1 The Bapsy refurbishment project will improve access to the services that the Guildhall offers to the wider community and preserve and enhance the property as a key building in Winchesters historic environment.
- 2.2 The Guildhall is an important resource for the local economy and its upgrading will help maintain and enhance the venue and the City as a place to meet and do business.
- 2.3 The revised catering arrangements will improve the efficiency of delivery of the service and following the completion of the works maximise the income to the Council.

3 RESOURCE IMPLICATIONS:

- 3.1 The additional expenditure of £77,000 in recommendation 3 (Secret Rooms) is funded by the release of £410,000 of unspent capital receipts expenditure budget at 2009/10 outturn (CAB2015 refers). This expenditure is in addition to the existing Guildhall refurbishment capital programme budget of £3.238m.

- 3.2 The management of the Guildhall refurbishment project is undertaken by the Head of Estates with assistance from the Facilities and Guildhall Managers. The day to day project co-ordination work is undertaken by Gentle Associates, assisted by CFW Architects, MKW Mechanical & Electrical Engineers, Paul Tanner Associates Structural Engineers and Giffords as CDM consultants.
- 3.3 The Head of Organisational Development has provided assistance with the personnel issues associated with the TUPE transfers and staff restructuring. The Head of Legal Services has provided legal advice and assistance in completing the catering and construction contracts. The Heads of Building Control and Planning Management have been working closely with the project team to carry forward the construction detailing and design. Considerable support has been received from the Conservation Officers in the Historic Environment team, while Estates, Property Services and Finance teams have all provided support in the delivery of the project.
- 3.4 The project has involved staff in many units and teams and this assistance has helped keep the project on track

4 RISK MANAGEMENT ISSUES

- 4.1 As the further areas of the building have been opened up, a considerable number of hidden defects have been uncovered. For the most part the additional works have been contained within the budget due to favourable tender out turns. However the unexpected need to rectify the defects in the modern Walton Room roof has required additional budget resources. The budget is constantly held under review to ensure that the project is delivered within the budget.
- 4.2 The works are being undertaken while the building remains occupied. Occasionally users have complained about noise disruption and arrangements are in place for three named staff members to authorise a shut down of work. Shut downs incur a cost penalty which depends upon the numbers of staff who are on site at the time, but can be up to £3,750. A balance has to be struck between loss of income and cost of shut downs and arrangements are in place between the Guildhall managers and the project Team to discuss room lettings and work programming.
- 4.3 The works have had an impact on the ability to let rooms and have restricted access to the Café on occasions, with an impact on income generation. Any delay in the opening of the new Café will have a detrimental impact on takings so the Development Team are under pressure to complete the works in time for the opening at the beginning of July.
- 4.4 The new banquet catering arrangements have been delivered on time and initial customer reaction has been very positive.

BACKGROUND DOCUMENTS: None

APPENDICES: None