

CABINET

17 June 2009

PRINCIPAL SCRUTINY COMMITTEE

22 June 2009

GUILDHALL – BAPSY BEQUEST AND ESSENTIAL REPAIRS

REPORT OF CORPORATE DIRECTOR (GOVERNANCE) AND HEAD OF
ESTATES

Contact Officer: Kevin Warren 01962 848528 kwarren@winchester.gov.uk

RECENT REFERENCES:

CAB1570: Bapsy Bequest – Update 12 December 2007

CAB891: Use of Bapsy Bequest, 19 May 2004

EXECUTIVE SUMMARY:

The report considers how the Council can best deliver the requirements of the Bapsy Bequest and the importance of ensuring that the fabric of the building is also in a good state so that the investment is protected.

The previous conditions surveys have identified the poor state of a number of the roofs including that of the King Alfred Hall and these are recommended for replacement with the works undertaken whilst the building is partially shut down for the Bapsy works.

The report recognises the need for tight project management in order to deliver the desirable outcome on time and to budget. A construction management route is recommended employing a specialist firm in this area.

Further reports will be made at the next meeting of Cabinet on 8 July to provide additional information on the scope of the works and the budget projections. The future management of the Guildhall catering contract, after the expiry of the current contract in April 2010, will also be considered in the July reports. The reports will also need to be considered by Principal Scrutiny Committee and Council because of the budget implications.

RECOMMENDATIONS:

To Cabinet:

- 1 That further work be undertaken to progress the Bapsy Project on the basis outlined in paragraph 3.1 of the report.
- 2 That the principle be approved of considering further works at the Guildhall at the same time as the Bapsy Project is undertaken, as outlined in paragraphs 3.2 and 3.3 of the report.
- 3 That in view of their detailed knowledge and experience, a direction be made under the Contracts Procedure Rules 3.3 (a) to permit the engagement of Gentle Associates as construction and project managers to manage the refurbishment for the Council subject to a written agreement as to fees agreed by the Head of Estates in consultation with the Portfolio Holder for Finance and Efficiency.
- 4 That subsequent appointments of the design team and building works packages involve competitive tendering in accordance with the Contract Procedure Rules.
- 5 That in accordance with Financial Procedure Rule 6.4 (iv), authority be given for release of a sum to be reported in exempt session at the meeting towards consultancy support costs.
- 6 That once detailed cost estimates have been prepared that the Head of Estates reports back with a recommendation for any additional capital funding, the impact on the revenue budget during the closure period, future projections and authority for further release under Financial Procedure Rule 6.4(iv).

To Principal Scrutiny Committee:

- 7 That the Committee considers whether it wishes to draw Cabinet's attention to any matters raised in the Report.

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PRINCIPAL SCRUTINY COMMITTEE

22 June 2009GUILDHALL – BAPSY BEQUEST AND ESSENTIAL REPAIRSREPORT OF CORPORATE DIRECTOR (GOVERNANCE) AND HEAD OF ESTATESDETAIL:

- 1 Introduction
- 1.1 Following an earlier report an outline business case for the use of the Bapsy Bequest has been adopted based upon an improvement scheme for the King Alfred Hall. This outline is attached as Appendix A for information. The Bequest's value including accumulated interest is currently £1.4 million.
- 1.2 Daniel Forshaw Architects have updated the feasibility report in line with the project aims and their sketch plans are attached as Appendix B. Larger scale plans will be available at the meeting and in the Members Room. These plans provide for the essential improvements to the King Alfred Hall, a new access and lift, and refurbishment of the common area. The sum of these works would make the whole property more accessible as a civic community facility.
- 1.3 A condition survey has also been undertaken of the main structure and the roofs of the whole of the Guildhall. This has identified the poor state of a number of the roofs and the need for their replacement in the near future to prevent damage to the building and, importantly, to protect any investment in internal refurbishment works.
- 1.4 Proposed works to upgrade the kitchen, including the removal of asbestos and redundant mechanical and electrical equipment, are ready to proceed. These works will ideally be planned during a period of low activity or a shut down.
- 1.5 A report on the future provision of catering at the Guildhall will be brought to the next meeting. There appears to be an advantage in undertaking any works at the building when new contractual arrangements are in place to avoid any loss of profits claims. This suggests that significant internal works

should not start before April 2010 when new more flexible arrangements for catering in the building can be put in place.

2 Project Delivery

- 2.1 There has been understandable frustration that it has taken a long time for the Bequest to be used for the benefit of the community. Even now the delivery is far from straightforward. As noted above, the Guildhall requires considerable attention and the Bapsy works need to be dovetailed into a wider programme of repairs improvements and changes at the building.
- 2.2 The Portfolio Holder for Finance and Efficiency used an informal group comprising Councillors Evans, Busher and Pines to seek views on the improvements needed to the King Alfred Hall as part of the Bapsy Project.
- 2.3 The outline timetable for the works is attached at Appendix C. This timetable assumes a number of matters in connection with the selection of the project team and that external works will be undertaken alongside the mainly internal Bapsy works. The most crucial dates relate to the submission of Planning and Listed Building applications. As the building is listed, the decision on any application is made by the Government Office for the South East for determination by the Secretary of State on advice from English Heritage. Recent experience has suggested that sufficient time needs to be allowed for pre-consultation as well as the processing of the application. However, there are advantages in dealing with both the Bapsy works and external repairs at the same time.
- 2.4 The risk analysis for the project in Appendix D also highlights areas requiring specific attention. Although there is no single high level risk, the analysis points to the need for a tight project plan and the need to ensure that costs are kept under control. This highlights the important role of the project manager and the close liaison with the Guildhall management.
- 2.5 The Council does not have the in-house capacity to undertake the construction-related project management that this project requires. For projects of this complexity, there is considerable advantage in using the construction management method of procurement of the works with integrated project management and cost control.
- 2.6 The Council is using the construction management route on Abbey Mill and it has been successfully used by Eastleigh Borough Council on a number of their recent projects. In summary, the construction manager is appointed as the principal contractor to organise the building and other works under separate tendered works packages. In most instances the construction manager, as well as being the project manager, also acts as cost consultant, Quantity Surveyor and provides the CDM management.
- 2.7 Both Eastleigh and this Council have used the firm of Gentle Associates in this role. Gentles have built up an expertise in the area over a period of more than 10 years. The added advantage from the Council's perspective is that

once specified and agreed, the work is undertaken for a fixed fee. Recent experience is that the fixed fee approach compares well with percentage based fees.

- 2.8 If a construction manager were appointed, they would work directly with the in-house project team including Property Services, Estates, Guildhall, Building Control, Legal and Finance staff.
- 2.9 According to the outline programme Appendix C it should be possible for preliminary works including asbestos removal, site establishment and some external roof repairs to commence in the early part of 2010. As noted above internal works are likely to commence in April 2010.

3 Works Details

- 3.1 The works proposed as the Bapsy works include the following;
- New DDA- compliant entrance through Broadway Bean area with ramp to existing lift which is to be refurbished
 - Automatic doors to refurbished lobby to café / new lift
 - New fully DDA / Fire Evacuation lift to all floors including the Walton Room
 - Existing reception moved and circulation and staircases refurbished and upgraded to DDA standards
 - Refurbishment of King Alfred Hall including heating and cooling to address the current problems and audio visual and lighting equipment
 - Disabled access to the stage area
 - Replacement of existing King Alfred Hall roof cover with higher insulated replacement cover material
 - Placing of Bapsy portrait in the hall with interpretation and other details
- 3.2 The external works that are required include;
- Replacement of roof over western range of the front elevation
 - Replacement of failing slate roofs to the rear additions
 - Replacement of failed roof lights and flat roof covering adjacent to the King Alfred Hall
- 3.3 A secure area for the display of the Council's impressive collection of civic silver will also be considered in a future report. This was requested by the Informal Group established by the Portfolio Holder.
- 3.3 The available budget for the Bapsy works is £1.4m, but there is no current allocation in the capital programme for roof repairs to the Guildhall. The report on the capital programme (CAB1775 refers) identified the need for £658,000 of funding over the period 2009 – 2013 identified in the condition survey. In

the absence of an approved scheme to deliver these works, this growth bid was not included in the programme.

- 3.4 That report also noted that in March 2008 Cabinet agreed to the creation of an earmarked reserve for property repairs and renewals with an initial transfer of £400,000. This reserve represents a possible initial source of funding for the external repair works. Once more detailed work has been undertaken, the complete programme and the additional funding requirement will be brought back for authorisation.
- 3.5 There is a proposed carry forward provision in the 2009/10 capital programme of £42,000 for the upgrade works to the Guildhall kitchen and a further provision of £40,000 for works in the Guildhall. The kitchen works have been tendered and have been waiting for a convenient start time. Urgent repairs works to the Walton Room balcony to address water penetration to the conference chamber have also been tendered and are due to start in September 2009 (PHD226 refers).
- 3.6 With a listed building of the age of the Guildhall there is potentially a very long list of desirable works and the need for a reasonable contingency. An estimate of the cost of the essential works is being prepared and will be reported verbally to the meeting. It is likely to be in the order of £2.5 million.

4 Way Forward

- 4.1 The reports and the timetable have identified a window of opportunity within which the Council can use the Bapsy Bequest in a meaningful way to produce a first class community facility in the Guildhall. Once the works are completed, together with a more flexible catering package, there is confidence from within the Guildhall team that the attractiveness of the Guildhall will lead to a growth in business back to levels previously experienced.
- 4.2 In the past the Council has found it difficult to identify and deploy appropriate resources to deliver this type of project. It is suggested that an externally appointed construction manager would be of significant assistance working alongside the internal project team.

OTHER CONSIDERATIONS:

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

- 5.1 The project will improve the access to the services that the Guildhall offers to a wider community and preserve and enhance the property as a key building in Winchester's historic environment. The repairs will improve the building's energy performance.
- 5.2 The Guildhall is an important resource for the local economy and its upgrading will help to maintain and enhance the venue and the city as a place to meet and do business.

6 RESOURCE IMPLICATIONS:

- 6.1 The project proposes to use the Bapsy Bequest to undertake works in connection with the King Alfred Hall and immediate access routes. The Corporate Director (Governance) advises that this accords with the conditions of the Bequest. Works to the remainder of the building will need to be met from Council's own resources. Some of the works serve the Bapsy Bequest and other areas of the Guildhall and will require apportionment and the Corporate Director (Governance) advises that during the project there is a requirement for careful and detailed budgeting and cost control in order that the Council can demonstrate compliance with the requirements of the Bequest.
- 6.2 The internal works are estimated to take six months during which time the building will be largely out of commission. Estimates of the loss of business during this time have been undertaken suggesting a loss in the order of up to £250,000. This reduction in income would have an impact on the 2010/11 budget. Attempts to mitigate the loss, with deployment of staff for example, will be made.
- 6.3 This consequential loss of profits will be rolled up as a budget cost in order that the true cost of the works can be identified.

7 RISK MANAGEMENT ISSUES

- 7.1 The project risk analysis is attached as appendix D.

BACKGROUND DOCUMENTS:

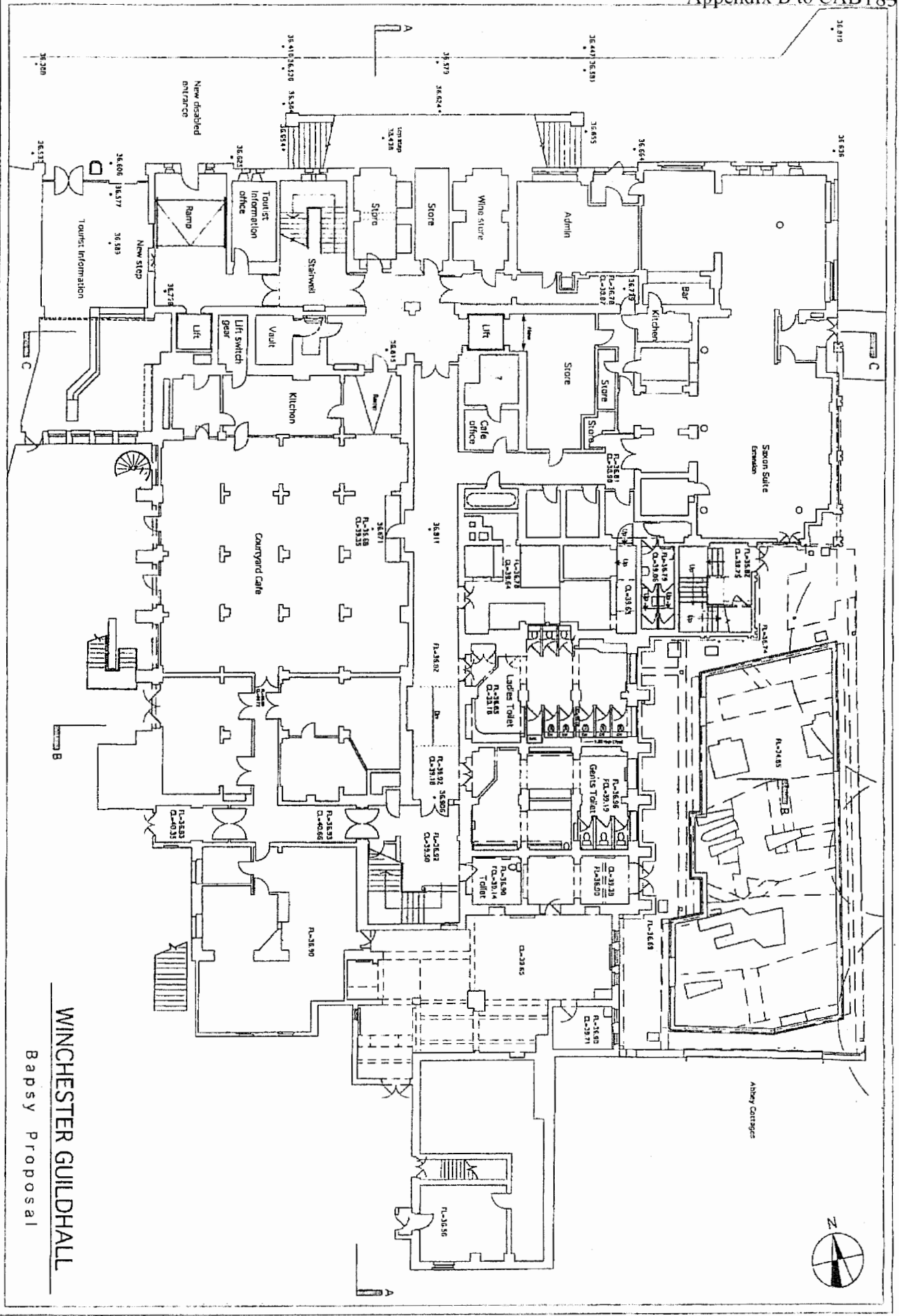
None

APPENDICES:

- A – Outline Business Case
- B – Sketch Plans
- C – Outline Programme
- D – Risk Analysis

Outline Business Case - Bapsy Community Hall

<p>Background to the project</p> <p>The Council has been bequeathed a sum of money to be used within the Guildhall for the creation of a public hall <i>'in the nature of a civic community centre'</i>.</p>
<p>Link with the corporate strategy.</p> <p>Promote health & well being by increasing opportunities to participate in sporting & cultural activities. The historic environment is preserved and enhanced. Promotes equality and diversity in all we do.</p>
<p>General aims</p> <p>To convert the King Alfred Hall into a quality community facility within the Guildhall that is an exemplar of best practice for conversion of a listed Victorian building into a fully accessible facility usable by all members of the community.</p>
<p>Initial Risks</p> <p>Containing the project within a fixed budget. Meeting all of the statutory requirements Listed Building and Building Regulations Unknown structural problems. Capacity of Officers to deliver - the need for external project management and other professional advice. Ensuring that the bequest is only used to fund those elements properly chargeable to the bequest. The project 'driving' the need for other improvements and costs outside of the scope of the bequest. Disruption to the Guildhall and loss of income.</p>
<p>Expected Outcomes</p> <p>Use of the new Bapsy Hall by people and groups previously excluded or disadvantaged. A positive use of the bequest for the benefit of all sections of the community.</p>
<p>Benefits of delivering this project</p> <p>A community facility that no one is disadvantaged when seeking to use. Associated improvements to the wider Guildhall and enhanced use of the Guildhall.</p>
<p>What other options have you considered?</p> <p>-A new build solution adjacent to Abbey Passage - rejected on cost and deliverability grounds. -A new build as part of wider Colebrook St redevelopment - rejected on timing grounds and potential disadvantages of being separate to the other community facilities in the existing Guildhall. Splitting the Conference Chamber into two floors – rejected because of the limited quality of the space that would be created. -An extension over King Alfred Hall - rejected on feasibility and cost grounds.</p>
<p>Initial estimates of cost and time</p> <p>Cost : to be contained within the bequest sum £1.4 million at June 2009 where possible other essential repairs and works identified by the condition survey should be undertaken during any shut down period. There is likely to be loss of income to the Guildhall during the works estimated to be in the order of £250,000. Officer time from Facilities Manager, Heads of Estates and Finance & Guildhall Manager. Time: Project build period 6 months from early 2010 to correspond with low use period.</p>

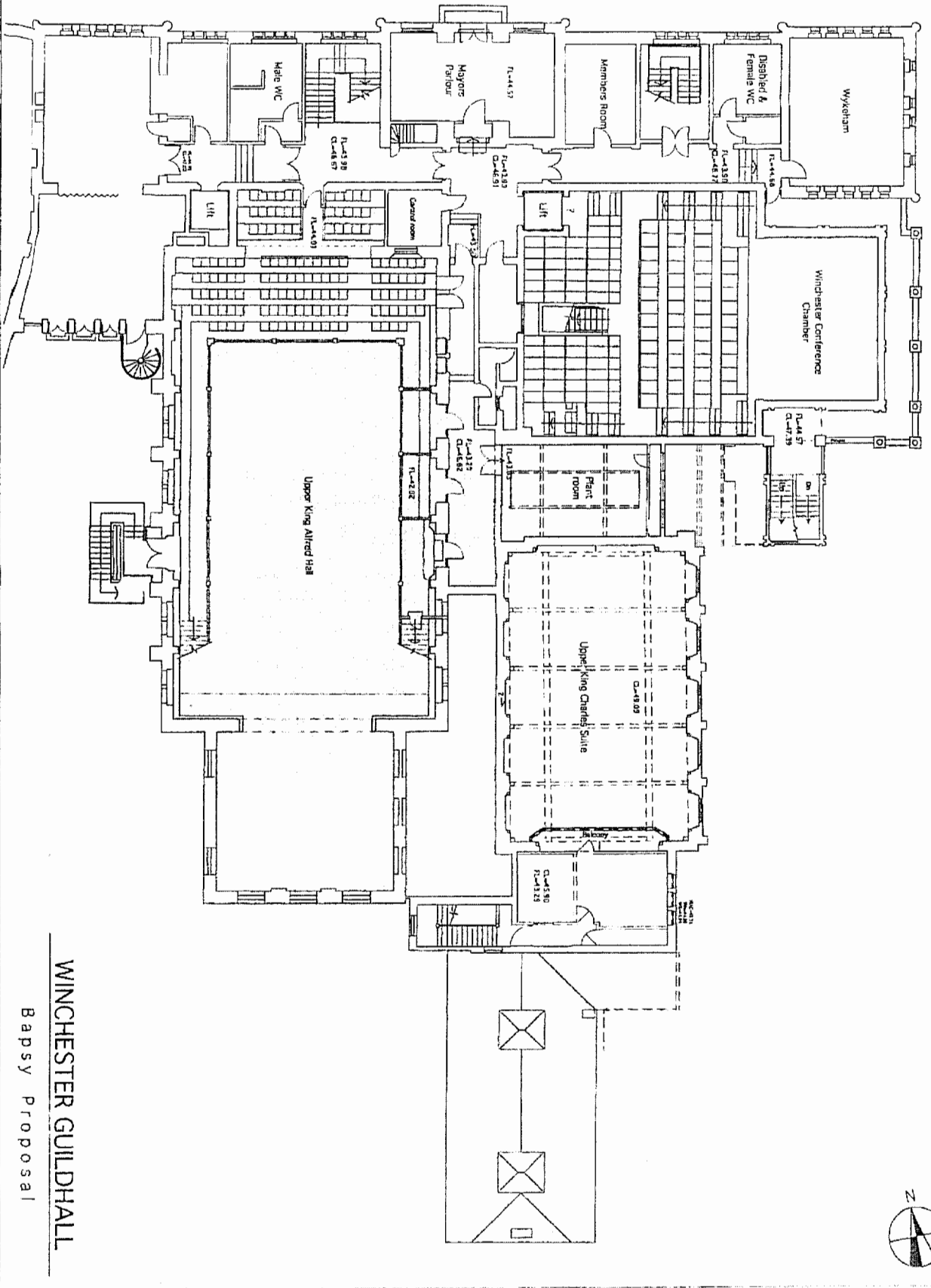


WINCHESTER GUILDHALL

Bapsy Proposal

Daniel Forshaw Design and Conservation Architects
 School House Basingstoke Road Old Aresford Hampshire SO24 9DR Tel: 01962 733017 Fax: 01962 736550

Winchester Guildhall
 Winchester City Council

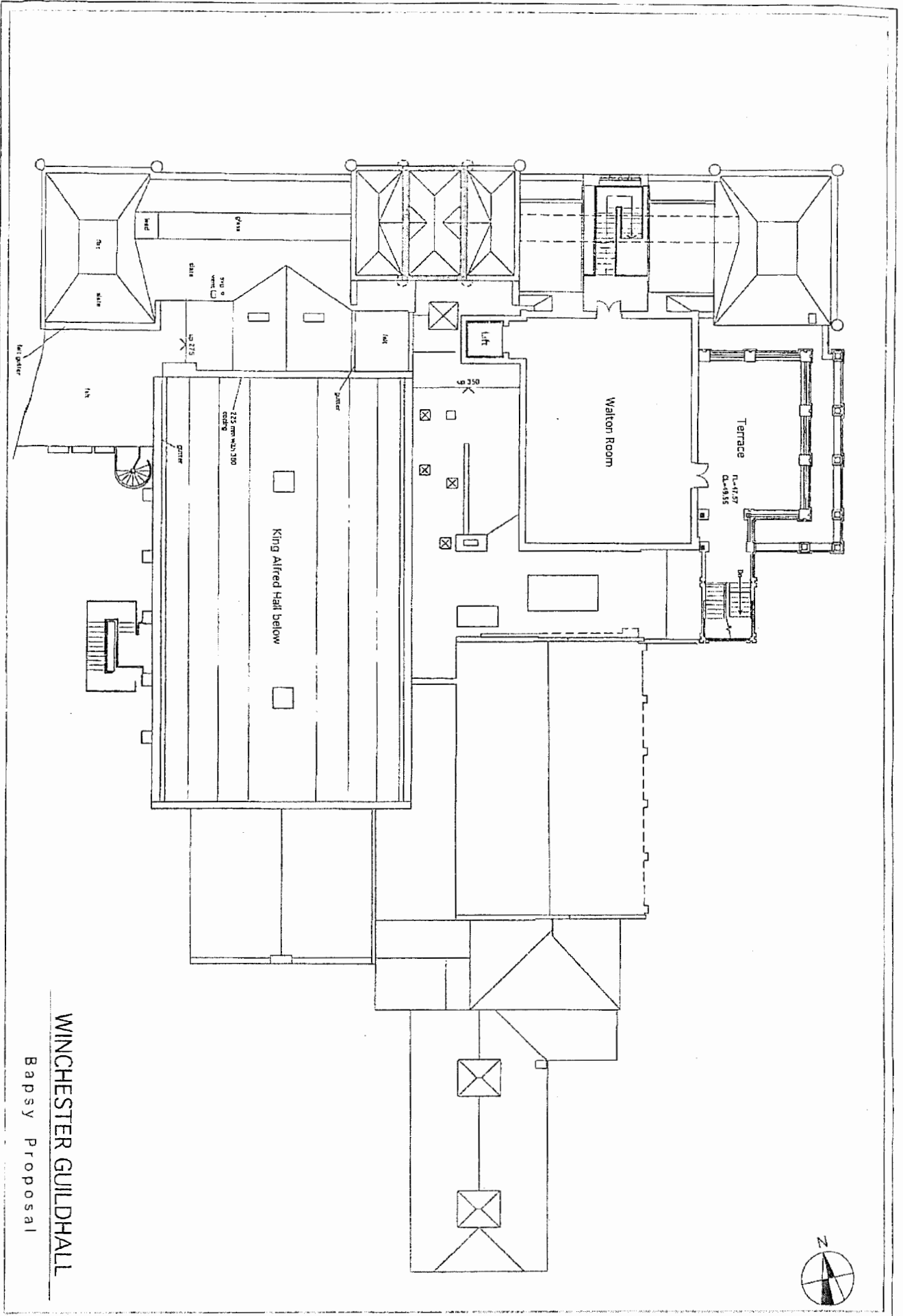


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Winchester Guildhall
Winchester City Council

Winchester Guildhall
Outline Project Timetable

Date	2009-10												2010-2011											
	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D			
Member briefing	01-Apr	♦																						
Cabinet	17-Jun			♦																				
Principal Scrutiny	22-Jun			♦																				
Preparation of Design Team Brief																								
Consultant selection & appointment																								
Cabinet	08-Jul			♦																				
Principal Scrutiny	13-Jul			♦																				
Council	18-Jul			♦																				
Site Surveys Investigation																								
Detailed design																								
Planning BC & LB application submission	07-Dec																							
Cost Plan																								
Project Update Cabinet	13-Jan																							
Project Update Principal Scrutiny	18-Jan																							
Working drawings																								
Tender prep and tender period																								
Tender reports separate work packages																								
Catering Contract end date	31-Mar																							
Kitchen Works Contract	01-Apr																							
Preliminary works incl asbestos removal	04-Jan																							
Contractor Apointment and mobilisation	12-Apr																							
Phase 1 Works [internal]	01-May																							
Phase 2 Works [external]																								
Project Completion	30-Oct																							

Bapsy Risk Analysis**Updated 1/06/09****Scoring****Likelihood: 1=unlikely 2=possible given current knowledge 3 = higher level of likelihood given current knowledge 4= considered almost certain to happen or has happened****Impact: 1 = not likely to impact on the achievement of the scheme or other outcomes 2=would have impact which is containable and manageable at time and cost 3=would cause considerable difficulties and raise significant risk 4 = would cause failure of scheme or other very severe impact**

Number	Nature of Risk/Uncertainty	Likelihood	Impact	Risk Score	Action required to mitigate risk and person responsible
1	Project overrun and loss of income greater than budget	3	2	6	Clear communications with Guildhall Management team to identify problems early. Realistic project timetable. <i>Project Manager</i>
2	Delays in project due to planning, listed building, legal or other administrative delays	3	2	6	Maintain realistic project plan based on advice from retained consultants/advisors. Ensure flexibility in timetable to avoid critical path impacts. <i>Project Manager</i>
3	Building Tender higher than budget	3	2	6	Identify and agree less critical items that can be deleted or delayed <i>Project Manager</i>

Number	Nature of Risk/Uncertainty	Likelihood	Impact	Risk Score	Action required to mitigate risk and person responsible
4	Serious building defects found during progress of works	2	3	6	Pre construction surveys undertaken contingency sum retained early decision and action to reduce potential delay <i>Project Manager</i>
5	Challenge to use of the bequest	1	2	2	Follow legal advice and ensure that works relate to the hall <i>Corporate Director (Governance)</i>
6	Changes in key personnel	3	2	6	Maintain good documentation. Ensure external consultants thoroughly briefed. Avoid concentrating all expertise/knowledge in one place. <i>Corporate Director (Governance)</i>
7	Inadequate Council capacity to manage project	2	3	6	Anticipate peaks in workload. Prioritise officer input over other work. Use additional resources from external consultants as necessary <i>Corporate Director (Governance)</i>
8	Adverse effect on Council's financial position of VAT	1	3	3	Obtain VAT advice before works start. <i>Head of Finance</i>