

Environment and Economy Overview and Scrutiny Panel

Agenda
Item:
A.5

Meeting Date: 23 April 2015
Portfolio: Economy, Enterprise and Housing
Key Decision: YES
Within Policy and
Budget Framework YES
Public / Private Public

Title: **Carlisle Old Town Hall Phase 2 Works Update**
Report of: **Director of Economic Development**
Report Number: **ED 21/15**

Purpose / Summary:

To provide Members with an update on work at the Old Town Hall as detailed in the attached letter to Environment and Economy Overview and Scrutiny Panel Members dated the 8th April 2015, and Executive Report ED16/15.

Recommendations:

The Panel is asked to note the letter and report.

Tracking

Executive:	07 April 2015
Overview and Scrutiny:	23 April 2015
Council:	N/A

Contact Officer: Jane Meek

Ext: 7190

Appendices attached to report:

Appendix 1 – Letter to E&E OSP Members from J Meek dated 8th April 2015.
Appendix 2 – Executive Report ED 16/15.



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ALL MEMBERS OF ENVIRONMENT & ECONOMY OVERVIEW & SCRUTINY PANEL

Please ask for:

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Jane Meek

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JM/DA

8th April 2014

Dear Councillor

Carlisle Old Town Hall Phase 2: Emergency Repairs

I refer to the discussions at Economy & Environment Overview & Scrutiny Committee regarding the urgent works to the Old Town Hall.

Following the appointment of Cubby Construction Ltd, Phase 2 of the works started on site on 7th January 2015. These involved strip out and demolition works to accommodate the new street level access, lift shaft and access. Inspection of the exposed structure identified a number of significant unforeseen problems which required immediate repair to stabilise and safeguard the building.

In addition the works revealed that the Assembly Room floor needed additional structural repairs to increase the permitted floor loading from 3kn/m² to 5kn/m² in line with its proposed use.

It is currently forecast that progression of the additional works will add 4 weeks to the contract programme resulting in a revised completion date of 7th August 2015.

The cost of the emergency repairs and contract extension which are estimated at circa £73,200 is in excess of the remaining contract contingency which is estimated at £11,361. Further reductions in specification elsewhere within the project to potentially generate savings to offset the unforeseen costs, were discounted on the basis that they would have a visible impact on the quality of the Tourist Information Centre interior and visitor experience, and thus compromise the overriding objectives of the project.

Consequently, it can be seen that there was a clear need to address the problem(s) by draw down of additional money from the balance of the allocated overall capital budget to cover the additional works whilst retaining a small contingency balance under the contract.

Owing to the emergency need to undertake the majority of the above repairs without delay, Councillor Bradley exercised, on the 3rd March 2015, in consultation with Councillor Glover in his capacity as Leader, delegated authority (see Portfolio Decision Notice Ref. PF.002/15) to approve the draw down of an additional £90K from the overall capital budget. Doing so has covered the costs of the emergency repairs and has left a balance contingency of £28,161 for progression of remaining works under the Contract on the basis that the risk of further emergency repairs are considered unlikely.

The revised capital budget of £888,000 when combined with existing commitments related to the Greenmarket public realm works, is still within the originally allocated £1.5 million.

A summary of the required works is provided below:-

Item Description	Cost(s) £
1. Additional works to mitigate unforeseen decay and structural problems uncovered as demolition of the existing shop front, lift and staircase progressed	25,000
2. Additional works to repair defects identified with the structural condition of the Assembly Room floor, to address load bearing restrictions which would impact on future use of the room	10,000
3. Contract extension to accommodate additional building repairs including extension to lease for 40 Scotch Street (TIC temporary accommodation)	13,000
4. Additional Consultant services to carry out historical and destination research to provide graphics and text for the Discovery Wall and AV screens; design and implementation of appropriate mitigation works to stabilise the building and address unforeseen site issues uncovered during the strip out and demolition phase(s); adjust of base fee in line with the increased contract value	25,200
Total of Committed Works	73,200

An updated report will be presented to the Executive on 7th April 2015, requesting Members to note the Portfolio Holder decision.

In addition, the report requests approval for an additional draw down of £52K from the allocated capital budget for progression of further “fit-out” improvements to the Assembly Room and Tourist Information Centre in order to maximise future usage of the building.

A copy of the report will be circulated with the Agenda for the meeting in due course.

Yours sincerely

Director of Economic Development

Report to Executive

Agenda
Item:

A.4

Meeting Date: 7th April 2015
Portfolio: Economy, Enterprise and Housing
Key Decision: YES
Within Policy and
Budget Framework YES
Public / Private PUBLIC

Title: CARLISLE OLD TOWN HALL PHASE 2 - EMERGENCY REPAIRS
AND ADDITIONAL WORKS
Report of: Jane Meek
Report Number: ED 16/15

Purpose / Summary:

To update the Executive on the impact of unforeseen structural defects uncovered following progression of strip out and demolition works and to identify potential 'fit-out' improvements to support increased usage of the Assembly Room and Tourist Information Centre.

Recommendations:

The Executive is asked to:

- i. Note the recent portfolio holder decision to approve an additional draw down, of £90k, from the allocated capital budget, required to address unforeseen structural problems which required immediate emergency repair to stabilise the building, protect its future usage and which were critical to the project being able to proceed.
- ii. Approve an additional draw down, of £52k, from the allocated capital budget for progression of optional 'fit-out' improvements to the Assembly Room and Tourist Information Centre in order to maximise future usage of the building.

Tracking

Executive:	7 th April 2015
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1. BACKGROUND

- 1.1 The Phase 2 project follows on from the Phase 1 Restoration and Repair works completed in June 2013. The focus of the Phase 2 works is a remodelled access at street level, improved lift and stair access to the TIC and Assembly Room, improvements to and increased use of the Assembly Room and a full modernisation of both the fit-out, services and merchandising offered within the Tourist Information Centre.
- 1.2 In September 2013, the Council approved release of £798K capital funding, against an overall budget of £1,500k for works to the Old Town Hall and Greenmarket, to facilitate appointment of a Main Contractor to complete recommended site works, as agreed by the Project Steering Group and Members, under the leadership of the Director of Economic Development. The Group comprises officers from Tourism Support, Property Services, Economic Development, ICT and Building Facilities supported by an externally appointed specialist building conservation and fit-out team led by Johnston and Wright Chartered Architects. As part of the development of the project, it was further proposed that options would be drawn up which would form the basis for discussion at a Member / Officer Workshop. Items for discussion included access, IT, signage and use of the Assembly Room.
- 1.3 Following a two stage tender exercise undertaken by Johnston and Wright using the City Council's CHEST system, Cubby Construction Ltd was appointed as the Main Contractor. Contract award was subject to implementation of agreed reductions to the specification, scope of works and contingency in order to remain within the approved budget of £798k. Work started on site on 7th January 2015 and completion is currently forecast for August 2015.
- 1.4 Whilst an original contingency of £51,831 was allocated, this was reduced to £11,361 based upon additional items requested by Members, following a workshop to review options for improvements to the project. Variations included amendments to the unit occupied by Alternatives to accommodate the requested street level access arrangement and essential upgrades of mechanical, electrical and incoming water services based upon agreed usage of the Assembly Room. A full breakdown of these costs is provided in Appendix 1.

2.0 EMERGENCY REPAIRS

- 2.1 Works have progressed to strip out and demolish part of the ground floor of the building to accommodate the new street level access, lift shaft and staircase. During this phase a number of unforeseen structural problems were however identified which required immediate repair in order to stabilise the structure. All such works have had (or will need) to be carried out in an appropriate manner to protect the Grade 1 listing heritage status of the building.

- 2.2 A summary of the required works is provided below in Table 1. A more detailed breakdown of these costs is provided in Appendix 1.

Table One:

Item description	Cost(s) £
1. Additional works to mitigate unforeseen decay and structural problems uncovered as demolition of the existing shop front, lift and staircase progressed.	25,000
2. Additional works to repair defects identified with the structural condition of the Assembly Room floor, to address load bearing restrictions which would impact on future use of the room.	10,000
3. Contract extension to accommodate additional building repairs including extension to lease for 40 Scotch Street (TIC temporary accommodation)	13,000
4. Additional Consultant services to carry out historical and destination research to provide graphics and text for the Discovery Wall and AV screens; design and implementation of appropriate mitigation works to stabilise the building and address unforeseen site issues uncovered during the strip out and demolition phase(s); adjustment of base fee in line with the increased contract value.	25,200
Total of Committed Works:	73,200

- 2.3 The costs of the emergency repairs are in excess of the remaining contingency. Further reductions in specification elsewhere within the project, to potentially generate savings to offset the unforeseen costs, were discounted on the basis that they would have had a visible impact on the quality of the Tourist Information Centre interior and visitor experience, and thus compromise the overriding objective of the project. Consequently it can be seen that there was a clear need to draw down additional money from the allocated overall capital budget to cover the additional works whilst retaining a small contingency balance under the Contract.
- 2.4 Owing to the emergency need to undertake the majority of the above repairs without delay, Councillor Bradley exercised, on the 3rd March 2015, in consultation with Councillor Glover in his capacity as Leader, delegated authority (see Portfolio Decision Notice Ref. PF.002/15) to approve the draw down of an additional £90k from the overall capital budget. Doing so has covered the costs of the emergency repairs and has left a balance contingency of £28,161 for progression of remaining

works under the Contract on the basis that risk of further emergency repairs are considered unlikely.

3. ADDITIONAL OPTIMISATION WORKS

- 3.1 In addition to critical repairs, the strip out works to the first floor have identified a number of inconsistencies in structure and detail which relate to previous configurations and historical use(s) of the building. Whilst careful consideration must be given to conservation priorities, a number of optional 'fit-out' improvements requiring an additional draw down of £52k from the allocated capital budget would help to better unify presented spaces and ultimately support increased usage of the Assembly Room and Tourist Information Centre. A summary of these proposed additional works are provided in Table 2.

Table 2 - Suggested improvements.

Item description	Benefits	Additional cost(s)
1. Assembly Room		
<ul style="list-style-type: none"> Replacement traditional wall panelling to match retained existing, in lieu of recent plywood dado wall panels which have been revealed following removal of radiators in the room 	Unified detail will better present the space; improving marketability and usage.	10,000
<ul style="list-style-type: none"> Include for enhanced client fixtures and fittings: replacement furniture, furnishings, window blinds projector and screen. 	Comprehensive upgrade will improve marketability and income potential.	30,000
Assembly Room : Sub Total		40,000
2. Tourist Information Centre		
<ul style="list-style-type: none"> Incorporation of interpretative display to the stage area showcasing Carlisle with a focus on the Historic Quarter providing an introduction to local attractions, walks and tours. 	Opportunity to work with third party businesses to promote Carlisle as a visitor attraction, increasing visitor spend and supporting job creation.	12,000
Tourist Information Centre: Sub Total		12,000
Total Additional Works		52,000

4. REVISED BUDGET POSITION

- 4.1 An overall capital budget of £1,500,000 was earmarked in the 2013/14 budget for works to the Old Town Hall and the surrounding area of the Greenmarket.
- 4.2 Decision EX.108/13 dated 30th September 2013 approved release of £798k capital funding against this budget leaving a potential balance of £702k for works to the Greenmarket.
- 4.3 A summary of the revised 'capital' budget position based upon further 'committed' and recommended additional expenditure is detailed in Table 3:

Table 3 - Summary of Revised Budget

Option(s)	Budget	Total(s)
Approved capital funding based on tender	798,000	
Committed expenditure for project variations and structural repairs partly set against contract contingency.	90,000	888,000(1)
Optional expenditure:		
Assembly Room	40,000	928,000(2)
Tourist Information Centre	12,000	940,000(3)

- 4.4 As can be seen from the above, the revised budget, when combined with existing commitments related to the Greenmarket public realm works, is still within the originally allocated £1.5million.

5. FORWARD PROGRAMME

- 5.1 The Project Steering Group will continue to monitor progress against the key activities as set out below:

Table 4 - Summary of Forward Programme

Programme Activities	Period
Tourist Information Centre relocate to alternative accommodation	January to July 2015
Site Works – Building Construction. Administration and Inspections.	January to April 2015
Site Works – Fit Out. Administration and Inspections	April to July 2015
Estimated Contract extension to accommodate additional works – 4 weeks	
Estimated revised date for Completion and Handover	7 th August 2015
Tourist Information Centre and Assembly Room re-open to the public.	17 th August 2015
Defects Resolution	August 2015 to July 2016

Release of Final Certificate	September 2016
Final Account – Target date	March 2016

- 5.2 It is currently forecast that progression of the additional works will add 4 weeks to the contract programme resulting in a revised completion date of 7th August 2015.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS.

- 6.1 Members are asked to note the recent portfolio holder decision to approve an additional draw down of £90k from the allocated capital budget in order that they are aware of and understand the reasoning for this.
- 6.2 Approval is sought from the Executive for an additional draw down of £52k from the allocated capital budget given that, unless relating to critical or emergency items, such a level of approval is necessary. Whilst the recommended additional works are not regarded as critical and in this regard can be seen to be optional, they are nevertheless considered important in terms of optimising the future success of the Old Town Hall in its capacity as both a Tourist Information Centre and as a function space.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 7.1 The Old Town Hall project supports the priority to **‘develop vibrant sports, arts and Cultural facilities, showcasing the City of Carlisle’** by enhancing the attractiveness of the Old Town Hall to tenants, visitors and users.

Contact Officer: Jane Meek

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Appendices

attached to report: Appendix 1 – Committed expenditure details.

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **Previous reports to Council available on CMIS**
- **Portfolio Decision Notice PF.002/15 (published 04/03/15) available on CMIS**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

- Risk Management – A Risk Register for the project has been developed as part of the overall project management process and will be updated as the project proceeds.

Economic Development –

- Whilst the primary object of this project is to modernise the service(s) offered by the Tourist Information Centre and Assembly Room, the associated alterations to the fabric of the Old Town Hall as a Grade1 Listed Building, will provide indirect positive benefits for all equality groups through conservation and enhancement of the built environment.

Governance –

- The additional funds should be spent in accordance with the Council's contract for the works being carried out or with its Contract Procedure Rules. Expenditure, as appropriate, should be recorded via Officer Decision Notices.

Local Environment –

- Environmental – The outcome of the project will result in a more energy efficient and sustainable building within the custodianship of the City Council.

Resources –

- Funding of £1.5 million was approved as part of the 2013/14 budget process for the Old Town Hall and Greenmarket public realm works, to improve facilities, appearance and services to the buildings in this small part of the city. £798,000 of this allocation has been released by Executive to progress Phase 2 Improvements to the Old Town Hall. Portfolio Holder Decision Notice PF.002/15 approved an additional £90,000 to cover required emergency repairs, and this report requests the release of a further £52,000 for additional optimisation works, resulting in an overall budget of £940,000 for Phase 2 Improvements to the Old Town Hall. This leaves a balance of £560,000 for other public realm works in this area, and report ED.15/15 considered elsewhere on this agenda requests the release of a further £180,000 from this budget to fund City Centre Orientation improvement work and the replacement of the bandstand.

If both requests are approved, the remaining balance earmarked within the 2014/15 capital programme for further public realm works within the Old Town Hall/Greenmarket area of the City would reduce to £380,000. Further reports to Executive will be required prior to any expenditure being incurred against this remaining balance.

Appendix 1: Committed expenditure details

Item description	Benefit(s)	Cost(s) £
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<p>1. Inclusion of items requested by Members and agreed with the Steering Group which are a variation to the scope of work and cost estimate approved by the Executive on 30th September 2013:</p> <ul style="list-style-type: none"> • Incorporation of actions to reconcile issues raised by 'Alternatives' (ground floor tenant) which included (1) a deferred site start date to January 2015 to avoid the critical pre Christmas trading period and (2) revised storage arrangements for Alternatives to facilitate the new DDA compliant access and toilet arrangements. • Extra – over cost for partial replacement and upgrade of the existing mechanical and electrical services to the first floor landing / lobby / Assembly Room which on inspection are passed their useful life for alteration and repair? • Rationalisation of incoming water service(s) to provide a single landlords supply with sub metering to leased areas. 	<p>Reconfigured ground floor plan optimises lease arrangements with tenant whilst accommodating new DDA compliant ground floor access, stair, lift and toilet to serve the first floor of the building.</p> <p>Separate control zones provided for TIC and Assembly Room. More energy efficient. Planned rather than reactive maintenance.</p> <p>Addresses high landlord water cost(s) by providing a basis for sub charging to lease areas.</p> <p style="text-align: right;">Sub Total</p>	<p>20,970</p> <p>15,000</p> <p>4,500</p> <p>40,470</p>
<p>2. Additional works to mitigate unforeseen decay and structural problems uncovered as demolition of the existing shop front, lift and staircase have progressed.</p> <ul style="list-style-type: none"> • Additional structural, strengthening and fire protection works to stabilise the external wall, first floor and roof structures including realignment and underpinning of internal support walls. 	<p>Building 'fit for purpose', safeguarding investment into its longer term usage</p> <p style="text-align: right;">Sub Total</p>	<p>25,000</p>

<p>3. Additional works to repair defects identified with the structural condition of the Assembly Room floor, to address load bearing restrictions which would impact on future use of the room.</p> <ul style="list-style-type: none"> • Refurbish the fixings of existing structural timbers and joists including replacement of damaged tongued and grooved floorboards with 25mm plywood glued and screwed to existing joists. 	<p>Minimum disturbance of existing structural timbers. Full inspection and repair of supporting structure will address structural deficiency with the existing floor. Permitted floor loading increased from 3 Kn/m2 to 5 Kn/m2 in line with proposed use.</p> <p style="text-align: right;">Sub Total</p>	<p style="text-align: right;">10,000</p>
<p>4. Contract extension to accommodate additional building repairs:</p> <ul style="list-style-type: none"> • 4 weeks at £2,500 per week. Revised completion 7th August 2015. • Extension to lease for 40 Scotch Street (TIC temporary accommodation). 	<p style="text-align: right;">Sub Total</p>	<p style="text-align: right;">10,000</p> <p style="text-align: right;">3,000</p> <p style="text-align: right;">13,000</p>
<p>5. Additional Consultant services to:</p> <ul style="list-style-type: none"> • Complete Main Contractor Pre Qualification Questionnaire evaluation(s) • Redesign of site establishment arrangements to accommodate the Ice Ring including the later incorporation of additional signage for TIC, Alternatives and Peter Fletcher Jewellers as part of the project graphics. • Design and implementation of appropriate mitigation works to stabilise the building in response to unforeseen site issues uncovered during the strip out and demolition phase(s). • Carry out additional historical and destination research to supply 'optional' interpretation graphics and text for the Discovery Wall and AV screens. 	<p>Adoption of two-stage tender provided a more informed basis for contractor selection.</p> <p>Incorporation of signage and project details as a combined graphics presentation. Public better informed about the project.</p> <p>Proactive response will ensure that the building is 'fit for purpose' ensuring that the City Council can provide a sustainable future for the Old Town Hall.</p> <p>Facility to 'mix and match' presentation materials in response to visitor requirements.</p>	<p style="text-align: right;">789</p> <p style="text-align: right;">676</p> <p style="text-align: right;">3,000</p> <p style="text-align: right;">10,000</p>

<ul style="list-style-type: none"> • Adjustment of basic fee in line with increased contract value: £85,470 x 12.56% 		10,735
	Sub Total	25,200
Committed Works: Total		113,670