

GUILDHALL IMPROVEMENTS

ADDITIONAL FUNDING BUSINESS CASE - JANUARY 2025



Purpose of report

The purpose of this business case is to provide an update on the outstanding works at Plymouth Guildhall, a Grade 2 listed building, following the Quadrennial Inspection (QI) and Professional Structural Appraisal (PSA) in 2021, works that are impacting on the Guildhall refurbishment being completed ensuring that elements remain operational within reasonable end of life expectations, and works that could enhance the Guildhall offering from the refurbishment plan that had to be removed due to the increase in costs of equipment and materials since the funding was agreed.

Background

The last Quadrennial Inspection and Professional Structural Appraisal of the Guildhall was completed in September 2021. At that time the official designation in accordance with Managing Heritage Assets: Guidance for Government Departments', it was categorised as 'Poor' for the Tower only and 'Fair' for the Great Hall and more recent construction. The benchmark maintenance standard of the building, as defined by 'Managing Heritage Assets, Guidance for Government Departments' is 'Standard' which is considered appropriate for a Grade II listed asset. The next survey is due in August 2025.

The surveys in 2021 were based on visual inspection only and therefore did not relate to any defects that were obscured, buried or otherwise hidden at the time. As required, the report covered only the historic fabric of the building and did not attempt to highlight defects in the modern elements with the exception of those of 'Significance'.

The QI and PSA identified various issues in relation to areas of water ingress from external walls, roofs and lightwells, concerns with glazing, and structural disrepair. These were identified as high priority items. Of the 50 defects identified, that needed action taken, 78% of them ranged from Health and Safety concerns to essential/urgent works.

The main focus of the instructed works from the report was to replace the roof domes which were not CDM complaint and to clean and repair the external walls to stop water ingress and support the refurbishment programme which was due to undertake internal works only.

The external works were planned over a phased period and were due to be completed in October 2023 in advance of the refurbishment programme starting. This would allow for internal walls to dry out and enable improvements to be made. However due to unknown delays works were not finalised until October 2024, with snagging still to be reviewed. The cost of the works was circa £750K with the final phase coming in over budget by £52,023.29

The water ingress from the roofs has increased with the roof structures deteriorating. Due to budget constraints only patch repairs have been undertaken, however these have not been sufficient to stop the water ingress, which is now impacting on aspects of the refurbishment plans.

In addition to the external works the council have been installing a district heating network in the southern city centre. This has resulted in an air source heat pump being installed in the Law Courts car park at the southern side of the Guildhall. This will service the heating at the Guildhall, the Law Courts and the Council House which are on the same connection. This has not been activated. The Net Zero team are working with Vital to bring this online, dates to be confirmed.

Following various reviews of the commercialisation options for the Guildhall, funding of £3.9M was secured from the Future High Street Fund (FHSF) to include the Guildhall refurbishment as part of the bigger Civic Square scheme. The funding was to be used to capitalise on income opportunities and undertake internal works to improve the toilets, acoustic, WIFI, conference rooms, kitchen

facilities, ramps and a goods lift to be installed. This would be in addition to works to the fabric of the Guildhall and the District Heating Network.

Refurbishment Project

The refurbishment project received planning and listed building consent in May 2023, the tender process was then undertaken which resulted in all submissions coming in over budget by up to 50%. A review of the planned works was undertaken to decide which elements could be reduced or omitted from the programme, based on the necessity to improve the customer experience and income generation. This resulted in the following areas of works being either removed completely or a reduced specification being agreed.

- The removal of the goods lifts as this was impacted by the ASHP being installed and concerns of the structural stability of the undercroft.
- The improvements to the conference rooms as these were minimal, with the exceptions of the windows and would not impact on income generation,
- The Drake room works omitted included bar would not be improved, although this would increase income it was not as high a priority as other areas of improvement
- All of the toilets except the ground floor and lounge bar will be omitted due to prioritisation of spend
- The ground floor office spaces omitted due to prioritisation of spend,
- The green room omitted as this was minimal work and could be completed as BAU post refurbishment.
- Windows omitted due to prioritisation of spend.
- The specification was reduced to the lighting and mechanical and electrical works based on the omission of the lower ground floor and second floor works.
- Repairs to flooring and redecoration of circulation spaces

Revised submissions were received based on the new specification and following evaluation a contract was able to be awarded. This delayed the start of works which should have been December 2023 to September 2024.

The final budget has not been agreed for the refurbishment works for example we still have provisional sums allocated for some items while we wait for final costings and there are unforeseen additional works being identified as refurbishments works progress. Outside of the build contract there are some assumed costs such as furniture, £100,000, wayfinding £30,000 etc and within the contract itself there are some big-ticket items such as the AV system which has a provisional sum of circa £383,000 allocated, remediation works required to the rear wall of the main hall to deliver the acoustic strategy which does not have a budget set aside and risk items such as asbestos within the building which, despite numerous surveys, remains an unknown. There are likely to be unexpected general costs and surveys e.g. additional insurance premium after March 2025 to cover insurance during the work programme that has no allocation and additional consultant fees which remain unknown. Based on the current assumptions and provisional sums the programme of works has £41,186 pressure; however this may increase as the existing programme continues.

Required Improvements

Having reviewed the outstanding works from the QI recommendations in 2021, and the impact that these works remaining outstanding is having on the ability to progress some aspects of the refurbishment programme, a full analysis of the required fabric and internal works that are needed to ensure a) that the Guildhall remains structurally sound for the next 20/25 years and b) opportunities to fully implement income generation and improve the customer experience has been undertaken and is categorised as follows;

- Building fabric works that are required to ensure structural security

- Building fabric works that if not completed will have a detrimental impact on the completion or longevity of the refurbishment works
- Improvements that will enhance the customer experience and/or increase income generation

It should be noted that the QI was completed in 2021 and in general the building has deteriorated since then. General repairs and maintenance have been undertaken, however until a further structural survey of the building is completed we cannot definitively provide a full list of works that may be identified at that time. The detailed analysis is based on the most up to date information from the surveys, reports and issues identified as the refurbishment works have started to undertake intrusive works. Funding has recently been made available to support improvements to the electrical system, fire and intruder alarms. Mechanical improvement will be made through the refurbishment process and the external walls have recently been cleaned and treated in line with specialist advise. The additional works described below will further enhance the building and its offering.

Building fabric works that are required to ensure structural security

Roofing works £1,057,636.66

Window Improvements £125,000

Other structural works that were classified as urgent in the QI report £53,125

Building fabric works that if not completed will have a detrimental impact on completing or longevity of the refurbishment works

Five roof replacements included in the above

Other structural works that are not included in the above £13,750

Improvements that will enhance the customer experience and/or increase income generation

Improvements to the toilets £225,000

Increased conferencing /office space £77,500

Drake room Bar £75,000

Improvements to circulation space £20,000

Green room decoration £11,000

Reception Office improvement £5,000

Miscellaneous works £40,000

Professional fees £25,000

Total indicative cost for all works £1,728,011.66 (excluding overspend)

Total indicative cost for all works £1,780,034.95 (including known overspend)

The largest expenditure is to cover improvements to the roofs across the building. The current roofs are not insulated and patch repairs have been completed that are not effective. The quotes provided include insulation, where it can be fitted, to provide greater thermal efficiency and reducing running costs. In addition the Bauder roof system provides a 25-year guarantee, giving reassurance of the longevity of the roofs once works are completed.

Having reviewed all of the works and analysed the risk of not undertaking them to the refurbishment and the fabric of the building the following priorities and their associated costs are set out below.

Priority 1

Structural work to urgent roof areas and windows to enable the refurbishment programme to progress £ 679,140.65

Replacement of the toilets & decoration of the circulation spaces omitted from the original scope £ 310,000.00

Total £989,140.65.

A review of the budget outturn of the Guildhall external wall project showed that there was an overspend in the capital programme of £52,023.29. This sum has been added to the proposal above, giving a total £1,041,163.94 to be approved.

The recommendation is that for the structural work to the roof and windows, the Council will utilise the Council's current Facilities Management contract for roofing repairs and maintenance and the toilets replacement and decoration works will be undertaken by subcontractor of TEC. The Council will seek authorisation to vary the current contract with TEC construction for the main refurbishment works.

Priority 2

All other roof and structural works will be required in the near future, however based on current knowledge there is likely to be a limited impact on the roof and the internal building if these works are delayed. A quadrennial inspection is due to be completed in 2025 and these works can be planned alongside other remedial works that are likely to be identified during that inspection.

Remaining improvement works that have been omitted from the refurbishment programme are considered low level improvements and are not likely to have a significant impact on the customer experience and could be undertaken at a later date. Provision is being made during the current works to future proof these areas for example ensuring data and cabling is in place based on anticipated requirements so that minimum disruption will be needed if these works are subsequently agreed.

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It should be noted that the ongoing internal refurbishment project is currently identifying an overspend forecast at £41,186.00 at end of December. On completion of this element of the Guildhall programme later in 2025 a final account will be prepared when any final variance will be brought through the capital governance process.

Financial Implications

The additional Guildhall improvements totalling £1,041,163.94 will be funded by Corporate Borrowing the budget included within 2024/25 budget setting for Improvement to Corporate Estate.

There is increased risk to Facility Management's repair and maintenance budgets if works are not undertaken as deterioration of the asset continues from water ingress.

Elements of the work will enhance the customer experience and have opportunity to lead to higher income generation.

Recommendations:

The priority 1 works consisting of structural work to urgent roof areas and windows to enable the refurbishment programme to progress and the replacement of the toilets & decoration of the circulation spaces omitted from the original scope to be approved.

Confirmation of the additional funding is key to being able to complete urgent works to safeguard from water ingress and further deterioration for the next 20/25 year and to complete critical works within the refurbishment programme

No funding being agreed or a delay in the decision to agree funding will put the completion of the project at risk, and deliver the project scope and meet the necessary project outcomes