

Body: Cabinet

Date: 16th July 2014

Subject: Devonshire Park Project

Report Of: Senior Head of Tourism & Leisure & Senior Head of Development

Ward(s): Meads

Purpose: To inform Members on the costs and programme of the Congress Theatre Façade restoration and Devonshire Park Design Stage and agree the revisions and approve amendments as necessary

Decision Type: Key budgetary decision.

Recommendation:

1. To note the progress on the main Devonshire Park project and the related project for the replacement of the Congress Theatre Façade;
2. To authorise a variation to the capital programme of £1.1million for the additional works to the Congress Theatre.
3. To authorise up to £250,000 from the capital programme reserve for the scheme costs to achieve RIBA Stage 2 to develop a Concept Plan for the Devonshire Park Complex.

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1.0 Background

1.1 Since the last Cabinet reports the project has been progressing and is on track to deliver to programme. On the main project the consultants have completed the first stage of the procurement process for the Design Team and Quantity Surveyor (QS). The procurement process has been run in accordance with OJEU procurement regulations with shortlists drawn from a pre-qualification questionnaire process including financial checks. The tender briefs have been issued and tenders for both the Conservation architect led Design Team and QS are due back in July with appointments to be made in

August. In addition to this the Conservation Management Plan was tendered and is underway and due for completion at the end of July 2014.

- 1.2 The replacement of the Congress Theatre façade has had the full design team in place for some time. The full specification of works has been completed in consultation with English Heritage and the tenders have been returned and analysed. The listed building application for the works has also been submitted.
- 1.3 Previously in December 2012, Cabinet approved, amongst other things, to earmark up to £700,000 to progress the Devonshire Park project to RIBA Stage C (this is the Concept stage to determine general approach to layout, design and construction – now referred to as Stage 2) and in May 2013, to release £850,000 to enable the repair of the Congress Theatre façade.
- 1.4 The predicted costs of the Devonshire Park project to stage C and the Congress Theatre works were based on estimates from the consultants employed at the time.
- 1.5 In the intervening time, external Project Managers have been appointed for each of these projects and have carried out detailed analysis of the work. This analysis has shown that further works and consultancy services are needed. The impact of this is the subject of this report.

2.0 Congress Theatre Façade Restoration

- 2.1 The full design team is now in place and have been working on the detailed design of the works. The original estimate of £850,000 for the works was based on two estimates prepared in 2012 for a like for like replacement of the façade by consultants at the time. The works were limited to only the south façade and excluded the ground floor. Now we have undertaken detailed analysis on the works and included English Heritage in the detailed discussions the extent of the works has expanded. The works now involve extra areas of expenditure which are:-
 - Agreed with English Heritage to double glaze the whole of the front elevation. Although there will be an initial capital cost, it is sensible to undertake as the thermal efficiency of the building will be improved and the cost will be partly offset by energy savings (estimated to be in the order of 20% each year) and a better environment for the theatre users;
 - Work is now extending to the ground floor. The structure supporting the façade will now be included with the cathodic protection system which will be extended to cover the ground floor decorative columns.
 - Works will now also extend to the east elevation at the request of English Heritage. Works will be limited to essential repairs until a decision is made on the larger scheme.
 - Included in the project is the replacement of the signage that will be updated with the latest LED technology to advertise the shows and events. This was not included in the original estimate.
 - Works will extend to the canopy which is at roof level. It was decided sensible to include this work now and link it to the cathodic protection work.

- It was considered important to carry out the works while maintaining business as usual at the theatre. This has meant building a protective screen inside the building while the facade works are undertaken. The objective of retaining an open theatre was identified as a particularly high risk in the early assessment of the scheme presented to the Project Board. However it was considered essential as this meant there is no impact on theatre revenue and the community still retain a theatre in use.

2.2 Although there has been an increase in costs, there are justifiable reasons for it. This is now a larger and different project than the one on which the original estimate was prepared and has the support of English Heritage. It also takes into account the impact of keeping the theatre open during the works, and it brings forward work that would have been necessary in later stages making a saving on future works and reducing future costs. Some of the costs will be recouped in the form of energy savings in perpetuity from the new glazing being installed.

2.3 These extra costs amount to £1.1 million. Despite the extra work the programme to completion is as expected in April 2015 with a start on site in August.

3.0 Devonshire Park Project Concept Design Stage (RIBA Stage 2)

3.1 Focus Consultants has carried out a rigorous assessment of the specialists needed on the whole project to meet the objective of preparing a concept plan to RIBA Stage 2. This has revealed that although the original estimate of £700,000 is an accurate cost estimate for consultancy services considered at the time, it is considered essential to underpin this with some supporting consultancy. These support roles such as early development of a Conservation Management Plan, legal advice on contracts, full 2D and 3D surveys, and a funding strategy will be critical to delivering a robust report to Cabinet at RIBA Stage 2. This extra supporting work was always necessary in the project, but it is prudent to bring it forward to remove the risk later in the project.

3.2 Consequently the assessment indicates that there is likely to be a shortfall in the £700,000 budget set aside for the work. At the time of writing the work is currently out to tender so the actual cost is as yet unknown. The tender process is currently to programme and expected to be completed in time for appointments to be made in August 2014. If the tender prices come in higher than the budget, we would need further approval which would mean delay and failing to deliver to programme. Therefore to prevent delay in awarding contracts it is a sensible precaution that a further sum of £250,000 is made available in case it is needed. The spend on this project would therefore be **up to** £950,000 to March 2015.

6.0 Financial Implications

6.1 Cabinet allocated £700,000 to carry on the Devonshire Park design work to RIBA Stage 2 and £850,000 from capital reserves to facilitate the specialist redesign and restoration of the upper facade of the Congress Theatre.

- 6.2 In terms of meeting the extra costs for the Congress Theatre works the Council has recently received an unapplied capital receipt of £750,000 and together with the savings arising from the project of about £10,000 per annum which will support £200,000 of capital financing, which together amounts to £950,000. The balance (£150,000) will be met from the capital programme reserve, which currently stands at £1m. Therefore there is no significant effect on the Council's underlying financial position.
- 6.3 Also by protecting the business continuity arrangements included in the tender, the Council will avoid approximately £800k of potential loss of income/damages claims for cancellations.
- 6.4 The costs have risen for understandable reasons and a further allocation from the capital programme reserve is proposed to meet the extra works. An extra sum of £1.1 million is needed to meet the cost of the works to the Congress Theatre façade works. An extra sum of £250,000 is needed to meet the cost of preparing the Concept Plan (RIBA Stage 2).

7.0 Social Value

- 7.1 The Public Services (Social Value) Act 2012 requires every contracting authority, whenever it is about to procure services, to consider at the pre-procurement stage how what it proposes to buy might improve the economic, social and environmental well-being of the area and how, in conducting the procurement process, it might act with a view to securing that improvement.
- 7.2 The Act only applies to service contracts although it should be noted that large scale or long term capital works contracts equally offer the opportunity to create social benefits. This project comprises multiple procurements at different stages. The Council will consider social benefits at each stage of the project and will engage with stakeholders and potential providers where appropriate. It may be possible, for example, to consider whether contractors are able to offer apprenticeships or offer a commitment to employ the long term unemployed as part of the assessment of their bids. However social requirements should be defined in ways that do not discriminate against any bidders across the European Union.

8.0 Equalities and Fairness

- 8.1 The Council has considered that this project, and its intended outcomes, has more relevance for the protected characteristic of disability than other protected groups under the Equality Act. With this in mind the Council has involved Eastbourne's Disability Involvement Group (DIG) from an early stage and will continue to involve its members throughout its progress. Early involvement has also resulted in East Sussex Disability Association having a seat at the Devonshire Park Partnership Group as a representative of DIG. As the project moves to detail design a formal Equalities Impact Analysis will be undertaken. An access consultant forms part of the service for the Design Team.

9.0 Conclusion

9.1 The project is progressing and is on target for the next stages to be completed to programme in spring 2015. Projects managers are in place for both aspects of the project and have reviewed the work that needs to be done. This report requests that further sums are set aside to meet the expected costs of the work. However part of these increased costs are front loading costs that would have been necessary later while others will save costs through more thermally efficient building and reducing risk on the project.

Lead Officers

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Background Papers:

December 2012 and May 2013 Cabinet Reports

To inspect or obtain copies of background papers please refer to the contact officer listed above.