

Design and Cost Report: Leeds Town Hall Partial Refurbishment: Capital Scheme 16996/TRR

Date: 11.06.2024

Report of: Head of Projects and Programmes

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The purpose of this report is to seek Authority to Spend of £19,413,200 from existing Capital Scheme No. 16996/TRR and sub schemes to undertake refurbishment works to Leeds Town Hall and to directly appoint Kier Construction Limited T/A Kier North and Scotland, to carry out the works.

Recommendations

The Director of City Development is requested to :-

- a) Note the previous authority to spend of £439,200 on the scheme for pre-construction expenditure.
- b) Transfer departmental borrowing of £350,000 from within the existing City Development capital programme, giving a total programme budget of £19,852,400, funded through £16,502,400 of Corporate City Council borrowing and £3,350,000 of City Development departmental borrowing.
- c) Approve the direct award of a contract to Kier Construction Limited T/A Kier North and Scotland (Kier) by calling off from the YORBuild3 Major Works Framework (Lot 1 – Projects over £10m and up to £30m) in the sum of £12,456,027.04 to carry out the works described in this report. The contract shall commence on 17th June 2024 and shall end on 12th January 2026.
- d) Authorise remaining expenditure of £19,413,200 from existing Capital Scheme No. 16996/TRR and sub schemes to carry out refurbishment works and access improvements at Leeds Town Hall.
- e) Approve that the decisions forming the subject of this report be exempt from Call In for the reasons stated in section 7 of the report.

1.0 What is this report about?

- 1.1 The purpose of this report is to seek Authority to Spend £19,413,200 from existing Capital Scheme No. 16996/TRR and sub schemes and, to directly appoint a contractor (Kier) to undertake the proposed refurbishment and access improvement works at Leeds Town Hall.
- 1.2 In February 2022, the Director of City Development approved the procurement route for the appointment of a contractor to undertake the proposed refurbishment works at Leeds Town Hall. Tender documentation was issued to companies on the YORbuild3 Major Works Framework, but no compliant bids were received.
- 1.3 Following consultation with legal and procurement officers and, with endorsement of the Leeds Town Hall Project Board, it was determined that the most appropriate procurement route was to engage a contractor via Yorbuild3 Major Works Lot 1 for the refurbishment works via the direct call-off provisions.
- 1.4 Subsequently, the Director of City Development in November 2022 authorised the City Council to enter a JCT Pre-Construction Services Agreement (General Contractor) 2016 (PCSA) with Kier to carry out the services detailed in the PCSA for the sum as detailed in the financial table at paragraph 5.4 below.
- 1.5 In September 2023, Kier submitted their commercial offer. Following assessment by the Council's independent commercial advisors and in accordance with their recommendation, Kier was advised that their tendered price was unaffordable and that the City Council was not able to accept the tender and award a contract for the refurbishment works. Kier was advised that the City Council would be prepared to continue to work with the company and the Council's retained design team to explore the possibilities for bringing forward an affordable scheme within the budget available.
- 1.6 To prepare a revised budget compliant scope of works and, for Kier to prepare and re-submit a revised commercial offer based on the scheme priorities as advised by the Council, Kier advised as to the need to extend the duration of the existing PCSA from 18 November 2023 to 13 May 2024. The cost of the proposed extension of time to the PCSA is included in the financial table, para 5.4 below.
- 1.7 The delivery of this scheme has been impacted by the significant levels of construction inflation that have taken place in the post-pandemic period and the difficulty in securing a budget compliant tender. As a result, and in order to achieve a budget compliant scope of works the proposal to create a new performance space, bar and to redecorate and recarpet the upper floors of the Town Hall have had to be paused.
- 1.8 Significant work has been undertaken by the Council, its design team, and the preferred contractor to enable a scope of works to be tendered that can be delivered within the approved financial parameters of the scheme. This process has been successful and the phase one PCSA services contract concluded on the 30th of May 2024. Subsequently, Kier submitted a proposal for the proposed refurbishment works with a construction cost in the sum of £12,456,027.04. The project cost consultant (Mace) recommends acceptance of the tendered sum.
- 1.9 The scheme proposal will include the following works.

- An improved accessible principal entrance, providing physical access suitable for all visitors. This includes provision of a lift for mobility impaired users.
- A new box office facility
- New interval bars at first floor level
- The relocation of toilets with an increased number of wc units at first floor level
- General improvements to circulation in the basement and first floor spaces, including decorative works and new floor covering.
- These works are complementary to the redecoration of the Victoria Hall and the restoration of the organ which have been progressing via separate contracts.

1.10 This report seeks approval to award a contract to Kier for the construction phase 2 stage with works, with works to commence on site on 15th July 2024 and completion projected on 12th January 2026.

2.0 What impact will this proposal have?

2.1 The proposal will allow the appointment of a contractor (Kier) to undertake the proposed refurbishment and improvement works at Leeds Town Hall as outlined in paragraph 1.10 above.

3.0 How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

3.1 Engagement with the Arts has been demonstrated to have a positive impact on Health and Wellbeing. The improved facilities and access to the building, combined with improvements to the main performance space (Victoria Hall) being delivered under a separate contract, will benefit people from a wide range of abilities and demographics.

3.2 Leeds Town Hall is an iconic building, delivering a variety of events and performances which attract audiences from within the city and beyond providing a significant contribution to inward investment and employment in the city. The Town Hall has an active programme of events and activities aimed at a wide range of audiences. Equality, diversity and inclusion are key priorities for the management of the Town Hall.

3.3 The project includes the installation of low carbon lighting and other more efficient mechanical and electrical installations. Combined with other improvements undertaken in recent years to the roof of the building and windows, the Town Hall will have significantly reduced its carbon footprint when it reopens to the public in 2026.

4.0 What consultation and engagement has taken place?

- i. The Executive Member for Adult Social Care, Active Lifestyles and Culture has been consulted and is supportive of the proposals contained in this report.
- ii. Ward members have been advised of the proposed works and the scheme generally prior to the decision to proceed being taken.
- iii. Legal, Finance, and PACS officers have been consulted and are supportive of the recommendations in this report.
- iv. The Councils Access Officer and Heritage Officer have been consulted during the development of the scheme design proposals.

Wards affected: Hunslet and Riverside

Have ward members been consulted? Yes No

Ward members have been consulted on the proposed developments at the Town Hall on a number of occasions and are supportive of the proposed improvements.

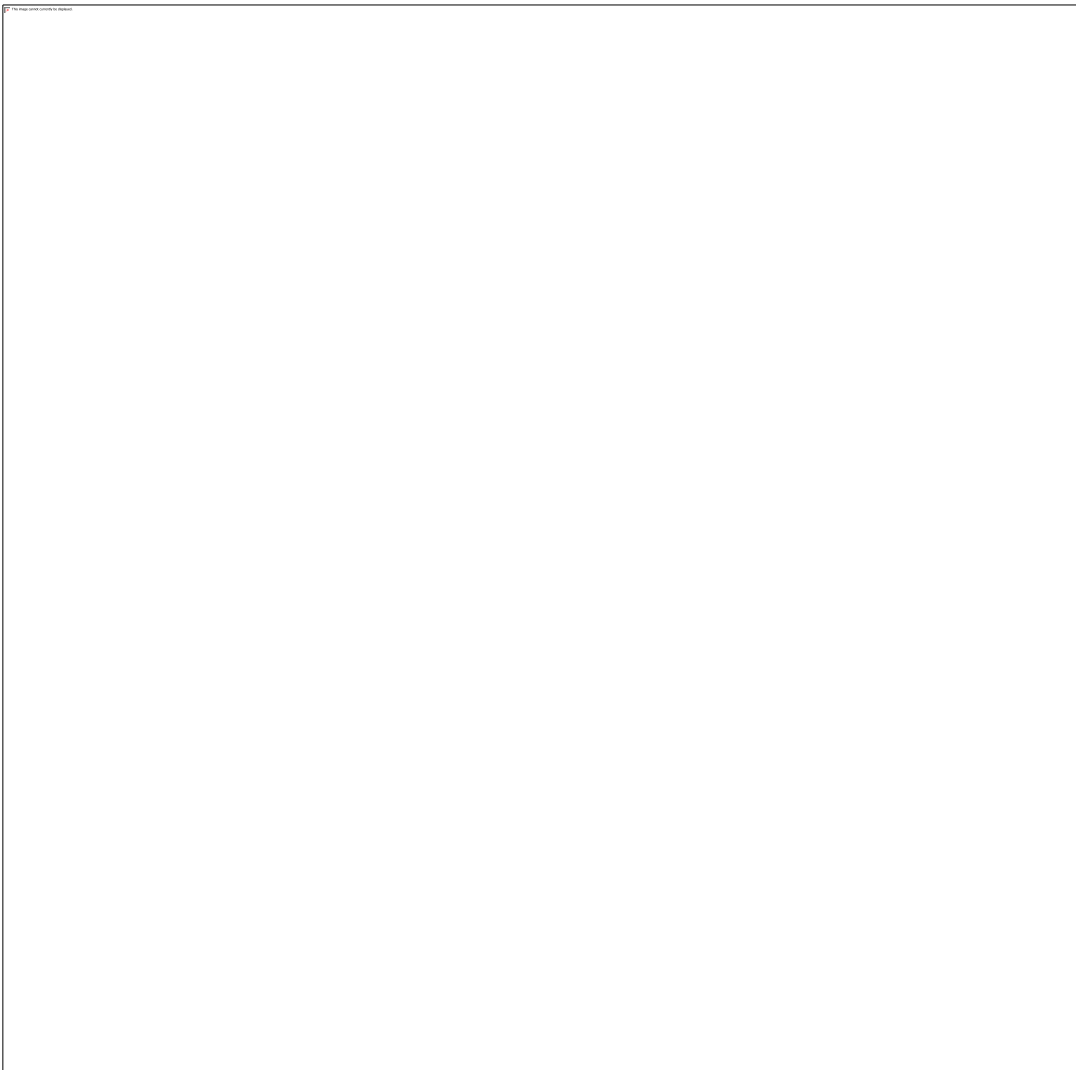
5.0 What are the resource implications?

5.1 The tendered value of the construction work contract is £12,456,027.04. The project cost consultant recommends acceptance of the tendered sum, though noting that there are some risks due to the level of undefined sums and preliminaries in the contractor's tender sum. Other costs including client contingency feed into an overall project budget of £19,852,400.

5.2 The works are being funded from the existing Capital Programme which has £19.852m to fund all phases of the works, with phase 1 works recently completed. The £19.852m budget covers the refurbishment works, professional fees, client contingency, surveys, statutory fees, and inflation.

5.3 The project team and the NPS design team are satisfied that the contractor has sufficient relevant experience of working on listed buildings to undertake these works.

5.4 Capital Funding and Cashflow Table



6.0 What are the key risks and how are they being managed?

- 6.1 There is a risk that the programme will overrun impacting on Town Hall revenue and the Council's reputation. This risk will be mitigated by the implementation of strong, robust contract management including change control processes.
- 6.2 There is a risk that the costs cannot be contained within the budget. An appropriate level of client contingency is allowed within the overall budget and will be managed through cost control procedures.

7.0 What are the legal implications?

7.1 The decisions forming the subject of this report are key Decisions and are subject to Call In. The Director of City Development should note that a decision may be declared as being Exempt from Call In if it is considered that any delay would seriously prejudice the Council's or the public interest. The development programme for the proposed works envisages that the Council will conclude a contract for the proposed works on 17 June 2024, to allow works to start on site on 15 July 2024. A delay in entering into such a contract with Kier for the proposed works could potentially result in the company/its sub-contractors seeking to review the price for the works and, as such, could prejudice the Council's ability to achieve a budget compliant scope of works and may delay the refurbishment works with consequential adverse financial implications for the Council, as an extended period of closure will impact on the proposed revenue income for the Town Hall upon which the business case for the refurbishment works is predicated. The Director City Development should be satisfied that the course of action chosen will provide best value for the Council.

7.2 The information in Appendix 1 of this report has been identified as Exempt/Confidential under the Access to Information Procedure Rules 10.4(3). The public interest in maintaining the exemption in relation to the confidential appendix outweighs the public interest in disclosing the information and financial details which, if disclosed, would adversely affect the business of the Council and the business affairs of the contractor.

Options, timescales and measuring success.

8.0 What other options were considered?

8.1 Alternative options include not letting the contract and going out to tender to seek a different contractor. It is the case that a scheme needs to be implemented to enable the Town Hall to re-open as a public venue. Accordingly, not letting a contract is not a viable option to consider. With regard to going out to tender for a different contractor, the main issues here are further delay, the potential for price inflation during this period, and the risk that there is no betterment to the tender submission received by the Council. On that basis, given the need to progress and the risks of further delay the option of re-tendering has been discounted.

9.0 How will success be measured?

9.1 Success will be measured through the appointment of a suitably experienced contractor and the delivery of the project on programme, within budget and to the specified quality.

10.0 What is the timetable and who will be responsible for implementation?

10.1 The works are proposed to commence on site on 15 July 2024 and conclude on 12 January 2026.

10.2 The Director City Development will be responsible for the implementation of the recommendations contained in this report.

11.0 Appendices

11.1 Appendix 1 Exempt under Access to Information Procedures Rules 10.4(3).

11.2 Equality, diversity, cohesion and integration impact assessment

12.0 Background papers

12.1 None.