

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO SCRUTINY**

**15 DECEMBER 2022**

**REPORT OF THE CORPORATE DIRECTOR COMMUNITIES**

**RE-DEVELOPMENT OF MAESTEG TOWN HALL**

**1 Purpose of report**

- 1.1 The purpose of the report is to provide Scrutiny with an overview of the progress of the Maesteg Town Hall project to date.
- 1.2 It is important to note that this is a live construction works contract and will remain in operation until summer 2023 based on the current programme. As such, it is will not be appropriate to provide information deemed as commercially confidential at this point in time. However, on completion of the project and works contract a comprehensive review process will take place and if requested this could be added to the Scrutiny Forward Plan later in 2023.

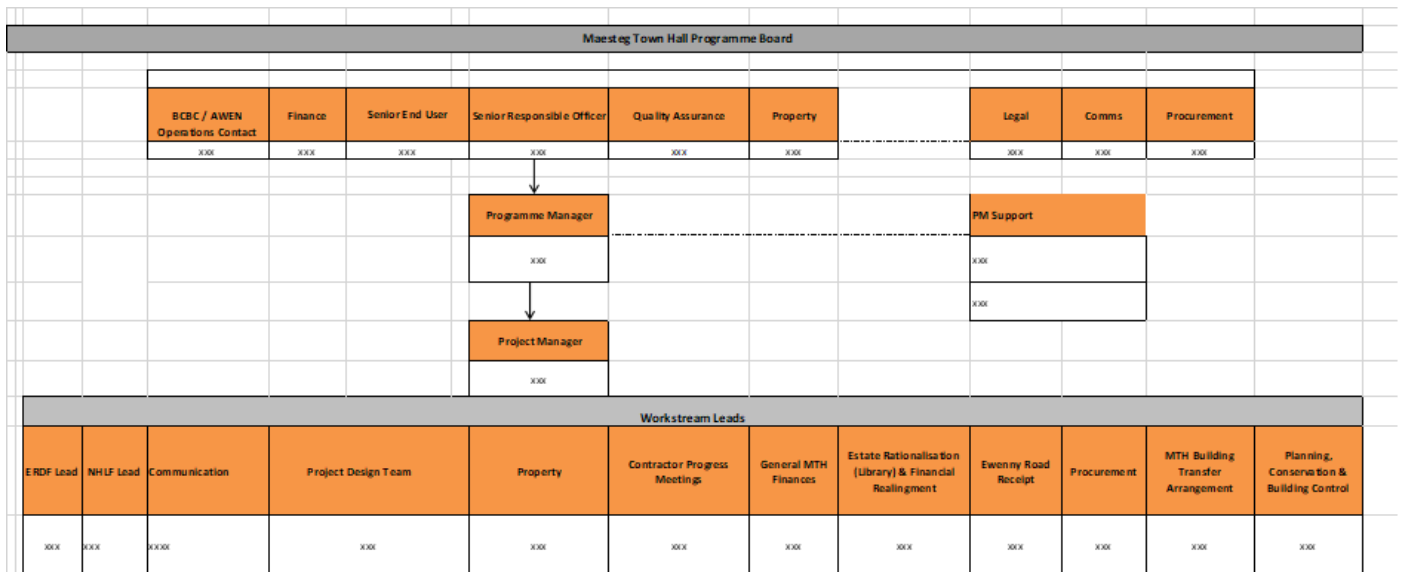
**2 Connection to corporate well-being objectives / other corporate priorities**

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-
- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions for all people in the county borough.
  - **Helping people and communities to be more healthy and resilient** – taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
  - **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

### **3 Background**

- 3.1 Maesteg Town Hall is a 141-year-old Grade II listed building located within a conservation area. It occupies a prominent position in Maesteg Town Centre and is a well-loved focal point for arts and community activity in the Llynfi valley. The venue is renowned for hosting a programme of professional and amateur performances and has provided rehearsal and meeting space for many local groups and organisations.
- 3.2 Bridgend County Borough Council (the Authority), in partnership with Awen Cultural Trust, are transforming the Town Hall into a cultural community venue to support the social and economic regeneration of the town and wider valley communities. Its repair, restoration and extension will ensure that the historic Town Hall is safeguarded and remains accessible to all for future generations for many years to come.
- 3.3 In 2019 grant applications were made to the Welsh European Funding Office (WEFO), National Lottery Heritage Fund (NLHF) and Welsh Government alongside other partners to support the project. As part of this process the project underwent vigorous assessments in order to secure funding, and continues to be monitored quarterly, audited and tested in line with funders requirements.
- 3.4 There is a robust governance structure in the form of a Programme Board, to ensure that the project operates compliantly and adheres to both BCBC procedures, as well as the associated grant conditions in regards WEFO, Welsh Government and NHLF. This is chaired by the Corporate Director for Communities and includes representatives from BCBC's Regeneration, Legal, Finance, Procurement, Property and Prevention and Wellbeing teams as well as Awen Cultural Trust's, Chief Executive, Head of Infrastructure and Innovation and the Maesteg Town Hall Manager. This is shown in Figure 1 below. There is also a professional services contract in place for Contract Management with MACE Ltd. There are regular project & site meetings. These meetings, communications are fed directly into the Programme Board.

Fig 1. Maesteg Town Hall Governance Structure



- 3.5 The funding package is secured, is monitored via the Programme Board and BCBC finance officers and reported to Council as part of the Authority’s capital programme monitoring and reporting process. Since the beginning of the project, increased grant contributions have been applied for to cover an increased scope in the project. This includes both additional works directed by BCBC and unforeseens. To date all known additional construction work compensation events (unforeseens) fall within the capital financial envelope for the Town Hall re-development and been as detailed within the Council’s approved Capital Programme.
- 3.6 Following a review of procurement options, the most suitable procurement route for the project was a two stage Design and Build NEC Engineering and Construction contract. This procurement route was agreed by Programme Board and is in line with both BCBC CPR’s and funder requirements.
- 3.7 The procurement process was undertaken via a Further Competition permissible under the South East and Mid Wales collaboration construction framework for schools and other public buildings (SEWSCAP2) framework agreement. BCBC conducted the procurement exercise through the Value Wales E-Tendering portal. The procurement allowed for the delivery of goods, services and works associated with the project from RIBA stage 4B  
The contract was signed in March 2020, with Knox and Wells Ltd and will remain live until the construction works complete.
- 3.8 The works started on site in March 2020, just 2 weeks before the national lockdown due to the Covid-19 pandemic and whilst works were able to continue to some degree during this period, significant delays were unavoidable due to a number of factors, including a reduced workforce because of pandemic working restrictions and staff self-isolation requirements; difficulty in securing materials and sub-contractors as a result of pandemic closures and restrictions and changes in the economic climate; None of these could have been foreseen at the outset.

- 3.9 Since commencement of the construction works contract and due to the very nature of the magnificent Grade II, 141 year old building, additions to the construction contract have been unavoidable. However, it should be noted that pre-construction an array of surveys were carried out at the building to inform the costing, design feasibility and risk of the project. Surveys were completed sympathetically given the buildings Listed status and occupied use. Please see the survey data in Table 1. Also, a robust contingency and risk element sum was added to the project because of its age and listed status, recognising that heritage buildings can be challenging to renovate.
- 3.10 At this stage of the construction programme, we have completed all works below ground and the majority of the 'high risk' areas of works have been completed. There remains an issue of dry rot which is still being realised; however, beyond this the likelihood of further high cost unforeseen elements being discovered is minimal. As such there is confidence currently that the project can complete within the secured financial envelope of the project.

Table 1: Survey Tracker

<b>Survey Title</b>	<b>Date of Survey</b>	<b>Company</b> <b>Sub-contracted Via Mace Ltd</b>
Ground Investigation	September 2017	Arup
Topography	November 2017	3Dsurveyscan
Ecology	December 2017	CRC Ecology
Ecology	August 2019	Just Mammals
Flood Risk	December 2017	Arup
Structural	December 2017	Lucideon
Utilities	Various	Various
Window Survey	March 2018	Purcell
Building Condition	November 2017	Mace
Scoping Survey	October 2018	MSP Civil and Structural Engineering Consultants
Main Beam	Sept 18	MSP Civil and Structural Engineering Consultants
R&D	Nov 18	Oracle Solutions
Fire Strategy	Sept 19	Burohappold Engineering

Levels	Oct 19	Ruxton Surveys
Acoustics	Oct 19	Hoare Lea

#### 4 Current situation/proposal

##### Increase Value in Construction Works contract

- 4.1 In recent weeks the significant cost and programme uplift to remedy extensive defective lime plaster and dry rot across the building, both of which could not have been revealed at design stages, have been brought to light. The cost of such works meant they was an urgent requirement to increase the construction works contract from £7,027,011 to £7,708,417 , to include new plaster works and to enable a contingency buffer to be retained. This was discussed with Scrutiny Chairs on the 28<sup>th</sup> of October 22 as due to the nature of the works involved and the associated 'drying time' required for the plastering works in particular, BCBC were required to make an urgent decision on how to proceed. It was recognised by all that without a swift instruction to the contactor, works along the critical path programme could not proceed.
- 4.2 On 2nd November 2022, in order for works to continue an Officer Delegated Power for £94,164.67 (CMM-PRU-35 amended) was signed by the Corporate Director Communities. The Cabinet Member for regeneration and Officers from Legal and Finance were kept updated. The Officer Delegated Power was actioned to enable the lime plaster and associated works to continue for a very short interim period to prevent the Authority incurring additional financial penalties and further delay to the completion of the project. This would be followed by a Cabinet Report which authorised the additional sum required in the contract.
- 4.3 On 15<sup>th</sup> November 2022 Cabinet approved the request to modify the Maesteg Town Hall re-development construction works contract to include additional works and services by the contractor which have and continue to be necessary since the initial procurement and increase the contract value to £7,708,417 in accordance with rules 3.3.2 and 3.3.3 of the Council's Contract Procedure Rules.4.7 The current anticipated construction works programme to completion is 21<sup>st</sup> July 2023 as a result of extensive plaster repairs and dry / wet rot discovered across the building. The programme is currently being reviewed by the project managers Mace Ltd.
- 4.4 In order to provide clarity to the events leading upto the requirements to uplift the contract value, a detailed timeline of the recent lime plastering, and dry rot issues has been included below as Table 2.

Table 2: Lime Plaster and Dry Rot Timetable of Events

Date	Event Narrative
07/06/22	An early warning notice was raised by Knox and Wells to Mace Ltd regarding the condition of plaster in 'several locations' across the building, suggested additional works to remedy whatever lime plastering may be required, with further detail to follow. Mace instructed K&W to scope and price the plaster repairs required.
24/06/22	Knox and Wells submit the scope for lime plaster repairs to the back of house and wing rooms only.
06/07/22	The main hall strip of existing wall coverings commenced. The difficulties in removing the existing wall coverings including oil-based paint was realised and the severity of the existing plaster was exposed. K&W to prepare a full repair schedule for the main hall walls.
26/07/22	BCBC instructed K&W via Mace Ltd to proceed with the Back of House areas, only to a point that was already allowed for within the contract value under 'plaster repairs'.
03/08/22	Meeting held between K&W, Purcell Architects, BCBC Conservation and Ty Mawr Lime, to discuss the lime plaster implications within the main hall.
31/08/22	BCBC Conservation site visit to discuss the issue of wall surfaces in the main hall. A Doff system is the preferred method on listed structures, as such BCBC Conservation arranged to meet on Friday 2 <sup>nd</sup> September to discuss further.
02/09/22	Site meeting held with Knox and Wells and BCBC Conservation to discuss internal render works- reference made at meeting of Ty Mawr report. Holding response sent on Friday 2 <sup>nd</sup> Sept.
05/09/22	BCBC Conservation liaises with BCBC Regeneration to request a meeting to discuss the removal of existing wall coverings.
20/09/22	Meeting held with BCBC officers to discuss the additional costs of the lime plaster as per the repair schedule and the removal method of existing coverings.
23/09/22	<p>Mace Ltd sent through the associated costs of the additional Lime Plastering works required along with a brief summary of the programme delay. The associated costs and time delay to the extent that they were presented were not envisaged by BCBC or Mace Ltd.</p> <p>Meetings were held with the project team from W/C 26<sup>th</sup> September to discuss both the programme and costs. Reviews of which are still being realised.</p>
26/09/22	Torc sampling site visit undertaken by BCBC conservation and K&W. Conservation support for the use of TORC given verbally at the site visit. This did not include instruction / approval to undertake the plaster repair works.
03/10/22	The Maesteg Programme Board were briefed.
05/10/22	Meeting held between, Mace, K&W and BCBC.

	K&W note the programme delay relating to the plaster repair works to July 2023 along with the associated cost uplift.
10/10/22	Plaster repair meeting held on site  All key team members attended an on-site meeting to a) finalise the scope of the plaster repair works b) look at opportunities to decrease the scope in certain areas.
12/10/22	BCBC instructed K&W via Mace Ltd to undertake the Torc blasting
17/10/22	Torc blasting to main hall begins on site and is completed within 2 weeks as per programme.
28/10/22	A decision was taken that an urgent delegated power was needed as the costs of the additional works would go over the approved contract value. As per process Scrutiny Chairs were consulted but did not feel they had enough information to approve the delegated power.
02/11/22	An Officer Delegated Power for £94,164.67 (CMM-PRU-35 amended) was signed by the Corporate Director Communities in consultation with the Cabinet member for Regeneration and Legal. The Officer Delegated Power was actioned to enable the lime plaster and associated works to continue for a very short interim period to prevent the Authority incurring additional financial penalties and further delay to the completion of the project
03/11/22	A further update to the plaster repair schedule was issued by K&W which confirmed that Ty Mawr had notified an additional layer of skim required on the walls which also includes a mesh layer. This increases the plaster repair scope, including the cost
04/11/22	An instruction was issued to K&W to proceed with the plastering works programmed over the coming 4 weeks to ensure the works to this area of the building were not put on stop and there was no further programme delay.
15/11/22	Cabinet approved the request to modify the Maesteg Town Hall re-development construction works contract to include additional works and services by the contractor which have and continue to be necessary since the initial procurement and increase the contract value to £7,708,417 in accordance with rules 3.3.2 and 3.3.3 of the Council's Contract Procedure Rules.

- 4.5 A number of detailed discussions over a period of time took place between the contractor, contract managers and BCBC officers to finalise the details of the instruction and the cost and time implications to the programme. This was challenging as it was imperative to try and minimise the impact of the additional works on the programme.
- 4.6 More generally across the construction works contract, due to the nature of the historic building the majority of the additional items discovered could not have been revealed at design stages without significant intrusive and destructive works. As such, these discoveries are unforeseen from when the works were

specified, and the contract procured. Such items are referred to as Compensation Events.

- 4.7 Compensation events are reviewed by Mace Ltd, the project managers on the project and are measured against the terms of the NEC form of contract and the associated risk register. A dialogue of negotiations between the contractor and project managers takes place prior to determination of the compensation event. To date there have been 60 compensation (unforeseen) events, whilst some are actual savings to the contract and most are minor there are six that are considered significant and are included below. It should be noted that all are within the contract sum.

	£
• Lime plasterwork repair	509K
• Strengthen works	44K
• Addressing Splayed Ceilings	35k
• New Arch Formation	19K
• Contamination removal under front steps	96K
• Structural works to SE Roof	81K

- 4.8 The contract for the Town Hall has been amended due to both unforeseens above and to include additional works that have been instructed by BCBC itself. This is because there was a desire to ensure that the building was restored in all aspects whilst substantial scaffolding was erected across the building and the best possible renovation achieved whilst a capital budget was in place. For this reason, some 554K of additional work was instructed as detailed below. This is all included within the current construction contract.

	£
• Renovation of the Clock Tower	482K
• Renovation of Cupolas on the main roof	55K
• Renovation of clock tower columns	15K
• Bird Deterrents to roof & clock tower	1.3K

- 4.9 Since Construction works commencement in March 2020 and in light of the Covid-19 Pandemic, current economic climate, Brexit and repercussions of the war in Ukraine, the project has unavoidably been delayed. At this stage it is anticipated that the project will complete in Summer 2023. However, work has continued steadily, and milestones have and are continuing to be achieved and this beautiful 141 year old listed building is being restored to its former glory and its use is safeguarded for the local community and future generations for many years to come.

- 4.10 It must also be noted that all funders are satisfied with the progress on the project and visit the site at regular intervals to view the work. These include Welsh Government and WEFO and Cadw.

- 4.11 Whilst the construction contract has been increased the project remains well within its capital envelope of £8.78m as agreed by Council. It is anticipated that this project will complete comfortably within this capital allocation.



## **5 Effect upon policy framework and procedure rules**

5.1 There is no effect on the Council's policy framework and procedure rules.

## **6 Equality Act 2010 implications**

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this proposal. The proposed scheme will develop full disabled access to the Town Hall for the first time. The project as a whole will ensure that there is a positive impact on the equalities agenda.

## **7 Well-being of Future Generation (Wales) Act 2015 implications**

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:

- Long Term: The regeneration of the Town Hall will drive local prosperity, providing local employment opportunities and offering better environments to promote the health and well-being of those who live, work and visit town centres in the long term.
- Prevention: By improving the Town Hall it will strengthen the existing economic assets of not just the Town Hall but surrounding businesses while diversifying its economic base. Converting underutilised commercial space into economically productive property also helps boost the profitability of the town centre.
- Integration: The project will focus on delivering a set of physical, commercial and social improvements through re-developing an iconic Grade II listed building which in recent years has been under used. The project will generate employment opportunities; provide a prominent and suitable arena for commercial, learning and cultural use and help sustain Maesteg Town Centre and increase town centre footfall.
- Collaboration: The Authority will be undertaking a partnership approach to deliver positive enhancement to a key site that will include for repair, restoration and extension of a prominent listed building. The Authority, in partnership with our cultural services providers Awen Cultural Trust, have carefully developed the project through a combination of consultation and community engagement, technical testing and development.

- Involvement: Investing in a community offers a means to connect with local stakeholders. Strong, resilient communities will reinforce the regional and Welsh culture which is a key feature in promoting visitors and tourists to the area. Increased visitor numbers to the Town Hall will help to make the Cardiff Capital Region a more prosperous environment.

## 8 Financial implications

- 8.1 The increase to the works contract falls within the Capital financial envelope for the Maesteg Town Hall Re-development within the Council approved Capital Programme, due primarily to additional external funding that has been secured (£250,000 Transforming Town grant – reported to Council in July 2022, and £395,000 WG Building for the Future programme – reported to Council Oct 2022). Therefore, no further monies are required.

Table 3 Total Financial Package

<b>Project Financial Package</b>		
<b>Funding Party</b>	<b>Total Project Requirement</b>	<b>Funding Secured/ Unsecured</b>
<b>Capital</b>		
<i>BCBC: ERDF- Buildings for the Future</i>	<i>£3,504,990</i>	Secured
<i>BCBC Own Funds</i>	<i>£3,089,339</i>	Secured
<i>BCBC: National Lottery Heritage Fund</i>	<i>96,800</i> <i>£701,640</i>	Secured Secured
<i>Awen sourced MALD</i>	<i>£250,000</i>	Secured
<i>Awen sourced Garfield Western (Split between capital &amp; Revenue)</i>	<i>£37,300</i>	Secured
<i>Awen sourced (Pilgrim Trust)</i>	<i>£4,000</i>	Secured
<i>Awen sourced (Davies Trust)</i>	<i>£2,000</i>	Secured
<i>Awen sourced (Maesteg Town Council)</i>	<i>£35,000</i>	Secured
<i>Awen's Own Funds</i>	<i>£114,061</i>	Secured
<i>BCBC- CADW</i>	<i>£50,000</i>	Secured
<i>BCBC - Valleys Task Force</i>	<i>£650,000</i>	Secured
<i>WG Transforming Towns</i>	<i>£250,000</i>	Secured
<b>Total Capital Finance Secured</b>	<b>£8,785,130</b>	
<b>Revenue</b>		

<i>Awen Cultural Trust – Communities Facilities</i>	<i>£250,000</i>	Secured
<i>Awen Cultural Trust – Garfield Western (Split between Capital and Revenue split)</i>	<i>£162,700</i>	Secured
<i>National Lottery Heritage Fund</i>	<i>£74,260</i>	<b>Secured</b>
<i>Awen Cultural Trust – Volunteer Time</i>	<i>£83,775</i>	<b>No actual money will be transferred – it's a recording item to satisfy NLHF</b>
<b>Total Revenue Finance Secured</b>	<b>£570,735</b>	
<b>Total Project Finance Secured</b>	<b>£9,355,865</b>	

Table 4 Total Project Costs

	<b>Maesteg Town Hall</b>	<b>Current Cost</b>
K&W Works Contract		£6,085,112.00
Knox & Wells Additional items As per overall CE's (Agreed and Anticipated)		£1,551,406.69
Knox & Wells Professional Services Contract Fee		£114,275.00
Interpretation Costs		£101,000.00
Consultant fees (MACE 2-7, Purcell 2-4a, MSP 2-4a, Headland 4-7, DACWS 5-7 Hoare Lee 2-4a & 5-7) & Surveys		£674,195.31
Further Anticipated Consultant Fees associated with July 23 Completion		£45,000.00
BT Works for BCBC cameras		£16,200.00
Highway Works		£19,500.00
Digital Works		£20,000.00
Christopher Williams Paintings		£20,000.00
Advertising and Promotion		£14,001.00
Talbot Street Utility Box and Pedestrian Crossing		£13,214.00
Tree Felling Works		£4,050
Contract Administration Costs		£662
Planning Permission		£10,260.00
Building Regulations		£5,906.17
	<b>TOTAL CAPITAL</b>	<b>£8,694,782.17</b>

<b>Capital Programme budget as of Oct 22</b>	<b>8,785,130.00</b>
<b>Remaining Contingency based on Oct 22 Capital Programme</b>	£90,347.83
Volunteer Time	£83,775.00
New Staff	£74,260.00
Awen's FF&E	£412,700.00
<b>TOTAL Revenue</b>	<b>£570,735.00</b>

## **9 Recommendation**

- 9.1 It is recommended that the Committee considers the report and information relating to the project and construction contract for Maesteg Town Hall, with any recommendations being reported to CMB.
- 9.2 Note that scrutiny members will be invited to attend a site visit in the new year.

**Janine Nightingale**

**CORPORATE DIRECTOR – COMMUNITIES**

**December 2022**

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**Background documents:** None