

Meeting of:	COUNCIL
Date of Meeting:	22 NOVEMBER 2023
Report Title:	REDEVELOPMENT OF MAESTEG TOWN HALL
Report Owner / Corporate Director:	CORPORATE DIRECTOR COMMUNITIES AND CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	DELYTH WEBB GROUP MANAGER STRATEGIC REGENERATION
Policy Framework and Procedure Rules:	In line with the Council’s Financial Procedure Rules, section 3.2, all virements (both revenue and capital) above £500,000 shall require approval of the Council after taking into consideration the recommendations of Cabinet.
Executive Summary:	Following the report taken to Cabinet on 21st November 2023, this report provides a short update on the Maesteg Town Hall project and, subject to the approval of the Cabinet report, requests the approval of a virement of £1,173,530 within the capital programme from the Waterton Depot Scheme to the Maesteg Town Hall project.

1. Purpose of Report

1.1 The purpose of the report is to:

- provide an update on the Maesteg Town Hall Project
- subject to the approval of the Cabinet report on 21st November 2023, seek approval from Council for a virement within the capital programme of £1,173,530 from the Waterton Depot scheme to the Maesteg Town Hall Project, to support an agreed uplift in the capital allocation for the project. The details of the virement are set out in section 8 below.

2. Background

- 2.1 On 18th February 2020, the Authority entered into a construction contract with Knox and Wells Ltd for the redevelopment of Maesteg Town Hall with an initial contract value of £6,199,387. Knox and Wells Ltd commenced their works contract for the Maesteg Town Hall Re-development in March 2020.
- 2.2 Works started on site in March 2020, just 2 weeks before the national lockdown due to the Covid-19 pandemic. Whilst limited works were able to continue during this period, delays during that period have had an unavoidable knock-on effect to the completion of the contract due to a number of factors, including a reduced workforce because of pandemic working restrictions and staff self-isolation requirements; Covid lockdown led to significant difficulty in securing materials and sub-contractors as a result of pandemic closures. In addition to this there have been considerable changes in the economic climate and contamination to areas of the site covered by original structures were uncovered.
- 2.3 Early in the programme, in October 2020, the Cabinet member for Education and Regeneration agreed by delegated power referenced CMM-PPU-20-31 to the modification of the Maesteg Town Hall re-development construction works contract to include additional works to refurbish the clock tower, roof cupolas and south annex roof, at additional cost and time to the programme. The decision to undertake these works has significantly enhanced the project and safeguarded these elements. It has also minimised the risk of having to return to site and renovate later. These significant milestones have now been completed but have caused a delay to the original programme. These modifications to the contract were made in accordance with the Council's Contract Procedure Rules (CPRs) and resulted in an uplift of £827,624 in the value of the contract to £7,027,011. This uplift was taken from the total project budget and did not require additional finances to be made available within the capital programme.
- 2.4 During the restoration of this magnificent Grade II, 141-year-old building, further discoveries were made, beyond those identified above, which required further additional works to be undertaken to conclude the project. These works included remedying extensive dry rot, and widespread lime plastering works, along with smaller elements across the building. Due to the nature of the historic building these could not have been revealed at design stages without significant intrusive and destructive works.
- 2.5 Therefore on 15th November 2022, Cabinet agreed to the modification of the Maesteg Town Hall re-development construction works contract to include additional works and services by the contractor which had become necessary since the initial procurement and increase the contract value to £7,708,418 in accordance with rules 3.3.2 and 3.3.3 of the Council's Contract Procedure Rules. This uplift was taken from the contingency values allocated within the total project budget and did not require additional finances to be sought from the capital programme. In addition, it was

debated and agreed by Council and the decision scrutinised by Corporate Overview and Scrutiny Committee at this time.

3. Current situation / proposal

- 3.1 The extent of additional works and unforeseen discoveries detailed above over the course of the project have resulted in a delay to the overall project timescales. The detail of a revised programme is being confirmed with the contractor which takes account of the unforeseen works above.
- 3.2 The current contract limits are set at £7,708,418 for the works contract and £327,230 for the professional services contract (total £8,035,648).
- 3.3 To enable the re-development to proceed and address further areas of dry rot not previously identified, and to safeguard specific structures against future dry rot, the works contractor has been asked to provide a cost and programme to accommodate this additional work.
- 3.4 In addition to the works contract there are also other legitimate professional services costs associated with the project which need to be accounted for and would increase overall project costs. Professional service costs are those which cover our external contract manager, surveyors, cost consultant, and external advisors associated with delivering the contract. All known and anticipated costs have been incorporated into the figures presented within this report.
- 3.5 Based on information available to officers at this time, and as agreed by the project manager, the current financial position of the project means that an uplift in capital funding of £1,173,530 is required. It should be noted that these are interim figures.
- 3.6 This interim funding needs to be agreed in order to be able to issue instructions to progress with the scope of the existing contract, so as not to delay the final completion of works further.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 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.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 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 County Borough and wider region.

6. Climate Change Implications

- 6.1 Taking action to support decarbonisation is critically important in order to protect and sustain the environment over the long term. The development at Maesteg Town Hall has considered all available options within its design and delivery to meet a reduction in carbon emissions aligned with the Council's wider decarbonisation commitment. This is a Grade II listed building, with significant value in its original design and construction. However significant emphasis will be placed on mitigating and reducing the carbon emissions of our heritage infrastructure and assets.

7. Safeguarding and Corporate Parent Implications

- 7.1 Due regard has been paid to the BCBC Safeguarding Policy which seeks to safeguard and promote the wellbeing of children, young people and adults at risk of abuse or neglect and to ensure that effective practices are in place throughout the Council and its commissioned services. Given the subject matter of this report no negative safeguarding implications have been identified.

8. Financial Implications

8.1 The financial impact of the completion of this project is not insignificant. The request to increase the funding package and the associated contract fall outside of the Capital financial envelope for the Maesteg Town Hall Redevelopment within the Council approved Capital Programme. Therefore, subject to Cabinet's recommendation on 21st November 2023, further funding of up to £1,173,530 is required at this point in time to support the request to increase the contract values.

8.2 Current Maesteg Town Hall capital position:

	Value
Current Capital Project Costs (assessment value)	9,958,660
Capital Programme Budget (total scheme budget)	8,785,130
Capital Shortfall	1,173,530

8.3 This report seeks agreement from Council for a virement of funding from within the existing capital programme of £1,173,530 from the Waterton Depot scheme to the Maesteg Town Hall scheme.

8.4 An application has been made to the National Lottery Heritage Funding (NLHF) for additional grant to finance the new package of work included within the uplift in project costs. If the £316,091 from the NLHF is approved the request to vire £1,173,530 can be reduced to £857,439. The impact of the virement on the Waterton Depot scheme is as follows:

	Value
Current Capital Programme Budget	8,144,000
Revised Budget based on virement of £1,173,530	6,970,470
Revised Budget based on virement of £857,439	7,286,561

8.5 If approved by Council, this will be built into the updated capital programme which will append the Quarter 3 capital monitoring report to Council in February.

8.6 The reason the request is being made to vire from the capital allocation for the Waterton depot scheme is that at present the project has not been progressed and the financial values for delivery are unknown. An update report on this scheme will be brought to Cabinet and or Council once the position is known.

9. Recommendations

9.1 Council is recommended to approve a virement within the capital programme of £1,173,530 from the Waterton Depot scheme to the Maesteg Town Hall Scheme. This approval is requested subject to the recommendations of Cabinet following the report being taken to Cabinet on 21st November 2023.

9.2 Council is also asked to note that should external capital funding be secured this virement will be amended down to £857,439.

Background documents:

None