

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	15 July 2015
Subject:	Roses Theatre Refurbishment Project
Report of:	Simon Dix, Finance and Asset Management Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D J Waters
Number of Appendices:	None

Executive Summary:

Under the provisions of the Constitution, authority is delegated to the Chief Executive/Borough Solicitor and/or Corporate Heads in consultation with the Chairman and Vice-Chairman of the appropriate Committee to take action in cases of urgency. This report notifies the Committee of action taken in accordance with this delegation of viring £100,000 from the approved property investment capital fund to support the Roses Theatre refurbishment project.

Recommendation:

The Committee is asked to NOTE the action taken in accordance with the Urgency Procedure.

Reasons for Recommendation:

This report is made in accordance with the requirement contained within the Constitution to report any action taken under the Urgency Procedure to the next ordinary meeting of the appropriate Committee.

Resource Implications:

To enable the tender acceptance, £100,000 can be vired from the approved capital sum for property investment to provide a full budget of £250,000 for the project. Any savings on the total £250,000 allocation for the Roses will be returned to the property investment reserve as will any savings that are generated through the new leisure facility project. Nearly £50,000 has already been returned from the successful completion of the office refurbishment project.

Legal Implications:

Under the Constitution a report to this Committee is required following the exercise of the Urgency Procedure.

Risk Management Implications:

If the Council failed to support the refurbishment programme, the roof of the Theatre would continue to deteriorate leading to increased amounts of water ingress and damage to the interior of the theatre. There would also likely be severe reputational damage.

Performance Management Follow-up:

A quarterly landlord inspection programme is now in place to ensure both landlord and tenant maintenance responsibilities are being met.

Environmental Implications:

None associated with the report.

1.0 INTRODUCTION / BACKGROUND

- 1.1** Under the Lease dated 4 April 1996, the Council has the responsibility for, amongst other things, the roof of the Roses Theatre in Tewkesbury which inspection has shown to be in need of urgent and substantial repair and replacement.
- 1.2** To address these issues, and to work alongside the Trust with its plans to refurbish the interior of the building, the Council approved an injection of £150,000 into the Theatre in September 2014. This figure was based on a condition survey carried out in 2013.

2.0 TENDER PROCESS

- 2.1** In the period following the allocation of resources, extensive negotiation has taken place with both the Roses Trust and the Trust's appointed architects, Poole and Phillips, as to the building requirements, the detailed specification and the timing of the work programme given the Trust's performance schedule. The Trust required all works to take place during the summer of 2015 as the Theatre would need to be closed during the works and this is its quietest performance period. The newly refurbished building will be re-opened in late September 2015 to allow for the autumn and Christmas performance schedules.
- 2.2** Having agreed a scope and specification of works, the Council tendered the work packages in June 2015. Two tenders were received for the replacement windows package and initially no tenders were received for the roofing package. A second tender process followed for the roof which resulted in three tenders being received. Pulling together the lowest tenders and all other work packages, including electrical and mechanical, the total estimated cost now stands at £248,346.
- 2.3** There are several reasons for the increase in cost. The first reflects the change in market conditions from 2013 to present. The cost of both labour and materials has risen dramatically in recent times as the construction industry has recovered from difficult times during the recession and this is now reflected in tender prices. Secondly, the timing of the works over the summer months has resulted in few companies being interested in tendering and for those that have a premium being paid. In general, roofing contractors usually expect to undertake a third of their annual works over the six week period from the beginning of July. This excess demand leads to a spike in costs. Finally, the Council has agreed to undertake a number of additional works at this time rather than delaying to a future date. An example of this is the replacement windows which weren't originally considered in the report to Members. However, given the rest of the works being undertaken, and the exceptional value of the one tender bid received, undertaking the work now would provide best value for the Council.

- 2.4** Negotiations with both the contractors and architects are ongoing and it is hoped that some value engineering savings can be achieved in the coming weeks. However, the timeframe that the Council must operate to for these works, with contractors expected on site at the beginning of July, necessitated a tender being accepted immediately so that the contractor can mobilise the workforce and order materials.
- 2.5** To enable the tender acceptance, the Council must have in place the appropriate level of budgetary provision. The Council has previously set aside £2million from capital balances for property investment and therefore allowing a sum of £100,000 to be vired from this reserve to support the Roses refurbishment project. Discussions are ongoing for the investment of the capital sum with two current possibilities suggesting excess revenue returns can be made for the budget that is available.
- 2.6** Given the need to commence the works at the beginning of July, an urgent decision request was made to the Deputy Chief Executive in consultation with the Chairman and Vice-Chairman of the Executive Committee. The decision was taken to allow the virement of £100,000 to support the required works at the Roses Theatre.

3.0 OTHER OPTIONS CONSIDERED

- 3.1** The only alternative option is to not accept the tenders and retender the packages later in the year. Whilst this is likely to avoid the summer spike in costs, there is a risk of continued increase in both labour and material costs. In addition, the replacement of both the roof and the windows at a later date would require the Roses Theatre to be closed again for a period of approximately 13 weeks which would substantially affect the performance schedule and the Trusts financial viability.

4.0 CONSULTATION

- 4.1** As required under the Urgency Procedure.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 5.1** None.

6.0 RELEVANT GOVERNMENT POLICIES

- 6.1** None.

7.0 RESOURCE IMPLICATIONS (Human/Property)

- 7.1** Provide financing required to deliver a package of works which will ensure the property remains in a suitable condition to be used as a public venue.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

- 8.1** None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

- 9.1** None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

- 10.1** Council decision in September 2014 to set aside £150,000 for investment in the Roses Theatre.

Background Papers: None

Contact Officer: Simon Dix, Finance and Asset Management Group Manager
Tel: 01684 272005 Email: simon.dix@teWKesbury.gov.uk

Appendices: None.