

THURSDAY, 20 DECEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR HERITAGE AND GROWTH

TAMWORTH ASSEMBLY ROOMS PROJECT

EXEMPT INFORMATION

None

PURPOSE

The purpose of this report is to update Cabinet on progress of the Assembly Rooms project and seek relevant approvals to progress the project.

RECOMMENDATIONS

It is recommended that:

1. That Cabinet note the progress of the Assembly Rooms project
2. That Cabinet note the revised costs as detailed
3. That Cabinet approve the release of £299,000 from the retained Building Repair Fund
4. That Cabinet approve the supporting plans
5. That Cabinet acknowledge the revised project timetable

EXECUTIVE SUMMARY

This report aims to summarise key activities identified within the Assembly Rooms project and ensure Cabinet members are fully aware of progress to date. The most recent report to Cabinet updating members on progress was February 2017, since that time the following has occurred:

- Novus Property Solutions have been appointed as main contractor. Construction on site has progressed with major remodelling of the east and south sides of the building, new roof and construction of a new extension on the north side. Internal refurbishment is ongoing with considerable re-plastering works now underway. The hall windows have been opened up and repaired and the foyer/ box office space has been enlarged. A revised Building Project Plan detailing key milestones is attached (**Appendix 1**)
- A revised project governance structure has been agreed following changes to the senior management structure
- Updating of the original business plan that recognises the changes that have taken place over the duration of the project. The Plan is a working document that includes an appraisal of the current position and the business model moving forward. (**Appendix 2**)
- A Corporate Work Plan has been developed which identifies all corporate activities which assigns specific work areas and accountabilities (**Appendix 3**)
- A Communications Plan has been developed (**Appendix 4**) which aims to clarify key messages of the project and bring together, in one place, a list of all associated activities
- A Marketing Plan is currently being developed that will focus resources and plan for business growth

- Programming for events for the coming year is underway.
- The Project leads have ensured the project remained 'in contract' with the Heritage Lottery Fund (HLF) so as to safeguard the original grant allocation and contingency.
- The original design for seating and access was significantly changed by the previous Theatre Design Consultant which resulted in HLF having serious concern on the design. The concerns were so much so that it brought into question their continued funding. As a result a new Theatre Design Consultant was appointed (Charcoal Blue) which, whilst resolving the seating issue and improving capacity has caused significant additional expenditure (approx. £134k) and a delay in the overall timeline. Further the design change impacted positively on the access and overall aesthetics of the theatre (photos at **Appendix 5** refers)
- The final design freeze has now occurred and estimated final costs are included [Note: Novus are currently preparing the final Cost Pack and Bill of Quantities which will provide TBC with a final budget cost.
- Costs of the project build have significantly increased which has resulted in an overspend (**Appendix 6**) and as such, additional funds are now required to meet that shortfall.

We are currently working with an external Catering Consultant to identify the best delivery/business options for the café/multi-use area that will aim to maximise income and usage of all areas and consequently, assist in reducing the level of subsidy from TBC going forward.

FINANCIAL IMPLICATIONS

At Round 2 the project was allocated £4,615,925 budget (including a 5% contingency of £257k). Funding for the project consisted of HLF, Single Local Growth Fund, SCC and Tamworth Borough Council. In 2017, the Arts Council England awarded the project a further £365k to support the theatre's technical infrastructure.

Appendix 6 - details budgets and grants secured with total expenditure to date versus budget forecast.

Variance to budget has included:

- The archaeological dig/analysis totalled £43k of which £23k was over budget.
- Bad weather has to date not resulted in any additional cost but is expected over the winter months. Consideration of this as we approach winter is now contained within the new forecast.
- A recent inspection of the site has identified a potential significant health and safety risk with high level original plaster work becoming loose. Consequently, a revised cost plan to remove all plaster in the main hall has been attained thus, eliminating this health and safety risk. The cost of this additional work is £50k.
- Professional fees have increased by £110k to date. This is as a direct result of redesign work to comply with HLF requirements. Additional costs are anticipated (estimated £70k) as we progress through to completion as the project is currently delayed by 27 weeks (due to a combination of unforeseen/design changes/archaeological works).
- An additional amount of £24k was incurred from the engagement of Charcoal Blue (Theatre Design Consultant) at the request of HLF.
- In addition, £50k had already been paid to the previous architect for the intellectual property rights of the design as they were not appointed to the construction phase of the project. This amount had not been included within the original project spend. In addition, the budget included £50k from Public contributions towards the cost of the works which has not been forthcoming to date.

To mitigate and / or reduce these variances a value re-engineering process has been completed and will continue through this next phase of the project.

(**Appendix 7**). [NOTE: This process did NOT in any way deter from the commitment given to HLF or indeed call into question any aspect of the heritage of the building.]

What is now evident is that a shortfall in budget (currently £269k) has now been identified. This figure does not allow any contingency for the project and whilst the final costing is being calculated together with the continuation of the Value Re-engineering process (which could identify further savings), a further additional £30k for contingency is also requested. The total amount of £299k can be funded from within the Retained Building Repairs Fund which has been historically earmarked for unanticipated building expenditure within our corporate building stock.

RESOURCE IMPLICATIONS

An internally resourced project team continues to work to an agreed 'Work Plan'. The project team consists of operational Assembly Room staff as well as Corporate support staff. The project team report into the Executive Leadership Team who acts as the 'Project Sponsors' to ensure the project's performance and governance. In addition, there is an external design team that consists of the Building Contractor, Quantity Surveyor, Lead Design & Architect, Mechanical & Electrical Design Consultants, Structural Engineer, Theatre Design Consultant as well as an external Project Manager.

Recently the externally appointed PM has advised us of her departure and as such, a 'replacement' PM will have been appointed to ensure full business continuity.

Associated public realm works to Library and churchyard is reliant on SCC to deliver within the agreed timescale; we are awaiting confirmation from SCC that works will be within this timeline.

LEGAL/RISK IMPLICATIONS BACKGROUND

As with all corporate projects, there are risks. All risks are identified and reviewed regularly as part of the project management process.

As the building works continue it is impossible to know what may be uncovered which could well result in further delay and / or cost. The financial revisions make an allowance for further contingency to be identified. However, we cannot guarantee at this stage that there will be no further unforeseen issues identified.

SUSTAINABILITY IMPLICATIONS

Clearly for this project to continue additional funds are required. HLF have confirmed (10 December 18) that they have allocated their full grant including contingency to TBC and expect it to be spent. However, they do expect TBC to maintain a contingency for the project to mitigate any further unforeseen costs. This contingency is included within the request for additional funds.

BACKGROUND INFORMATION

Tamworth Assembly Rooms officially opened on 8 October, 1889 as a fitting monument to celebrate Queen Victoria's Golden Jubilee in 1887. Tamworth Assembly Rooms is the main arts and performance venue for Tamworth and also draws audiences from North Warwickshire, Derbyshire and Southern Staffordshire. Not only is it used as a venue for the arts but also plays a vital role in the education, health, volunteer and business sectors of our community.

In 2012 Cabinet approved the creation of the Cultural Quarter Project which during 2014 was renamed Tamworth Creative Quarter. Subsequently this was amended to the Enterprise

Quarter to reflect the focus on developing the local economy. At the heart of the proposals was the redevelopment of the Assembly Rooms. The £4.6million project to preserve and enhance the theatre for 21st Century audiences, comprises of funding:

- TBC £1.18m
- Local Growth Fund £2.2m
- HLF £903k
- A further £365k was provide by Arts Council in 2017

In January 2016 the Assembly Rooms closed to the public

Work on the site commenced in December 2017 so that a complete refurbishment, extension and modernisation could begin. It will provide the town with a modern, efficient performance venue with a variety of income streams, including events, activities, room hire and retail whilst also preserving an important part of Tamworth's heritage.

The redevelopment includes:

- Repair, conservation and redecoration of the historic front façade and main hall of Tamworth Assembly Rooms
- Enlargement and modernisation of the foyer
- Additional front of house spaces for retail and hire
- Increased number of toilets
- Much improved back of house spaces for performers
- Improved access front and back of house
- Modern heating, lighting and ventilation systems to make the building more sustainable
- Improved lighting and sound infrastructure for the theatre space

REPORT AUTHORS

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APPENDICES

- 1** *Build Project Plan*
- 2** *Updated business plan*
- 3** *Corporate Work Plan*
- 4** *Communications plan*
- 5** *Photos of internal build*
- 6** *Financial Analysis*
- 7** *Re-engineering Control*