

CHORD – Dunoon – Queens Hall – Progress and Commercial Update

1.0 INTRODUCTION

1.1 To provide the Policy and Resources Committee with an update on: the delivery of the Queens Hall Refurbishment and Public Realm Improvements project; and the current commercial position in respect of:

1.1.1 The Approved Project Budget (**APB**) for the project

1.1.2 The Anticipated Final Cost (**AFC**) for the project, taking account of the Main Works Contract Cost Reports Nos 8 – September 2017 and Cost Report Nos 14 – March 2018

2.0 RECOMMENDATIONS

The Policy and Resources Committee is asked to:

NOTE:

2.1. The update provided within the Report

2.2. The further update covering commercial aspects of the Report contained in the exempt appendix; and

AGREE:

2.3. That a further report is brought to the Committee after the Final Account is agreed for each of the Contracts, and seeking a substantive decision in respect of the actual overspend once quantified.

CHORD – Dunoon – Queens Hall – Progress and Commercial Update

3.0 INTRODUCTION

- 3.1. The Queens Hall refurbishment and public realm enhancements are a key component of the Council's ambitious and forward-looking programme to assist regeneration and economic development in five of its waterfront towns - Campbeltown, Helensburgh, Oban, Rothesay and Dunoon.
- 3.2. The proposed CHORD investment addresses the material state of the town centre waterfront and the Queens Hall, not only improving the local infrastructure, but also ensuring that the area "works" as the marine gateway into Dunoon, Cowal and the National Park beyond. The Queens Hall will provide an "anchor point", for visitors and the local community alike, taking a building that was no longer fit for purpose and transforming it into a venue and facility fit for the 21st century
- 3.3. The project is made up of three constituent parts:
- The refurbishment and redevelopment the Queens Hall buildings
 - The realignment of the Pier Esplanade, Argyll Street and Alexandra Parade road junction; and
 - Environmental improvements
- 3.4. The Strategic objectives for the project are to:
- Make most of Dunoon Waterfront in terms of economic development and regeneration.
 - Deliver waterfront infrastructure that contributes to an attractive, vibrant and contemporary town centre.
 - Create a safe, comfortable, accessible public realm that attracts residents and visitors to the area.
 - Promote improved connectivity and public transport gateway.
 - Act as an enabler for private sector investment in the waterfront area and town centre
- 3.5. The project will:
- revitalise the Queen's Hall, giving people exciting gathering places both inside and outside the building

- provide a purpose built fitness & training suite which will enable us to offer our customers a bespoke multi use fitness environment that not only serves our fitness class programme but can be offered as a sports specific fitness area for the myriad of sports clubs in the area
 - provide new home for the Public Library
 - co-locate the offices of Skills Development Scotland
 - provide a completely refurbished main auditorium including: retractable bleacher seating, new lighting and audio visual facilities; and the ability to sub-divide the area to cater for different sized functions
 - provide a Children's Soft play area for children from early years up to age ten
 - provide a new Cafeteria and catering facilities capable of servicing the various uses envisaged for the building e.g. meetings, weddings, exhibitions etc.
 - provide a new road layout, public realm with paving and soft landscaping to revitalise and enhance marine access to Dunoon town centre, Cowal and the National Park beyond
 - building refurbishment as opposed to new build project; and enhance the public realm around the area of Dunoon's War Memorial
- 3.6. The Project is now 69-weeks into a 71-week build programme (including agreed Extensions of Time) and the building is due to be handed back to Argyll and Bute Council on 28 May 2018.

4.0 RECOMMENDATION

The Policy and Resources Committee is asked to:

NOTE

- 4.1. The update provided within the Report
- 4.2. The further update covering commercial aspects of the Report contained in the exempt appendix; and

AGREE

- 4.3. That a further report is brought to the Committee after the Final Account is agreed for each of the Contracts and seeking a substantive decision in respect of the actual overspend once quantified.

5.0 DETAIL

Budget

- 5.1. On 18 August 2016 the Policy & Resources Committee and subsequently Full Council Approved a Capital Plan Allowance of **£11,521,000** for CHORD - Dunoon Waterfront.

- 5.2. On 22 February 2018 Argyll & Bute Council passed its Budget for FY18/19, which included an additional underwriting of the Queens Hall project by a maximum of **£400,000**.
- 5.3. Within the previous Leisure Services budget **£75,000** was set aside for the provision of soft play equipment for the Queens Hall building, this allowance has subsequently be transferred to the project budget.
- 5.4. Following on from the above the Queens Hall project has an Approved Project Budget of up to **£11,996,000**
- 5.5. Further details on the commercial position of the project are set out at Appendix 2 to this Report. A number of issues are still the subject of commercial negotiations between the relevant parties or the subject of further consideration as to the mechanisms open to the Council to reduce its financial commitment.

Programme of Delivery

- 5.6. Between June 2016 and February 2017 a programme of Asbestos Removals and Remediation works were undertaken by Chamic Industrial Services Ltd and supervised by Environtec Ltd. This included the removal of asbestos debris etc. from the solum below the floor of the main hall as well as the ceiling void above. The initial programme duration was for 12 weeks, however this had to be extended due problems associated with Scottish Water being unable to identify the location of the incoming water main, which had to be isolated and subsequently disconnected.
- 5.7. The main works contract was awarded to McLaughlin & Harvey Ltd (**MCLH**) on 7 September 2016, with actual works programmed to start on site on 16 January 2017 for a period of 60 weeks. MCLH mobilised to site on 12 December 2016 to begin the establishment of the site offices, welfare facilities and site hoarding so that these would be complete before the Christmas break, and thereby enable them a clear run at the construction works from the middle of January.
- 5.8. The initial focus of the works associated with the building was the demolition of key structures on the existing eastern (Argyll St) and southern (Castle Gardens) elevations, to make way for the new build elements that would replace them. A number of problems arose with the building refurbishment works, including:
 - The condition of the existing concrete structure – we had undertaken a condition survey of the existing structure prior to the contact going out to tender. However once the demolition works and internal strip out was able to expose the full extent of the structure, it became apparent that in certain locations the condition was significantly worse than expected.
 - The roof to the main hall was believed to have a concrete structural deck with a waterproofing layer, as had been identified in the other roofs to the building. However it subsequently transpired that it had: a main structure comprising steel trusses spanning east to west across the width of the hall; secondary trusses spanning north to south between the main trusses, acting as purlins for the roof deck; that the deck itself was of profiled steel sheet with flat steel lining sheeting fixed to the section immediately below it; and waterproofing comprising fibreboard (adhered to the steel by methods unknown) and a layer of 4-5mm waterproofing felt (probably built up in

layers) hot rolled onto the sheathing layer and bedded in hot bitumen. Not only did the project have to redesign the construction of the roof in this area, but it also took a significant amount of additional time to remove the existing waterproofing.

- 5.9. The external works focussed on the creation of the new road layout to connect the Pier Esplanade to Alexandra Parade through what was the old vehicle muster yard for the wooden pier. Both of these pieces of work identified significant unforeseen issues in terms of existing utilities, including:
- There was a significant convergence of utility infrastructure at the northeast corner of the building, including HV/LV electricity supplies, high pressure water mains, sewerage and telecoms.
 - Whilst the presence of utilities was expected, as we had sought the Drawings of Record from the utility providers in advance of our works and had also undertaken ground penetrating radar surveys, what was not foreseen was their proximity to each other, the building and their condition. We uncovered a number of supplies which were not shown on the drawings, not in the documented location or to the depth required by the regulations, where it was unclear as to what the supply was for, who it belonged to and what its status was (e.g. live cable).
 - In the area of the new road linking Pier Esplanade to Alexandra Parade we discovered that the existing rain water drainage system had been badly damaged by previous works in that area. This meant that the project had to completely re-design its rain water drainage proposals for the new road layout, which took time, introduced delays to the programme, and as a result cost additional money.
- 5.10. Whilst the two preceding sections highlight some of the significant issues encountered in refurbishing a building which is some 60-years old, what they don't show is the way that the project Design Team and Contractor worked as a team to come up with effective and affordable solutions, which minimised the costs and programme implications as far as practical, given all of the other considerations. It is important to note, that with the exception of very specific 'Contractor Designed Portions' this was basically a traditional build contract. As such MCLH would have been within their contractual rights to have waited for the revised construction information to be issued before progressing with works. This would have resulted in significant delays to the programme and additional costs to the project, and it is to their credit that they continually sought to re-programme or re-phase works, to put forward practical solutions and all with a view to minimising the impact upon the client.
- 5.11. The project is on programme to see the main building becoming available for the A&BC to undertake its fit-out exercise at the beginning of June, with the external works due to be complete on 18 June.
- 5.12. The fit-out exercise focuses on 8 key areas: catering equipment and ancillaries; fitness equipment; office and meeting room furniture; ICT equipment and peripherals; library shelving and furniture; soft play equipment; theatre systems; and signage. Most of these items are being bought through existing national

framework agreements/contracts, as this provides costs efficiencies and known lead time for the supply of standard goods. The project is currently working to the following indicative milestone fit-out programme, which is subject to confirmation through the various procurement exercises and contract awards:

- **w/c 4 June 2018:**
 - 2nd Floor - Soft Play Equipment
 - 2nd Floor - Technical Gallery Equipment
- **w/c 11 June 2018**
 - 1st Floor - Library Shelving and Furniture
 - 1st Floor - Bar Area
 - 1st Floor – Stage Equipment e.g. Lights etc.
- **w/c 18 June 2018**
 - Ground Floor - Kitchen and Catering Area
 - Ground Floor - Fitness Studios
 - Ground Floor - Consultation Room
- **w/c 25 June 2018**
 - All Floors – Smart TV / Display Screens
 - 2nd Floor – Soft Play Area/ Party Room and Roof Terrace Furniture
 - 1st Floor – Office / Meeting Room Furniture
 - 1st Floor – Dressing Room Furniture
 - Ground Floor – Café Furniture
 - Ground Floor – Reception Furniture
 - Ground Floor – Office / Meeting Room Furniture
- **w/c 2 July 2018**
 - All Floors ICT equipment to desks / counters etc.

5.13. This programme has been developed on the basis of Live Argyll's proposals for bringing the building back into operation and with a number of key events planned over the summer/autumn, showcasing what is set to be a fantastic new addition to life in Dunoon. The events include:

- ABBA Mania - 28 July
- the Proclaimers - 3 August
- Dunoon Mod 2018 - 12 – 20 October

Before and After

5.14. A selection of photographs, comparing the condition of the building and public realm prior to works commencing with their current condition, are included at Appendix 1 to this Report

6.0 CONCLUSION

- 6.1. The Queens Hall refurbishment and public realm enhancements are a key component of the Council's ambitious and forward-looking programme to assist regeneration and economic development in five of its waterfront towns - Campbeltown, Helensburgh, Oban, Rothesay and Dunoon.
- 6.2. The refurbishment works are due to complete shortly and the building will re-open to the public in July with a number of events advertised or planned for summer/autumn this year.
- 6.3. The project has not been without its' challenges and a number of commercial issues are the subject of ongoing negotiation/consideration. Nevertheless we are confident that the Councils' investment in the Queens Hall: addresses the material state of the town centre waterfront; improves the local infrastructure; ensures that the immediate area "works" as the marine gateway into Dunoon, Cowal and the National Park beyond; and provides an "anchor point", for visitors and the local community alike, taking a building that was no longer fit for purpose and transforming it into a venue and facility fit for the 21st century.

7.0 IMPLICATIONS

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|-----------------|--|
| 7.1. Policy | To allow continued delivery of the Council's Corporate Plan and to assist in making our towns places of economic vibrancy that creates employment and prosperity for the residents of Argyll and Bute.

The redevelopment of the Queens Hall will contribute towards the outcomes set out in the Single Outcome Agreement. |
| 7.2. Financial | As set out in Appendix 2 to this Report. |
| 7.3. Legal | None |
| 7.4. HR | None |
| 7.5. Equalities | None |
| 7.6. Risk | As set out in Appendix 2 to this Report. |
| 7.7. Customer | None |

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Appendices:

Appendix 1	Before and After Photographs
Appendix 2	Commercial Update

Appendix 1: Before and After Photographs



The western elevation from the Castle Gardens



Western elevation – new double glazing, cladding and insulated render



The eastern elevation from Alexandra Parade



Eastern elevation – new glazed curtain walls, brickwork, cladding and public realm improvements (awaiting turf)



The northern elevation from Kirk Brae



Northern elevation – fly-tower repointed and painted, new build sections (bottom left) and groundworks in preparation for new loading bay



The southern elevation from Castle Gardens



Southern elevation – new two storey glazed curtain wall and roof terrace, new clad columns (bottom two sections of cladding will be installed following completion of paving); new hard landscaping



The main auditorium



Main auditorium



New Technical Gallery (top) with alcove underneath into which the retractable bleacher seating will fit. New solid oak to be installed and 'sprung floor' strengthened



New ceiling, general lighting and fresh air vents. New figure-of-eight lighting rig suspended from 6 electric winches for ease of operation/maintenance.



View from stage back to the Technical Gallery.
New solid oak floor to be laid



Acoustic wall panelling (absorption and reflection)



New public entrance off of Argyll Street



One of the two new fitness suites on the ground floor



Ground floor café area, with views out to the Clyde and the Castle Gardens



Ground floor café area looking up to first floor circulation



First floor bar and circulation area – original parquet flooring is being retained and refurbished



First floor – public library with panoramic views of the Clyde



Second floor – area for Children's Soft Play framework and equipment



Second floor – precast pavers being installed on roof terrace



Argyll Street – large landform with Norwegian Pine and silver leaved white beam trees (awaiting turf)