

Rothesay Pavilion Progress Report.

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide members with a progress update on the Rothesay Pavilion Adaptive Restoration and Extension Works project, being delivered by CBC Ltd (CBC).

2.0 RECOMMENDATIONS

Bute and Cowal Area Committee is asked to consider and note:

- 2.1 The progress update provided in this report.
- 2.2 The financial performance of the project, as set out in Appendix 1 to this Report.

Rothesay Pavilion Progress Report

3.0 INTRODUCTION

- 3.1 The project comprises the comprehensive refurbishment of the grade A listed Rothesay Pavilion which is 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 project will bring Rothesay Pavilion back into viable economic use by allowing a mix of new commercial, cultural and community activities to be provided within it. This will bring new life to this iconic building as well as stimulating wider regeneration and local economic activity.
- 3.3 On completion the building will be managed by Rothesay Pavilion Charity (RPC) who will lease the building from the Council for a term of 25 years. The charity's board comprises a mix of people who live on the island or who have links to it.
- 3.4 Full funding for the project was achieved in September 2017 and a construction contract was awarded to Messrs CBC on 29th November 2017 with a projected completion date of 31st July 2019.

4.0 RECOMMENDATION

Bute and Cowal Area Committee is asked to consider and note:

- 4.1 The progress update provided in this report.
- 4.2 The financial performance of the project as set out in Appendix 1 to this Report.

5.0 DETAIL

Programme Delivery

- 5.1 As previously reported the main contractor CBC have been on site since 29th November 2017 and at the end of January 2019 the percentage of programme passed on the original contract duration of 87 weeks is 70% (61 weeks).
- 5.2 The overall percentage of work completed equates to 50% at week 61.

Key Work Package completion rates, are as follows:

Work Package	Previous Report Quarter (%)	Current Report Quarter (%)	Variance (%)	Trend (▲/▶)
Early Enabling Works	100	100	0	Complete
CDP Design Approval - Manufacture	76	87	11	▲
Roof Works	39	59	20	▲
New Office Extension (1 st Floor)	67	86	19	▲
Upper Ground Floor Alterations	67	67	0	▶
Main Hall/Exhibit Space/Stage/ Changing Rooms	74	76	2	▲
Toilet/Shop Extension	77	86	9	▲
Utilities	5	5	0	▶
External Envelope Works	26	56	30	▲
Internal Fit Out	2	11	9	▲
Caretakers House	22	46	24	▲

- 5.3 As reported above, 70% of the contract duration has expired, 41% of the contract sum has been expended which is 16% below the Main Contractors cash flow forecast for this stage of the project's delivery. It should be noted this is an 8% improvement compared to the previous report. With 50% of the work completed to date and actual spend not having met the contractors cash flow forecast, it is reasonable to draw the conclusion the Main Contractor remains behind programme as a consequence of works having not progressed either at the same speed or in the same sequence as was originally planned. The main areas of delay in terms of spend, are as follows:

- Undercroft / substructure works progressed at a much slower rate than anticipated and unexpected site conditions also led to changes in the lift pit design/works in the immediate vicinity;
- An initial delay in the provision of temporary protection to the roof and

abandonment of an over roof has had an impact to follow on works: concrete repairs, replacement roof finish, roof lights, parapet works and cast stone copings;

- Cast stone replacement to facades; although noted in the programme as a 6 month activity commencing in April 2018, stone replacement works only commenced on site in late September 2018 and continue. Cast stone blocks noted for replacement were surveyed from ground and terrace levels in 2015/16. A review from the scaffold during construction has highlighted the need to replace more cast stone than first envisaged [see also Appendix 1 in respect of cost implications].
- Mechanical & Electrical Plant: the sub-contractor was appointed later than anticipated and given the value of the large pieces of MEP equipment this has had a significant knock on effect on cash flow.

Budget / Cost

- 5.4 The Projects' Anticipated Final Cost (AFC) remains within the approved budget, further detail on this is provided at Appendix 1 to this report.
- 5.5 There are pressures associated with keeping the contract provisional sums within allowances, but these are being monitored and actively managed to minimise the overall risk to the Council.

Progress Monitoring and Reporting

- 5.6 Monthly Performance reviews are in place with the Design Team and Main Contractor to:
- Review actual expenditure against forecasts including adverse variances;
 - Review and approve all forecast expenditure >+£10k;
 - Review, update and re-sequence the Main Contractor programme including revisions to cash flow forecasts to determine realistic and robust stage forecast completion dates and financial outturns;
 - Revise provisional sum forecasts in line with the programme schedule so they are representative of contract variations, anticipated programme work package timescales and completion;
 - Review the performance of the Design Team and Main Contractor in responding to requests for information and changes timeously and with day one quality.
- 5.7 A monthly meeting between CBC Ltd and A&BC has been established at a strategic level, involving the Head of Economic Development, the CHORD Programme Manager, and the Commercial and Construction Directors of CBC. The purpose of this meeting is to ensure that, as we enter this key stage in the works delivery, any potential issues which could affect the

successful delivery of the project, and which cannot be resolved through the day-to-day project management relationship, are quickly resolved.

5.8 Key Events over the reporting period:

- Main Roof: roof coverings to the Main and Fly Tower roofs are being progressed. Supply and installation of Air Handling Units to roof;
- First Floor: new Office accommodation: structural steelwork installed, roof framing and covering completed. Supply and installation of curtain walling including glazing commenced;
- Upper Ground Floor: new brickwork walls to the back of stage toilets / changing areas completed;
- Upper Ground Floor: Tender of kitchen & bar provisional sum (para 5.9 refers). New opening & walls to the New Café have been installed;
- Lower Ground Floor (new Exhibition Space): new walls and beams completed and new window installation ongoing;
- Lower Ground Floor (Shop): demolition of existing external wall to create larger footprint work completed;
- Interior (General): Installation started of Building Engineering Services (BES), with insertion of pipe hangers and cable trays to the soffits as part of first fix. Structural alterations have progressed throughout the building. Ceiling & partition installation ongoing.
- Exterior Building Fabric: stone removal and new stonework replacement works ongoing;
- Caretakers House: new windows installed. Interior strip out progressing and interior fit out works ongoing;
- Main Contractor Design submissions of Crittall Windows, Cast Stone, Icon Fabrications and Heritage roof light completed;
- Design of structural steel connections, roof lights, Crittall windows, curtain walling, Mechanical & Electrical items are largely complete.

5.9 Photographs are provided in Section 6.0 to substantiate progress reported.

5.10 Key Events over the next reporting period:

- Progression and completion (subject to weather) of Main roof and Fly Tower roof coverings. Auditorium and Fly Tower roof light installation works completed;
- Finalising of steelwork at roof level to support vent plant;
- First Floor: new Office accommodation: curtain walling frames and glazing completed;
- Lower Ground Floor: Shop - structural alterations completed to create new enlarged floor area;
- Lower Ground Floor: ground works to main entrance and Lift Pit areas completed;
- Building Engineering Services: progression of works;

- Production and further deliveries of cast stone including ongoing replacement works;
- Caretakers House: continue with internal fit out.

5.11 Stakeholder meetings (A&BC & RPC) have continued with a full programme including engagement with key members of the Design Team against specialist areas.

Key priorities short term are to deliver and report progress on the HLF heritage activity plan, re-engage with the community and potential user groups to ensure the development of a cultural programme is collaborative and responsive to the needs of the local community and visitors. The overall position achieved to date against approved purposes is as follows:

- **Overall Total against plan: 20%;**
- Staffing: 60%;
- Heritage Interpretation: 25%;
- Communication: 28%;
- Other: 8%.

5.12 The latest HLF Claim 5 was submitted in January 2019 which amounted to £516k.

The table below summarises the amount of capital received to date by the Councils' key funding partners for the construction phase of the project.

Funding Partner	Grant Award (£k)	Amount Expected (£k)	Cumulative to Date (£k)	Amount Outstanding (£k)
HLF	£4,187,500	£4,187,500	£1,381,971	£2,805,529
HIE	£750,000	£750,00	£298,210	£451,790
Historic Scotland (inc. £150k uplift)	£750,000	£750,000	£525,000	£225,000
ERDF (inc. £83.3k uplift)	£1,055,602	£1,055,602	£69,716	£985,886
Total	£6,743,102	£6,743,102	£2,274,897	£4,468,205

5.13 In addition to the funding secured by the Council, Rothesay Pavilion Charity (RPC) have a capital fundraising target of £400k. The Bute & Cowal Area Committee, Project Progress Report - Dec 2018 reported the Charity had secured £327k (NB: figures supplied via RPC Executives) towards the target.

However, following a reconciliation exercise in January 19 to validate each Grant award and accurately determine the cumulative figure, including the

outstanding funding gap, it was established that not all of Awards were eligible for inclusion towards the £400k target.

In summary:

- Charity supplied stated figures and reported the gap (i.e. Target v Successful Claims) had been reduced from the previously reported figure (August 18) of £268k to £73k.
- Subsequently came to light that only Grant awards made after June 2017 (i.e. after the HLF increased award) could legitimately be counted towards the target (£400k).
- Committee Report included an aggregated total from circa 2014 (£327k) - hence the reduction in the size of the gap.
- Correct position is as follows:
 - Target £400k;
 - Achievement to date £132k;
 - Gap £268k;
 - New applications by RPC in the process of being considered.

5.14 As part of CBC's commitment to providing community benefit for the duration of the contract they have employed both a cleaner and bricklayer from the local market. Sub-Contractors used on the works from Bute include:

- George Hanson Building Contractors Ltd Enabling Groundworks;
- David Rutherford Roof Timbers;
- Bute Blacksmiths Balustrades/Metal Work.

5.15 Agreement has been reached with the Rothesay Community Campus, CBC and Project Manager regarding the following curriculum support activities in early 2019:

- Work Placement(s): ongoing site visits for students showing interest in construction profession and trade placements;
- Career Day: (Feb 19) talking to pupils about possible careers in construction. To include CHORD Project Manager, Elder & Cannon, Project Architect and Sentinel Ltd, Clerk of Works.

6.0 PROGRESS PHOTOGRAPHS

A schedule of progress photographs is included below:

Building Orientation – Argyle Street Elevation (Main Entrance) faces East.

1.0 EXTERNAL: Existing Roof Areas:



Looking West: new patent glazing to Auditorium roof light.



Looking (facing Mackinlay St): new steelwork to the roof light (NB: temporary waterproof protection partially removed).



Auditorium Roof Light: patent glazing.



Main Roof – The Solar PV panels insitu adjacent West Elevation.

2.0 INTERNAL: First Floor



New Offices: General view A (looking West).



New Offices: General view B (looking West).



New curtain walling line to the new Exhibition/Function room (towards Argyll St)



New Exhibition/Function Space: Looking East (towards Argyll St.)

3.0 Upper Ground Floor



General View: new Cafe area overlooking Argyll Street.



General View: new Café/Kitchen area.



General View: reverse view looking out of Café towards main Staircase.



General View: Auditorium West wing (looking south).



General View: Auditorium West wing (looking North).
NB: base of site crane visible.



General View: Auditorium East wing.

4.0 Lower Ground Floor:



General View: New Exhibition area front wall.



General View: New Exhibition area.



General View: Main Entrance (looking West towards Box Office).



General View: Main Entrance (looking East towards Argyll Street).



General View: Main Entrance terrazzo flooring exposed.



General View: Club / Venue (looking West).

6.0 External Elevations



General View: new cast stone to front elevation (Ground Floor).



General View: front elevation.

7.0 CONCLUSION

- 7.1 The Rothesay Pavilion Adaptive Restoration and Extension Works contract commenced on site on 29th November 2017 and will proceed until refurbishment works are completed. The original practical completion date of the 31st July 2019 is looking less likely to be achieved due to ongoing challenges e.g. Weather & complexity of the project. However, every effort is being made by the Design Team and Main Contractor to minimise time delays. The total cost of the project is fully funded and applications for the drawdown of funds are being made on a monthly/quarterly basis to the various funding partners involved in the project.
- 7.2 That said the project is not without its' challenges and a number of issues are the subject of ongoing consideration e.g. Main Contractors EoT Claims 1 & 2 and costs.
- 7.3 Nevertheless it can be confidently stated that the Councils' investment in the Pavilion will help to address the material state of the Town Centre waterfront; improve the local infrastructure; ensure that the immediate area "works" as the marine gateway into the Island of Bute. It will also 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.
- 7.4 No change to the anticipated final cost of the project is forecast despite an adverse variance in the main contractor's cash flow, including the noted risk of not meeting the contract completion date, as explained in Section 5.
- 7.5 The risk log has been updated and the project risks are being monitored and mitigating actions managed. Time and cost risks are being noted and actively managed to reduce the overall risk to the Council.
- 7.6 In addition RPC will continue to use their best efforts to make funding applications to reduce the Council's underwriting commitment.
- 7.7 The Charity are continuing to look at further bids for funding with a view to closing the funding gap of £268k against their Capital contribution target of £400k.
- 7.8 Partnerships funding matches the revised project cost as reported at permission to start.

8.0 IMPLICATIONS

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|-------------------------------------|---|
| 8.1 Policy | This project forms part of the approved CHORD programme that supports outcomes 1, 2 and 3 of the Single Outcome Agreement. Once completed and during the construction phase the Pavilion will help boost the local economy, create a key piece of modernised infrastructure that can be made use of by the local community and create employment and skills opportunities for the people of Bute. |
| 8.2 Financial | The project is now fully funded however fund raising continues with the RPC to reduce the underwriting by the Council. Although it is noted good progress has been made to reduce the Council's liability. |
| 8.3 Legal | None. |
| 8.4 HR | None. |
| 8.5 Equalities/Fairer Scotland Duty | On completion the building will be fully accessible to facilitate disabled people's participation and use under the Equalities Act 2010 (formerly Disability Discrimination Act 1995). |
| 8.6 Risk | Exceeding budget and programme. This will be closely monitored during the contract period. |
| 8.7 Customer Service | None. |

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23rd January 2019

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