

Report to: EXECUTIVE CABINET

Date: 26 April 2023

Executive Member: Councillor Jacqueline North, First Deputy (Finance, Resources & Transformation)

Reporting Officer: Julian Jackson, Director of Place

Subject: STALYBRIDGE CIVIC HALL UPDATE

Report Summary: Various initiatives to support the restoration and further development of Stalybridge Civic Hall have been ongoing since Stalybridge was selected as Tameside's focus for the Greater Manchester Mayors Town Centre Challenge in 2018.

The roof at Stalybridge Civic Hall is in poor condition and the roof has been identified as being beyond repair following survey work undertaken in 2019 and 2021 and therefore requires a full restoration. The cost of restoring the roof has increased due to external factors and additional funding is now required to deliver the approved scheme as the original allocation of funding related to repair and restoration rather than replacement..

In order to mitigate the impact on the approved Capital Programme the Council has secured UK Shared Prosperity Fund (UKSPF) monies totalling £320k and £875k from the £19.9 million Capital Regeneration Projects Funding announced for Stalybridge Town Centre in the March 2023 UK Budget. This additional funding will make up the cost variation and provide robust contingency. By undertaking the roof works as planned the risk of any "clawback" of HSHAZ funding from Historic England will be mitigated.

Recommendations: That Executive Cabinet be recommended to agree:

- (i) That in principle approval be given to utilising the UKSPF Grant of £320k and £875k Capital Regeneration Projects Grant identified for the Civic Hall.
- (ii) That the total maximum budget for Stalybridge Civic Hall Roof is set at £2,893k, with £1,195k financed from the UKSPF Grant of £320k and Capital Regeneration grant of £875k. The revised budget will include £647k contingency for un-costed works as set out at paragraph 3.6.
- (iii) That the Council enter into the standard Design & Build contract with the Inspired Spaces Tameside Limited (LEP) for the replacement of Stalybridge Civic Hall Roof to a value of £2,077,456 including the LEP fee, subject to the outcome of the independent Value for Money Assessment and that the Council enter into a Deed of Appointment with the LEP and Currie & Brown for the appointment of an Independent Certifier for the roof replacement scheme.

Corporate Plan: Key aims of the Corporate Plan are to provide opportunities for people to fulfil their potential through work, skills and enterprise and to ensure modern infrastructure and a sustainable environment that works for all generations and future generations. The proposed works to the Civic Hall will deliver against these

aims.

Policy Implications:

The proposed works to the Civic Hall will support the policy aims of the Stalybridge Town Centre Challenge, deliver priorities in the Town Centre Challenge Action Plan, the Borough's Inclusive Growth Strategy 2021, and the Tameside Climate Change & Environment Strategy.

**Financial Implications:
(Authorised by the statutory
Section 151 Officer)**

The total scheme budget for the existing Stalybridge Heritage Action Zone programme is £3,689k. This is being financed from Historic England Grant of £1,275k and Council funding of £2,414k.

The Stalybridge civic hall roof scheme is part of the Heritage Action Zone project, with an allocated budget of £1,698k (of which £284k is financed by the Historic England grant and the balance from Council funding). Also included within the Heritage Action Zone project is an allocated budget of £100k for internal repurposing of the Civic Hall (Funded £50k Historic England grant and £50k from Council Funding). Any changes to the use of the grant need to be agreed with Historic England. Historic England have recently stated that this element of the grant will be clawed back if works to the roof have not commenced by 31 August 2023.

The latest cost plan for the civic hall roof replacement is summarised in section 3 (table 1), with detail at **Appendix 2**. Table 1 identifies a budget shortfall of £548k against the latest cost plan. As noted in paragraph 3.6, the latest cost plan includes a number of un-costed exclusions which cannot be priced until the existing roof has been stripped back to expose the underlying structures. Table 1 and recommendation 2 is therefore proposing the allocation of a £647k contingency budget to cover these potential additional costs.

Recommendation 1 of the report requests approval to utilise £320k of the recently awarded (December 2022) UKSPF grant (via GMCA) to finance the additional cost referenced in table 1. Recommendation 2 is also requesting approval to utilise £875k of Capital Regeneration Grant from DLUHC which was awarded to the Council as part of the March 2023 Budget to fund the remaining budget shortfall and contingency budget for un-costed exclusions identified in paragraph 3.6. Both of these funding streams are subject to separate Grant Funding agreements. The UKSPF grant agreement was signed in February 2023. The Capital Regeneration Grant agreement is yet to be agreed but the £875k for Stalybridge Civic Hall Roof was included in the bid. Officers will need to ensure that utilisation of this grant funding for the Civic Hall Roof is within the terms of conditions of the relevant grant agreements, and that any variation from these terms is agreed in advance with GMCA and DLUHC. Failure to comply with the conditions of grant may result in clawback and financial loss to the Council.

The inclusion of additional funding as set out in the report will increase the total Stalybridge Civic Hall roof budget to £2,893k as set out in Table 1. This includes an £647k contingency for un-costed works and any underspend will release resources to the Capital Programme for other schemes.

It should be noted that the total cost of the scheme is based on

an estimate provided by the Local Education Partnership (LEP) in April 2023. The approval to progress the scheme via this decision will enable the Council to secure the final agreement with the LEP on the terms of the design and build contract.

Acceptance of the UKSPF grant award was approved by the Council at Executive Cabinet in January 2023. Acceptance of the Capital Regeneration Projects grant award in March 2023 will be subject to separate report to Executive Cabinet in April 2023.

Legal Implications:
(Authorised by the Borough Solicitor)

As such a delivery plan to undertaken the identified works had been developed and agreed together with the necessary budget.

The grant agreement for the UK SPF funding was entered into on 24 February 2023 and the £320k towards works to the Civic Hall forms part of this grant agreement. The service are aware of the requirements under the grant agreement for evidence of costs to be submitted and the monitoring requirements under the terms of the grant.

Legal services will continue to support this project especially in relation to undertaking the requisite governance and due diligence on the Capital Regeneration Projects funding secured to support this project.

Progress on the project will also continue to be monitored via the Strategic Planning and Capital Monitoring panel.

Risk Management:

Risks associated with the project are set out at Section 6

Background Information:

The background papers relating to this report can be inspected by contacting the report writer: Mike Reed – Head of Major Programmes



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1. INTRODUCTION

- 1.1 Various initiatives to support the restoration and further development of Stalybridge Civic Hall have been ongoing since Stalybridge was selected as Tameside's focus for the Greater Manchester (GM) Mayors Town Centre Challenge in 2018.
- 1.2 Progress in relation to the restoration of the roof and High Street Heritage Action Zone (HSHAZ) initiatives continues with regular updates reported to Strategic Planning and Capital Monitoring panel. This report brings together the various elements as they relate to the Stalybridge Civic Hall providing members with an overview, progress update, detail on previous decisions and their impact, previous scheme cost estimates, the procurement process and an outline of the various options currently available to the Council.
- 1.3 A bid for external funding to deliver on the ambitions for Stalybridge secured £1,275k HSHAZ funding through Historic England (HE) with £1,275k match funding by the Council. The Grant Funding Agreement was completed on 16 February 2021.
- 1.4 The HSHAZ initiative is designed to deliver physical improvements and cultural activities to revive and regenerate high streets and restore local historic character. The bid for Stalybridge drew on the priorities expressed through the draft Strategy and Action Plan, matched against the criteria for HSHAZ funding to develop a programme of eight complimentary projects.
- 1.5 In order to mitigate the impact on the approved Capital Programme, the Council has secured UK Shared Prosperity Fund (UKSPF) monies totalling £320k and £875k from the £19.9 million Capital Regeneration Projects Funding for Stalybridge Town Centre announced in the March 2023 UK Budget. This additional funding will make up the cost variation on the Civic Hall works and provide robust contingency.

2. ROOF RESTORATION

- 2.1 Stalybridge Civic Hall is a Grade II listed building. Statutory listing of the Civic Hall means that the building is defined as being of 'special architectural or historic interest' and is, therefore, identified as being of sufficient merit to be of national heritage significance. The grading of listed buildings reflects their relative architectural and historic interest (i.e. significance). The Civic Hall is Grade II listed for the following principal reasons:
 - **Architectural Interest:** The well-designed and detailed classical exterior demonstrates a keen civic pride in the provision of a dedicated market building for the town's citizens; the interior retains the original locally-manufactured cast-iron columns, iron roof structure, stone-flagged market hall and remnants of the small shop units to the perimeters.
 - **Historic Interest:** As a spacious covered market built using new structural technologies for the time to construct a wide-span iron roof and enable a large number of stallholders to be grouped together to serve the rapidly expanding urban population.
- 2.2 The roof restoration project in particular seeks to restore the roof, which has significant historic interest as referenced in its listing which can be found here: [Former Victoria Market, now Stalybridge Civic Hall, Non Civil Parish - 1068023 | Historic England](#)
- 2.3 A summary of the roof defects is attached as **Appendix 1**. It can be seen from the extensive list that the roof is beyond patch repair and requires a comprehensive restoration.
- 2.4 A building survey was commissioned in August 2019. The survey report recommended the complete strip and replacement of the under-slate membrane, timber battens and slate roof, with existing slates salvaged and reinstalled where possible. The report also recommended various condition works be undertaken as part of the roof replacement, including but not

restricted to: replacement lead flashings, replacement timber weather boarding and walkways, clearing of blocked gutters, new downpipes to trapezoidal gutters, and rectification of decaying masonry. The report estimated that the works above would cost in the region of between £400k to £500k excluding VAT and professional fees. The original project budget was set based on this estimate although this was for repair work not replacements which are usually in the region of 5 to 6 times a condition survey estimate.

- 2.5 In April 2021 the Council's Capital Projects Team were instructed to oversee the works, and a tender price was obtained via the Council's infrastructure partner the LEP. Following inspection of the site by surveyors and specialist contractors, a number of additional items of scope that were not present in the August 2019 survey came to light and were subsequently included in the tender quotation. This included replacement of existing roof lights, replacement of the roof access and fall arrest systems, which have deteriorated beyond safe use, and new cast iron guttering to two of the external slopes. These items were excluded from the Building Survey Report from August 2019 along with the provision for professional fees. As a consequence it was identified in July 2021 that an additional £1,139k was required to progress the roof restoration scheme to the extent required.
- 2.6 A report to Executive Cabinet dated 28 July 2021 established the background to the roof restoration scheme and an additional £1,139k was approved from the Council's Capital Programme for the scheme bringing the total Civic Hall roof restoration budget to £1,698k. For completeness a copy of the report can be reviewed using the following link: [ITEM 20 - Stalybridge Civic Hall Roof Replacement FINAL.pdf \(moderngov.co.uk\)](#)
- 2.7 Following budget approval, detailed plans for the restoration of the roof at the Civic Hall were completed in February 2022 including an updated programme and cost plan. The programme included the intention to start work at the end of March 2022 with completion due in November 2022. The replacement roof design has been agreed with Historic England through the HSHAZ with a requirement for Welsh Slate to be used to recover the whole roof.
- 2.8 The works to complete the restoration of the Civic Hall roof in the period March 2022 to November 2022 would have resulted in the temporary closure of the main hall space within for the duration of the restoration scheme. This is due to the need to replace the roof-lights over the main hall along with the introduction of a "safety crash-deck" which would have rendered the area unusable. The availability of the Civic Hall as a centre piece in the cultural programme of activities planned for the Town of Culture year was an important factor in achieving the best possible outcomes for the town in both financial and reputational terms. In order to realise the full potential of the Town of Culture award to Stalybridge, the roof restoration scheme was therefore put on hold. This was reported to Strategic Capital Monitoring Panel on 14 March 2022 with the minutes approved at Executive Cabinet on 23 March 2022.
- 2.9 The decision to delay the roof restoration scheme in order to take full advantage of the Town of Culture award has resulted in significant cultural and reputational benefit not only to Stalybridge but to the borough as a whole. The availability of the flexible indoor space of sufficient size within the Hall during the Town of Culture year meant that the Bridge and the Council's Arts and Engagement Team were able to build and continue to grow their partnerships with big organisations like the Halle, the Factory and the Royal Exchange Theatre.
- 2.10 Having access to the Civic Hall space during the Town of Culture year has enabled a wide variety of content to be realised and piloted within the space including the development of the pods into temporary pop up spaces, theatres and installations. This will help to inform future options for the long term sustainable use of the building with its role as a community venue and hub in the heart of the Town Centre.
- 2.11 The financial and programme impact of putting the roof restoration scheme on temporary

hold is set out in Section 3 of this report. During the hold period the economic landscape changed adversely, with significant inflationary pressures impacting significantly on construction and restoration related costs. In addition, supply chain delays have become the norm impacting on programme and further cost increases. These issues and the risks associated with them were not envisaged or set out in any detail within the March 2022 Strategic Planning and Capital Monitoring Panel report.

- 2.12 The HSHAZ programme also included £100k funding (£50k via Historic England and £50k match funding by the Council) towards internal re-purposing of the Civic Hall. The intention was that this funding would follow on from the roof works and be used to be restored and enhance historic features. The restoration of the interior of the building is intended to increase its capacity to hold events and use the space. The condition of some of the windows has been highlighted as an area of concern with the building. This funding has therefore been utilised for further survey work for the repair or replacement of the windows and the preparation of the relevant Listed Building Consent permissions for the physical works. These works to repair or replace the windows will complement the roof works and ensure that the building is in a secure and weatherproof condition ready for use.

3. FINANCIAL SUMMARY & IMPACT ON THE APPROVED CAPITAL PROGRAMME

- 3.1 A re-costing of the Civic Hall replacement roof works was completed in December 2022, with an inflation uplift to March 2023. The March 2023 figure identifies a remaining shortfall of £548k (table 1 refers) to undertake the roof works; when compared to the remaining HSHAZ and Council match funding and the additional Council funding approved at Executive Cabinet on 28 July 2021. Furthermore there are a number of un-costed exclusions that cannot be priced until the existing roof has been stripped back.
- 3.2 The re-costing exercise informed the £875k contribution towards works at the Civic Hall within the grant bid for Stalybridge Town Centre submitted via the Levelling Up Fund (LUF2) in July 2022 to meet the remaining funding gap in relation to the roof works, provide robust contingency and support further works to the building to deliver long term sustainable use as part of the Stalybridge Cultural Quarter. Whilst the LUF2 bid for Stalybridge was initially unsuccessful the Council was subsequently awarded the full £19.9 million sought via the Capital Regeneration Projects Funding announced for Stalybridge Town Centre in the March 2023 UK Budget which includes the £875k contribution towards works at the Civic Hall.
- 3.3 To mitigate against the uncertainty around the LUF2 bid and the importance of delivering the Civic Hall scheme the Council sought a further £320k of capital funding from the UK Shared Prosperity Fund (UKSPF) under the Communities and Place investment priority to enable the roof works to be progressed. Following Government approval of the GM UKSPF Investment is able to allocate £320k of funding under the Communities and Place Investment Priority to contribute to the Civic Hall Roof scheme. The UKSPF (Communities and Place) programme for Tameside was subject to a report to Executive Cabinet to formally accept the grant on 25 January 2023.
- 3.4 The HSHAZ funding from Historic England has to be delivered in accordance with the grant funding agreement for the scheme and includes a claw back provision of grant funding awarded. The agreement allows for the claw back of all funding if the lack of delivery on specific projects puts the whole programme at risk. Historic England have now confirmed to the Council that if the works to the Civic Hall roof do not start on site by 31 August 2023 then the funding previously drawn down by the Council from Historic England totalling £284k will become repayable .
- 3.5 **Table 1** details the revised cost plan for the Civic Hall roof restoration and the estimated budget shortfall. The final cost plan (at April 2023) provided by the LEP is attached at **Appendix 2**. The estimated additional design and build fees have been calculated in

collaboration with the LEP.

Table 1

	£'000	£'000
Cost Plan (Apr '23) - Appendix 2 Refers		2,077
Estimated Additional Design and Build Fees		
- VFM	3	
- Legal	8	
- Independent Certifier	24	
- Insurance	24	
- Contingency	110	
Sub Total		169
Total		2,246
Existing Budget		1,698
Variation (to be financed via UKSPF Funding and Capital Regeneration Projects Grant)		548
Additional Contingency and Works (to be financed via remaining Capital Regeneration Projects Grant)		647
TOTAL Proposed Maximum Budget including £647k for contingency and un-costed works		2,893

- 3.6 The cost plan provided by the LEP includes a number of un-costed exclusions. The exclusions are due to the fact that some elements of the scheme cannot be priced until the existing roof has been stripped back to expose the underlying structures. The standard Design and Build contract has no provision for provisional sums. Any costs, which cannot be priced are included in the Council's project budget but not included in the contract sum until a firm price and scope is provided by the LEP and a variation to the contract agreed. The exclusions include:
- The removal, storage and replacement of the solar panels or the provision of new solar panels if it identified that the current panels cannot be reused
 - Any remedial works to the brickwork and re-bedding of copings to parapets
 - Any works to the clock tower
 - Any works to the man-safe system
 - There has been no contingency allowance included for items such as any timber repairs that may be necessary.
- 3.7 The additional funding now secured by the Council will mitigate against these un-costed exclusions. The monitoring of spend from the contingency will be via regular updates to SPCMP. Any unspent contingency will be returned to the Capital programme.
- 3.8 It is important to reiterate that the final cost plan from April 2023 remains subject to change and the total scheme costs cannot be fixed until a Design and Build Contract has been signed as the Council also carries inflation risk until the contract signed when the LEP takes on the risk. The cost plan is currently undergoing an external Value for Money review. The approval of this report to progress the roof restoration scheme for the Civic Hall will enable the Council to secure the final agreement with the LEP to enter into a Design and Build Contract.
- 3.9 In accordance with the provisions of the standard Design and Build contract, the Council and the LEP will jointly appoint an independent certifier to review the project as it progresses and certify any valuation claims.

4. CONCLUSIONS

- 4.1 Survey work undertaken in 2019 and 2021 has confirmed that the roof is beyond repair and requires a full restoration. The cost of restoring the roof has increased due to external factors and additional funding is now required to deliver the approved scheme. In order to mitigate the impact on the approved Capital Programme the Council has been successful in attracting UKSPF funding of £320k and Capital Regeneration Projects grant of £875k (as part of the wider £19.9 million allocation to Stalybridge Town Centre) to finance the cost variation. By undertaking the roof works as planned the risk of “clawback” from Historic England will be mitigated.
- 4.2 If approval is given to the roof works then complimentary works to repair/restore windows at the Civic Hall can be delivered at the same time. These works will be funded from the £100k internal repurposing budget. These could either be delivered through the Tameside Additional Services contract or the Roof Replacement contract as a variation depending on the final value of the works.

5. PROGRAMME & NEXT STEPS

- 5.1 Subject to approval, work to draft a Design & Build contract with the LEP will begin. The draft programme is set out in **Table 2**:
- 5.2 The programme for delivery of works to the Civic Hall is informed by the identified lead in period of 22 weeks for the procurement of Welsh Slates which are required to be used on the building.

Table 2

Action	Date/Timescale	Comments
Report to Executive Board/Executive Cabinet	April 2023	
Contract Agreed	May 2023	Enter into D&B contract with the LEP.
Confirm order for Welsh Slates	May 2023	22 week lead in for procurement
Estimated start with site set up	August 2023	See Appendix 3
Estimated completion date	May 2024	See Appendix 3
Regular updates	Ongoing	Update included in the SPCMP Place Capital Update

- 5.3 The high-level programme provided by the LEP is attached as **Appendix 3**
- 5.4 Due to the scope of the works required the Civic Hall building will need to be closed for their duration. This will require the decanting of any staff currently based at the building and the cancellation of any functions currently booked for the duration of the works.

6. RISK MANAGEMENT

- 6.1 The main project risks associated with delivery of the Civic Hall roof project have been identified in **Table 3**:

Table 3

Risk Area	Detail	RAG Rating	Mitigation	RAG Rating
Financial	Insufficient budget to complete the scope of		Explore all value engineering	

	works required.		opportunities.	
Financial	Conditions attached to additional external funding agreement may not be acceptable.		Early engagement with funding providers in relation to terms of conditions.	
Financial	Estimated scheme costs continue to increase as a result of delay/inflation		Utilise existing arrangements with the LEP to reduce timescales to enter into contract.	
Procurement	Lack of capacity in the construction sector to undertake the works.		Utilise existing arrangements with the LEP to secure delivery partners.	
Procurement	Long lead in times for the procurement of specialist materials, such as Welsh Slates, cause delay in delivery		Identified requirements and place orders for materials early.	
Asset Management	Building condition continues to deteriorate as works are delayed		Continue to actively monitor building condition and take appropriate temporary measures.	
Programme	Lack of resource capacity to undertake work in line with expectations.		Apply adequate resource to the project to ensure programme adherence.	

7. RECOMMENDATIONS

7.1 As set out at the front of the report.