
To: Finance, Resources and Customer Services Policy Board

On: 30 March 2023

Report by: The Chief Executive

Heading: Design Team appointments for the Main Works at Paisley Town Hall –
Notification of increase in costs

1. **Summary**

- 1.1 The purpose of this report is to notify the Finance, Resources and Customer Services Policy Board, in accordance with Standing Order 20.3 of the Standing Orders Relating to Contracts, of an increase in cost to the Design Team appointments for the Main Works at Paisley Town Hall, due to the circumstances set out in 3.5 of this Report.
- 1.2 A report to the Finance, Resources and Customer Services Policy Board on 13 November 2019 sought the approval of the Board to agree that the Council would not proceed to appoint hub West Scotland to carry out the Works and that Council officers would work in partnership with hub West Scotland to facilitate the smooth handover of the project back to the Council including the formal transfer of the Design Team appointments.
- 1.3 The Design Team appointments were transferred to the Council accordingly and have been used to develop the designs and administer the contract.
- 1.4 The Fees associated with the transferred Design Team appointments was £738,519.00 excluding VAT. The subject matter of the transferred Design Team Appointments has been extended to accommodate an increased scope of works as well as extended construction period. The Council's in-house Property Services did/does not have sufficient resource to accommodate these additional requirements in the context of other ongoing Council commitments.

- 1.5 The revised Fee is estimated at c. £1,282,409.78 excluding VAT

2. **Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
- 2.1.1 Note the increase in the approved Fees from £738,519.00 (excluding VAT) to a revised fee of £1,282,409.78 (excluding VAT);
- 2.1.2 Note completion of the Design Team's services is aligned with the main works construction programme and is anticipated to be completed during the second quarter of 2023;
- 2.1.3 Note that the modifications to the original Design Team appointments and for the design and construction of the Main Works at Paisley Town Hall has been instructed in accordance with Standing Orders Relating to Contracts 34.4 and 34.5.
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3. **Background**

- 3.1 The Paisley Town Hall Project to transform the Paisley Town Hall into a 21st-century facility and a landmark entertainment venue for the west of Scotland was approved for investment by Council on 27 September 2017.
- 3.2 On 8 November 2017 the Finance, Resources and Customer Services Policy Board approved the request to appoint hub West Scotland to deliver Stages 0, I and the design development stage of Stage II of the hub West Scotland proposals. During Stage II, the developed offering from hub West Scotland was found to deviate significantly from initial proposals and represent an unacceptable balance of risk and cost for the Council.
- 3.3 Finance, Resources and Customer Services Policy Board on 13 November 2019 agreed that the Council would not proceed to appoint hub West Scotland to carry out the Works and that Council officers would work in partnership with hub West Scotland to facilitate the smooth handover of the project back to the Council including the formal transfer of the design team appointments.
- 3.4 The Design Team appointments procured by the hub West Scotland were transferred to Renfrewshire Council on 19 December 2019 to facilitate the smooth transmission of key information and outputs and to ensure continuity of the design team throughout the construction phase of the project and more widely support the Council's in-house team.

3.5 The Design Team consists of the following Consultants for the respective appointments:

- Holmes Miller Ltd - Architect / Lead Consultant
- Hawthorne Boyle Limited - Mechanical & Electrical Consultant
- Aecom Limited - Civil & Structural Consultant
- Doig and Smith Ltd - Quantity Surveyor

3.6 Since the design team transferred to the Council, the Paisley Town Hall project has encountered challenges that have required extensions to the scope of services delivered under the Design Team appointments. These include:

- Covid-19 pandemic which contributed to delay of the overall programme;
- Delay of completion of the main works construction phase from end of November 2022 to June 2023;
- Significant number of variations to the main works due to the condition of the existing building as it was opened up; and
- Additional consultant services required to cope with the volume of change

The Council's in-house Property Services did not (and does not) have sufficient resource to accommodate these additional requirements in the context of other ongoing Council commitments.

All additional services and associated charges have been fully costed, documented and agreed by the in-house Project Management team.

The total Design Team Fees for the project, including the increases/variations detailed above, remain on schedule to be contained within the original overall project Fee allowance.

3.7 As a result of the changes noted in paragraph 3.6, the fee for these services has risen from the approved fee of £738,519.00 (excluding VAT) to a revised fee of £1,282,409.78 (excluding VAT).

3.8 Standing Order 20.3 requires that where it becomes apparent that the total value of the contract as previously reported to the Finance, Resources and Customer Services Policy Board is likely to be exceeded by more than the greater of £100,000 or 25% of the approved contract value, that a report on the matter be submitted to the Finance, Resources and Customer Services Policy Board.

3.9 The design team appointments have been modified in accordance with standing order 34.4 and 34.5 of the Council's Standing Orders relating to Contracts; officers do not consider this to be substantial modification to the existing contract and therefore permissible under Regulation 72 (1) (e) of the Public Contracts (Scotland) Regulations 2015.

Implications of the Report

1. Financial

The increase in fees for the Design Team appointments will be contained within existing resources approved in the Council's Capital Investment Plan.

2. HR & Organisational Development

Not applicable.

3. Community/Council Planning –

- Reshaping our place, our economy and our future - The contract will assist the project team in delivery of the refurbishment of Paisley Town Hall, establishing the facility as a high- profile venue contributing to the regeneration of Paisley and associated economic benefits for Renfrewshire.
- Tackling inequality, ensuring opportunities for all - The contract will deliver a broad range of Community Benefits including employment opportunities for individuals currently in receipt of employability support, employment for graduates, work placements, support with careers events and a range of business and mentoring support opportunities. Accessibility within the facility will be significantly improved.
- Creating a sustainable Renfrewshire for all to enjoy – the contract will assist in the delivery of refurbishment of a Grade A listed building, situated in the centre of Paisley creating an attractive and functional space for building users and improving the environment for all. Sustainability Key Performance Indicators will be tracked through the project.

4. Legal

The modifications to the design team appointments have been made in accordance with the Council's Standing Orders relating to Contracts and officers do not consider this to be substantial modification to the existing contract and therefore permissible under Regulation 72 (1) (e) of the Public Contracts (Scotland) Regulations 2015.

5. Property/Assets

None

6. Information Technology

None

7. Equality & Human Rights

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.

8. **Health & Safety**
None
9. **Procurement**
The procurement procedures outlined within this report shall ensure that the Council meets its statutory requirements in respects of procurement procedure, efficiency and modern Government. The implications of the modification were considered in accordance with Regulations 72(1)(e) of the Public Contract (Scotland) Regulations 2015 and Standing Orders 34.4 and 34.5 of the Council's Standing Orders relating to Contracts.
10. **Risk**
Any risks associated with the design team appointments are added to the Paisley Town Hall Refurbishment Project Risk Register which will be managed and maintained throughout the project lifetime.
11. **Privacy Impact**
No Privacy Impact implications have been identified or are anticipated.
12. **Cosla Policy Position**
No Cosla Policy implications have arisen or are anticipated.
13. **Climate Risk**
No climate risk implications have arisen or are anticipated.

List of Background Papers

Report by the Chief Executive to the Finance, Resources and Customer Services Policy Board on 13 November 2019: "Paisley Town Hall"

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