

Agenda Item 6

Executive Member	Councillor Charles Yarwood – Deputy Leader and Executive Member for Assets and Investments
Strategic Management Team Lead Officer	Patrick McCord – Interim Corporate Head of Service
Author	Keith Garrow Dorking Halls General Manager
Telephone	(01306) 879311
Email	Keith.garrow@molevalley.gov.uk
Date	26 Sep 2017
Ward (s) affected	Key Decision Yes

* A key decision is one which is likely to result in expenditure or savings of at least £100,000 or have a significant impact on two or more Wards within the District.

Subject	Maintenance Works, Dorking Halls
Recommendations	
That approval be given to proceed with the proposed external maintenance works to Dorking Halls.	
Executive Summary	
<p>This report seeks approval for capital expenditure to meet the costs of maintenance works at the Dorking Halls from the 2018/19 budget. The estimated cost of the works exceeds the EU threshold, and therefore, subject to approval, the Council will need to undertake an Official Journal of the European Union tender process before the anticipated commencement date in Summer 2018.</p> <p>The external condition of Dorking Halls and the flat roof areas are deteriorating and in need of maintenance work to repair them and protect the fabric of the building. The outside of the Dorking Halls was last painted in 2010 and according to the maintenance plan further maintenance is now due.</p> <p>This project includes decoration and repairs to rendering on the front, back and sides of the building, repairing the flat roofs over the offices, replacing failing windows in the Grand Hall, repairing pipework on the roof carrying water from the chiller and installing netting to keep pigeons away from the roof area. It also includes the replacement of the sign on the front of the building.</p>	
Environment	
A highly attractive area with housing that meets local need	
<ul style="list-style-type: none"> Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked after. <p>Dorking Halls is one of the Council's flagship assets and maintaining its condition and appearance are an essential part of creating an attractive built environment.</p>	

Prosperity

A vibrant local economy with thriving towns and villages

- Promote the culture and economy of the market town of Dorking.

Dorking Halls has approximately 200,000 visitors per year and plays a vital role in the local economy and cultural life of Dorking and beyond. In order for it to continue to be popular it needs to be properly maintained in an attractive state. Not maintaining it will ultimately lead to greater repair costs which will have a bigger impact on the cost to taxpayers.

The Council has the authority to determine the Recommendation.

1. Background

- 1.1 The external walls of Dorking Halls are solid brick and are kept watertight by render and exterior masonry paint. If the building is not painted on a seven year cycle it is highly likely that complications and damage from damp ingress will occur. Dealing with the consequences of this will be more expensive and disruptive in the long- term compared with maintaining the asset in good condition. Chunks of render have already fallen off the rear of the building, leaving the wall unprotected and presenting a potential health and safety issue.
- 1.2 The windows to the Grand Hall are 1950s Crittall style windows and are starting to distort, leading to cracked panes and are suffering metal fatigue. If they are not replaced there is a possibility that they could fall out or into the Grand Hall. There is also considerable heat loss through the windows and they cannot be opened in summer to alleviate heat gain. In addition to this in order to keep the offices, Mezzanine Bar and other areas watertight it is essential that the work to the flat roofs is carried out as soon as possible.
- 1.3 Since netting was added to the Sports Centre roof, there has been a serious pigeon infestation around the Dorking Halls roof areas, so this project will include the use of netting to keep these areas clear in future.
- 1.4 While the scaffolding and access arrangements are in place, it also makes sense to deal with the chilled water pipework on the roof area, which is badly corroded. In many places the insulation is in a poor condition, which has allowed water in and this has caused corrosion. Works to clean, seal, insulate and, where necessary, replace this pipework are also included as part of this project. The extent of the work required cannot be finalised until all the existing insulation has been removed, so the budget costs for this work are of necessity only estimates.
- 1.5 The revenue cost of running Dorking Halls has reduced by almost 70% in recent years, which is in part due to the appropriate investment of capital funding to maintain the building and facilitate increased income. For this reduction in revenue investment to continue, it is important that the venue is properly maintained. The likely consequence of not undertaking essential maintenance works is that both the capital and revenue costs will increase in the long term.

1.6 The breakdown of total project costs is as follows:

Item	Estimated cost	Link to Medium Term Financial Strategy
Exterior Decoration and render works	£115k	a, b, c
Flat roof repairs	£23k	a, b, c
Windows to Grand Hall	£28k	a, b, c
Pigeon netting and cleaning	£20k	a, b, c
Removal of slabs and vegetation	£5k	b, c
Logo/sign replacement	£10k	c
Chilled water pipework repairs	£23k	b, c
Contingency	£22k	a, b, c
Disbursements, fees, approvals	£24k	a, b, c

TOTAL PROJECT COST

£270k

2. Financial Implications

- 2.1 MVDC's Medium Term Financial Strategy allows for capital expenditure to be incurred for one of three reasons:
- a) To meet a statutory duty (including Health and Safety)
 - b) When a business case demonstrates an acceptable financial return to the Council, or
 - c) In order to maintain the condition and balance sheet value of existing assets.
- 2.2 This maintenance project certainly meets 'a' and 'c' and potentially 'b' in relation to the possible cost of not doing the work.
- 2.3 As well as the potential costs of damp ingress and health and safety risks, Dorking Halls as a thriving venue with a growing number of visitors will not be maintained if the appearance of the building is allowed to deteriorate. For commercial hirers to choose Dorking Halls above all the other possible venues, it is important that the outside of the building matches the facilities and equipment inside. If it becomes harder to attract customers the revenue cost of running the building will increase.
- 2.4 The Council's capital expenditure is funded from a mixture of borrowing, receipts and grants, revenue contributions and its own financial reserves. The precise method of funding is determined at the end of each year when the exact expenditure and the resources available are known. On the basis of the Council's current commitments, it is likely that this item would be funded either from borrowing or the reserve that the Council retains for asset upkeep. The balance on the reserve currently stands at £5.75m.

3. Legal Implications

- 3.1 There are no legal implications arising directly from the report, but a failure to carry out certain works which would overcome risks to the health and safety of employees, customers or members of the public, as a result of the deterioration of the building, could give rise to liability under the Health and Safety at Work etc Act 1974 and regulations made under that Act, and under the Occupiers' Liability Acts 1957 and 1984.

4. Options

The Executive has two options to consider.

Option 1

The recommendation is approved for the capital expenditure for the redecoration and repair works necessary to the exterior of Dorking Halls.

Option 2

The recommendation is not approved.

5. Corporate Implications

Monitoring Officer Commentary

The Monitoring Officer is satisfied that all relevant legal implications have been taken into consideration

S151 Officer Commentary

The s151 Officer confirms that all relevant financial risks and implications have been taken into account in this report.

Risk Implications

1. The risks associated with the proposed works are:
 - More extensive damage to pipework may be discovered, increasing project costs.
 - Contractor costs are rising above inflation so costs might increase between now and the tender being let.
2. The risks associated with not proceeding with these works are as follows:
 - Future remedial works arising from failure to protect the building from the elements could be more costly and disruptive than the works themselves.
 - Possible injuries/claims from windows falling into the Grand Hall.
 - Plant and machinery not being maintained because contractors refuse to work in area infested by pigeons.
 - Failure of cooling system if pipes are allowed to corrode to the point of leaking.
 - Risk of injury/claims if rendering on the building comes loose and falls off.
 - Possible loss of business and income if the venue's appearance is allowed to deteriorate.

Equalities Implications

There are no equalities implications arising as a direct result of this report.

Employment Issues

There are no employment implications as a direct result of this report.

Sustainability Issues

The long term sustainability of the Dorking Halls as a venue is dependent on proper maintenance and good upkeep.

Consultation

No consultation has been undertaken

Communications

A communications plan will be developed with the Communications Team

Background Papers

None

