

Cabinet Member for Jobs and Regeneration

3rd June 2020

Name of Cabinet Member:

Cabinet Member for Jobs & Regeneration, Councillor J. O'Boyle

Director Approving Submission of the report:

Director of Business Investment & Culture

Wards affected:

All

Title:

St Mary's Guildhall Capital Project

Is this a key decision?

No - Although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive Summary:

St Mary's Guildhall is a Grade One listed fourteenth century guildhall, located in the city's historic Cathedral Quarter. First built in the 1340s for the merchant guild of St Mary, it was enlarged between 1394 and 1414 and extensively embellished at the end of the fifteenth century. Soon after it was built, it was also adopted as the headquarters for the Mayor and city leaders, and the corporation of Coventry remained here until the early twentieth century, when Coventry's present Council House was built. The building still occupies a central role in the civic calendar and is home to one of the rarest and most important tapestries in the country. Whilst the guildhall is one of the city's greatest cultural assets, it is currently under-utilised in terms of public heritage value and does not reach its full potential as a visitor attraction and has not been able to cover its operating costs.

The Council has successfully raised £2.2m funding from the Department for Culture, Media and Sport to support the refurbishment of St. Mary's Guildhall, and has achieved a Stage One award of £78,000 from the National Lottery Heritage Fund which will enable officers to develop a Stage Two application for revenue and capital funding of £1.7m. In February 2020, Cabinet approved up to £3 million capital support for the project to be funded through prudential borrowing to bridge any remaining funding gap on the basis a financial return would be achieved on this investment. This report seeks approval to submit a Stage Two National Lottery Heritage Fund application, the preferred scheme for capital works, arrangements for the closure of St. Mary's Guildhall to enable work to take place to deliver the associated refurbishment and the delegations necessary to implement these decisions.

Recommendations:

The Cabinet Member for Jobs and regeneration is requested to:

1. Approve the detail of the preferred capital scheme for the refurbishment / modernisation of St Mary's Guildhall set out in £5.6m preferred option.
2. Delegate to the Director of Business Investment & Culture following consultation with the Cabinet Member for Jobs and Regeneration and the Cabinet Member for Housing and Communities to approve a Stage Two funding application to National Lottery Heritage Fund for £1.7m to support the project outlined in this report.
3. Delegate to the Director for Business Investment & Culture, following consultation with the Director of Finance to obtain the necessary consents, procurement, contractor appointment and contract extensions for the professional design team.
4. Delegate to the Director for Business, Investment and Culture following consultation with the Director of Law and Governance to enter into the necessary legal agreements to give effect to the above recommendations.

List of Appendices included:

Appendix One – Equalities Impact Assessment

Appendix Two – Floor Plans

Appendix Three – Significance of Medieval Kitchen

Background papers:

None

Other useful documents

- UK City of Culture 2021 Capital Programme – Approval to receive and be accountable body for additional capital funding for the Cultural Capital Investment Fund - Cabinet Report (August 2018)
- Business, Economy and Enterprise Scrutiny Board (3) – St Mary's Guildhall (November 2018)
- Budget Report 2020/21 – Cabinet Report (February 2020)
- Business, Economy and Enterprise Scrutiny Board (3) – St Mary's Guildhall Transformation Project (March 2020)

Has it been or will it be considered by Scrutiny?

No. However, the Business, Economy and Enterprise Scrutiny Board (3) received presentations and information in May 2018, November 2018 and March 2020.

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: St Mary's Guildhall Capital Project

1. Background

Improvements to St. Mary's Guildhall are required to improve its events, conferencing and wedding facilities, and enable the Council to provide an enhanced visitor offer with a new activities programme and a full education package for schools and Further and Higher Education. Capital refurbishment plans have been developed to RIBA stage 4 and a full listed building consent has been submitted, which will support St. Mary's Guildhall to operate within agreed financial resources and supporting it to fulfil its role as a major heritage site and contribute fully to the city's cultural offer.

2. Options considered and recommended proposal

2.1 Option 1 – Do Nothing (Not Recommended)

2.1.1 To do nothing would miss the opportunity to draw down external funds to improve and develop one of the city's principal heritage assets and would fail to address the need for the improvements necessary to generate sufficient income to balance the operating budget. In addition to the matters outlined above, a condition survey on the building commissioned as part of the early feasibility works has identified short- and medium-term maintenance and repairs needed to the building with an estimated cost of £700k.

2.2 Option 2 – Improvement of Heritage Offer Only (Not Recommended)

2.2.1 The scheme could be narrowed in scope to focus only on the improvements necessary to increase the heritage value of St. Mary's Guildhall and remove the developments linked to the opportunity to generate the income necessary to provide long-term sustainability. This would remove the need for the additional kitchen and back office construction, the additional bar upstairs, and the development of multi-purpose learning spaces. No catering could be provided and limit the opportunities for civic, corporate and private bookings. The cost of a reduced scheme is estimated to be £2.2m.

2.3 Option 3 – Proceed with the £5.6m Capital Scheme (Recommended)

2.3.1 A sustainable solution is required that continues to offer local people and visitors the opportunity to visit the Guildhall whilst achieving sufficient income to recover its overheads and trade without a revenue subsidy which is currently £220k per year. A condition survey of the building which took place in October 2018 identified a need for short to medium term (1 to 5 years) maintenance and repair costs to the building to the value of approximately £700k.

2.3.2 In July 2019 a team of specialist heritage architects and a professional design team were appointed in to prepare a detailed scheme of works up to RIBA Stage 4 (submission of listing building consent). The Council submitted an Expression of Interest to National Lottery Heritage Fund on 23 July 2019 and were encouraged to make a full Stage One application which was subsequently submitted in November 2019. The Stage One application was successful, and the Council was notified of an award of up to a £78k grant to support the development of a Stage Two application.

2.3.3 If successful the National heritage Lottery Fund Stage Two application will allow us to further develop and deliver the information outlined below to further improve the visitor experience including for those people who are usually less engaged with cultural activities:

- An Interpretation Plan which will tell the stories of the Guildhall's history in an accessible and engaging way for the diverse communities of Coventry
- An Activity plan which details what we offer to visitors in terms of events and activities, interpretation, opportunities for training and learning (schools and community learning) and opportunities for volunteer participation.
- An education programme and package for schools
- Detailed Interpretation designs
- Business Plan
- Management and Maintenance Plan
- Detailed survey and specifications for the conservation of tapestry
- Specification works to the proposed education spaces
- Specification and briefs for website and social media development and marketing

2.3.4 Following the announcement of Coventry's successful bid to be UK City of Culture 2021, a strategic case for investment in the city was successfully made to the Department for Digital, Culture, Media and Sport. In October 2018 the Chancellor announced an allocation of £8.5m to support a package to improve Coventry's cultural offer through capital investment and reposition the city as a sustainable visitor destination for City of Culture and beyond. The capital project for St. Mary's Guildhall has been awarded £2.2m of this funding to support the refurbishment and commercialisation capital project.

2.3.5 In February 2020, Cabinet and Council approved up to £3 million capital support for St. Mary's Guildhall, funded through prudential borrowing and the project team is working to mitigate the level of capital support required to fund the scheme through external funding applications. A team of external consultants and Council officers are working to an accelerated programme to submit the Stage Two application in August 2020. If successful, this will allow us to access a £1.7m grant and reduce the level of prudential borrowing required for the scheme.

2.3.6 The main elements of the phase one funded scheme are set out below. It is expected that re-opening will be phased, starting in March 2021 with a full opening scheduled for Summer 2021.

- Restored and conserved medieval kitchen with public access – meaning removal and relocation of the existing commercial kitchen
- Extension to the rear of the Guildhall to provide a modern catering kitchen to support meetings, conferencing, civic and commercial events
- A designated entrance into the Undercroft to allow independent access and refurbishment of the space for flexible future use
- Removal of inappropriate additions over time, including the removal of cumbersome stair riser apparatus from medieval stair rails, and restoration of the original approach to the Great Hall by relocation of the late twentieth century bar
- Introduction of improved access with a new lift to the first floor
- Repair and conservation work to the structure of the building and the most significant historic spaces
- Upgrading of mechanical and electrical systems including heating and lighting
- Renovation work to spaces to support greater meeting and conferencing use
- Improved visitor access to the Muniment Room
- Creation of a viewing gallery over the courtyard space facilitated by the removal of the existing bar
- Improved visitor welfare facilities

2.3.7 The decision on the award of the £1.7m National Lottery Heritage Fund grant will be made in December 2020, if approved the project is expected to commence in January 2021. If successful, the National Lottery Heritage Fund revenue activity programme will commence delivery in July 2021 and will continue until March 2024.

2.3.8 The National Lottery Heritage Fund capital works will commence when the phase one capital works are near completion and will be completed by June 2021. This will include:

- Conservation works to the Tapestry
- Re-display of the Tapestry in a bespoke case which provides enhanced standards of environmental monitoring and protection as well as improved visual display
- Construction and installation of traditional interpretation and exciting new digital and augmented reality experience in the Guildhall
- Works to refurbish the learning spaces
- External works to the courtyard to create an inviting and more usable space
- External signage and interpretation.
- On completion of the capital works and prior to the building re-opening, the appointment of a Community Engagement Officer, Education Officer, Marketing Assistant and Business Admin Apprentice (April 2021)

2.3.9 In summer 2021 it is proposed that St. Mary's Guildhall will re-open and initial programming will contribute to the delivery of City of Culture activities and key events. Learning and education programmes will commence in September 2021. Volunteers will support the delivery of the activity programmes working alongside the project staff and delivery partners.

2.3.10 Should the National Lottery Heritage Fund application be unsuccessful the Council will proceed with a scheme without this support, the capital scheme would require slightly scaling back, value engineering of the education learning space and some of the proposed interactive and Augmented Reality experiences. This along with other forms of traditional interpretation will help audiences connect with the heritage of the Guildhall.

3. Results of consultation undertaken

3.1 The project team has consulted with Historic England to ensure that the proposed scheme compliments the historic value of the building. Throughout the development of the project we have held workshops with stakeholders including Historic Coventry, the Coventry Society and Tudor Coventry Community Interest Company, these have helped us develop proposals for the visitor offer and tapestry refurbishment and conservation. Historic England has been fully consulted through the various stages of the design process and a full Listed Building Consent application for the proposed scheme was submitted for planning approval in April 2020.

3.2 Public consultation will take place in June and July 2020. Due to restrictions related to COVID-19 this will be an online consultation but will also include online focus groups and one to one in depth interviews with community and special interest groups, teachers and higher and further education staff and businesses. There will be an online questionnaire for local people and potential visitors, and we will share the information with children and young people as well as disability groups.

3.3 Market research was commissioned through independent experts to determine the market demand for an events and conferencing facility at the Guildhall. The Initial findings are that there is an approximately 50% demand of all surveyed for the Guildhall as a conferencing

space, as a wedding venue, and as a local attraction and casual venue in Coventry. The consultancy believes that this result, coupled with the regional basis of the survey, indicate that there is a demand for the Guildhall aligned to our aspired occupancy rate and income expectations.

3.4 Staff and Trade Unions have been briefed on the capital proposals and enabling work, this has included the opportunity for one to one meetings throughout the design process.

3.5 The Cabinet Member for Housing and Communities, who has portfolio responsibility for Heritage, has been fully briefed on all the proposals.

4 Timetable for implementing this decision

The programme of works for the scheme is as follows:

January 2020	Closure of the Guildhall
January 2020	Commencement of enabling works
April 2020	Submission of listed building consent application
June 2020	Procurement of a main works contractor
July 2020	Planning approval and discharge of conditions
September 2020	Construction commencement
September 2020	Submission of NLHF delivery phase application
March 2021	Commencement of phased opening
June 2021	St Mary's Guildhall full opening

5 Comments from Director of Finance and the Director of Law and Governance

5.1 Financial implications

Historically SMG has operated with a trading loss which currently stands at £220k and is unsustainable. A recent building condition survey has also identified repair cost liabilities of £700k.

The recommendations in the report to proceed with the preferred capital investment totalling £5.6m would improve both the cultural and commercial offers of SMG such that it would have the ability to achieve new income streams as a result, sufficient to recover its current subsidy and service the approved £3m prudential borrowing debt. The building condition cost liabilities would also be resolved.

If the NHLF application is successful, this prudential borrowing requirement will be reduced to £1.7m. If the application is unsuccessful, a reduced scheme would still go ahead however it is still anticipated that SMG would move to a break-even or surplus position

5.2 Legal implications

Under s111 of the Local Government Act 1972 the Council has power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Under s145 of the Local Government Act 1972, the Council has the power to do, or arrange for the doing of, or contribute towards the expenses of the doing of, anything necessary or expedient for the provision of an entertainment.

6 Other implications

The proposed scheme of capital works will mean the Guildhall is unavailable for civic functions until July 2021.

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

The recommendations contained within this report will contribute to the following aims within the Council Plan:

- (i) Improving health and wellbeing – through encouraging and supporting engagement in cultural or heritage activities. Cultural facilities and their operation have a key role to play in supporting the Council to deliver its health and wellbeing objectives.
- (ii) Making the most of our assets - rationalising our property portfolio – The significant age and elements of poor condition of St Mary's Guildhall mean the proposed investment into the facilities offer greater energy efficiency and environmental benefits.
- (iii) Developing the city centre – bringing the city centre to life with high-quality opportunities – including by providing accessible, quality sustainable facilities such as the refurbished St Mary's Guildhall
- (iv) Raising the profile of Coventry – through promoting Coventry as a visitor destination and centre for arts and culture, sports and leisure, music and events – by ensuring that Cultural facilities are modern, accessible and fit for purpose.

6.2 How is risk being managed?

6.2.1. A detailed risk register has been produced and is reviewed regularly and managed by the St Mary's Guildhall Governance Board. The most significant risks along with the associated control measures have been identified to be:

- (i) Financial risk of not receiving a tender return within the funding envelope for the project
- (ii) If approved the Guildhall will not be fully open and operational for the first six months of the Coventry's year of City of Culture 2021
- (iii) Financial risk of not achieving annual surplus, scenario testing undertaken to take prudent approach, business plan will give manager of the site a roadmap and prompt to manage proactively not reactive
- (iv) Funding envelope for the project is not achieved through either the failure to secure external funding or the business modelling work
- (v) The necessary consents for planning and listed buildings are not approved
- (vi) Operating model failure due
- (vii) Nature and uncertainty of Grade One Listed Building resulting in escalating contractor costs.
- (viii) COVID-19 impacts on the design proposed design of the Heritage Augmented And Virtual Reality offer resulting in changes to the intended offer
- (ix) COVID-19 impacts on the construction programme and delays the re-opening of the Guildhall
- (x) COVID-19 delays impact on funding deadline dates for opening linked to City of Culture 2021

6.3 What is the impact on the organisation?

The proposals in this report require St. Mary's Guildhall to remain closed to the public for the duration of the project which will have implications for staff currently employed within the Heritage and Hospitality Service. Some roles will continue to provide catering functions from replacement facilities in the Council House (once the immediate COVID-19 situation moves to recovery). However, for some staff, there will be no work in the Guildhall for at least a year. Therefore, a formal consultation process will commence with staff and Trade Unions to discuss the proposals and options available including alternative employment in the Council in accordance with the provisions of the Security of Employment Agreement.

6.4 Equality and Consultation Analysis (ECA)

6.4.1 A full Equalities Impact Assessment has been developed (attached Appendix one).

The visitor experience will be improved, and interpretation will tell the story of the Guildhall in an accessible and engaging manner. Physical changes will improve the accessibility of the building including the provision of a new lift to the first floor. However, some access improvements cannot be achieved due to the constraints imposed by a Grade I listed building, planning requirements and the views of statutory bodies associated with heritage and conservation.

6.4.2 Children and young people will be better able to access the Guildhall, learn about its significance and enjoy the visitor experience. Visits will be with friends and family or through organised education / school visits. This occurs currently in a very limited form only.

6.4.3 BAME communities will be engaged as part of the development of the project. The project aims to attract more diverse audiences including BAME residents and visitors and to tell stories about the Guildhall's (and city's) history that are culturally appealing, engaging and accessible. Religious beliefs over time will form part of the stories that are interpreted at the Guildhall. Links will be developed to Coventry Cathedral, but religious themes will not be limited to Christianity.

6.5 Implications for (or impact on) climate change and the environment

It is anticipated that the operation of a more modern plant and equipment will deliver significant efficiencies in water and energy consumption compared to the existing facilities at St Mary's Guildhall - delivering an overall reduction in the carbon footprint. Energy saving controls will be incorporated into all schemes to reduce the ongoing impact on natural resources. The modern mechanical and electrical installations will provide improved energy use through more efficient plant and better controls, such as passive infra-red sensors and time-limited functions. Safe and secure management principles would be adopted by the operators to ensure the safety and perceived safety of its users and those living and working around the proposed developments.

6.6 Implications for partner organisations?

6.6.1 Volunteers have been a fundamental part of the running of St Mary's Guildhall and we expect there to be many more volunteering opportunities in the future. We will work with existing volunteers and voluntary organisations in the city to continue this valuable support.

6.6.2 There is an ambition to work with other heritage providers in the Cathedral Quarter to investigate joint education and events programmes

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