

<b>COUNCIL</b>	<b>AGENDA ITEM No. 8</b>
<b>17 December 2024</b>	<b>PUBLIC REPORT</b>

Report of: Key Theatre Programmed Works	Cecilie Booth - Executive Director of Corporate Services and S151 Officer and Adrian Chapman – Executive Director of Place and Economy	
Cabinet Member(s) responsible:	Councillor Alison Jones - Cabinet Member for Housing and Communities and Mohammed Jamil - Deputy Leader of the Council and Cabinet Member for Finance & Corporate Governance	
Contact Officer(s):	Rachael Hunns – Head of Compliance and Capital Programs	Tel. 07983345163

**KEY THEATRE PROGRAMMED WORKS**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Cabinet Members	<b>Deadline date:</b> 17 <sup>th</sup> December
<p>It is recommended that the Council:</p> <ol style="list-style-type: none"> <li>1. Acknowledge the planned works required at the Key Theatre, and</li> <li>2. Delegate authority to Executive Director of Corporate Services and S151 Officer to award the contract for programmed works at the Key theatre following a procurement compliant competitive tender exercise.</li> </ol>	

**1. PURPOSE AND REASON FOR REPORT**

1.1

1. This report is for Cabinet to consider under its Terms of Reference No. 3.2.4 - To be responsible for budget planning, monitoring and expenditure/savings over £500,000, including Discretionary Rate Relief, except for any time critical, operational, or routine decision, which may be determined by the relevant portfolio holder.
2. The report is to provide Cabinet with background information to the planned works and additional identified works at the Key Theatre, and
3. Requests delegated authority to award the contract for programmed works at the Key Theatre following a competitive tender exercise.

**2 BACKGROUND AND KEY ISSUES**

2.1

Following identification of RAAC in October 2023 and the interim measures put in place to enable continued operation of the auditorium, a permanent replacement solution has been programmed and progressed.

The planned works are due to be undertaken from June 2025 onwards. This will require the auditorium to be closed for around 16 weeks. This period of closure was pre agreed

with the operator, Landmark Theatres, in advance to reduce the impact of losses for both the operator and for the council. Through the lease agreement with Landmark, the council is responsible for the replacement of the items detailed within this report.

A budget of £1,540,000 was approved within the budget setting process for the 24/25 financial year, with £140,000 allocated spend in 24/25 and £1,400,000 in 25/26.

## 2.2 Key Issues

Through the initial design stages, due to the interconnectivity of the roof replacement, investigations have been undertaken into the mechanical equipment associated with:

- Heating and cooling
- Ventilation and extraction
- Smoke extraction

Through the investigations it has identified all system are life expired.

The replacement of these systems and the subsequent requirement to meet today's compliant standards will alter the current design, size and location of the systems and the associated equipment. Therefore, these works should be considered as part of the planned RAAC replacement project to ensure that the structural engineering and design requirements in these alterations at an early stage are factored in. The planning application will be submitted to include all required improvements.

If we do not factor in the additional works as detailed above in conjunction with the RAAC replacement, there is a high risk of:

- Failure in the equipment to be recommissioned due to their life expired age, and poor condition, or failure through operation at an unknown stage.
- Additional incurred costs associated with alterations, further design and consultancy, linked to the newly installed roof.
- A claim of losses from the operator associated with a secondary period of closure to install the new equipment.
- Reputational damage for both Peterborough City Council and Landmark Theatres Ltd.

It should also be noted that the auditorium is due to re-open early October 2025. Any unplanned closure following this period will potentially impact on the operator's ability to deliver the annual pantomime programme which provides a significant source of income to Landmark Theatres.

2.3 There is a programme of compliance issues also factored into the design and delivery of the planned works, which requires specialist fire engineering consultation.

2.4 An additional budget of £650,000 has been submitted as part of the capital bids for 2025/26 to account for the additional works.

A further submission of losses associated with business interruption is currently being worked through and agreed by Landmark and PCC.

A competitive tender process will commence in early January 2025 for the planned works.

### 3. CORPORATE PRIORITIES

3.1 The works link to the following corporate priorities.

- The Economy and Inclusive Growth - We will make sure our Places are attractive and vibrant – The work to the Key Theatre will enable it to continue to operate a vibrant cultural offering within a key strategic area within the city enabling Peterborough to be a destination of choice.
- Our Places and communities - We will ensure residents and visitors have access to culture, heritage and leisure facilities, creating a dynamic and diverse night-time economy that offers safe and vibrant opportunities for social interactions - The work to the Key Theatre will allow it to remain as a key asset within Peterborough’s leisure and culture offering, providing various events and opportunities for social interactions.

The work will ensure the safety of the Key Theatre moving forward and provide a safe and pleasant environment for the public to visit.

### 4. CONSULTATION

4.1 CLT on the 26<sup>th</sup> November and CPF on the 3<sup>rd</sup> December

### 5. IMPLICATIONS

#### Financial Implications

5.1 A budget of £1,540,000 was agreed during the 24/25 budget setting process for the replacement of the RAAC. The budget allowed for £140,000 in 24/25 associated with Principal Designer Fees and £1,400,000 in 25/26 for the delivery of the works.

Through the design stages undertaken during this financial year an additional spend of £650,000 has been requested in the 2025/26 budget to enable the delivery of the heating and cooling system, and the mechanical ventilation/extract and fresh air system replacements, associated consultancy fees and compliance works.

In addition, the costs associated with the business interruption are currently being reviewed by PCC and the operator.

The table below provides details of the breakdown of cost estimates.

	<b>Budgeted Costs</b>
RAAC Replacement	£1,400,000
Air Handling System	£600,000
Consultancy and Design Fess	£190,000
<b>Total</b>	<b>£2,190,000</b>

#### Legal Implications

5.2 The Key Theatre is leased to Landmark Theatres. Within the lease agreement the Council are responsible for costs associated with any fabric and structure works and mechanical

and electrical installation replacement, therefore the works required at the Key Theatre are the responsibility of the Council.

To ensure compliance with our contractual arrangements we should ensure that works are undertaken to prevent any claims from the operator in the event of failure and subsequent closure of the theatre.

The operator's lease expires in 2028 and therefore completion of these planned works will support the council in a more favourable position for negotiation of the lease renewal.

### **Equalities Implications**

5.3 None.

### **Other Implications**

5.4 The RAAC interim solution was designed for a 2-year period, this is not to say that the solution will not last longer, but further assessment and inspection would be required by the structural engineers to determine if the condition of the RAAC and the interim solution remains effective. This has the potential to result in further costs and potential unplanned closures if it is deemed that it is not.

Both Procurement and Legal are already instructed and aware of the procurement and contract requirements.

Carbon Impact – During the construction phase there will be an increase in carbon, to support mitigation of this we will apply a 5% weighting to the quality assessment through the tender process for Carbon Impact reduction. It is envisaged that the overall outcome will be carbon neutral as the new roof will meet the required building regulations and provided increased thermal gain, as well as the newly installed mechanical systems which will be more energy efficient than the current installation.

## **6. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

6.1 *List any documents and other information used to write this report. DO NOT include exempt items. Be specific as anything you list here must be available for public inspection for several years after the committee meeting.*

## **7. APPENDICES**

7.1 None