

Council meeting 10 & 11 October 2006

PUBLIC BUSINESS

## FOR NOTING

### Progress Report on Redevelopment of Meeting and Conference Facilities

#### Purpose

To note an interim report on development project.

#### Strategic objective domain

An organisation that consistently performs as a regulator, professional representative leader and publisher.

#### Action Required

Council is asked to note the report.

#### 1. Background

On 3 August 2005, the Council approved the sum of £870,000 plus VAT for the costs of reconstruction of the Assembly Hall at the Society headquarters in Lambeth. The minute recording this decision is shown below.

#### 05/86 Redevelopment of meeting and conference facilities

Mr Bernard Kelly, Director Finance & Resources, introduced paper 05.06/C/26, which had been circulated. He reported that full reports had been received from the structural and mechanical engineers. The revised costing for redevelopment of the basement area was £870,000 excluding VAT. He confirmed that by starting the work programme in December, the effect on income would be minimised. He also confirmed that the works would result in a Royal Pharmaceutical Society of Great Britain facility that was fully compliant with requirements under the Disability Discrimination Act 1995. The Council thanked Mr Kelly and his team for their work in bringing the proposal forward to this stage.

Council

**agreed**

That the redevelopment of the Conference facilities, as set out in the paper, should proceed.

#### 2. Issues affecting the reconstruction project.

One of the major challenges faced by any construction programme in a building which is occupied is the competing demands of the occupants and the contractors engaged in the construction project. This project was no exception to that rule and the work programme was constantly interrupted by complaints of noise and requests that drilling be suspended.

The introduction of daylight to the Hall by the construction of skylights was the most challenging aspect of the project that required a great deal of drilling to punch-through the solid concrete slab of the Hall roof. Unfortunately the roof of the hall is an integral part of the building structure and the noise and vibration from drilling was transmitted throughout the building. Although generally staff were tolerant and put up with considerable disruption, the requests to suspend drilling particularly during Statutory Committee days meant that a total of

32 construction days were lost. When construction ceases not only is time lost but also costs are increased as the contractors claim the time and wages of the workmen on-site at the time.

Although new buildings are built to the vision of the original architect when working on an existing building, inconsistencies between the architect's assumption and reality are often revealed during construction and, in such cases, solutions have to be found as the project progresses. This project was not unique and also faced similar **challenges**.

The original project assumed an elapsed time of 37 weeks of construction and 3 weeks of commissioning with a projected completion date of 30 September 2006. To allow for contingencies and to allow staff to become familiar with the new methods of operating including the mounting and demounting of the modular furniture the Hall was planned to be closed to the end of October 2006.

### **3. Progress to date**

The current completion date has been adjusted to 14 October 2006 to take account of the delays in the construction schedule and the Hall will be operational by the end of October.

The original budget for the project based on the contract bids received was set at £830,000. This number excluded contingencies as this is the budget against which the contractors are measured.

The final expected costs for the project have made allowances for additional costs arising from days when work was suspended due to noise levels, additional containment work for audio-visual and computer cabling, under estimates made for wall panelling finishes and for a further contingency to allow for balancing to the air handling equipment. To date, these revised estimates accumulate to a projected project cost of £884,000 which represents an over-run on the approved project cost of 1%.

### **Action Required**

Council is asked to note the report.

Bernard Kelly  
Director, Finance & Resources