

CHURCH REPAIR/RESTORATION PROJECT, 2013

1. At its Extraordinary Meeting on 9 May, the PCC decided:
 - to engage Universal Stone to carry out the main contract for the repair/restoration work, as well as Chapel Studio for the work needed on windows and Clearfast for the drains;
 - that all the work be done in a single stage, without phasing; and
 - a fund-raising campaign be started.
2. The purpose of this note is to update the congregation on the reasons for these decisions, and the financial implications.

The work

3. To recap, it is envisaged that this project will consist of three separate contracts:
 - A preliminary contract with Clearfast, a specialist firm, to clean, repair, replace, line and seal the drains and pipework, as necessary. (Most of the work on the drains at the east end of the church has now been completed –the work at the west end requires access to the Victoria School of English, so will be done when the school is closed.)
 - A separate contract with Chapel Studios, another specialist firm, to restore the leading of the windows – this work has now become urgent.
 - The main contract will cover all the rest of the works, including:
 - a. replacing the existing badly crumbling Yorkstone string courses and hood moulds all round the church with fresh stonework;
 - b. repairing the damage probably caused by excessive vibration from the Underground line which runs underneath the church, including various cracks in the walls, internal flying buttresses, etc. and the damaged heating grilles and their stone surrounds;
 - c. other repair and maintenance work identified in the last Quinquennial Inspection report, such as replacing the south aisle roof, repairing the fleche, replacing missing/damaged bricks, gutters and slates, cleaning the internal staining of the south aisle wall, some further work to the drains, etc.
4. Given that the window contract and the main contract both need scaffolding, it is intended that the work on both be done at the same time.

Main contract

5. Five firms were invited to tender for the main contract. The deadline for submission of bids was 22 April (later extended to 23 April). It was reported to the APCM on 28 April that because of the wide disparity between the tender prices, the architect was calling for a detailed breakdown of the two lowest tenders, to check for errors and omissions, with a view to then advising the PCC which tender to accept.

6. The architect has now advised that the lowest tender is arithmetically correct and does not contain any omissions. Moreover, he considers that it represents good value for money. This tender is from Universal Stone, a firm which has worked for St. Mary's before, with good results. The architect has advised that his firm has 'worked satisfactorily with Universal Stone on several church projects of a similar nature'. Their website lists many churches that have been their clients, including St. Barnabas, Pimlico, where they successfully rebuilt the spire, as well as other heritage buildings. So they are clearly a very reputable firm.
7. Universal Stone's price also compared very favourably with the other tenders. Their price was £146,733.24; the next highest tender was for £183,043, the other three between £218,700 and £232,600. On price grounds, therefore, Universal Stone were the clear favourite, and there was no other reason for the PCC not to select them.

Funding

8. Earlier papers had assumed a cost for the main contract of £190,000, so the actual tender price of £147,000 represents a considerable reduction. The costs for contracts for the other works remain as before, as do the identified sources of funding. The updated cost for the main contract is reflected in the table below, which shows the funding implications:

Costs			Funding sources		
<u>Pre-Contract costs</u>					
Main repair contract	£10,050		H & K Levy Trust	£9,400	
Drains	£1,350		Insurance	£2,000	
Sub-total		£11,400			£11,400
<u>Restoration works</u>					
Main repair contract	£147,000		H & K Levy Trust	£83,600	
Windows	£62,000		Insurance (main works)	£20,000	
Drains	£11,000		Insurance (drains)	£8,000	
Further work on drains (estimate)	£4,000		John Gilling legacy (from St. Mary's Trust)	£25,000	
Architect's fees	£9,200		Rosemary Cove legacy	£27,000	
Sub-total		£233,200	Mac Pendleton legacy	£31,500	
			St. Mary's Trust	£25,000	
SHORTFALL		£13,100	Sub-total		£220,100

(All the figures exclude VAT, because this is, in principle, nearly all recoverable under Listed Places of Worship Grant Scheme, which is currently paying out 100% of claims.)

9. On these figures, we are now looking at needing to find another £13,100 to be able to fund the work fully. However, these figures take no account of the PCC's general fund reserve of some £50,000. Even taking into account the projected deficit of £8,000 on general fund 'ordinary' income and expenditure in 2013, the £13,100 net cost would still leave a reserve of over £30,000. It is quite prudent for the PCC to enter into a contract on that basis. Indeed, given that so little work has been done on the fabric of the church over recent years, it would be wrong not to take this opportunity to use the resources we now have available to deal with the backlog of outstanding work, much of which has now become urgent – otherwise, we only risk further deterioration and greater costs in the future.
10. Of course, we need to consider the possibility of cost overruns, as the work itself may throw up new problems, or reveal that known problems are more serious than thought. There are some contingency sums in the cost estimates above. In the window estimates, provision has been made for fully repairing four windows whose condition could not be ascertained from ground level; the main contract price includes £7,000 for specific contingencies. The table also allows for £4,000 to resolve a problem with one of the manholes discovered in the earlier work on the drains. (One potential problem of needing to repair a pipe in a difficult to access location has not materialised.) It is difficult to say what a prudent assumption for contingencies would be, but a 10% margin implies a cost of another £20,000. If needed, that would be the first call on the fund-raising discussed below.
11. The earlier papers raised the issue that it might be necessary to phase the work, doing it in two stages, in order to raise sufficient funds. There are many advantages to not phasing, such as minimising overall disruption, less chance of further deterioration of the fabric, and minimised costs. Given the lower cost of the main tender, the PCC has decided that phasing is unnecessary.

Other funding needs

12. The Table takes no account of the projected deficit of nearly £8,000 on ordinary income and expenditure (i.e. excluding the repair project) in the 2013 Budget.
13. It also takes no account of the need for new lighting in church to replace the current provision which is generally accepted to be inadequate. This can be seen as a second stage in a programme to improve the condition of the church. A full replacement of the lighting in church could cost £40,000 (or more), plus £8,000 irrecoverable VAT. Realistically, even apart from funding issues, this could not be done until after the repair work is complete, but it should be a priority for 2014.
14. Also, there is a specific need for new lighting for the church pathway, as there is none at all at present. We have had a quote for £4,260, including irrecoverable VAT,

for up and down lights on both sides of the pathway, and are seeking a second quote. The figures allow for the H & K Levy Trust to pay for this work.

15. Finally, in the medium term, there is a need to improve the external appearance of the south side of the church, although this cannot be done until the problem of the Japanese knotweed has been dealt with.

Other potential sources of funding

16. We are considering outside sources of grant funding. Although the gap between the funding we have already identified and the quoted costs of the repair project is quite small, we need also to raise funds to cover any potential cost overrun. Any grant we get is likely to be small. We have applied to the London Heritage Trust for a grant towards the restoration work on the windows, which gives small grants as pump-priming finance – they visited the church on 7 May. £5,000 is the maximum we might get from them. We do not intend to apply to the Heritage Lottery Fund – they will in any case not give us a grant because the length of their application process (it is a two-stage process) means that the work should be complete before they are in a position to make decision.
17. The Hyde Park Place Trust is one body that would consider giving us a grant for the lighting – they gave £10,000 to St. Gabriel’s for their new scheme – so we should apply to them for a grant for the church lighting, once we have a formulated scheme and a definite idea of the cost.
18. The PCC also decided in principle to start a fund-raising campaign from the congregation and via our website. It needs to have two objectives:
 - to raise funds for church repairs and improvements, in particular to provide a cushion against any cost overruns, and for the replacement of the church lighting; a second phase could raise money for the outside of the south side of the church; it should also allow us to use any money raised for general purposes if not needed for these projects; and
 - to encourage stewardship and increase regular giving to eliminate the deficit between ordinary income and expenditure, to put our finances back on a sustainable footing.
19. Given that the main contract for the repair work will not start before July at the earliest, the PCC intends to consider the issue of fund-raising further at its July meeting, before an appeal is launched.