

Report of the Strategic Director of Place to the meeting of Regeneration and Environment Overview and Scrutiny Committee to be held on 21st February 2023

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Subject:

Development of the former Squire Lane Health and Wellbeing Facility.

Summary statement:

This report provides an overview of the procurement strategy for the appointment of a contractor to construct a Leisure, Community and Wellbeing Centre on Squire lane in Bradford.

The report provides compliance with Council Contract Standing Orders (CSOs) through which the Authorised Officer must, before inviting tenders or quotations for contracts with a total estimated contract value in excess of £2m, report details to the relevant Overview and Scrutiny Committee.

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Portfolio:

Regeneration and Environment

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Overview & Scrutiny Area:

Regeneration and Environment

EQUALITY & DIVERSITY:

The project contributes to the delivery of the Councils' equality objectives through ensuring that the building design will enable the delivery of services which are inclusive and designed to remove barriers to access at the outset.

1. SUMMARY

The Council plans to regenerate a 1.78-hectare brownfield site at the junction of Duckworth Lane and Squire Lane, Bradford. This will be done by investing up to £48.8m to develop the Squire Lane Leisure, Community, and Wellbeing Centre, drawing on £20million from a Levelling Up Fund allocation from the Government.

The centre is designed to improve the health and lives of local residents by providing leisure facilities, community facilities, enterprise, and skills, and other health activities.

Plans for the Centre align with Bradford's key corporate strategies and priorities (e.g. Bradford District's Economic Recovery Plan) and national priorities (e.g. Build Back Better).

The Centre will address key local challenges by:

- boosting physical activity by providing accessible and affordable leisure facilities;
- providing space to deliver integrated and targeted enterprise support and lifelong learning and
- complementing health and social care provision locally.

This report sets out the procurement strategy for engaging a contractor to develop the site.

2. BACKGROUND

The Council Executive approved the principle of developing a Leisure, Wellbeing and Enterprise facility at Squire Lane is approved development Squire Lane Project on 6th July 2021.

Since that time the Council has been undertaking a series of in-depth discussions with potential partners and users of the centre and working through the early stages of the design.

The current considerations include the following provisions within this project:

- Leisure facility
 - 2 swimming pools consisting of a 6 lane 25metres pool and 1 depth adjustable learner pool;
 - 1 fitness gym (100 pieces of equipment)
 - 1 spinning class studio
 - 2 gym classes
- Skills
 - 2 training rooms and office
- Community facilities
 - A range of small, medium and large community rooms
- Health

- Health and well-being activities to be determined subject to ongoing discussions with health partners

Site clearance of the Squire Lane site together with ground investigation surveys have taken place and these are all now complete.

The Council has appointed an external Design Team to deliver the project and the project has now completed the RIBA 1 and RIBA 2 design stages and is progressing through the RIBA stage 3 Design Stage which is the more detailed design stage and the stage at which a contractor is brought on board.

A report seeking approval for 1) the final project design and implementation and 2) to award and enter into the construction contract will be taken to the Executive at a later date.

3. REPORT ISSUES

3.1 Programme

The key dates from the current programme are as follows:

Key Milestones	Current Start & End Dates
RIBA 1 and Engagement with partners and stakeholders	August to October 2021
Site Clearance & Ground investigations	Complete
Concept Design (RIBA 2)	Oct 2022 - Feb 2023
Design Development (RIBA 3) + Planning	Feb 2023 – Aug 2023
Report to Overview & Scrutiny	Feb 2023
Community engagement	May 2023
Contractor Procurement 1 st and 2 nd stage*	Feb 2023 - Nov 2023
Technical Design (RIBA 4)	Jun 2023 - Dec 2023
Construction (RIBA 5)	Jan 2024 - Jan 2026
Handover (RIBA 6)	End of Feb 2026

3.2 Contractor Procurement

There are a number of different options for how the Council can undertake the procurement of a contractor on the Squire Lane Project and these are detailed below.

3.2.1 Traditional Contract

This option sees the appointment of consultants for, detailed design, cost management and contract administration and design liability stays with the Council and its

consultants. The contractor's remit extends to construction only and the management of their sub-contractors. A contractor would be appointed after a competitive tendering process, based on complete design information and/or specifications.

With a traditional contract if there are any design or buildability problems, the risk of these sits with the Council and the contractor will submit claims for any variations or delays which will impact on cost and programme.

3.2.2 Design & Build Contract Single Stage Tender Process

With a design and build contract, the Council will tender for a contractor with a design capability and request that they tender to a set of requirements which have been developed by the Council's design team to the end of RIBA 3 stage against a set of output specifications providing the parameters of the scheme. The contractor is then responsible for finalising the design development using construction knowledge and expertise which should produce an innovative design and solution to the needs specified in the brief. The contractor will then construct the building on site to the agreed programme and scope. The contractor will assume responsibility for the element of design and associated risks after the point which they were brought on board.

The design and build procurement route would enable the pre-contract design phase to be shortened slightly as some of the final technical aspects of the design could be carried out whilst the works are underway on site by the contractor. This would provide a programme advantage over a traditional procurement route.

3.2.3 Design & Build Contract Two Stage Tender Process

With a two stage design and build process the Design and Build Contractor is appointed at an earlier stage during the design process. The Contractor at this point is usually appointed on preliminaries costs and Overhead and Profit costs and then contributes to the Design Development process before submitting a complete tender to the agreed budget and programme. This option allows the contractor to input into the design process at an earlier point and identify any "buildability issues" which would need to be addressed. Project costings and project design are then able to be taken back to the Executive prior to the start of construction with design risks and costings properly identified and contingencies accounted for.

Under the design and build route, the contractor is responsible for both design and cost and therefore they will be very careful to ensure that the pricing of the scheme is accurate to reduce their risk. A two-stage route would provide opportunity to engage with a contractor early and therefore this early engagement will increase their knowledge of the scheme prior to tender and as such this more in-depth knowledge should provide for a more comprehensive price for the scheme.

Whilst a single stage tender process can be quicker than a two stage process, it does mean that the advantage of bringing a contractor in earlier to be involved in the design process is lost and the level of risk retained by the Council is increased.

This option is the preferred option which the Council is looking to utilise as it will allow both early contract engagement and the appropriate transfer of risks. The Council will also be looking to use the NEC form of contract which is a more partnering focussed form of contract.

4. FINANCIAL & RESOURCE APPRAISAL

The current project budget is as follows:

LUF grant	£20.0m
Capital and borrowing	£28.8m
Total	£48.8m

The funding allocated for the project is a mixture of prudential borrowing, Council capital and government allocated LUF funding

This project will have an impact on the Local Authorities Partial Exemption position as only leisure activities are exempt in relation to VAT. This risk is being mitigated by factoring in project spend in the forecasts and monitoring/restricting exempt capital spend against the 5% exempt threshold.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

Governance arrangements on the project are well established with a project board and a strategic board which is chaired by the Council's Chief Executive. There are regular reporting arrangements in place to the Department of Levelling up and Communities.

Appropriate discussions have been held with the Council's Procurement Team to ensure that the forms of contracts used will mitigate commercial and contractual risks to the Council as far as possible and also embrace modern procurement methodologies.

Regular risk workshops are undertaken with the Design Team so that the Council can identify and manage all key risks.

6. LEGAL APPRAISAL

The Committee are being requested to scrutinise and agree the recommendations in this report in accordance with the Council's constitution. The proposed procurements will comply with the requirements of the Public Contracts Regulations 2015 ("PCR"). This report recommends using one of three different procurement procedures, of the PCR, and the Council will need to comply with the relevant provisions for those procedures. The report sets out the details of these procedures and relevant options.

The Council must consider social and environmental value at in accordance with the Public Services (Social Value) Act 2012. The social value considerations are set included within the procurement strategy.

The Council must comply with the general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999) and the recommended procedure does so. The recommended procurements shall also comply with the Council's Tenders and Contracts Regulations, which form part of the Council's Constitution.

7. OTHER IMPLICATIONS

N/A

7.1 SUSTAINABILITY IMPLICATIONS

The proposed development will be constructed to meet Building Regulation Part L requirements which specifies the benchmarks to be met on energy efficiency.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

The plans for the proposed development include modern energy and cost-saving measures in the design and build. Working as close to the net zero carbon policy as is achievable.

7.2 COMMUNITY SAFETY IMPLICATIONS

The building will be designed to meet the most modern standards in safety and will provide the users with a day time and evening facility that can provide proactive services to encourage greater community pride and activity in positive activities related to health, education and employment and physical activity.

7.4 HUMAN RIGHTS ACT

There are no implications for the Human Rights Act.

7.5 TRADE UNION

There are no direct Trade Union implications arising from this report at present.

7.6 WARD IMPLICATIONS

The development will take place in the Toller Ward however the facility is also likely to draw users from other adjacent wards. The development will meet the requirement for leisure facilities in this part of the district.

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

Not applicable

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

Not applicable.

10. RECOMMENDATIONS

The Regeneration and Environment Overview and Scrutiny committee note the report.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

None