

Report of the Strategic Director, Place to the meeting of Executive to be held on 21st February 2023

BB

Subject:

Squire Lane Leisure, Community, Health, and Wellbeing Centre

Summary statement:

This report updates on progress with the delivery of the Squire Lane Leisure, Community, Health and Well Being Centre and seeks approval from the Executive to proceed with the delivery of the project.

'This report has not been included on the published forward plan as an issue for consideration, as the contractual time line to progress to the next stage of the project requires executive approval, and is currently under pressure in terms of utilising the grant funding within defined timelines which would be jeopardised if not presented to this Executive, these presented themselves after publication of the forward plan, and it is impractical to defer the decision until it has been included in the published Forward Plan for the reasons described, therefore the report is submitted in accordance with paragraph 10 of the Executive Procedure Rules set out in the Council's Constitution.'

David Shepherd
Strategic Director, Place

Portfolio:
Regeneration, Planning and Transport

Report Contact: Ian Smart,
Head of Client Services
Phone: (01274) 431735
E-mail: ian.smart@bradford.gov.uk

Overview & Scrutiny Area:

Regeneration & Environment

1. SUMMARY

- 1.1 This report updates on progress with the delivery of the Squire Lane Leisure, Community, Health and Well Being Centre and seeks approval from the Executive to proceed with the delivery of the project.

2. BACKGROUND

- 2.1 Executive approved the principle of developing a Leisure, Wellbeing and Enterprise facility at Squire Lane, with an available budget of £48.9m on 6th July 2021. This was subject to the award of £20m of Levelling Up Fund (LUF) grant from HM Government. Due to the uncertainty around funding, the report stated that the design of the proposed centre was not at that stage well defined and would be enhanced over the months ahead.
- 2.2 Similarly, as the development of the project was 'at risk', due to the subsequent decision on £20m LUF funding, Faithful and Gould (F&G) were appointed to develop the scheme to the end of RIBA2 stage (concept design), in order to mitigate the risk of abortive expenditure. In normal circumstances, a design team would be appointed for the full extent of the project (subject to acceptable performance).
- 2.3 Subsequently, the award of the £20m LUF grant was confirmed. The deadline for defraying this grant in totality is March 2025. At present, the project remains on course to achieve this and the estimated cost remains within the funding envelope of £48.9m. However, construction related inflation remains high and it remains possible that the scheme will be subject to the need for some level of 'value engineering' to maintain the project within budget. The RIBA2 stage was completed during January 2022.
- 2.4 The next stage, RIBA3, is the stage when the detailed design is developed and it is proposed that at this stage, a contractor be procured to engage with the design team in design issues that may affect construction and associated cost, as well as being appointed to undertake the construction and deliver the building.

3. OTHER CONSIDERATIONS

3.1 Scope of Project

3.1.1 Leisure

The leisure and fitness element of the scheme is well scoped and will form the majority part of the development (2,720m² plus ancillary spaces).

This will include:

- 2 swimming pools consisting of a 6 lane 25metres pool and 1 depth adjustable learner pool;
- 1 fitness gym (100 pieces of equipment);
- 1 spin class studio;
- 2 gym areas.
- and associated changing facilities

3.1.2 Health

The project has further evolved as discussions with Health and other external partners has continued during the last 12 months. Not all the Health partners that were envisaged at bidding stage have been able to commit to the timescales the Council is working to.

The Council is currently working with Bradford District Care Trust as well as the Council's Health and Well Being Team who will occupy part of the proposed new facility.

The new facility will include a range of flexible space which could be allocated to external health partners should they be able to commit to the project once they have been through their capital finance approval processes.

The spatial allocation towards the health sector currently amount to 2,100m² plus ancillary spaces.

3.1.3 Enterprise

The enterprise part of the scheme will now be delivered in-house with various Council services making use of the community spaces to deliver a range of services to support local businesses. This is a move away from the procurement of a third-party operator as envisaged in the original bid.

3.1.4 Community Facilities

The new centre will include new community facilities which will be available to anyone wishing to use it on a booking basis.

A wide range of partners have indicated that they would be willing to use these as and when necessary. The changes to the project require ratification by DHLUC who are providing £20m of the funding for the project. Positive discussions have been held with the Department to date about the current format of the project and these changes will be submitted through the formal DHLUC change approval process

3.2 Design Team

The Council has appointed a Design Team to deliver on the RIBA Stage 1 and Stage 2 parts of the project which are now complete.

This report recommends that now the LUF grant is secured and risk diminished, the Design Team is engaged to deliver RIBA 3 and it is proposed that they will continue delivering the subsequent RIBA stages subject to meeting affordability and value for money criteria under procurement rules.

3.3 Planning and Consultation

It is proposed that as RIBA3 progresses and designs are concluded, a consultation event is held with the local community at a suitable venue to show the proposed design of the facility and answer any questions members of the local community may have. Following the consultation exercise, a planning application will be submitted, reflecting the feedback received from the community consultation.

3.4 Procurement Route

The Council is due to start the process to procure the contractor who will ultimately deliver the scheme.

It is proposed that the contractor will be appointed earlier than when construction is due to start so that they can work with the design team and input in to the design to help identify any “buildability” issues. The contractor will initially be appointed on preliminaries and overhead & profit costs and will then submit a tender price for the scheme when the design has reached a certain point.

The Design and Build Procurement route to allow for appropriate risk transfer. In addition, the NEC form of contract will be used which is a best practice partnering contract

3.5 Programme

The key dates the project is currently working to are below:

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)	Feb/March 2023 – Aug 2023
Community engagement exercise	May 2023
Planning Application Submission	June/July 2023
Contractor Procurement 1 st and 2 nd stage*	Feb/March 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

4. FINANCIAL & RESOURCE APPRAISAL

4.1 The current project budget is summarised as follows:

LUF grant	£20.0m
Capital and borrowing	<u>£28.9m</u>
Total	£48.9m

The funding allocated for the project is a mixture of prudential borrowing, Council capital and government allocated LUF funding. The project currently remains deliverable within the allocated budget and no additional financial contribution is required.

4.2 This project will have an impact on the Local Authority’s 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

- 5.1 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.
- 5.2 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

- 6.1 Under various statutory provisions extending from the Public Health Act 1875 to Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 a local authority has discretionary power to provide recreational facilities. An authority is designated under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it exercise its functions, having regard to a combination of factors, including economy, efficiency and effectiveness. The duty of best value is important because it makes clear that councils should consider overall value – including social value.
- 6.2 Previous decision of this executive in July 2021 approved the principle of developing a Leisure, Wellbeing and Enterprise facility at Squire Lane is which includes work on the project, initial design of the enabling and main works packages. Faithful+Gould were appointed via Pagabo Professional Services Framework (Lot 1) to undertake the design of enabling and main works to the end of RIBA 2. The LUF application was successful Faithful+Gould have drawn up more substantial drawings and costings have been undertaken.
- 6.3 When going out to tender the Public Contracts Regulations 2015 (PCR), and Council's Contract Standing Orders procedures will need to be followed. Officers have taken a procurement strategy to Overview and Scrutiny committee and now seek approval to go out to procurement, award and enter into a design and build contractor to design and build the project.
- 6.4 On-going legal support and advice will be required to mitigate any risks that might arise throughout the duration of this project, including the use of specialist external advisers where appropriate. In particular, the Subsidy Control Act 2022 must be assessed at a later date when the health and well-being component of the project is finalised. This 2022 Act defines financial assistance as a wide concept and includes any kind of support or market transaction that is considered to have a financial value for the recipient. To be considered a subsidy, there must be financial assistance which:
 - is given, directly or indirectly from public resources by a public authority,
 - confers an economic advantage on one or more enterprises,

- is specific, such that it benefits one or more enterprises over one or more enterprises with respect to the production of goods or services, and
- has, or is capable of having, an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory.

7. OTHER IMPLICATIONS

7.1 EQUALITIES IMPLICATIONS

A full Equalities and Social Inclusion Impact Assessment (ESIIA) will be completed as part of the project plan to ensure that the impact of any change is understood and mitigated where appropriate

7.2 SUSTAINABILITY IMPLICATIONS

The proposed development will be constructed to meet at a minimum Building Regulation Part L requirement, which specifies the benchmarks to be met on energy efficiency.

Discussions are ongoing with the Council's Energy Team to ensure that the most suitable alternative technologies are considered within the current budget envelope.

7.3 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.

7.4 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.

7.5 HUMAN RIGHTS ACT

There are no implications for the Human Rights Act.

7.6 TRADE UNION

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

7.7 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 is accessible to residents living in the Manningham, Heaton, Bingley Rural and Bingley, Thornton and Allerton Wards. Therefore the completed scheme will provide access to vitally important services to a significant proportion of communities in the central and southern areas of the District, beyond the boundaries of Toller Ward.

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (For reports to Area Committees only)

Not applicable.

7.9 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Not applicable.

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Not applicable.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

- (i) Halt the project – this would result in not being able to draw down the £20m LUF grant
- (ii) Consider the previous options, comprising of a ‘Leisure only’ facility and a ‘Leisure and Health’ facility. However, the National LUF team may conclude that these schemes do not deliver the expected outcomes of the project and reduce / withdraw the offer of grant funding.
- (iii) Approve the next steps in the project so it can continue on the design development process and proceed through to both planning and award of contract within the budget envelope previously agreed by Executive.

10. RECOMMENDATIONS

The Executive is asked to:

- (i) Approve the appointment of the current Design Team for RIBA Stage 3 and subsequent development stages subject to meeting value for money and affordability criteria.
- (ii) Approve the appointment of a contractor to engage in the design process and also for the subsequent construction contract within the funding envelope previously approved by the Executive
- (iii) Delegate Authority to the Strategic Director Place, in consultation with the Executive Members for Regeneration, Planning and Transport and Healthy People and Places, the Director of Finance and Monitoring Officer, to make such further decisions as are required to deliver the project, within the funding available including;
 - a. The undertaking of a community consultation exercise and
 - b. The subsequent submission of a Planning Application having regard to the outcome of the community consultation process.
- (iv) Delegate authority to the Director of Legal and Governance to enter into all legal agreements to enable implementation of the above recommendations subject to prior satisfaction that the requirements of the best value duty and Subsidy Control Act 2022 are met.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

Executive Report 6th July 2021