

**To:** City Executive Board

**Dates:** 24<sup>th</sup> September 2014

**Report of:** Head of Leisure, Parks & Communities and Service Manager, Regeneration and Major Projects

**Title of Report:** Rose Hill Community Centre Development

## Summary and Recommendations

**Purpose of report:** To grant project approval for the construction of Rose Hill Community Centre at a total cost of £4,764,000

**Key decision:** No

**Executive lead member:** Councillor Christine Simm and Councillor Ed Turner

**Policy Framework:** Strong, Active Communities

**Recommendation(s):**

**That the City Executive Board:**

Grant project approval for the construction of the Rose Hill Community Centre within a revised capital budget of £4,764,000;

and recommend to full Council the allocation of a revised capital budget of £4,764,000.

## **Introduction**

1. The report provides an update on the progress of the Rose Hill Community Centre development and requests approval for the project and an increase in the budget in response to the market tender received from the preferred contractor.

## **Project Update**

2. The initial tenders were received in March 2014 and were over the current estimate included in the capital budget. Subsequently to try to bring the cost down we gave the tenderers a period of time to undertake a thorough value engineering process. While the work we

have undertaken over this time has resulted in savings of c£300,000, there have also been new costs to absorb which, in the main, result from the confirmation from Scottish and Southern Electric that a substation is required. This means the project remains above budget which is a reflection of the rapid rate of growth in the construction market.

3. While there is scope to undertake additional value engineering, it is clear that further budget is now required if we are to progress the current scheme. The pace with which costs are increasing in the construction market mean that if we were to redesign the scheme any potential savings may be eliminated by construction price increases over the period.
4. A detailed communications strategy is in place which sets out the continued work with all stakeholders. This includes the participation of community groups and a monthly newsletter.

### **Contract Award**

5. The tender documents were re-issued in July 2014, with a closing date for responses of the 8<sup>th</sup> September 2014. The new schedule seeks to complete the contract in early October.
6. The tendering process is being carried out in line with Oxford City Council's procurement policy and the Business Improvement team and Law and Governance are fully involved. The value of works is below the EU procurement thresholds.

### **Finance**

7. The current budget provision for the project is £4,286,000. The budgeted build cost was £3,485,726.
8. Two tenders were received under the procurement process undertaken. Neither of the tender sums received fell within the existing budget figure. After discussions with the tenderers it has become clear that neither would be able to deliver the proposed project within the existing budget. Thus this request is made for an increase of £478,000 to the project budget giving a revised total cost for the project of £4,764,000.
9. The project is funded on a 50/50 basis between the Housing Revenue Account (HRA) and the General Fund, on the basis that the Community Centre is an amenity and shared by the community as a whole.
10. The additional costs will be incurred in 2015/16 and can be funded from de-prioritising or applying underspends from other schemes within

the capital programme, or borrowing. A decision on this will be made in February when Council considers the overall programme.

### **Risk**

9. A risk register is included in appendix one.

### **Climate change / environmental impact**

10. The new facility will be built to meet current building regulations and in line with planning policy. Officers are also seeking to maximise the use of photovoltaic panels (PV) which will be funded through Salix and a combined heat and power unit is also planned to be funded from the existing budget.

### **Equalities impact**

11. The new Community Centre has been designed for and will be used by the whole community. The process has engaged with the wider community in line with required equality focused building regulations.
12. See report to CEB of December 2012 for the relevant completed Equalities Impact Assessment.

### **Legal implications**

13. There are no direct legal implications arising from this report.

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#### **List of background papers:**

**Report to CEB 19<sup>th</sup> December 2012 – Rose Hill Community Facility**  
**Report to CEB 12<sup>th</sup> February 2014 – Delegated Authority to Executive Director Community Services to assign contract for construction of RHCC**

**Version 0.2**

## Appendix 1

## Risk Register

Item	Description of Risk/ Opportunity	Assessment			Degree of Risk	Consequence (Cost, Time, Fitness for Purpose)	Strategy to Control Risk
		LO	CR	RRN			
1	Programme slippage due to delay in construction contract completion	4	2	8	Very High	T	
2	Budget shortfall due to slippage in programme	2	3	6	High	C	

Key Likelihood of occurrence			Consequence of Risk		
4	Frequent	Likely to occur frequently, many times during the period of concern (e.g. project duration, life of building)	4	Catastrophic	Major failure in meeting prime project objectives
3	Probable	Several times in the period of concern	3	Critical	Significant failure in meeting prime project objectives
2	Possible	Some time in the period of concern	2	Serious	Failure to meet major project objectives
1	Remote	Unlikely but possible in the period of concern	1	Marginal	Failure to meet lesser project objectives
0	Improbable	So unlikely that it can be assumed that it will not occur or it cannot occur	0	Negligible	Minor effect on meeting project objectives

RISK	Negligible	Very low	Low	Significant	High	Very High	Extreme	Prohibitive
RRN	0	1	2	3-4	6	8	9	12+



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