

To: Cabinet
Date: 12 June 2019
Report of: Executive Director Customer and Communities
Title of Report: Award of East Oxford Community Centre Design Contract

Summary and recommendations	
Purpose of report:	To seek the release of £800k for consultancy support for the delivery of the East Oxford Community Centre including any associated social housing.
Key decision:	Yes
Cabinet Member:	Councillor E Turner, Finance and Asset Management Councillor Marie Tidball, Supporting Local Communities
Corporate Priority:	Strong and Active Communities
Policy Framework:	Community Centre Strategy
Recommendations: That the Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Approve the release of £800k of the East Oxford Community Centre Capital budget for detailed design and feasibility work, technical specification, planning and oversight of the build of the East Oxford Community Centre including social housing, to occupation. 2. Delegate to the Interim Director Communities, acting in conjunction with the Heads of Law & Governance and Finance, and in conjunction with the Portfolio Holders for Supporting Local Communities and Finance & Asset Management, the authority to enter into all necessary and appropriate contracts and to take any required steps to secure the development of the East Oxford Community Centre and associated housing. 	

Appendices	
Appendix 1	Site location plan for the three sites
Appendix 2	Risk Register
Appendix 3	Equalities Assessment

Introduction and background

1. This report seeks approval to release funds for the detailed design, feasibility, technical specification, planning and oversight of the redevelopment of the East Oxford Community Centre (the Community Centre) site to provide 900m² of community space. This includes the refurbishment of the existing community centre and additional new buildings as well as some housing on site. In addition, the Chinese Advice Centre and Fusion Arts Building on the Princes Street site will be demolished. Discussions are underway with the Chinese Advice Centre on the relocation of the Advice Centre. Film Oxford and Fusion Arts are anchor tenants in the new Community Centre. One block (“Block B”) has already been demolished and tenants relocated.
2. As part of the development, it is proposed that the Games Hall and Film Oxford sites be released for housing subject to planning. The Council is in discussion with community groups on these sites. It has been agreed with Film Oxford that they will relocate on the East Oxford Community Centre site. Games Hall users will be relocated to alternative venues.
3. Appendix 1 shows the location of the key sites.
4. The concept was developed following extensive consultation with the local community in 2016, and it is now proposed that detailed design and feasibility work be undertaken based on the preferred proposal.
5. This report seeks the release of funding for the development of proposals for the Princes Street site and concept plans for the Games Hall and Film Oxford sites.
6. Following an OJEU compliant procurement process, Arcadis has been selected to undertake this work at a total cost of £800k, from detailed feasibility and design to overseeing the delivery of the project through to occupation of the Community Centre. There are break clauses at key points in the process. Approval will be sought from Cabinet during Autumn 2019 for the release of capital funds for the build, once the work has been undertaken to complete the full business case.

Background

7. Following a desktop feasibility exercise and concept plan development in September 2017, the cost of the redevelopment of the Community Centre was estimated at £4.0m. This assumed a very modest refurbishment of the existing original school building and new build to the rear of this building (with Fusion Art, B Block and the Chinese building having been demolished).
8. It was calculated that £2.6m (Sept 2017) could be achieved if the residential development sites (Film Oxford and Games Hall sites) were sold on the open market (subject to planning permission being in place) to part fund the £4m projected cost of the Community Centre redevelopment. Capital funding of £4m was allocated in the 2017/18 budget as the Community Centre would be developed in advance of the Film Oxford and Games Hall sites being sold for housing, subject to planning approval.
9. In addition to the £4million, £10.6m was approved in the Housing Revenue Account (HRA) Capital Programme to fund land purchase, assumed as £2.6m, plus construction/ delivery cost of the housing. The Council has recently been considering its strategic direction in respect of its development of housing following the removal of the debt cap in the HRA in October 2018. If approved by Cabinet in May 2019, any subsequent housing scheme including social housing, arising from the East Oxford Community Centre site could be undertaken in the Housing Company financed by the HRA. The budget in the HRA and the reflection of General Fund borrowing to the Housing Company will be updated at an appropriate time.
10. Members should note that the cost estimates included in this report were based on 2017 figures, these estimates will need to be reviewed and updated following the completion of the detailed design and members will be updated on the revised cost of the project when Project approval is sought in a further report to Cabinet. Key issues that could impact costs include:
 - (a) Residential property values may have changed since the development was originally proposed
 - (b) Build cost inflation
 - (c) The need for all new public buildings to comply with almost zero carbon standards from September 2019
 - (d) The cost of project management, design and feasibility not being fully costed as part of the original proposals.
11. There was a delay to the project in 2018 whilst consideration was given to the co-location of Oxfordshire County Council facilities on site to offset the on-going cost of the community centre operations. Due to the footprint and level of dedicated space the County Council required combined with the impact it would have on the

availability of community space, the City Council decided not to proceed with this option in October 2018.

12. An agreed detailed scheme for the Community Centre and associated housing on the Princes Street site now needs to be worked up, with the reference group being an important partner in that discussion. Allocation of the requested funds for detailed design and feasibility, estimated at £500k, will determine whether the proposal is feasible, financially viable and affordable. If this is the case, then a business case will be prepared to Cabinet for project approval to award a build contract. Consultant oversight of the project to occupation will cost an additional £300k.
13. Subject to detailed feasibility, it is intended that any new homes on the Princes Street site will be offered for social rent within the HRA. Given that new community space must meet zero carbon or almost zero carbon build standards, there is an opportunity to explore the possibility of building the integrated social housing to a similar standard. The detailed study will include a full assessment of the feasibility of this aspiration.
14. If there are no issues arising from detailed design, feasibility and consultation, it is anticipated that an application for planning permission for a Community Centre scheme will be submitted in Autumn 2019.

Procurement process

15. In December 2018, a procurement exercise as set out in the following paragraphs, was undertaken for a Dynamic Purchasing System (DPS) framework to appoint an external design and delivery professional team to design and deliver the community and residential development.
16. The specification included all professional services from feasibility through to practical building completion. This approach was taken to ensure the ability to use the same external advisors throughout the design and delivery process, avoid any delay and to ensure value for money by packaging up the work as a single contract.
17. The appointed supplier would comprise a lead company bringing in sub-consultants where required. Key requirements of the team are a strong project manager who can proactively manage the diverse workstreams, and an architect and team who are experienced in the engagement and design issues associated with community use. The external project manager would report to the internal client project manager – providing the latter with a single point of co-ordination and liaison for efficiency.
18. The Council's 'Development Management (DPS) Framework was used to procure the relevant team, via mini competition. The framework was established by the

Council specifically for the procurement of suppliers for end to end professional services for design/development projects.

19. Three companies submitted tenders in January 2019. Since then the Communities Team has developed a User Brief and interviews were held in April 2019 to further evaluate the external teams and their proposals.
20. The tenders were scored using the Council's standard scoring mechanisms on the basis of the DPS 70% (price):30% (quality) weighting. The Procurement rules allow for the evaluation criteria to be varied from the standard 60/40 quality price split when this framework is used. The use of a framework has already established the quality of the suppliers being invited to tender through the mini competition and consequently a split of 70/30 in favour of price is used for contracts like this.
21. Arcadis have been selected as the preferred consultant team.
22. The design / delivery team appointment and contract would be structured so that the work is undertaken in stages such that the Council is only committed to one stage and the relevant fee expenditure at any point in time. This would broadly follow the Royal Institute of British Architects (RIBA) stages of design/ build. The cost breakdown is estimated as:
 - Detailed feasibility, design, and preparing an application for planning permission (£500k)
 - Preparing a detailed specification, build tender and project oversight (£300k)
23. Work will be appointed in stages and the Council reserves the right to terminate the contract at any point, subject to payment for services already satisfactorily undertaken. It should be noted that detailed feasibility work may result in a scheme not progressing beyond that stage.

Financial implications

24. Council through the Medium Term Financial Plan and 2017/18 Capital Projects Programme, originally approved a total budget of £4 million to complete the project. Paragraph 18.12 of the Council's Constitution requires that project approval is sought from Cabinet for all projects in excess of £500k. Since the work will cover detailed feasibility and design through to oversight of the build and occupation of the buildings, totalling £800k, approval is sought from Cabinet to commission this work to take the project forward. Once feasibility and design work has progressed to the point that a Full Business Case including updated costings, can be presented, approval will be sought from Cabinet for the whole East Oxford Community Centre scheme.

25. The value of the land released for housing is estimated at £2.6m, which will provide part funding for the scheme.

Legal Implications

26. By virtue of Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 the Council has discretion to provide, inside or outside its area, such recreational facilities as it thinks fit and those powers specifically include powers to provide indoor facilities for sports activities as well as premises for the use of clubs or societies having athletic, social or recreational objects and staff, including instructors, in connection with any such facilities or premises provided by the Council; This power would encompass the work proposed to be undertaken in this report in relation to the provision of an enhanced community centre in East Oxford.

27. The Consultant team – Arcadis has been procured in accordance with the Council’s Contract rules by establishing a dynamic purchasing system framework set out in the Paragraph 19.18 (b) of the Council’s Constitution (version April 2019).

Level of risk

28. A Risk Register is attached (Appendix 2).

Equalities impact

29. An Equalities Assessment is attached (Appendix 3).

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Background Papers: None