

To: Cabinet
Date: 19 December 2019
Report of: Executive Director Customer and Communities
Title of Report: Bullingdon Community Centre

Summary and recommendations	
Purpose of report:	The Council intends to replace the existing building that has reached the end of its life with a modern fit for purpose community centre. As such this report seeks project approval and a recommendation to Council to increase the total project budget and delegation to award the construction contract to Oxford Direct Services
Key decision:	Yes
Cabinet Member:	Councillor Tidball (Supporting local communities)
Corporate Priority:	Strong and Active Communities and Efficient and Effective Council
Policy Framework:	Community Centre Strategy 2016-2020
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Grant Project Approval to replace the existing end of life community building at Bullingdon with a modern fit for purpose facility that meets the needs of the community; 2. Delegate to the Executive Director Customer and Communities in consultation with the S151 officer and Head of Law and Governance the award of the contract to Oxford Direct Services Ltd subject to the full tender submission being within the agreed budget; and 3. Recommend to Council to increase the total project budget by £200,000 to £1,403,000. This is included as part of the consultation budget. 	

Appendices	
Appendix 1	Equalities Impact Assessment
Appendix 2	Risk Register
Appendix 3	Community groups using Bullingdon Community Centre
Appendix 4	Contract costs (confidential)

Introduction and background

1. Bullingdon Community Centre was originally built in the 1950's, a second hall was added in the 1960's and some additional toilets and changing rooms in the 1980's.
2. The centre has reached the end of its life and the main hall is currently being propped up by temporary pillars due to subsidence and failure of the concrete frames.
3. The centre is managed by Bullingdon Community Association (BCA). The BCA has been a registered charity since 1966 and operates under a constitution. The centre predominantly serves the wards of Churchill and Lye Valley, although some users of the centre do also come from further afield.
4. The centre has over 60 hours per week of bookings, and around 400 visits per week. There are a variety of different groups that use the centre and activities that are being delivered. These include Orinoco scrap and recycling store, Age UK, swap shop, activate learning art classes, Willya trust language classes, Bullingdon toddlers group and Bullingdon youth football club. A more detailed list is found in appendix 3
5. The project consists of the demolition of the existing building with the proposed replacement of a new modern fit for purpose facility of around the same size (circa 400m²).
6. A full needs assessment has been undertaken. This highlights the lack of community facilities within the proximity with the Bullingdon Community Centre the only community centre within the wards and a shortage of meeting places and social space in the two wards.
7. The needs assessment also highlights the above average growth of the population in the area and in particular of BAME (black and minority ethnic) groups.

Feasibility work

8. Officers have worked with Jessop and Cook architects and RIDGE consultancy to undertake a detailed and robust feasibility exercise for Bullingdon Community Centre. The feasibility work has included all of the necessary surveys, title and legal reports, design development, community engagement and pre-tender cost estimates.
9. The feasibility work identified some cost risks to the project. These have been identified as the proximity of the existing facility to an old quarry, its proximity to the Lye Valley SSSI nature reserve and Regulation 25B of the Buildings Regulations which was implemented in January 2019 on 'nearly carbon zero public buildings'

10. To mitigate the quarry risk, a ground investigation survey was undertaken to look at the impact of the quarry. To obtain complete certainty and assurance there will need to be an additional ground survey undertaken after demolition within the footprint of the existing building. However, Ground Investigations Services Ltd who conducted the survey are relatively confident on the actual quarry size at this point given the detailed survey already conducted in March 2019. A design to mitigate the impact of the Quarry through piling has also been drawn up.
11. Given the proximity to the Lye Valley nature reserve a drainage scheme has been designed that improves the existing drainage scheme and provides a soakaway further away from the Lye Valley.
12. To meet the current building regulations and the Council's priority on climate change the building has been designed to be very energy efficient to meet the nearly carbon zero criteria and is well insulated. It will include renewable energy measures such as solar panels, LED lights and energy efficient plant.
13. To effectively address the cost issues of regulation 25B, the quarry and improved drainage solution it is recommended to Council to increase the project budget by £200,000.

Design development and community engagement

14. A thorough engagement exercise has been undertaken with the Bullingdon Community Association (BCA) who have been integral to the development of the designs for the new centre.
15. Officers have worked closely with the BCA and with their architect who is from Oxford Brookes University which has resulted in a positive engagement process over several months. The engagement culminated in a full public engagement event that was held on 4 July 2019 attended by over 60 people, including users and non-users of the centre. There was generally very positive feedback from the community.
16. The plans have been informed by advice received from planning officers during the pre-planning process and building control feedback has also been incorporated to try to de-risk potential costly adaptations during the detailed design phase.
17. The BCA endorsed the plans on the 6 August 2019 and the designs were then finalised
18. With the plans being finalised on 6 August 2019 this has enabled the completion of the feasibility study undertaken by Jessop and Cook and has also allowed the quantity surveyor to work up in full the pre tender cost estimates for the project.

Award of Contract

19. Oxford Direct Services Ltd (ODSL) has confirmed its interest in this project and has submitted a pre-tender estimate for the construction works as shown at Confidential Appendix 4.
20. Through Jessop and Cook the Council engaged a quantity surveyor to price the works and this showed a pre-tender estimate of as shown at Confidential Appendix 4 which is very similar to that supplied by ODSL. This was sense checked by RIDGE cost consultancy who similarly supported that this estimate

was in the expected price range but highlighted the need to obtain the certainty of fixed costs.

21. In view of the interest from ODSL, its involvement in the project to date and the pre-tender estimate provided, approval is sought to delegate to the Executive Director Customer and Communities in consultation with the S151 officer and Head of Law and Governance the ability to award the contract to ODSL as the Council's contractor. It is expected that ODSL will confirm a final fixed contract price in January 2020 once they have completed the tender process for subcontractors.
22. The feasibility and cost work highlighted in paragraph 13 has meant that the current approved capital budget of £1,203,000 is not sufficient to deliver the scheme as designed. To ensure that the Council has incorporated the required professional fees and a client contingency of 10%, a total project budget of £1,403,000 would be required. This is a deficit of £200,000 on the approved budget.

Other options for delivery

23. Other options for delivery were explored to deliver this community building replacement within the £1,203,000 budget and these included
 - Building to a smaller footprint
 - Removing the second hall and
 - Exploring the potential of bringing in external funding. An additional option is to 'do nothing' however given the current state of the building it is likely that the building will fail within the next 10 years.
24. The BCA and wider community were clear that any option that reduced the building size would compromise their business plan and the ability to deliver activities and programmes for the community effectively.
25. Officers have been exploring external funding options and there are some funding opportunities around low carbon and energy efficiency where there is a possibility of success. However this is unlikely to be in the region required to plug the funding gap and there is a risk that the timescales for external funding applications and subsequent decisions would delay the project with no guarantee of success.

Current progress

26. A planning application has been submitted and is likely to be considered by the planning committee in February 2020.
27. To ensure that the Council has a fixed contract price ODSL has (at its own risk and subject to project approval by Cabinet) advertised for sub-contractors on the South East Business Portal. This will close in December 2019 and tenders have been marked to indicate that they are subject to the necessary Cabinet, Council and planning approvals. A thorough evaluation of tenders will be undertaken involving both ODSL and Council officers.
28. To mitigate the risk of costs increasing and to deliver this project in a cost effective way ODSL has asked tenderers to tender against the full design, but to also advise of any potential value engineering or innovative solutions to bring the project within the current budget or to further reduce costs.

29. Once ODSL has all of its subcontractors' prices then it will provide a fixed contract price to Council officers who will review this together with an external quantity surveyor to ensure that the Council satisfies its duty to secure best value

Benefits

30. There are a significant number of benefits to the community and to the Council of progressing with the recommended option of a full replacement community facility in line with the plans agreed with the BCA and these include;
- Replaces an end of life facility with a modern facility with flexible space for the future.
 - Contributes towards the Council's climate change agenda with virtually a carbon zero building that includes solar panels, high levels of insulation and excellent energy efficiency.
 - Meets the needs of current and future users.
 - Reduces running and maintenance costs
 - The building will enable more inclusive use in line with the relevant legislation in this area, increasing accessibility.
 - Enables the BCA to generate the required levels of income to remain sustainable in the future through more bookings in the improved more flexible and accessible spaces.

Health and Safety

31. ODSL is a suitably qualified and experienced contractor and has undertaken projects such as the construction of Quarry Sports Pavilion previously.

Financial Implications

32. Cabinet is requested to recommend to Council the additional £200,000 that will enable a total project budget of £1,403,000. Noting that officers will also continue to explore external funding, value engineering and any opportunities around construction innovation.
33. The BCA manage and operate the centre and will continue to be responsible for the operational costs. The project will remove the Council's maintenance backlog and liabilities for the building. The BCA will be offered a 25 year lease in line with the terms approved by Cabinet on 20 June 2017.

Legal issues

34. Under section 111 Local Government Act 1972, the Council has the power to enter contracts to discharge local authority functions.
35. The Council has a duty to consider best value under section 3 of the Local Government Act 1999. securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness
36. The Council has power to provide such recreational facilities as it thinks fit including to provide buildings pursuant to section 19 local Government

(Miscellaneous Provisions) Act 1976 Under section 19.12(c) of the Council's Constitution, where the Council wishes to let a contract to a company which it owns under S12(1) Public Contract Regulations 2015 (in this case ODSL) there is no legal requirement for Council to seek alternative quotes or tenders.

37. The quantity surveyor has been appointed to demonstrate value for money and ensure unlawful state aid is avoided.

Equalities impact

38. An equalities impact assessment has been completed. In summary the modern replacement facility will provide much improved accessibility and also provide spaces that can be used flexibly for a variety of different activities that are suitable for the local community and wider.

Risk

39. The costs will only be fixed when the Council has had the full tender return from ODSL. Although the Council has had expert analysis of the pre-tender estimates, there is still a risk that due to market forces the tenders received exceed the budget.

40. To try and mitigate against this ODSL has also asked tenderers to advise of any potential value engineering or innovative solutions to bring the build costs within the existing budget or to further reduce costs.

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Background Papers: None