



Cabinet

Tuesday, 9 June 2020

Chapel Lane Development

Report of the Executive Manager – Communities

Portfolio Holder for Business and Transformation, Councillor Andy Edyvean

1. Purpose of report

- 1.1. The Council's Corporate Strategy Action Plan (2019-2023) identifies the projects the Council is dedicated to delivering. The action plan establishes development of a new leisure centre, community hall and separate office building on a Council owned site at Chapel Lane in Bingham as a priority in order to provide employment and leisure opportunities in the area, and meet the needs of a growing community.
- 1.2. On 12 February 2019, Cabinet authorised procurement of a professional team to progress designs for the leisure and office scheme, requiring the process to be overseen by a Cabinet-led Member Group. Cabinet also approved the inclusion of £20m in the Council's Capital Programme to deliver the scheme. This was subsequently supported by Council on 7 March 2019.
- 1.3. On 14 January 2020, Cabinet approved the RIBA (Royal Institute of British Architects) stage 3 design and cost plan in line with agreed budgets; and also approved the additional costs associated with the inclusion of carbon reduction measures in line with the Council's commitment to carbon management.
- 1.4. This report provides Cabinet with an update on the designs and cost plan, which have been developed with oversight from the Member Group to RIBA stage 4. In response to the technical challenges of the site and following value engineering exercises, the report incorporates several changes to minimise unnecessary cost whilst maximising the energy efficiently and sustainability of the facilities.
- 1.5. On 10 March and 2 June 2020, the Bingham Leisure Centre Member Group provided oversight and feedback in relation to the design proposals, cost plan, existing leisure contract, proposals for naming of the leisure/community hall and office buildings, and the procurement strategy.
- 1.6. A further report covering tender evaluation will be brought to a future Cabinet seeking approval to appoint a construction contractor.

1.7. This report does not cover:

- the ongoing negotiations for future operational management of the new leisure centre, these will be presented to a future Cabinet meeting;
- the renegotiation of the joint use agreement with Nova Education Trust for continued community use of the sports halls and outdoor sports facilities at Toot Hill School; and
- the tender timetable in response to the Covid-19 global pandemic. It seeks to delegate responsibility to the Executive Manager for Communities, in consultation with the Portfolio Holder for Business and Transformation, to satisfy themselves that proposals are appropriate and invitations to tender are not issued until the market can respond accordingly.

1.8. The Council is currently considering all Capital Programme projects in light of the current Covid-19 crisis, the development and phasing of the Bingham Chapel Lane development will be considered as part of this process.

2. Recommendation

It is RECOMMENDED that Cabinet:

- a) Approves the RIBA stage 4 design and cost plan recommended by the Member Group as detailed in Appendix 1 and 2, which is in line with the approved budget.
- b) Approves the Procurement Strategy as recommended by the Member Group to use the Procurement Partnerships Framework.
- c) Delegates responsibility for proceeding to tender to the Executive Manager for Communities in consultation with the Portfolio Holder for Business and Transformation.
- d) Agrees that a report be brought back to Cabinet with the outcome of any tender exercise to seek approval for any phasing of the build, the procurement timetable and to appoint a construction contractor.
- e) Delegates negotiation and completion of the Basic Asset Protection Agreement (BAPA) with Network Rail to the Executive Manager for Communities in consultation with the Section 151 officer and the Monitoring Officer.

3. Reasons for Recommendation

3.1. The Member Group met six times between June 2019 and June 2020, shaping the design development process and endorsing the RIBA stage 4 designs. The designs contribute to the delivery of the Bingham Master Plan, are energy

efficient and meet the needs of both community leisure users and competitive swimmers. Full planning approval was received on 29 April 2020.

- 3.2. The proposed timetable to complete works is still on schedule to be completed by December 2021; however, there is an associated risk that this may be affected by Covid-19 and any pause will impact on the programme timetable.

4. Supporting Information

- 4.1. Following the appointment of Henry Riley to project manage the multi-disciplinary design team, a series of regular design team meetings were held with Council officers to consider input from stakeholders such as Swim England, sports clubs and the current leisure operator. Further consultation took place through an on-line sports club user survey, public displays of draft plans, intelligence gathering from other local authority leisure providers, Bingham Growth Board, a Bingham Town Council facilitated public meeting, Network Rail and Nova Education Trust.

- 4.2. A Cabinet-led cross-party Member Group was set up to oversee the project. The group met four times in 2019 and twice in 2020, with a summary of the meeting dates and content as follows:

June 2019 – The Group agreed the project objectives, project management structure, budget and delivery timeline.

September 2019 – The Group commented on the findings of the on-line club survey, design considerations in relation to site layout, community hall, swimming pool spectator seating and moveable floor options for the swimming pool.

October 2019 – The Group considered updated designs and the RIBA stage 2 cost plan for the leisure and office buildings including building finishes and carbon reduction options.

December 2019 – The Group reviewed the RIBA stage 3 designs and cost plan and supported submission for planning approval subject to enhancing the kitchen facility in the community hall. Councillors endorsed £350k of additional energy efficiency measures to support the Council's commitment to reducing carbon emissions. Councillors held mixed views regarding the financial justification for a moveable pool floor and ultimately decided that the project should proceed with a traditional fixed pool floor.

March 2020 – The Group considered several emerging matters relating to the pool construction and design, the water table and its effect on drainage, mitigation measures related to planning, the office fit out costs, procurement routes and naming of the new facilities. It was agreed, subject to consultation with Bingham Town Council, that the buildings be called Bingham Arena, for the Leisure/Community Hall, and Bingham Enterprise Centre (BEC), for the office development.

June 2020 – The Group reviewed the RIBA stage 4 designs and cost plan pre-tender estimate (as detailed in paragraph 7.1-7.1.6 and Appendix 1) and the procurement strategy which after considering both legal and procurement advice recommended that the Procurement Partnerships Framework offers advantages over the traditional ‘Official Journal of the European Union’ (OJEU) procurement process.

- 4.3. The built facilities on the site consist of a leisure centre with community hall and a commercially lettable office space.
- 4.4. The leisure centre contains a 25 metre x six-lane swimming pool with fixed floor and seating for 330 spectators/competitors, 13 x 7 metre learner pool, café, two exercise studios, spin studio, fitness gym and associated changing accommodation. The large community hall, which is 260sqm, has capacity for 300 people, a fixed stage area with dedicated changing, control room, kitchen and storage. The community hall element of the leisure building is substantially funded through the Bingham Community Chest and section 106 contributions. In accordance with the section 106 criteria, there are ongoing positive discussions with Bingham Town Council to finalise the detailed specification of this facility and the associated funding.
- 4.5. The office building contains six ground floor offices ranging in size from 70sqm to 88sqm, the first floor contains thirteen offices ranging in size from 8sqm to 33sqm, a breakout area, meeting room and shared working space.

5. Alternative options considered and reasons for rejection

- 5.1. A revised specification alternative design could be developed; however, this would require an amendment to the planning submission, would lead to increased costs and delay project delivery. The proposed designs cater for a range of community, leisure and business needs, whilst minimising carbon emissions and are within the budget allocated for the project.
- 5.2. The design allows for the build to be phased, paused or amended to meet any emerging requirements from the Covid-19 pandemic.

6. Risks and Uncertainties

- 6.1. There is a risk associated with Brexit, which has recently increased the building industry inflation indices. There is a risk that indices may fluctuate further prior to tendering for a construction contractor. The overall project budget contains a contingency, which could be used to mitigate this risk.
- 6.2. There is risk associated with the Covid-19 global pandemic leading to time delays and cost implications in delivering the project. There has been no guidance on the need to change designs as a response to the pandemic but if anything emerges, the design team will respond accordingly. Tenders will not be sent out until we are satisfied that proposals are appropriate for market conditions that and the market can respond.

- 6.3. There is an associated risk with the current leisure operator with recommendations on the future contractual arrangements and the variation with Parkwood/Lex Leisure be submitted to a future Cabinet meeting.
- 6.4. There is a risk that costs could increase due to abnormal ground conditions or unforeseen circumstances; however, a wide range of site surveys have been undertaken during the design development process and appropriate mitigation built into the cost plan.
- 6.5. There is an associated risk with Network Rail and discussions are ongoing regarding the need for a Basic Asset Protection Agreement (BAPA) which is sought if a development is taking place adjacent to an active railway line. The BAPA seeks to provide mitigation of this risk.
- 6.6. The proposed timetable to complete works is still on schedule to be completed by December 2021; however, there is an associated risk that this may be affected by Covid-19.
- 6.7. There is a risk that the changing economic environment and working requirements as a result of Covid-19 could reduce the demand for office space and, therefore, rental income associated with it.
- 6.8. The Council is seeking grants to support the community hall and office build and there is an associated risk with any grant being revised or withdrawn.

7. Implications

7.1. Financial Implications

7.1.1. There is £20m earmarked in the Capital Programme for this project. It will be funded by just under £3m section 106 contributions (of which £1.2m is from Bingham Community Chest for the community hall), £924k LEP funding (£174k towards the community hall and £750k towards the office), £1.6m European Regional Development Sustainable Urban Development Funding for the office, up to £10m borrowing and the balance from capital receipts. The external funding secured is all subject to completion of final businesses cases. At RIBA stage 4 the pre-tender estimated costs of the project are £18.54m, which includes the refurbishment of 10 industrial units (which have been carried out) and planning fees.

7.1.2. In addition, a provision of £0.750m is required for client specification furniture, fixtures, and fittings and £0.250m has been earmarked to support any remedial works to facilitate our partial withdrawal from the existing Bingham site and to allow continuance access to Community Leisure. There will also be additional costs to be met by the Council such as of employing a Clerk of Works to oversee the project from the client side together with internal project management costs giving a total project value of £19.67m for the delivery of the project.

7.1.3. The below table captures the changes to the design and cost plan since the last report to Cabinet on 14 January 2020:

Main changes since Jan 2020 impacting on cost plan		
Value engineering exercise in Feb 2020	(£341,869)	Foundation & drainage strategies. Reduced building height
Rationalisation of spectator seating	(£100,000)	Style and layout, not capacity
Myrtha Pool tank construction rather than traditional	£235,000	Supported by MWG March 2020 to unfavourable ground conditions
Offsite Biodiversity gain allowance	£56,000	Requirement of planning approval
Additional permeability to the carpark	£63,000	Requirement of planning approval
Network Rail S.106 for foot crossing improvements	£20,000	Requirement of planning approval
Continuation of footpath and connection to Bridleway	£20,000	Design item omitted in error previously
Glazed partitions and access control to offices	£65,000	Design development
Sprung floors to dance studios	£30,000	Design development
Platform lift for disability access to stage	£25,000	Design development
Revised cut and fill analysis to account for the additional fill required as per the structural engineer's stage 4 design	£88,308	Design Development
Increased cost in Brickwork as result of supply rates moving from £550/1000 Bricks to £ 770/1000 Bricks	£129,961	Market fluctuation
NET INCREASE	£290,400.00	

7.1.4. To allow for increases in inflation indices as referred to in paragraph 6.1 the total development cost estimates include contingency at 3% to mitigate this risk.

7.1.5. The budget allows for up to £10m borrowing which would result in a revenue cost of £390k per annum over 40 years. This is subject to the interest rates at the time of borrowing.

7.1.6. As referred to in paragraph 6.3 the anticipated contract savings from the Leisure Contract require re-negotiation; however, there will be capital investment for environmental initiatives and the anticipated financial savings should be allowed for in the future negotiations of the contract. These will be included in the Transformation Programme along with expected annual gross revenue from the new offices of around £85k, current estimated capital costs of the offices are £3.759m. This does not give a very good commercial rate of return but there are wider benefits in terms of additional business and job creation.

7.1.7. Due to Covid-19, there is a risk to the contract savings from the management of the Leisure Centre and income from the offices. The capital costs and associated borrowing costs could also significantly increase if prices were to be affected. The viability of the project would need to be reassessed in the light of any significant changes.

7.2. Legal Implications

7.2.1. The report confirms the procurement strategy in compliance with the regulations and supports the Council's statutory duty to secure best value under the Local Government Act 1999. The project budget has been approved by Council, and the recommendations are within that.

7.2.2. Whilst the BAPA with Network Rail is not a legal requirement, it is good practice. As the development is occurring adjacent to a railway line, in the absence of a BAPA Network Rail could seek an injunction to delay the works to seek engagement with them. The liability under the BAPA is unlimited for interference with the railway. If the terms of the BAPA are not agreed, Network Rail could seek recovery of the remedial costs arising from works that have interfered with the railway line in any event. The BAPA is required to be agreed in accordance with the Council's insurance cover.

7.3. Equalities Implications

7.3.1. By providing a new leisure facility in Bingham, the Council will be able to sustain the existing provision whilst it is being built and, therefore, not cause any adverse effects on specific groups. The designs for the new leisure facility and offices meet the requirements in relation to accessibility and equalities legislation, including accessible equipment and concessions for underrepresented groups.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

7.4.1. The Department for Culture Media and Sport has studied published evidence on the varied benefits of sport. Key findings are that underachieving young people who take part in sport see a 29% increase in numeracy skills and a 12-16% rise in other transferable skills. Investment in sports programmes for at-risk youth are estimated at £7.35 of social benefit for every £1 spent – through financial savings to police, the criminal justice system and the community.

8. Link to Corporate Priorities

Quality of Life	The new leisure and community facilities will provide much needed community infrastructure, which has been identified as, needed within the Bingham Community Plan and Rushcliffe Borough Council Leisure Facilities Strategy.
Efficient Services	The new facilities will be more efficient to operate than the current outdated Bingham Leisure Centre and deliver revenue cost savings to the Council through the leisure contract.
Sustainable Growth	Developing this strategic site will deliver the vision within the Bingham Master Plan to enlarge the local centre. Creation of a modern 10,000 sq/ft office hub for small and medium sized enterprises will create up to 91 FTE jobs and support economic growth by meeting a gap in the market not met by private developers.
The Environment	The new facilities will incorporate over £350k of energy efficiency measures to minimise the carbon emissions from this site. Technology proposed includes a combined heat and power system, photovoltaic panels, LED lighting, office heat recovery units and air source heat pumps.

9. Recommendations

It is RECOMMENDED that Cabinet:

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- b) Approves the Procurement Strategy as recommended by the Member Group to use the Procurement Partnerships Framework
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- e) Delegates negotiation and completion of the Basic Asset Protection Agreement (BAPA) with Network Rail to the Executive Manager for Communities in consultation with the Section 151 officer and the Monitoring Officer.

For more information contact:	<p>Dave Mitchell Executive Manager - Communities</p> <p>dmitchell@rushcliffe.gov.uk</p>
Background papers available for Inspection:	<p>Report to Cabinet 14 January 2020 'Chapel Lane Development'</p> <p>Report to Cabinet 12 February 2019 'Bingham Leisure Centre – Review of Chapel Lane Site'</p>
List of appendices:	<p>Appendix 1 – RIBA Stage 4 cost plan and pre tender estimate</p> <p>Appendix 2 - Plans and elevations</p>

Appendix 1.1 – RIBA Stage 4 cost plan and pre tender estimate

RUSHCLIFFE BOROUGH COUNCIL

BINGHAM LEISURE CENTRE

STAGE 4 - COST PLAN

BUDGET RECONCILIATION

Group Elemental Breakdown

- 1 HENRY RILEY COST PLAN
- 1 PLANNING FEES
- 3 REFURBUSH INDUSTRIAL UNIT
- 4 Carbon Zero Budget * (Subject to approval)

Subtotal: Budget Tracker

Additional Scope Change

- 5 MOVEABLE FLOOR
- 6 OFFICE CAT B
- 7 CARBON ZERO TECH

Total: Budget Tracker

	(1) CURRENT - STAGE 4	(2) PREVIOUS - STAGE 3	(1) - (2) DIFFERENCE	Approved Budget (3)	(1) - (3) DIFFERENCE
1 HENRY RILEY COST PLAN	18,395,682	18,034,554	361,128	17,967,276	
1 PLANNING FEES	75,000	75,000	0	75,000	
3 REFURBUSH INDUSTRIAL UNIT	70,029	70,029	0	70,029	0
4 Carbon Zero Budget * (Subject to approval)	Included	Included		0	0
Subtotal: Budget Tracker	18,540,711	18,179,583	361,128	18,112,305	0
5 MOVEABLE FLOOR	0		0	Excluded	Excluded
6 OFFICE CAT B	Included	281,446	-281,446	281,446	Included
7 CARBON ZERO TECH	Included	Included	0	0	0
Total: Budget Tracker	18,540,711	18,461,029	79,682	18,393,751	146,960

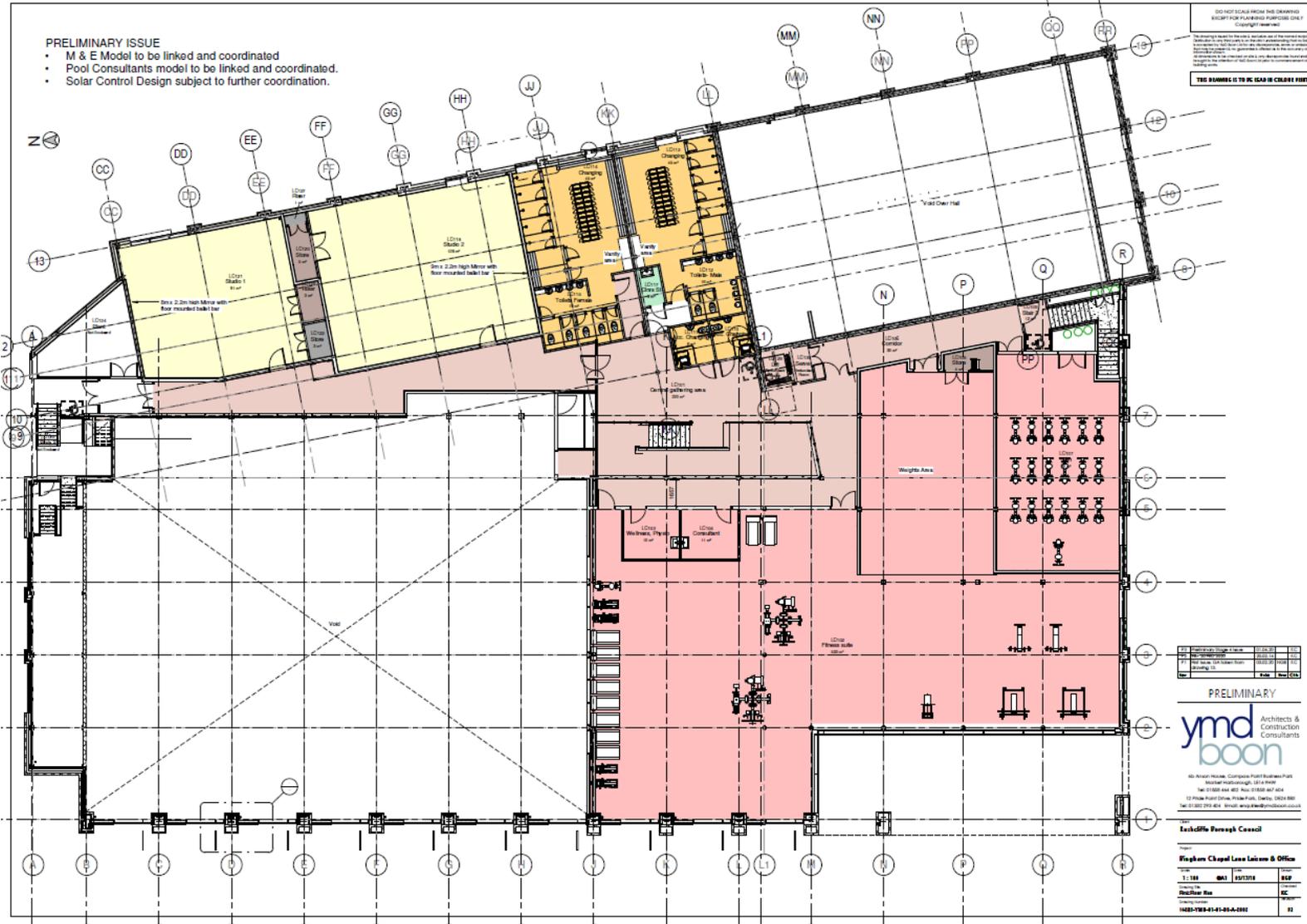
Appendix 1.2 – RIBA Stage 4 cost plan overall breakdown summary

Stage 4 Plan Overall	Leisure Centre	Community Hall	Office	Industrial unit Refurbishment and planning fees	Totals
Summary of component elements	£13,290,993	£1,345,022	£3,759,667	£145,029	£18,540,711

Appendix 2- Plans and elevations



Leisure and community First Floor



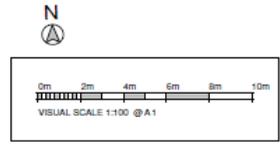
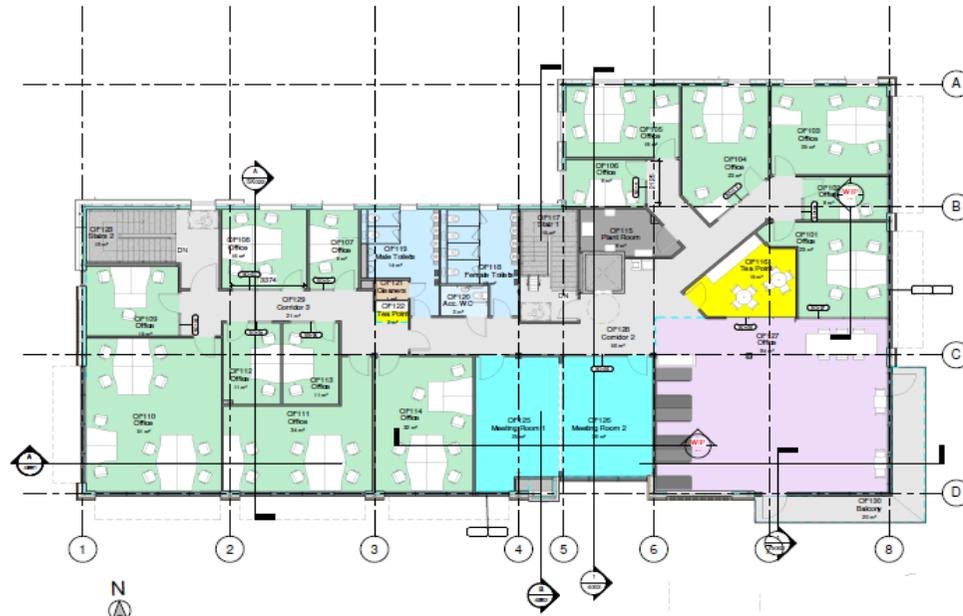
Office First Floor

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1 Floor Plan - Level 1
1 : 100

First Floor Schedule				
Name	Room Number	Area	Occupancy	m ² per occupant

No.	Description	Area	Units	Area	Units
1	Office	1000.00	AM	1000.00	AM
2	Meeting Room	100.00	AM	100.00	AM
3	Plant Room	100.00	AM	100.00	AM
4	Store	100.00	AM	100.00	AM
5	Restroom	100.00	AM	100.00	AM
6	Corridor	100.00	AM	100.00	AM
7	Staircase	100.00	AM	100.00	AM
8	Other	100.00	AM	100.00	AM
Total	 	1600.00	AM	1600.00	AM

INFORMATION



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Client:
Kushcliffe Borough Council

Project:
Bingham Chapel Lane

Scale	Sheet	Date	Status
1 : 100 @ A1	01	13/01/19	MM
Drawn by:	First Floor plan - Office	Checked:	KC
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Elevation Leisure/Community and Offices







