

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 22 SEPTEMBER 2015

Title of report	BUILDING CONFIDENCE IN COALVILLE – PROCURING SPECIALIST ADVISORS
Key Decision	<p>a) Financial Yes</p> <p>b) Community Yes</p>
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Purpose of report	To obtain Cabinet’s authority to progress the Coalville project, including as its first stage improvements to the Council Offices, and award contracts for supplying specialist services in support of the Coalville project.
Reason for Decision	To seek Cabinet’s authority to award the professional services contracts to support the Coalville project.
Council Priorities	<p>Value for Money</p> <p>Business and Jobs</p> <p>Homes and Communities</p> <p>Green Footprints Challenge</p>
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p> <p>Equalities Impact Screening</p>	<p>Included within the report</p> <p>None</p> <p>A lack of appropriate specialist support will impact on the quality, cost and timescales of the Coalville project</p> <p>Not applicable</p>

Human Rights	None
Transformational Government	Working with other public and private partners to deliver a better deal for Coalville and maximising investment to build confidence in the town and community.
Comments of Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	Regeneration Strategy for Coalville (Prince's Foundation for the Built Environment) 2010 Four Squares and Four Streets Investment Plan
Recommendations	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. AGREES THE DIRECTION OF TRAVEL FOR THE COALVILLE PROJECT; 2. APPROVES THE AUTHORITY ACCESSING THE SCAPE MAJOR WORKS FRAMEWORK TO COMMENCE THE FEASIBILITY STAGE OF PHASE 1 OF THE BUILDING CONFIDENCE IN COALVILLE PROJECT; 3. DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE IN CONSULTATION WITH THE LEADER TO ENTER INTO ALL NECESSARY AGREEMENTS IN SUPPORT OF RECOMMEDATION 2; 4. DELEGATES AUTHORITY TO THE HEAD OF FINANCE AND THE CHIEF EXECUTIVE TO NEGOTIATE AND AGREE HEADS OF TERMS, LEASE AND ASSOCIATED DOCUMENTS WITH THE DEPARTMENT FOR WORK AND PENSIONS; AND 5. APPROVES THE PROPOSED PROJECT UPDATE STRUCTURE AT PART 6 OF THIS REPORT.

1.0 BACKGROUND

- 1.1 Cabinet will recall in 2010 the Prince's Foundation for the Built Environment produced a regeneration strategy for Coalville which assisted the Authority in developing the Four Squares and Four Streets investment plan. By way of reminder, the four squares (and their linking streets) are:

- 1.1.1 Stenson Square – being the area in front of Stenson House (including the Council Offices footprint and London Road Car Park);
 - 1.1.2 Memorial Square – being the area around the memorial clock tower;
 - 1.1.3 Marlborough Square – being the area around the former Emporium nightclub; and
 - 1.1.4 Belvoir shopping centre.
- 1.2 Recent successes in terms of the redevelopment of Coalville town centre include:
- 1.2.1 the Authority's collaboration with EMH to redevelop the former Pick and Shovel site in Memorial Square;
 - 1.2.2 the roll out of the Authority's Coalville Shop Fronts Improvement Scheme on Hotel Street and High Street, which is ongoing;
 - 1.2.3 the current works to redevelop the Motors Coalville site opposite the Council Offices and Stenson Square; and
 - 1.2.4 improvements to the market and the car park area which backs onto the Belvoir Centre.
- 1.3 The Authority has a proven track record of working with other public and third sector bodies, particularly in relation to shared accommodation. The Department for Work and Pensions (DWP) in Coalville has expressed a desire to move from their current site on Whitwick Road into the Council Offices.

2.0 BUILDING CONFIDENCE IN COALVILLE

- 2.1 As part of the Leader's commitment following the election in May 2015, the Authority is looking at ways in which it can support the regeneration of Coalville, including developing work already undertaken in relation to the town centre, particularly the Four Squares and Streets investment plan.
- 2.2 The full scope of this work, under the banner "Building Confidence in Coalville" is yet to be fully determined. Some of the potential areas for consideration and development include:
- 2.2.1 improvements to the public realm;
 - 2.2.2 phase 2 of the shop fronts improvement scheme;
 - 2.2.3 opportunities to support business start-ups;
 - 2.2.4 matters arising as part of the car parking strategy;
 - 2.2.5 improvements to public spaces in the Council Offices.

- 2.3 At this stage, it is difficult to assess the willingness of private and public sector parties to participate in whole or part. However, there are elements which can be undertaken by the Authority independently.
- 2.4 It is important to note that the built environment is only one aspect of the Building Confidence in Coalville project. Work is being undertaken to support businesses and access to jobs in the area (for example, the Enterprising North West Leicestershire grants being offered by the Authority), as well as encouraging use of the town centre for leisure and community activities.
- 2.5 In that context it is important for the Authority to be seen to be leading the Building Confidence in Coalville project, to prove what can be achieved and what further redevelopment could mean for the town. The request from the DWP also presents a timely opportunity and accordingly it is proposed to undertake improvement works to the Council Offices to both increase capacity to allow for the DWP and potentially other agencies to work within the building and to demonstrate the Authority's willingness to lead change in Coalville.
- 2.6 The Chief Executive has exercised her delegated authority to create the post of Interim Director of Resources, to create capacity for her to lead on the Building Confidence in Coalville project and ensure that the project can be initiated with sufficient rigour. At the time of writing this report, shortlisting for the post has been completed and interviews are scheduled to take place shortly. It is anticipated that the successful candidate will be in post by November. The appointment is for a fixed term of 18 months.

3.0 PHASE 1 STENSON SQUARE

- 3.1 The area of Stenson Square was identified in the Four Squares and Four Streets investment plan and includes the footprint of the Council Offices and London Road car park. This will form the focus of phase 1 of the Building Confidence in Coalville project.
- 3.2 The area of Stenson Square offers a potential development site for residential and/or retail use. Development could enhance the area, particularly in the context of the architecture of Stenson House itself. However, in light of the opportunities to work with the DWP, the first part of phase 1 will focus on improvements to the Council Offices. In parallel with this phase, further development to Stenson Square will be explored.

PHASE 1, PART 1 - IMPROVEMENTS TO THE COUNCIL OFFICES

- 3.3 Over the past 3 years, the Council Offices and Stenson House have accommodated Leicestershire County Council's Registrars Service, other County employees who work with families in our district, the Police and the Citizens Advice Bureau. These arrangements have worked well for landlord, tenants and the public and have provided additional streams of income for the Authority.
- 3.4 The DWP has informed the Authority that they will need to vacate their current accommodation on Whitwick Road between summer 2016 and November 2017 and have expressed a strong interest in moving into the Council Offices. Cabinet will note the short timescales associated with this.

- 3.5 Sharing the Council Offices with the DWP will further enhance the community hub approach providing services to our customers. This also provides the Authority with an opportunity to address the environmental profile of the Council Offices and introduce improvements, such as green technologies and energy saving measures. As with other agencies occupying elements of the Council Offices, the DWP will be required to enter into a lease prior to occupation of any part of the Council Offices.
- 3.6 The DWP has indicated that they are willing to make a contribution to the works necessary to accommodate their staff in the Council Offices. This is currently being negotiated along with rental and service charges and will be influenced by the final scheme design.
- 3.7 To create sufficient space for the DWP, a redesign of the current reception area will need to be undertaken. To determine what is possible, both structurally and within budgets, it is necessary to engage professional services to assess the feasibility of the proposal.

PHASE1, PART 2 – POTENTIAL DEVELOPMENT OF STENSON SQUARE

- 3.8 To date, no further work has been undertaken at this stage in relation to the potential for development of the wider Stenson Square area and what benefits this could realise as part of the Building Confidence in Coalville project. However, as part of engaging with professional services for Phase 1, Part 1, the feasibility assessments will also address the options for the rest of Stenson Square.

4.0 PROCUREMENT CONSIDERATIONS

- 4.1 The scope and total value of the Building Confidence in Coalville project is as yet unknown. It is also unclear at this early stage of the value of the works and services contracts which would support the first stage of improvements to the Council Offices. The DWP's timeline creates a pressing need to progress the feasibility assessment of this first stage as soon as possible.
- 4.2 In this context, the most quick and efficient route to engage the appropriate professional services is through an established framework agreement. This would also be compliant with the Authority's Contract Procedure Rules and its obligations under the Public Contract Regulations. The Authority is already a member of Scape, a local authority owned procurement framework specialising in public sector construction projects. Officers have discussed the project with representatives from Scape who have identified that a suitable procurement route is through their Major Works Framework agreement.
- 4.3 Scape operates two appropriate frameworks: Minor Works, where the value is below £4 million and Major Works, where the value is over £2 million. As the scope of the works required is currently unclear, Scape has recommended that the Authority access the Major Works Framework for conducting the feasibility stage. Should this conclude that the total value of the works will be below £2 million, Scape has advised that the Minor Works Framework contractor can pick up the work undertaken at feasibility stage and deliver this, notwithstanding they have not been previously involved.
- 4.4 The frameworks allow for the appointment of one contractor for all necessary works and services, save for Quantity Surveyors and project managers (who need to be appointed

independently of the lead contractor to avoid any risk of conflict of interest). Scape operates other frameworks under which these two services can be provided or the Authority can explore other procurement options, including using in house resources where at all possible. However, in the context of the need to progress quickly with this, it is proposed to utilise existing in house Quantity Surveyors and engage a specialist project manager directly, who will work with the Authority's Project and Performance Team, initially through the feasibility stage.

- 4.5 The structure of the frameworks means that the Authority only has to manage one contract, while receiving assurance that it is getting value for money throughout the process. This means significantly less staff resource is expended in engaging other contractors and the delay associated is mitigated. The Authority, through its relationship with the lead contractor, is able to exercise some control over the sub-contractors engaged. Furthermore, after the feasibility stage, if the Authority wishes to proceed, the existing contractual arrangements allow for the framework provider to immediately progress to the next stage of development. This also means that as the broader Building Confidence in Coalville project develops, the Authority can enjoy consistency in terms of design and build quality throughout the town.
- 4.6 The lead contractor on the Major Works Framework is Wilmott Dixon, who has recent experience in delivering similar projects for Melton Borough Council, in rebuilding their offices which are shared with other agencies, as well as leading on the redesign of County Hall at Glenfield.
- 4.7 Should Cabinet agree to proceed via the Major Works Framework, contract documentation could be agreed early in October 2015 with feasibility and masterplanning commencing immediately thereafter. The design and masterplanning work would be undertaken by a sub-contractor and early discussions with Scape and Wilmott Dixon indicate that this would be undertaken by Leicester firm RG&P. RG&P have a thorough knowledge of Coalville, having been involved in the designs for the former Minnesotas site and the Pick and Shovel redevelopment.
- 4.8 Cabinet should note that entering into the framework agreement and progression to the feasibility stage does not commit the Authority to any further expenditure or work. The framework is established in such a way as to be clear to all parties the uncertain scope and value of the works and the Authority would not be bound to proceed with any future stage of the project.
- 4.9 The lead contractor will ensure value for money for the Authority throughout the process by market testing prices for materials, sub-contractors and consultants. Some services in the feasibility stage are provided by Scape at little to no cost to the Authority.
- 4.10 A further advantage of the framework arrangement is that it provides enhanced opportunities to secure consistency in design and vision throughout the stages of the Building Confidence in Coalville project and may enable development opportunities in other areas of the town.
- 4.11 Should Cabinet agree to proceed on the basis recommended in this report, an initial kickstart meeting will be held in early October, with officers, the Leader and representatives from the appointed contractors and their consultants. Such meetings are

very common in this kind of project and the costs are likely to be very low for the Authority, if not zero.

- 4.12 In order to ensure the success of the physical elements of the Building Confidence in Coalville project officers are also implementing a comprehensive programme of business and community engagement. This will start with an invitation for the public to express their hopes for the future of Coalville. We are identifying influential business owners in the town that can act as ambassadors for the wider project and establishing a stakeholder group which will include representatives of all sections of the community.

5.0 FINANCIAL IMPLICATIONS

- 5.1 As indicated above, the full scope of the Building Confidence in Coalville project cannot be comprehensively assessed at this stage. Similarly, until the feasibility stage for improvements to the Council Offices has been completed, the full value of the works cannot be assessed.
- 5.2 Early indications from informal discussions with Wilmott Dixon suggest that the costs of consultants associated with the feasibility stage of improvements to the Council Offices will be in the region of £10-20,000. For this feasibility stage Wilmott Dixon have indicated that they would not charge for their services.
- 5.3 In addition to the contribution from the DWP, the project will be funded from a variety of sources, including existing premises revenue budgets, revenue underspends from previous years and capital receipts. It will also be possible to “internally borrow” against the Council’s reserves on a temporary basis pending the sale of assets.

6.0 PROJECT UPDATES

- 6.1 As the proposed improvements to the Council Offices and the wider Building Confidence in Coalville project progress, it is proposed to bring quarterly reports to Cabinet seeking appropriate authority to progress to the next stage. Conversely, where matters progress significantly and further decisions are required within quarterly intervals, it is recommended that Cabinet accept additional reports.
- 6.2 Should Cabinet approve the recommendations in this report, it is anticipated that the next update to Cabinet will be on completion of the feasibility stage of the improvements to the Council Offices in January 2016.