

# Overview and Scrutiny Committee

11 June 2018

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

## Civic Development

<b>Final Decision-Maker</b>	Overview and Scrutiny Committee
<b>Portfolio Holder(s)</b>	David Jukes, Leader of the Council
<b>Lead Director</b>	Lee Colyer, Director of Finance, Policy and Development
<b>Head of Service</b>	David Candlin, Head of Economic Development and Property
<b>Lead Officer/Report Author</b>	David Candlin, Head of Economic Development and Property
<b>Classification</b>	Non-exempt
<b>Wards affected</b>	All

### **This report makes the following recommendations to the final decision-maker:**

That members of the Overview and Scrutiny Committee note the update on the areas of the Civic Development that relate to the relevant Portfolio Holder.

- A Prosperous Borough
- A Green Borough
- A Confident Borough

The proposals within the Civic Development support delivery of the Council's Five Year Plan through development of a new enhanced theatre, the provision of new office space and a new car park, and improvements to the entrance setting to Calverley Grounds, whilst protecting the historic integrity of the listed civic suite of buildings.

### **Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Overview and Scrutiny Committee	11 June 2018

# Civic Development

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Tunbridge Wells Borough Council is progressing with its proposals for a Civic Development, including provision of a new theatre, new council offices and parking facilities to support the new developments.
  - 1.2 The Overview and Scrutiny Committee has requested that the development be included as a regular item on its agenda and that when 'gateways' or other significant stages in the development are reached, the Committee's members are given the opportunity to look at the issues and receive any relevant reports.
  - 1.3 The Overview and Scrutiny Committee has also requested that each of the Council's Portfolio Holders update Members throughout the year on key issues within the development that are included in their areas.
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## 2. INTRODUCTION AND BACKGROUND

- 2.1 The key elements of the Civic Development project have been set out in previous O&S Committee reports. Full Council approved the delivery of the Civic Development on the 6 December 2017. This included submitting a planning application for a development to be sited on the west boundary of the historic Grade II listed Calverley Grounds providing:
  - A new 1,200 seat theatre that is able to stage high quality touring shows;
  - A new shared-use building including accommodation for civic functions and offices for TWBC and third party organisations;
  - An underground car park (approximately 260 car park spaces) partly under the office building and extending under part of Calverley Grounds; and
  - Local remodelling of the public realm associated with the above buildings and car park.
- 2.2 Overview and Scrutiny Committee recognises the significant impact the Civic Development proposals will have on Tunbridge Wells town centre and on the borough as a whole. Overview and Scrutiny Committee members feel they have a part to play in ensuring the views and concerns of the borough's residents are given an appropriate forum. The Committee is also keen to fulfil its role in providing a critical challenge to key decisions the Council's executive will be making as the development progresses

## 3.0 Planning Permission

- 3.1 A planning application was submitted on 10 January 2018 and validated on the 12 January 2018. Planning Committee met on the 9 May 2018 to consider the item. The decision by Committee to grant planning permission subject to

conditions was unanimous. The legal agreement (Memorandum of Understanding) that forms part of the planning decision is due to be signed in early June.

- 3.2 Through the discussions with the planning department the design of the office was amended, extending the balcony facing the council chamber round to the eastern façade of the building, facing the park. These amendments provided a better relationship to the park for the proposed new building. In addition a revised landscaping plan with an additional 20 trees in the design has been put forward and agreed. Tree planting will now see more trees planted than are lost in Calverley Grounds. Both changes have minor cost implications in relation to the cost of the overall scheme.

#### **4.0 Project Management and Design Consultancy**

- 4.1 Full Council approved the appointment of the necessary professional consultancy team through an OJEU-compliant framework, to support the Council in delivering the Civic Development. This decision was delegated by Full Council to the Head of Economic Development and Property, and s151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance (on behalf of the Council as landowner).
- 4.2 The scope of the procurement was to secure a lead consultant to assist the Council in site assembly, estates and agency matters, planning matters, neighbourly matters, project management, cost management and health and safety management to continue to develop and deliver out the Project. The lead consultant will provide project management services and:
- Employers Agent (EA) / Contract Administrator (CA) for the Works Contract
  - Quantity Surveyor
  - Procurement and Management of Design & Build Contractor
  - Stakeholder Management
  - Completion of RIBA Stage 4 Design
  - Estate Management Services and Property Agency Services
  - Property Consultancy Services
- 4.3 The Council is using the Homes and Communities Agency Property Panel Framework for this procurement. After publication of the report the Council appointed GVA as the lead consultant. Members have full access to the exempt appendices that detail the process and appointment.

#### **5.0 Construction Contractor**

- 5.1 The Full Council report of 6 December (Appendix M Report 2: Procurement) set out our preferred approach to construction. Having considered the various construction approaches the two-stage design and build contract was considered the most suitable way forward. This was proposed as the contract sum needs to be agreed with a single contracting entity prior to the Council agreeing to proceed to construction and entering into the contract.

- 5.2 A major concern in utilising a two stage Design and Build route is the potential for the contractor, in formulating the detailed design, to prioritise commercial imperatives over the quality of design detailing and choice of materials so that the buildings and landscape ultimately fail to live up to their intended quality and status. This is potentially a particular risk in relation to the specialist design required for the theatre, and therefore, within the procurement process chosen we have ensured that the design team taking the project forward will have the skills and expertise to further develop the design in keeping with the historic and sensitive nature of the proposed sites and the general confidence that has been built up with stakeholders through the implementation stages.
- 5.3 Full Council delegated the decision to appoint the construction contractor to the Head of Economic Development & Property, and s151 Officer, in consultation with the Leader and the Portfolio Holder for Finance and Governance (on behalf of the Council as landowner). The decision approved the appointment of the construction contractor to enable the Council to deliver the development to completion through an OJEU-compliant framework.
- 5.4 The Southern Construction Framework is an OJEU-compliant competitive tender framework and was highlighted in the Full Council report as an appropriate framework that could be used to deliver the appointment of a construction contractor. The process undertaken consists of a two-stage mini-competition among eight suitable contractors on the SCF's South East Panel (Lot 2). The first stage (MC1) consisted of expressions of interest and prequalification and the second stage (MC2) comprised a competitive tender.
- 5.5 The selected contractor will be appointed under a pre-construction services agreement (PCSA). At this point, the appointment will only be for the pre-construction period with a view to being awarded the Design & Build (D&B) contract on successful completion of the pre-construction phase. Subject to our approval at that time, the D&B contract would be placed on a lump sum firm price basis under an amended JCT Design and Build Contract 2016. The net construction cost will be established through open-book competitive procurement of the sub-contract packages through the pre-construction phase between June 2018 and April 2019.
- 5.6 The report and decision was published on the 24 May. Members have full access to the exempt appendices that detail the process and appointment. After publication and a voluntary standstill period, we will be appointing the contractor during the week of 11 June. From this point we will enter the technical design of the development.

## **6.0 Site Assembly**

- 6.1 While negotiations are continuing we are preparing for a possible Compulsory Purchase Order. The table below sets out a number of the key dates leading up to a decision and the issuing of a Compulsory Purchase Order.

<b>Task</b>	<b>Target Date for Start/Completion</b>
Statutory s16 letters issued	7 May
Reminder letters issued	30 May

Appropriation advertisement	8 June (approx.)
Appropriation letters issued	8 June (approx.)
Members Briefing	14 June
F&G CAB papers published	2 July
F&G CAB	10 July
Cabinet papers published	11 July
Cabinet	19 July
CPO Sign & Sealing	w/c 30 July 2018
Notice to appear in press & service of document & site notices erected	w/c 6 August 2018

- 6.2 A Members briefing is arranged for the 14 June in advance of the CABs and Cabinet to outline the position and approach. This would enable more engagement with members before the publication of any reports.
- 6.3 It should be noted that the consultation period on the CPO which would be for approximately 4 weeks is likely to run over the summer period.

## **7.0 Civic Development Budget and Expenditure**

- 7.1 Across all workstreams for the Civic Development Programme a total allocated budget of £5,126,786 has been approved. A breakdown of expenditure in the Civic Development is attached as Appendix A.
- 7.2 Current commitments on the Civic Development remain related to the submission of the planning application and associated additional information, ongoing work on site assembly and procurement of the construction contractor via the Southern Construction Framework. In February additional budget was allocated to cover ongoing costs however the amount of work on the planning application and the legal advice in preparation for the site assembly this initial additional budget has proved inadequate. Thus additional expenditure has been incurred in the completion of Stage 3 up to the delivery of the planning decision. As budget for the later project management consultancy had already been approved and there is some overlap this has been utilised until a final figure can be confirmed.
- 7.3 Now the Stage 2 and Stage 3 work including the planning application are completed, a budget reconciliation is being undertaken. The total cost for the GVA work during Stage 2 and 3 is expected to be £3,655,803. In addition during this period the Council will have spent approximately an additional £181,800. The majority of which comprises legal costs (£89k) and applying for the planning application (£50k) to the Local Planning Authority.
- 7.4 The Project Management Consultancy procurement has recently completed with GVA being appointed as the preferred consultant. The Stage 4 work is now commencing and to date £72,110 has been incurred with legal costs of approximately £31,000. A request for budget, within the delegations already in place, to address the complete Stage 4 project management consultancy will be made shortly.

## 8.0 Civic Complex

8.1 The Full Council decision on the 6 December 2017 outlined a decision to:

prepare the identified area of land (Civic Complex) including but not restricted to the Town Hall, Assembly Hall Theatre, 9-10 Calverley Terrace and Crescent Road properties for disposal and redevelopment, bringing a report/s on the approach and valuation for decision/s at Cabinet prior to completion of the approved Civic Development.

8.2 The future of the Civic Complex is therefore not defined in detail by the Full Council decision; the Full Council decisions on 6 December 2017 regarding site assembly, CPO, budget and funding do not cover the Civic Complex buildings; The Civic Development planning application lodged on 10 January 2018 does not include the Civic Complex group of buildings and the Civic Complex is not included in the commissioning of the lead consultants for the next stages of the Civic Development.

8.3 It was however made clear in the December Full Council report was that a disposal of the Civic Complex should take place a couple of years before the known date for vacant possession of the Civic Complex buildings. On the basis of vacating these buildings in Q1 2022, this would mean approaching the market for disposal in Q1 2020. However, it should be recognised that one or more buildings could come forward separately and in advance of the Town Hall and Assembly Hall Theatre. A separate budget for this workstream will be identified.

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## 9.0 AVAILABLE OPTIONS

9.1 The updates on the Civic Development are for Members to note.

## 10.0 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

10.1 The views of the Committee will be reflected in the minutes of the meeting which will be published on the Council's website.

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## 11.0 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
<b>Legal</b> including Human Rights Act	There are no legal implications resulting directly from the recommendations in the report	Patricia Narebor, Head of Mid-Kent Legal Partnership
<b>Finance</b> and other	There are no financial implications resulting from the recommendation in the report	Jane Fineman,

resources		Head of Finance and Procurement
<b>Staffing establishment</b>	There is no impact on staffing levels as a result of the recommendations in the report.	Nicky Carter, Head of Human Resources and Customer Services
<b>Equalities</b>	There is no apparent equality impact on end users resulting from the recommendation in the report.	Sarah Lavallie, Equalities Officer

## 12.0 REPORT APPENDICES

### Appendix A: Civic Development Budget

## Civic Development Expenditure

## Appendix A

£	Early Discussion	AHT Mandate Feasibility	RIBA Stage 1	RIBA Stage 2	RIBA Stage 3	RIBA Stage 4	Total
<b>Masterplan</b>	0	98,000	111,083	75,209	238,849	0	<b>523,141</b>
<b>Office</b>	0	0	89,500	457,344	472,921	0	<b>1,019,765</b>
<b>Theatre</b>	0	0	116,615	754,495	861,624	0	<b>1,732,734</b>
<b>Car Park</b>	0	0	44,750	298,153	391,725	0	<b>734,628</b>
<b>Procurement</b>	0	0	0	0	105,483	72,110	<b>177,593</b>
<b>Other costs*</b>	79,480	2,945	0	38,242	143,532	31,121	<b>295,320</b>
<b>Total</b>	<b>79,480</b>	<b>100,945</b>	<b>361,948</b>	<b>1,623,443</b>	<b>2,214,134</b>	<b>103,231</b>	<b>4,483,181</b>

Note: \* Other Costs includes early reports and study work outside of the GVA Consultancy contract including legal costs