

Leicester
City Council

WARDS AFFECTED: ALL WARDS

CABINET

16 JUNE 2003

BRAUNSTONE LIBRARY & COMMUNITY RESOURCE CENTRE

Report of the Director of Education and Lifelong Learning

1. Purpose of Report

This report outlines progress to date on the plans to develop the Braunstone Library & Community Resource Centre. It also seeks Cabinet's approval to use an appropriate method of procurement to build the facility.

2. Recommendations

Cabinet:

- a) note the previous Cabinet approval to proceed with the project
- b) approve that the Corporate Director of Education and Lifelong Learning be delegated the power to use the most suitable method of procurement for this project from either the "Design Build and Construct" or the Traditional Tendering methods.
- c) delegate the authority to the Corporate Director of Education and Lifelong Learning to invite and accept tenders
- d) delegate the authority to Corporate Director of Education and Lifelong Learning to negotiate any reduction in tender costs received, should they be above the available budget
- e) delegate the authority to the Town Clerk in consultation with the Corporate Director of Education and Lifelong Learning to enter into contract with the successful tenderer
- f) approve the completion of stage 4 of the corporate project management regulations

3. Summary

3.1 Existing authority to proceed

- Cabinet agreed a report from Arts & Leisure seeking approval to develop plans for a new library and community resource centre in May 2001.

- Braunstone Community Association (BCA) Board approved a design and a budget for the project of £3m on 4th September 2002, with the proviso that management arrangements be agreed for this and other BCA/City Council partnership projects. The arrangements will take account of the fact that the capital for the project is to be funded by the BCA as holders of the New Deal award to Braunstone through GOEM.

3.2 Need for the facility

The current library building falls well short of the requirements of a modern library facility, and this was first noted in *Achieving Inclusion*, the review of Leicester City Libraries published in 2000. The need for a new library and community resource centre was also identified by the BCA in the Braunstone Community Association Action Plan. The BCA identified the replacement of the current library and community education facility as a high priority for the community when planning the deployment of the £49.5m New Deal awarded to Braunstone.

The BCA Action Plan states:-

“The current Braunstone library is a very small and outdated facility which cannot adequately meet the needs of the local community. It is proposed to work with the local authority to develop a new, greatly enhanced facility, which will link the new library to the community centre on the adjacent site. The new library will also offer extensive IT facilities and training provision, a refreshment area and toilet facilities. The community centre will also benefit from a range of improvements which will be agreed with local residents who use the facility.”

In addition, the centre will offer a small-scale customer service centre function to provide access to other council services for residents.

The new Library and Community Resource Centre will clearly offer an exceptional educational facility for the estate. Additionally this quality building will be an important addition to Braunstone’s environment.

This will be a major partnership between Braunstone and the City Council”

The new Braunstone library and community resource centre will be at the core of Braunstone’s community led regeneration. The centre will provide access to books, ICT, information and education and training opportunities as well as accommodating a range of community and social activities programmed and developed by the people of Braunstone.

3.3 Progress to date

- The project has been progressed under the City Council’s major project management guidelines, led since 2002 by Education and Lifelong Learning.
- A design has been drawn up in consultation with the BCA, agreed, and exhibited in Braunstone
- A budget for the facility of £3m, £2.9m of which is capital, has been agreed by the BCA

- A construction company with whom the City Council has previously worked has been approached in order to compare officers' cost estimates with the construction market. The result of this exercise indicates that the £2.975m design, construction and fit out budget for the facility will be sufficient to deliver the agreed design.

3.4 Project Cost

In order to ensure the best possible level of certainty on estimated construction costs for the project, a second opinion was sought by officers. A contractor that the authority has worked with on a number of projects in schools and learning centres was asked for an estimated cost. The contractor provided an initial view on cost, and later a more considered assessment. Officers used these estimates to modify their own calculations, and a more accurate model has been drawn up. This is included in the supplementary information attached. The total cost of the project is estimated to be £3.075m (inclusive of £100,000 revenue expenditure). The budget will be sufficient to cover the cost of the build, provided that the proposed contribution from Neighbourhood Renewal of £75,000 is made available to cover the costs of the Customer Services unit within the building.

3.5 Method of Procurement

The 3 main methods by which the construction can be procured are assessed below. Cabinet are asked to note the assessment of each method, and to approve the recommendations for procuring the construction.

<p>Traditional Tendering</p> <p>Timescale May 03 to 1st Nov 04</p>	<p><i>PROS</i> Tried & tested</p> <p>Clear competitive process (selection from Council's select list) Clarity and transparency at every stage of the process Fully auditable Construction cost clear at receipt of tender No difficulties with financial regulations</p>	<p><i>CONS</i> Overall process timescale takes longer Variations, delays or disruptions during the construction period may lead to serious cost implications More adversarial relationship with contractor</p>	<p><i>VERDICT</i> Lowest cost of proposals clear at time of tender but long overall timescale and any changes could increase costs</p>
<p>Design, Develop & Construct</p> <p>Timescale May 03 to 4th Oct 04</p>	<p><i>PROS</i> Used with existing projects: Highfields Youth & Community Centre £3+ and Hamilton Sports Hall £1m+ Slightly quicker than traditional route</p> <p>Partnership with</p>	<p><i>CONS</i> Specification of performance requirements needs to be tight Contractor may seek to improve profit margins at the expense of quality Some element of risk that agreement cannot be reached</p>	<p><i>VERDICT</i> A good choice to ensure quality build with more certainty of meeting time and cost targets</p>

	contractor from early stage avoids problems Still competitive process No difficulties with financial regulations	on an acceptable second stage tender	
Partnering Timescale May 03 to 19 July 04	<i>PROS</i> Encouraged by government Quickest method	<i>CONS</i> Not tested with this size project within LCC Legal barriers to overcome and does not fit procurement model in Financial Regulations Need to waive financial regulations Greater risks	<i>VERDICT</i> Methodology not yet ready. Saving time only is not acceptable reason for lack of competitive element

4. Financial & Legal Implications

Financial implications

The capital project is to be funded by £2.9 million grant from BCA as part of the New Deal for Communities award to Braunstone through the Government Office East Midlands but current costings are also subject to a proposed contribution of £75,000 from Neighbourhood Renewal. Should this contribution not be available, the customer service facility would be at risk and the project design would have to be subject to further value engineering.

There are no additional corporate revenue resources committed to this project after completion of the capital works. Any increase in running costs over and above the current budget provisions for the library and community centre must be met from external sources and increases in revenue creating functions (e.g. social events held within the centre).

Legal implications

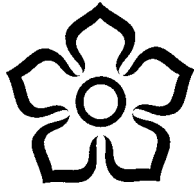
Previous experience with the BCA on another substantial Project in Braunstone indicated considerable willingness on the part of the BCA and its Officers to work closely with Legal services and others to assist in concluding required documentation within tight timescales and on acceptable terms to the City Council, even where the documentation was initially adverse or likely to be unacceptable or difficult to reconcile with internal procedures. Legal Services are confident, given a similar willingness and co-operative approach from BCA, that notwithstanding its own well-publicised issues of control and responsibility, it should be possible to conclude required documentation and progress quickly.

5. Report Author

John Crookes Service Director Lifelong Learning & Community Development
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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

1. Report

Attached as Appendix A is a gantt chart showing the comparative timescales for the three possible procurement methods.

Attached as Appendix B are a set of plans illustrating the design of the proposed library and community resource centre.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications

Attached, as Appendix C is a financial report showing the revised budget estimate calculated by Quantity Surveyors from Commercial Services.

2. Legal Implications

Previous experience with the BCA on another substantial Project in Braunstone indicated considerable willingness on the part of the BCA and its Officers to work closely with Legal services and others to assist in concluding required documentation within tight timescales and on acceptable terms to the City Council, even where the documentation was initially adverse or likely to be unacceptable or difficult to reconcile with internal procedures. Legal Services are confident, given a similar willingness and co-operative approach from BCA, that notwithstanding its own well-publicised issues of control and responsibility, it should be possible to conclude required documentation and progress quickly.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

4. Background Papers – Local Government Act 1972

None.

5. Consultations

Education and Lifelong Learning Finance
Legal Services
Commercial Services

7. Report Author

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