

Executive Director Place Services	Ref No: OKD12 20/21
Date May 2020	Key Decision: Yes
Award of contract for construction of Worthing Community Hub	Part I
Report by Acting Director of Communities	Electoral Division: Worthing
<p>Summary</p> <p>The Community Hubs Strategy aims to combine services ‘under one community roof’ for the benefit of our residents, safeguarding access to preventive services whilst making the best use of County Council assets to provide existing and new services in fewer, more cost-effective buildings.</p> <p>This decision paper recommends the Executive Director Place services to award a contract to build a community hub in Worthing Library by integrating registration services, children and family and youth services into the hub following a comprehensive tender process.</p> <p>This approach builds on the Cabinet Member decision taken in May 2019 (Reference report SSC01 19/20) to approve the allocation of £3.058m from the provision in the Capital Programme to deliver the Worthing Community Hub. This includes the commencement of the procurement for the fit out and maintenance works to the most economically advantageous bid in accordance with the Council’s Standing Orders on Procurement and Contracts.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <ul style="list-style-type: none"> • Best start in life through sustaining valued services to families. Co-locating these services, integrating staff and volunteers to design even more effective support, particularly for the most vulnerable people in the Worthing locality • Independence for later life through modernising the building’s internal design allowing increased daytime activities that help reduce social isolation for older residents in the Worthing locality • A strong, safe and sustainable place is supported by making better spaces available that can be used by voluntary and community groups in the Worthing locality • A council that works for the community as this proposal will increase efficient use of assets in Worthing, freeing some for disposal or other use 	

Financial Impact

The lower cost of the recommended tender compared to the pre-tender estimate means the expenditure allocated from the provision in the Capital Programme to deliver the Worthing community hub is reduced by £0.662m to £2.396m. Implementation of the project is expected to achieve a full year revenue saving of up to £0.116m from 2021/22.

Recommendations

The Executive Director Place Services is asked to:

- 1) award the construction contract to deliver the Worthing Community Hub to Logan Construction Limited for a contract period of 6 months commencing from June 2020 at a value of £1,441,957; and
- 2) reduce the provision in the Capital Programme to deliver the Worthing community hub by £661,711 in line with the variance between the pre-tender estimate for the construction works plus 5% construction contingency and Logan Construction Limited's tender.

Proposal

1. Background and Context

- 1.1 As a County Council we recognise our role in creating the appropriate environment to support local people to be active and to give those communities the space and support to thrive. That's why we are committed to making more effective use of our buildings – particularly libraries and children's centres, which are at the heart of our communities, deliver valued services and outcomes, to support the priorities in The West Sussex Plan.
- 1.2 Worthing Library is one of two large (Tier 1) libraries within West Sussex and its remodelling as part of the Community Hubs programme is designed to showcase what is possible in terms of creative and flexible design.
- 1.3 The County Council appointed a Multi-Disciplinary Consultant (MDC) in July 2018 to support the delivery of the County Council's Capital Programme and Asset Management Strategy.
- 1.5 In 2018 the MDC was commissioned to carry out viability and feasibility on Worthing library as a possible Community Hub. This work produced a set of concept layout designs to illustrate how the space could be effectively remodelled to accommodate additional services and create enhanced community space.
- 1.6 A Cabinet Member decision taken in May 2019 (Reference report [SSC01 19/20](#)) to approve the allocation of £3.058m from the provision in the Capital Programme to deliver the Worthing Community Hub, the submission of a planning application and the commencement of the procurement for the fit out and maintenance works to the most economically advantageous bid in

accordance with the Council's Standing Orders on Procurement and Contracts.

2. Proposal Details

- 2.1 Following extensive local consultation the existing library in Worthing town centre will be refurbished to offer a range of community services under one roof. Children and Family services, Find it Out and Registration services will be offered in the town's main library building in Richmond Road.
- 2.2 Worthing Community Hub will provide better 'fit for purpose' accommodation for the services that will be based within it. The building will be more effective as well as more efficient and will offer modern, well-planned facilities to residents who use those services.
- 2.3 That the Executive Director Place Services awards the contract to deliver the Worthing Community Hub to Logan Construction Limited for a contract period of 6 months commencing from June 2020 at a value of £1,441,957.

Milestones & Delivery dates

- 2.4 The MDC will manage each stage of the RIBA process (1-7) through to completed construction on behalf of WSCC. The key indicative milestone dates for the community hub in Worthing are as follows;
 - May 2020 – Award of construction contract
 - June 2020 – Contractor mobilisation period
 - June 2020 – Construction begins
 - November 2020 – Complete construction and fit out works
 - November 2020 – Testing and hand over
 - December 2020 – Opening of Worthing community hub

NB please note, these dates are subject to change in line with assessment of the COVID-19 impact on contractors and their suppliers.

Factors taken into account

3. Consultation

- 3.1 Detailed engagement and consultation was undertaken through July-November 2018, as detailed in 5.3-5.5 of the report SSC7 18/19. The results of this demonstrated strong support from residents, stakeholders and local elected members for the proposals. Regular updates on the project have been shared with the public at Worthing County Local Committee meetings.
- 3.2 The proposal for a community hub programme, starting in Worthing was scrutinised by the Environment, Communities and Fire Select Committee on 13th March 2019. The committee supported the programme's aims to encourage community use to be innovative and resource efficient and was pleased to see that the possible closure of libraries was avoided.
- 3.3 The proposal will be subject to planning permission and the MDC will manage

this process on behalf of WSCC. Planning permission no. WSCC/077/19 (replacement of main front doors to building) was submitted on 23.12.19 and was determined on 12.2.20. Planning permission for external signage will be submitted on or around 1st August 2020 (TBC).

- 3.4 The plans for Worthing have been considered by the Community Hubs Member Project Board. Members will continue to be engaged as the project progresses.

4. Financial (revenue and capital) and Resource Implications

Capital Consequences

- 4.1 Costs as included in the tender pack based on the design plans developed for Worthing Library indicated that an overall budget of £2.020m is required to create a remodelled community hub capable of hosting a range of services in the current Library building.
- 4.2 In order to take advantage of the fact that significant work will be taking place on site there is an opportunity to carry out additional 'planned maintenance' work to Worthing Library, saving future costs to the County Council and minimising future disruption to services and their users.
- 4.3 A further £760k of work identified by the building condition survey will be carried out at the same time. These costs are for the lift, modification of the existing electrical distribution system, replacement of lights and adaptations to the alarm system. This gives an overall cost of £2.780m and the break down is set out in the table below (summary of project costs).
- 4.4 As is good practice in construction works of this nature and in order to accommodate any unidentified risk factors not already accounted for, a 10% contingency was added to the overall estimated costs, to give a total capital budget requirement for Worthing Community Hub of £3.058m. The difference between the pre-tender estimate for construction works plus 5% contingency and the recommended tender is £661,711.
- 4.5 The table below shows the original estimates on costs. The final column shows a more up to date indication of the final estimated total (after the proposed tender has been taken into account). There is still some M&E validation and testing works required to some of the plant on site as part of these tendered works. Any works as a result of the findings are expected to be carried out within the project contingencies. We have carried out M&E queries with Logan and we are satisfied with their response. As such it is therefore proposed to reduce the existing whole budget by the variance against the pre-tender estimate for construction works. This effectively applies the 10% contingency to the budget increases in loose FF&E and loose IT and the budget for risks outside the main hub construction.

SUMMARY OF PROJECT COSTS	Pre- tender estimate	Proposed tender
Worthing Community Hub Proposed Construction Works	£2,072,158	£1,441,957
Risk - Construction Contingency @ 5%	£103,608	£72,098
Professional fees including site surveys and Investigations	£348,795	£347,997
Local Authority Fees (Planning and Building Control)	£15,000	£2,070
Site Surveys and Investigations (Included)	-	-
Loose FF&E and loose ICT (PROVISIONAL)	£240,439	£415,000
Risks outside main Hub construction	-	£115,879
Subtotal (Worthing Community Hub - Main Works)	£2,780,000	£2,395,001
10% Contingency (Original Budget)	£278,000	£1,288
Total	£3,058,000	£2,396,289
Less variance on construction tender	-£661,711	-
Revised scheme budget	£2,396,289	£2,396,289

Revenue Consequences

4.6 The revenue implications of the proposal are summarised below

4.7 With the completion of the Worthing Hub planned for Autumn 2020, the one-off revenue expenditure in relation to decanting and dilapidation will be incurred across both 2019/20 and 2020/21. As result the full annual anticipated savings of up to £116k per year, before borrowing costs, will not be fully realised until 2021/2022, although a small saving is likely to be seen in 2020/21.

4.8 Revenue consequences

	Year 1 2019/20 £m	Year 2 2020/21 £m	Year 3 2021/22 £m	Year 4 2022/3 £m	Total
Revenue budget	0.102	0.048			0.150
Proposed expenditure	0.102	0.048			0.150
Remaining budget	Nil	Nil			Nil

4.9 Capital consequences

	Year 1 2019/20 £m	Year 2 2020/21 £m	Year 3 2021/22 £m	Year 4 2022/3 £m	Total £m
Capital budget	0.400	2.658			3.058
Proposed Expenditure	0.400	1.996			2.396
Remaining budget	Nil	Nil			Nil

5. Legal Implications

- 5.1 West Sussex County Council's legal team have been engaged on the proposal. On conclusion of the procurement process, the contractor will be awarded JCT 2016 Standard Building Contract.
- 5.2 All risks relating to the construction will be managed through the contract process via the MDC. Summary reports will highlight key risks and risk actions where decisions are required to progress the works.

6. Risk Implications and Mitigations

- 6.1 Delivery milestones are not achieved because estimated timescales are unrealistic and therefore delay implementation. This risk will be mitigated through development of planning assumptions to inform high level milestones and detailed implementation plan. Understanding the impact of these assumptions and regular validation to ensure they hold true will be implemented as a key control. The MDC have been commissioned to manage the delivery of the construction implementation to time cost and quality.
- 6.2 Costs for fit out works Worthing community hub overrun due to unforeseen circumstances. All costs incurred will need to be closely monitored and reported to understand variances (and causes thereof) to manage the budget effectively. The 10% contingency included in the original budget has been applied to: increase the budget for loose FF&E and loose IT and to provide a contingency for risks outside main Hub construction.
- 6.3 Insufficient organisational capacity or resources to devote to implementation. Detailed implementation plans will set out the resources required, when and for how long. This will be overlaid against other organisational priorities to ensure delivery can be sequenced effectively. Governance overseen by the Project Board will ensure this is addressed.
- 6.4 COVID-19 advice and sanctions from HM Government may lead to disruption with the supply chain and staffing for contractors and services leading to delays to implementation and possible increase in cost. Business continuity plans for services and contractors will be implemented and closely monitored. Governance and communication arrangements will ensure all decisions are

taken with all available information and are cascaded to stakeholders as and when throughout the project's life cycle.

- 6.5 The School's Library Service will continue to work in the basement of the main Library building when fit-out works are being carried out. Staff and contractors working in the space at the same time poses H&S risks to be managed. The preferred contractor has acknowledged this in their tender submission and will work with the service to manage the arrangements on site during the fit out. The contractor will use lessons from direct experience of such arrangements (Imperial College London, Central Library -areas under construction were closed off to students, but access to the other levels remained open throughout the construction). A H&S plan will be developed in conjunction with the service and all necessary CDM measures will be in place.

7. Other Options Considered (and reasons for not proposing)

- 7.1 Construction and fit out work to remodel the library in Worthing could be delivered while maintaining current services in situ avoiding the need for a temporary relocation of services. Estimated costs for work to take place around existing service provision are higher and completion work would be expected to take longer thus creating additional disruption for the local community.

8. Equality and Human Rights Assessment

- 8.1 A full assessment of the equality impact is outlined in cabinet member report ref no [SSC01 19/20](#)

9. Social Value and Sustainability Assessment

- 9.1 A sustainability appraisal has been completed and is outlined in cabinet member report ref no [SSC01 19/20](#)

10. Crime and Disorder Reduction Assessment

- 10.1 Remodelling Worthing library into a community hub utilising modern design to create a more attractive and effective space and one with enhanced flexibility for broader uses will allow additional 'drop in' capacity for other services which promote community safety. The library service also provides 'safe spaces' in which residents can report issues and gain initial advice and support. This provision will be enhanced by the remodelling of the building in Worthing.

Lee Harris

Executive Director Place Services

Emily King

Acting Director of Communities

Contact Officers

Siobhan Walker, Programme Manager Tel: 0330 222 6456

siobhan.walker@westsussex.gov.uk

Greg Ockwell, Project Manager Tel: 0330 222 3878

Greg.ockwell@westsussex.gov.uk

Appendices: none

Background papers: none