

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Deputy Chief Executive (Place)

to
Cabinet

on
13 March 2018

Report prepared by: Mark Murphy, Group Manager –
Property and Estate Management

Forum 2

Place Scrutiny Committee
Executive Councillor: Councillor Ann Holland
(Portfolio Holder for Culture, Tourism and the Economy)
Part 1 (Public Agenda Item)

1. Purpose of Report

The purpose of this report is to: set out the core accommodation requirements for the development of Forum 2, which the Council is taking forward in partnership with South Essex College; provide an update on the South East Local Enterprise Partnership (SELEP) funding bid to support the scheme; and agree a scheme of delegation to enable the project to be taken through its next design stages.

2. Recommendations

- 2.1 Note and endorse the content of the Design Brief for Forum 2 including the initial statement of the Council's requirements in respect to gallery spaces and a digital workspace hub.
- 2.2 Note the current budgetary position in relation to the development of Forum 2, including the partners' progress in securing funding from the South East Local Enterprise Partnership Local Growth Fund, alongside the proposed completion date and programme for delivery.
- 2.3 Note and endorse the proposed procurement route and the project governance arrangements including the establishment of a joint Council/College Sponsoring Group and Project Board.
- 2.4 The Deputy Chief Executive (Place) be approved as the Project Executive and given delegated authority, in consultation with the Portfolio Holder for Culture, Tourism and the Economy, to appoint the Main Design Team and Cost Consultant to progress the design from RIBA Stage 2 (Concept Design) through to RIBA Stage 7 (In Use).

2.5 Agree that Gateway Reviews be undertaken at the completion of RIBA Stage 3 (Detailed Design) and RIBA Stage 4 (Technical Design).

3. Background

- 3.1 The existing £27m four-storey Forum facility was completed in August 2013. The scheme was delivered by a partnership comprising Southend-on-Sea Borough Council, the University of Essex and South Essex College. It is considered to be a unique facility on a national scale which provides state-of-the-art, integrated municipal and academic library and learning facilities within the heart of Southend.
- 3.2 This facility provides residents and students alike with unprecedented access to the wide range of books, archives and resources jointly held by the three partner organisations. Forum Phase 1 also provides modern teaching and learning/research facilities for the College and University, which enables closer co-working and co-operation between the two educational partners. The third floor of Forum Phase 1 also provides two modern study centre facilities, which higher education students have priority access to. The existing Forum development has greatly improved the facilities and resources on offer to students and residents and improved the appeal of Southend as a further and higher education destination, reinforcing the Southend Learning Quarter regeneration ambition as part of the Southend Central Area Action Plan (SCAAP).
- 3.3 Forum Phase 1 also provides a successful art gallery and café/restaurant. The Focal Point Gallery is South Essex's primary gallery for contemporary visual art. It is emerging as a leading institution for the promotion and commissioning of major solo exhibitions, group and thematic shows and has a dedicated programme of events including performances, film screenings and talks, as well as offsite projects and temporary public artworks. The gallery currently produces up to seven gallery exhibitions each year.
- 3.4 The Forum has a significant role in enabling formal and informal learning and education and supporting the digital, cultural and creative sector. This has been recognised by partners such as Opportunity South Essex (OSE) and the South East Local Enterprise Partnership (SELEP) who have recently endorsed and agreed £6m Local Growth Fund (LGF) funding in support of Forum 2. It is also a key piece of infrastructure in the Thames Estuary Production Corridor (TEPC), which has been established since the development of the Forum. The TEPC ambition is to establish the Thames Estuary a world-class location of excellence for the sector, building on the rich and diverse mix of activity already in place through supporting and cultivating digital, cultural and creative industries, and the environment necessary for them to thrive. Forum 2 will be able to expand and enhance the Forum's activity with space for education, performance, business and public engagement with the arts. Similarly, it will play a key role in the South Essex 2050 vision and work of the Association of South Essex Local Authorities (ASELA) as an innovative and aspirational approach to integrating education, business and the creative sector so as to deliver access to education and employment for all, and enrich the quality of life, ensuring that South Essex is somewhere people wish to live, work and visit.

- 3.5 Forum Phase 2 will directly capitalise upon the significant success of the Phase 1 Forum scheme. It will deliver a 5,308m² (Gross Internal Area) new building on Council owned land immediately opposite the existing Forum scheme within the Southend Learning Quarter, also home to the South Essex College and the University of Essex Southend campuses. The building will comprise a mix of educational/cultural/innovation functions and will be delivered and operated in genuine partnership between the Council and the College. It will assist to underpin this key regeneration area as an educational and cultural quarter and will directly drive significant regeneration and economic benefits across the town centre and wider SELEP economy.
- 3.6 The Council and College (with support from the University of Essex) commissioned a RIBA Stage 0/1 Feasibility Report. Based upon this feasibility study, a design brief (attached as Appendix A) has been produced by ADP Architects to inform the next stages of the design process.
- 3.7 The Design Brief provides for:
- Contemporary and community art gallery space and associated office, shop, café and project space to expand the existing gallery offer at Forum 1. This will be operated and managed by the Council in conjunction with the existing Focal Point Gallery.
 - New creative and digital ‘start-up’/co-working space for artists and local creative/digital businesses. This will address the current lack of provision of this type of floor space and will assist to enhance rates of graduate retention and new business start-up. The space will include co-working space, meeting pods, workstations, an editing suite and a seminar room. This will be operated and managed by the Council.
 - South Essex College managed commercial restaurant with associated professional kitchen and storage and an additional skills kitchen for teaching purposes.
 - Four college managed performing arts studios and associated changing rooms.
 - Three College managed music performance studios and eight music practice spaces. An additional two computer music suites, music recording control room and a post-production room will be provided for College use and potentially public and professional use.
 - Six general College teaching rooms and associated office, meeting and facilities space. In addition, a communal reception area and facilities management room will be provided.

This amounts to a total net internal area (NIA) of 3,535m². An additional allowance has been made for circulation space and external plant and void space. Thus, a total GIA of 5,308m² has been assumed at the project feasibility stage.

3.8 The RIBA Stage 0/1 Feasibility and Design brief has been assessed by cost consultants Faithful and Gould. This has identified a project cost, excluding VAT and inflation but inclusive of design and construction contingency, of £17.298m. The Council has allocated a sum of £2.7m in its Capital Programme whilst the Council has submitted a funding application to the South East Local Economic Partnership for £6m towards the project. The balance of the development cost will be provided by South Essex College with the apportionment between the Council and the College based upon their share of the net internal area.

3.9 It is anticipated that Forum Phase 2 will reach practical completion by June 2021, with the building being ready for use for the 2021/2022 academic year. The following programme milestones have been provisionally set:

- Commence OJEU process to appoint project design team Feb 2018
- Complete RIBA Stage 3 (inc.submission of planning application) Jan 2019
- Complete RIBA Stage 4 (Technical Design) June 2019
- Appoint Main Contractor Jan 2020
- Commence works on site March 2020
- Practical Completion June 2021
- Operational Opening Sept 2021

3.10 The Council will be the lead procuring organisation for this scheme as it did for The Forum. All procurement will be undertaken in accordance with the Council's Contract Procedures Rules and current 3 year Procurement Strategy. This is fully compliant with EU procurement rules and will ensure that the Council secures best value from a public sector investment perspective.

3.11 The procurement route for this scheme will include three key tender processes and contracts as below:

- Multi-disciplinary design team appointment (to progress the scheme through the RIBA stages).
- Cost consultants (quantity surveyor) appointment.
- Contractor appointment to deliver the new Forum 2 scheme (on the basis of a Joint Contracts Tribunal (JCT) Standard Building Contract). This is the normal form of contract to use for this type of appointment and is the contracting route used for the Forum.

Given the assumed contract values and the need to progress scheme feasibility and design prior to contractor appointment, these will be let as three separate contracts through two separate OJEU compliant processes.

3.12 The Council and College will establish a joint Project Board, chaired by the Deputy Chief Executive (Place), to take forward the design and construction of the new facility with oversight provided by a Sponsoring Group including the Chief Executives of each organisation. This mirrors the governance arrangements successfully employed for the development of The Forum.

- 3.13 The project will be managed in line with a tailored Prince 2 Project Management approach, with project management provided by the Council's Property and Estate Management Group.
- 3.134 It is proposed that formal 'Gateway Reviews' be undertaken by the Project Board at the completion of RIBA Stage 3 (Detailed Design) and RIBA Stage 4 (Technical Design) with these then being 'approved' by the Sponsoring Group prior to the project proceeding to the next Design Stage. Reports will also be submitted to Cabinet on project progress at these Gateway Review Stages.

4. Other Options

- 4.1 The Council has explored the option of developing Forum 2 jointly with both the University of Essex and South Essex College. However, the University does not currently have an additional space requirement in Southend.
- 4.2 Various options have been considered during the RIBA Stage 0/1 Feasibility Stage work in respect to options for developing the site including avoiding a basement level and different internal layouts. The preferred spatial option has been selected to best address the use requirements set out by the Council and the College.
- 4.3 Consideration has been given to procuring one or more of the required contracts through existing Framework arrangements such as those operated by Homes England. Whilst these may provide some timeframe advantages they would limit the contracting field and not potentially deliver the best contracting partner for the various contracts. These options have, therefore, been discounted.
- 4.4 The design and construction could be procured as a single Design and Build tender. This has certain advantages in relation to timescale and may provide greater cost certainty at an earlier stage in the process. However, this tends to be at the expense of quality aspects of the build particularly in relation to finishes due to the ability of the contractor to source the minimum product specification to meet the Employers Requirements that has an impact on ongoing maintenance and upkeep costs. As a high profile public-facing facility the partners have identified quality as a key consideration and a JCT Standard Build Contract has, therefore, been identified as the preferred option. This is because this form of contract is based on the clients issuing a full and detailed design specification including specifying all fixtures, fittings and finishes.

5. Reasons for Recommendations

- 5.1 The recommendations establish an agreed design brief position from which the Council, in partnership with the College, may progress the project alongside a formal project governance and management framework that will provide a solid foundation for the successful delivery of the project.

6. Corporate Implications

6.1 Contribution to Council's Vision & Corporate Priorities

6.1.1 The Council has an ambition to establish Southend as the leading cultural capital within the East of England as part of its aim of a Prosperous Southend. It is seeking to continue to promote a thriving sustainable economy in Southend and to deliver first class services and flourishing, active, communities. The Council is transforming Southend through a 'Creating a Better Southend' initiative, which comprises an ambitious programme of infrastructure projects to improve the perception/appeal and experience of Southend and to develop the town's economy.

6.1.2 The development of Forum Phase 2 will contribute to this wider regeneration activity within Southend. Forum Phase 2 will capitalise upon the success of the existing Forum facility and complete the transformation of Elmer Square into an attractive and innovative learning quarter within the heart of the town centre, which can be enjoyed by students and the wider community alike. It will provide much needed academic teaching/learning and workspace for new business start-ups and will serve as a key driver of wider town centre footfall and spend.

6.1.3 The development will provide additional College-focused teaching and learning space to include a commercial/public restaurant, community gallery/exhibition space and commercial creative/digital enterprise space. These facilities will diversify and improve the educational and cultural offer in Southend and attract a new, vibrant and innovative occupier typology to the town centre.

6.2 Financial Implications

6.2.1 A sum of £2.7m has been allocated in the Council's 2018/19 Capital Programme as the Council's contribution towards the development cost whilst the Council has submitted a funding application to the South East Local Enterprise Partnership for £6m towards the project. The business case was considered and agreed by the SELEP Accountability Board on 23rd February 2018, securing the £6m funding to support the project. This will be subject to the same terms, conditions and reporting requirements as other existing Local Growth Fund (LGF) funded projects. . The balance of the development cost will be provided by South Essex College with the apportionment between the Council and the College based upon their share of the net internal area.

6.2.2 Revenue costs will be apportioned between South Essex College and the Council proportionally based upon share of net internal area but will not impact until the 2021/22 revenue budget.

6.3 Legal Implications

6.3.1 There are no specific legal implications at this stage.

6.4 People Implications

6.4.1 There are no people related implications arising as a direct result of this report. However, the staffing establishment of Focal Point Gallery will need to be reviewed as the development plan for the extended gallery spaces and new workshop spaces is progressed.

6.5 Property Implications

6.5.1 The Council owns the freehold of the site and will enter into an appropriate long leasehold arrangement with South Essex College as the site is developed and occupied.

6.6 Consultation

6.6.1 Consultation has been undertaken with internal stakeholders within the Council and College as part of the RIBA Stage 0/1 Feasibility Stage. The development of Forum 2 is also supported in the Southend Central Area Action Plan (SCAAP), which has been subject to extensive consultation, and states:

“Within Opportunity Site (PA3.1): Elmer Square Phase 2, planning permission will be granted for educational and supporting uses, such as commercial studios and workspace and cafes/ restaurants to complement Phase 1 and to further reinforce Elmer Square as the heart of the learning hub.”

6.7 Equalities and Diversity Implications

6.7.1 The new building will be designed and constructed in accordance with current (and emerging where appropriate) equality standards, including Building Regulations and DDA, and will promote ‘access for all’.

6.8 Risk Assessment

6.8.1 A full risk assessment has been undertaken as part of the RIBA Stage 0/1 Feasibility Report. A live risk register will be maintained throughout the duration of the project and will form part of the Gateway Review process.

6.9 Value for Money

6.9.1 The proposed development has already been subject to a detailed and independent Full Business Case Review, which has been undertaken by Steer Davies Gleave in accordance with the Treasury Green Book, as part of the Local Economic Partnership approval process. This has identified that the scheme represents value for money in respect to the Treasury Green Book rules.

6.9.2 A further value for money assessment will be undertaken as part of each Gateway Review with an independent cost consultant appointed to ensure best value is achieved throughout the design and tendering processes.

6.10 Community Safety Implications

6.10.1 The development of Forum 2 will be cognisant of certain community safety issues that have affected the public space created to the front of Forum 1 and will look to address these issues. The scheme itself will be assessed in accordance with the “Secured by Design” initiative.

6.11 Environmental Impact

6.11.1 The development will be taken forward in a way that looks to minimise energy usage and optimise the use of clean, renewable energy sources so as to minimise its environmental impact.

7. Background Papers

Forum 2 Feasibility Report – Prepared by ADP Architects (with Faithful and Gould Cost Consultants) May 2017.

Forum 2 Full Business Case – Submission to South East Local Enterprise Partnership December 2017 (Version 2 – Gateway 2 Submission).

8. Appendices

Appendix A – Forum 2 Design Brief – Prepared by ADP Architects May 2017