



CABINET MEMBER DECISION

Date: 10 September 2024

KEY DECISION: YES

To award a contract for the construction of a new leisure centre and associated landscaping works at Stychbrook Park.

1. Decision:

- 1.1 To award a contract to Stepnell Construction Ltd for a maximum 56-week programme of work with a value of £9,490,059 for the creation of a leisure centre and associated landscaping works at Stychbrook Park.
- 1.2 To confirm that a 'Letter of Intent' was issued to Stepnell Construction Ltd on Tuesday 13 August to the value of £750,000.00 excluding VAT, so that works could begin on the construction programme, whilst VE exercise took place, and the contract is finalised and signed.

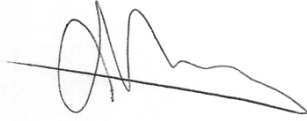
2. Statement of Reasons:

- 2.1 On 14 May 2024, Council approved an update to the Medium Term Financial Strategy to increase the Capital Programme Budget for a New Leisure Centre at Stychbrook Park from £10,000,000 to a maximum budget of £11,346,660. The current proposals are within this budget and the council has sufficient funds allocated for its delivery.
- 2.2 Council delegated authority to the Cabinet Member for Leisure & Major Projects and Chief Executive to complete all contracts and funding agreements necessary to successfully deliver the new leisure centre subject to being within approved budget.
- 2.3 Since May, the council's officers and the ReCreation team have worked with Stepnell Construction Ltd over several stages of Value Engineering (VE) to bring the construction costs within budget.
- 2.4 The facility mix remains the same after the VE stages have taken place which identified changes to the building and landscaping in order to bring the total project costs to within the maximum budget. The process of achieving the revised costs does not affect the facilities mix and does not reduce the area of the building nor the type of, or area of, the facilities within it. Additionally, the number of car parking spaces and EV charging stations remain consistent with the consented scheme.

- 2.5 Following the VE exercise, the building will provide 2,495m² of gross internal space over the following facilities:
- 1) Pool area housing a 25m long six-lane pool.
 - 2) Changing village.
 - 3) Community Room.
 - 4) Staff offices and welfare.
 - 5) Reception area and café.
 - 6) Dance Studio, Fitness Suite and Spin Studio.
 - 7) Changing Rooms for Outdoor Sports.
 - 8) Disabled changing facilities to 'Changing Places' standards.
 - 9) Plant and ancillary spaces.
 - 10) External works including car park, overflow car parking and soft landscaping.
- 2.6 Council delegated authority to the Cabinet Member for Leisure & Major Projects, in consultation with the New Leisure Centre Task Group, to seek value engineering solutions throughout the project to reduce, as much as is possible, spend on the external areas of the development.
- 2.7 On 21 August 2024, the Cabinet Member and Task Group met to discuss the costed proposals and Value Engineering options. Task Group asked if consideration could be made to improve the BREEAM score by swapping in the Air Source Heat Pump for gas powered boilers. Following a revisit of the Capital and Revenue aspects of making this change but it was cost prohibitive.
- 2.8 A detailed review of the BREEAM tracker is to be undertaken following acceptance of the final cost plan. The council's professional team, the BREEAM Assessor, have reviewed the impacts of VE changes and have confirmed that the building will be able to achieve a BREEAM rating of 'Very Good'.
- 2.9 Following this Task Group meeting, a final cost plan has been agreed meaning the council can now progress with delivering the leisure centre.
- 2.10 A Letter of Intent has been issued to Stepnell Construction Ltd to the value of £750,000.00 excluding VAT so that works can begin on the construction programme as soon as possible.
- 2.11 Planning permission for the leisure centre and landscaping works was granted at the Councils Planning Committee on 15 January 2024, with a handful of non-material amendments being made during a value engineering exercise to ensure that the building remained within the budget set within the MTFS.
- 2.12 Social Value benefits from this contract is expected to achieve £3.12m value within our District. This includes two local employees hired for the duration of the contract, £3.7m spent within a 30-mile radius of the site and 26 hours of volunteering time to support the unemployed, local schools and colleges and the community.
- 2.13 These benefits will be quantified and reported on regularly through the construction period to demonstrate achievement and ensure outcomes are met by the contractor.
- 2.14 Following a compliant procurement process; there has been an initial estimated cost avoidance of £207,288 against the Procurement Initiation Plan budget of £11,346,660

3. Any Alternative Options:

- 3.1 Do nothing - decide not to proceed with building the leisure centre and associated landscaping works but this would be contrary to the ambitions of the council.
- 3.2 Re-run the procurement – This would cause an unnecessary delay to the build.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke.

Signed:

Councillor Andrew Smith - Cabinet Member for Leisure & Major Projects

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