

Operational Decision Record

Publication Date 05/09/2022	Decision Reference Number 4709
Decision Title	
Angel Row - Future High Streets Fund (FHSF)	
Decision Value	
All spend associated with this decision has already been approved in previous decisions as follows: Leaders Key Decision - 4153 Delegated Decision – 4301	
Revenue or Capital Spend?	
Capital	
Department	
Regeneration, Growth & City Development	
Contact Officer (Name, job title, and contact details)	
Nick Hibberd, Principal Regeneration Team Leader	
Decision Taken	
<ul style="list-style-type: none">- To procure a contract for Architectural services to deliver detailed design of the Angel Row FHSF scheme in line with the FHSF programme of works, as approved in previous decision DD4153, DD4301- To note that this contract will be funded by existing FHSF grant. Approval for this expenditure to deliver the Angel Row scheme was secured in previous decision DD4153 and subsequent delegation of authority granted to the Corporate Director for Growth & City Development. As this is a purely operational decision, the value is zero as the decision to spend this money has already been previously agreed.- To approve the recommended strategy for delivery, as described in this report.- To approve the use of consultants; procurement of an architect to design the scheme up to RIBA stage 4; and to enter into contracts necessary to complete detailed design.	
Reasons for Decision and Background Information	
Background In Summer 2021 the Council was successful in securing funding from the Future Highstreets Fund (FHSF), this included funding for the fit out of the old city Library building on Angel Row into a flexible workspace and creative hub.	

See Exempt Appendix for details of grant tranche payments and contract values.

Feasibility Study

Since Autumn 2021 further feasibility works have been undertaken through Pick Everards on three aspects which support the business case:

1. Cost Estimates

Officers are working with the developer acquiring Angel Row, Crosslane, to agree a 'shell and core' specification of the returned frontage building where the FHSF project will take place. Whilst not yet fully agreed a number of prudent assumptions have allowed Pick Everards to review the cost plan and to confirm affordability within the FHSF budget.

2. Project Plan

Crosslane development plan shows that the building will be returned to NCC in September 2023. This will leave a further six months before the end of the FHSF funding deadline, March 24, to deliver the construction works. Pick Everards have indicated a 5 month programme sufficient time for these works.

3. Market Demand for the space.

To ensure that the market would still support this type of venture, particularly in the context of a post Covid city centre economy, we have carried out soft market testing to establish demand for workspace. Meetings with 13 operators have taken place, which have confirmed market interest.

In conclusion, we have professional assurances and market confidence that we can deliver the proposed works within the funding and timescales available and that we will be able to secure an operator to lease and manage the building.

Detailed Design

We now intend to carry out a 2-stage procurement process for delivery:

1. Procurement of an Architect to design the scheme up to RIBA 4 and
2. Procurement of a contractor to deliver the scheme to RIBA 5 & 6 based on the outcome of Stage 1.

In the original summary business case we had assumed a single Design & Build contract however we now feel that a '2 stage' procurement process will allow a VfM and progress review prior to entering into a contract for the construction phase of the building. This approach has been supported by our external consultants and also agreed with procurement.

This report now seeks an 'Officer Decision' to proceed to this next stage and incur further expenditure to carry detailed design stage of the building. This will include

- Preparation of detailed building designs and full cost estimates up to and including RIBA Stage 4
- Preparation of tender documents, for construction procurement.
- Preparation and submission of a planning application

Subject to further approval:

- Project management and contract administration of subsequent RIBA stages 5 & 6 which will be undertaken by contractors

The acceptance of the funding and the budget was previously approved in two decisions: Leaders Key Decision - 4153 and a Delegated Decision – 4301. This is the necessary next step in order to implement the FHSF proposals. Before moving to the procurement of a contractor a further Operational Executive Decision will be sought.

Other Options Considered and why these were rejected

Procurement of a single contractor for a Design & Build contract to carry out RIBA 1 – 6: By splitting the procurement into 2 stages it allows the detailed designs and cost estimates to be used as a VfM checkpoint prior to construction stage. A contractor can then be procured based on VfM. Project costs and budgets can also be reviewed again prior to procurement of contractor.

Reasons why this decision is classified as operational

The overall FHSF programme and acceptance of funding has already been approved (Leaders Key Decision – 4153, DD – 4301) This subsequent delegated decision is to proceed the next stage of the project delivery.

Additional Information

Procurement Comments:

Procurement of an architect to design the scheme to RIBA stage 4 will be carried out by tender in conjunction with the Procurement Team in compliance with Public Contracts Regulations 2015 and Contract Procedure Rules. We note that this approach differs from the summary business case which states that colleagues in Major Projects recommended appointment of a single contractor for the scheme under a design & build contract using a framework, and would second that a single contractor operating under a two-stage design & build contract is likely to be timelier and give better value than separate design and construction contracts, however the proposed approach is an acceptable one.

Steve Oakley, Head of Contracting and Procurement, 5th September 2022.

Property Comments:

This decision does not present any significant issues from a Property Services perspective.

Property Services are continuing to work with the Regeneration and Legal Team and the purchasers of the Angel Row site to ensure the sale and lease back of the Angel Row frontage building happens in time for this project to be a success. This work will continue through until hand back. Any potential delays to the handback and the project will be reported to the project team and to the Corporate Asset Management Group.

Comments provided by Beverley Gouveia (Head of Disposal & Development) 20th July 2022.

Finance Comments:

As detailed in this paper the expenditure in relation to this project is within the approved capital programme and funded from external grant. Therefore, this decision doesn't amend the approved capital programme and doesn't require further endorsement from the Capital Board.

The project manager is required to ensure expenditure incurred meets the conditions of the associated capital grant including that the project can be delivered within the grant timescales and the Council has no identified resource to fund any potential liability.

Tom Straw – Senior Accountant (Capital Programmes) 11th July 2022

Legal Comments:

The proposals in this report seek to approve the use of further expenditure against the existing Future High Streets Funding (FHSF) grant to progress to the detailed design stage of the Angel Row FHSF Scheme.

The budgets for the works have already been approved under earlier decisions (Leaders Key Decision 4153, DD 4301) and it is understood that the recommendations have been agreed at DLT and the Capital Programme Board.

This decision seeks to approve the spend associated with the procurement of the design stage of the Scheme only. As noted in the report, further approvals will need to be sought for the procurement of Contractors for delivery of the Scheme in due course.

Appropriate contractual documentation will need to be put in place.

Dionne Screamton- Senior Solicitor, Contracts and Commercial Team 22nd August 2022

Decision Maker (Name and Job Title) Sajeeda Rose, Corporate Director Growth & City Development.



5 September 22

Scheme of Delegation Reference Number
Date Decision Taken