

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2067

Author:

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Department:

Development

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Subject:

Broadmarsh Car Park

Total Value:

up to £900,000 (Type: Capital)

Decision Being Taken:

Agree to pursue a planning application, design development and procurement of a contractor for:

- a) the refurbishment of the Broadmarsh Carpark
- b) new commercial units at lower ground floor and/or ground floor
- c) a refurbished bus station

Reasons for the Decision(s) The Conditional Development Agreement (CDA) between NCC & The Broadmarsh Retail Limited Partnership (intu) for the refurbishment of the Broadmarsh Shopping Centre (BMS), obligates NCC to pay the pre development costs for the complete refurbishment of the Broadmarsh Car Park, and all costs of delivering the project to the specification as appended to the CDA, in the event that the CDA becomes unconditional. The principle for this refurbishment were approved by Executive Board in November 2013. The expectation at that time was that Intu would carry out the design and refurbishment; so no approval was sought for appointing contractors.

As part of the wider Roadspace Transformation of the Broadmarsh area it is also intended that works will be possible to improve pedestrian access to Collin Street and the north end of Carrington Street (although subject to further public consultation). In order to support the transformation, consideration is being given to activating these streets by the provision of commercial units at ground and/or lower ground floor fronting both Collin and Carrington Street. Investigations as to the demand and viability of retail/A3 space is currently underway and is expected be concluded at the end of July 2015.

The refurbishment of the bus station is being considered to improve the passenger experience by improving the environment within the bus station.

In order to maintain progress we now need to seek approval to the above costs. These costs cover for submitting the planning application, design development and undertaking a procurement exercise to secure a Principle Contractor. Further approvals will be sought to enter into contract with the contractor in due course.

- Other Options Considered:**
- 1) Do nothing. Not undertaking this work would result in withdrawing from the CDA and thus putting the redevelopment of the wider Broadmarsh area at risk.
 - 2) To do the work in house. There are currently no resources with the required skills in house, to progress and develop this project.
 - 3) Allowing Intu to carry out the refurbishment, under the CDA. NCC would lose control of both costs and phasing of the project, as Intu has no incentive to control costs or retain the parking availability during the refurbishment.
 - 4) NCC to control the refurbishment by employing consultants to develop the Broadmarsh Car Park project. This is the preferred route to take.

Background Papers: Contained within exempt appendix

Published Works: None

Affected Wards: Bridge

Colleague / Councillor Interests: None

Exempt Information:

Description of what is exempt:

The Broadmarsh Car Park Business Case update Version 0.14

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the business case includes income and expenditure relating to the wider Broadmarsh Development and these are subject to commercial negotiations which would be prejudiced by prior publication of our expectations.

Documents exempt from publication:

SRC_BMCP_ Business Case_V0 14.pdf

Use of Consultants

Number of Days:0

Rate per Day:0

Total value:900000

Start date:01/05/2015

End date:31/01/2016

Reason for using a consultant:

The specialist nature of the construction, lack of resources and the requirements to develop plans to satisfy the CDA with Intu requires the use of external consultants.

Other options considered:

- 1) Do nothing. Not undertaking this work would result in withdrawing from the CDA and thus putting the redevelopment of the wider Broadmarsh area at risk.
- 2) To do the work in house. There are currently no resources with the required skills in house, to progress and develop this project.
- 3) Allowing Intu to carry out the refurbishment, under the CDA. NCC would lose control of both costs and phasing of the project, as Intu has no incentive to control costs or retain the parking availability during the refurbishment.
- 4) NCC to control the refurbishment by employing consultants to develop the Broadmarsh Car Park project.

Name of consultant:

Various - As required up to Construction contract

Reason for selection?

The vast majority of this work will be undertaken by a call off of the SCAPE Framework utilising Faithful and Gould as the main consultant. Any specific specialised work identified that cannot be obtained by this route will be procured directly.

Has the consultant previously completed work for the City Council?

Yes - The principle consultant will be Faithful & Gould who have the following previous work history with NCC;

Currently working on the Broadmarsh project.
Have completed a range of schemes including;
The Portland Leisure Centre, Where SCAPE Framework has been applied.
The Harvey Hadden Stadium, Using EMPA Framework.

Specific activities to be undertaken by the consultant are:	To continue to coordinate & develop architectural design, structural advice and mechanical and electrical advice via sub-consultants.
Period of engagement:	9 months
By what process was the consultant selected?	SCAPE Framework

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: Internal modifications will endeavour to achieve compliance with 'Safe Parking' scheme (Park Mart Award). This will potentially reduce the likelihood of opportunist crime within the car park.

Equality: EIA not required. Reasons: No EIA necessary as decision does not relate to new or changing policies, services or functions.

Social Value Considerations: NA

Decision Type: Portfolio Holder

Subject to Call In: No
 The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Cllr Brian Parbutt
 Consultation Date: 17/06/2015
 The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Advice Sought: Legal, Finance, Procurement, Human Resources

Legal Advice: It is not wholly clear from the decision what exactly the 900k expenditure is intended to cover. If the intention is that it is centred around design works and the planning application then that of itself raises no significant legal issues provided that the price for such works is considered to be fair and reasonable. Any decision to commit the Council to capital expenditure on the actual scheme itself will need to be the subject of a separate decision. Advice provided by Malcolm Townroe (Legal Services Manager) on 03/07/2015.

Finance Advice:

The refurbishment of the Broadmarsh Car Park is part of a wider scheme to refurbish the Broadmarsh Shopping Centre and the bus station, as well as potentially introducing some retail units in the Car Park's surrounding area should sufficient funding be available within the scheme.

The capital outlay required to enable the works on Broadmarsh Car Park is currently estimated at £9.305m. The intention is to fund the cost of the works by Prudential Borrowing over a 40 year period.

The financial modelling on the car park alone gives a negative future cash flow as future uplift in income streams are not sufficient to cover the costs of borrowing. However due to the interdependencies of the Car Park and the Shopping centre it is considered more appropriate to do a combined model.

The combined model demonstrates a positive Net Present Value (NPV) with a payback period of 25 years. Whilst the total combined scheme makes a positive return, there are a number of highly sensitive variables which may have an impact on the overall return generated. These sensitivities are detailed as part of the financial modelling.

It is expected that any works to the bus station will be funded by the Better Bus Grant, however, this is yet to be confirmed.

There has been some initial modelling on potential commercial units in order to ascertain if future potential income is sufficient to cover the cost of the borrowing. However, further modeling will be required as the financial viability is dependent upon the detail of the design.

In order to progress this scheme this report recommends that £0.900m be spent to deliver detailed design work; this is to be funded from the £2.00m set aside for pre development costs that was agreed at Executive Board in November 2013. It is to be noted that the £0.900m is funded at risk; if the scheme does not go ahead as planned the Council will be required to fund from alternate resources. Advice provided by Tina Adams (Capital and taxation Manager) on 03/07/2015.

Procurement Advice:

There are no significant procurement concerns with the recommendations set out in the report. The National Scape Frameworks for Asset Management, Surveying, & Design Services and Project Management & Quantity Surveying Services provide a compliant route for the engagement of Faith & Gould and Pick Everard. Any other external engagements will need to be made through a compliant procurement process in line with Public Contract Regulations 2015.

The professional services design team will support the in house procurement team with the procurement of a main contractor, in which separate approvals will be required.

Advice provided by Sue Oliver (Category Manager - Procurement) on 01/07/2015.

HR Advice:

There are no current HR implications with this proposal. Once work is underway, consideration needs to be given to the safe working conditions of any retained NCC colleagues working in Broadmarsh and if deemed unsafe, temporary relocation would be required and further HR advice sought at this stage. Advice provided by Wendy Tutin (Service Redesign Consultant) on 30/06/2015.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 15/07/2015
Jon Collins (Leader & PH Strategic Regeneration & Development)
SIGNED and Dated: 15/07/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 08/07/2015