

MID SUFFOLK DISTRICT COUNCIL

TO: Mid Suffolk Cabinet	REPORT NUMBER: MCa/19/56
FROM: Cabinet Member for Economy and Environment	DATE OF MEETING: 9 March 2020
OFFICER: Assistant Director, Economic Development	KEY DECISION REF NO. CAB170

APPOINTMENT OF CONTRACTOR AND REQUEST FOR ADDITIONAL FUNDING – NEEDHAM LAKE CAFE/VISITOR CENTRE

1. PURPOSE OF REPORT

- 1.1 Needham Lake is identified as one of the Council's key priorities and in March 2019 Cabinet agreed to improve the visitor offer there by building a visitor centre and café. At the same time, approval was given for funding of £600,000 to deliver all aspects of the project.
- 1.2 Since the original Cabinet decision, more detailed feasibility work has been completed, a consultation event has taken place for the local community, planning permission has been granted and a preferred tenant has been selected to run the café. The contractor procurement process for the building of the facility has been completed to the point of receipt of tenders, which exceed the original capital budget.
- 1.3 In the original report to Cabinet in March 2019, officers outlined that costs remained indicative and highlighted that the ground conditions, potable water and drainage costs continued to be a project risk until more detailed work had been carried out. With the benefit of that further work, these costs have indeed proved higher than originally estimated. In addition, as a result of the community consultation, a Changing Places facility has been added to the specification. Further environmental features have also been included.
- 1.4 This report seeks agreement to increase the previously approved capital budget by £200,000 to reflect the improvements made and complex site outlined above and the higher tender price returns. Approval is also sought for delegated authority to be granted to the Strategic Director to conclude the contractor appointment.

2. OPTIONS CONSIDERED

- 2.1 *OPTION ONE:* To reduce the facilities at the site and provide the scheme within the original budget. This would require a reduction in both the footprint of the centre and some of the environmental sustainability features. It would also remove the Changing Places facility so that centre is delivered within the original budget.
- 2.2 *OPTION TWO:* To approve the extra funding and proceed with a project that responds to the consultation with the public and integrates a Changing Places facility, that maximises the environmental features and is of a size consistent with the demand generated by approximately 380,000 visitors per year.

- 2.3 Option Two would provide added value by keeping the high quality, sustainability and size of the building, while also retaining the designed environmental features, consistent with Mid Suffolk's strategic climate change priorities. It would future-proof the building to accommodate further growth in numbers visiting the site and retain the Changing Places facility to ensure that the Visitor Centre remained accessible to all. This Changing Places facility would be one of only a handful in Mid Suffolk. Option Two also means that the building itself would remain sensitive to its location.

3. RECOMMENDATIONS

Cabinet is recommended to:

- 3.1 To approve Option 2 which seeks additional funding of £200,000 from the Business Rate Retention Pilot Fund to deliver the Visitor Centre and café.
- 3.2 Grant delegated authority to the Strategic Director to appoint the contractor to build the facility.

REASON FOR DECISION

To deliver a high quality and environmentally sustainable building to: promote quality of life for the local community; increase visitor spend in the local economy; support community capacity building and engagement; maximise a Council asset; encourage increased physical activity and improved use of open space; and ensure efficient management of the delivery of the facility.

4. KEY INFORMATION

- 4.1 Since the decision in March 2019 to develop a visitor centre at Needham Lake, the project has delivered against the indicative timescale previously set out. The Member Working Group set up for Needham Lake, comprising of four Cabinet Members and the local ward Councillors, was created in June 2019 to oversee and drive delivery of the new facility.
- 4.2 A key milestone in the project was a public engagement event in October 2019 at Needham Market Community Centre. This engagement event built on the visitor survey undertaken in summer 2018 and showcased the new designs for the centre including floorplans, elevations and a computer image of the finished building. Over 100 visitors attended the event. There was widely-held positive support for the proposals and useful constructive feedback.
- 4.3 Part of the feedback at the public engagement event was the need for a Changing Places toilet as some visitors would be unable to stay for as long as they would like at the site due to the lack of facilities. This idea was taken to the Member Working Group for Needham Lake and it was agreed that this addition would ensure the building would be open to all. There are limited Changing Places facilities in the District especially at outdoor locations and only 14 in the whole of Suffolk.
- 4.4 The community are very positive and supportive of the visitor centre and café at the site and it will complement other improvements to Needham Market.
- 4.5 The Needham Lake scheme was granted planning consent in December 2019 and since that time work has been ongoing to procure a contractor for the build.

- 4.6 The tender process opened in January 2020 and a good response was received particularly from local and regional contractors.
- 4.7 The tender process closed on the 20th February 2020. Whilst considerable due diligence is required on the bids received, and therefore at this stage it is not possible to indicate a preferred contractor, analysis of the bids has indicated that a further £200,000 will be required to complete the project.
- 4.8 Work is ongoing to examine the bids received and review opportunities for cost savings to see if there may be opportunities to reduce the total construction value without compromising quality of the building.

5. LINKS TO CORPORATE PLAN

- 5.1 This project is a Council priority and is included in the agreed Corporate Plan outputs. It links to a number of key strategic priorities, including Environment, Communities, Well-Being, Customers and Economy.
- 5.2 It is also a key project as part of the delivery of the Vision for Needham Market.

6. FINANCIAL IMPLICATIONS

- 6.1 In March 2019 this project was allocated a budget of £600,000 to deliver the centre. This budget comprised £300,00 from the Growth and Efficiency fund and £300,000 from the Business Rate Retention pilot.
- 6.2 Following the conclusion of the final pre-tender cost estimate and now the tender returns, several key items were identified as increasing overall costs when compared to the early cost estimate.
- 6.3 *Introduction of Changing Places facility:* This is inclusive of specialist hoist and fixtures, furniture and equipment and also reflects the increased gross internal floor area required to incorporate the area. Partial funding has been secured towards this element of the scheme from the Needham Market Town Council, the District Council Communities budget and Needham Market and Barking Welfare Charities totalling £20,000.
- 6.4 *Foul Water Disposal:* As a natural location, there is no existing foul drainage. An environmentally sustainable alternative in the form of a localised sewage treatment unit has been developed. There were additional requirements from the Environmental Agency through the planning process as the centre is in a flood plain which has added further cost. It should be noted, however, that a service connection was specifically excluded from the original cost plan, so drainage and other services identified below were always deemed to be an additional cost.
- 6.5 *Water Mains Connection:* There is no current clean water connection at the site. There were two main options which has led to the need for the water to be piped across the River Gipping via a pipe affixed to the existing bridge structure. The requirement for this connection route has added additional cost to the scheme for the bridge structure and to dig through the existing hard standing.
- 6.6 *Construction in an open site:* There are some risks associated with operating a construction site in a public area which is open 24 hours a day. These include theft and additional security is required and this has added to the original budget cost.

- 6.7 *Accessibility:* Access to the site is constrained as there is a single route in and out of the facility which is shared with the general public. There are also electricity wires over the access road which may constrain large vehicle movements. These constraints have added to the cost of the project.
- 6.8 Due to the factors highlighted above, tender prices received are higher than the initial cost estimate and therefore Cabinet are requested to increase the budget for the build by a further £200,000. Although more due diligence work is required on all of the bids received and there may be some further cost efficiencies, our consultants on the project have advised that this figure is a realistic estimate of the additional budget required to ensure the current scheme is delivered on time with the proposed quality and environmental sustainability levels achieved.
- 6.9 The Assistant Director, Corporate Resources, advises that there is currently £280,000 of unallocated funds in the Business Rate Retention Pilot, and that this would be a suitable fund for the additional budget required.
- 6.10 Work on the tenders received will be ongoing and as part of the next stage in the process we will be considering all opportunities to reduce costs of the build which means the additional £200,000 would be a maximum figure.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications. However, the visitor and café centre will have a Changing Places facility so there are additional positive impacts by providing beyond the legal requirement for disability adaptations.

8. RISK MANAGEMENT

- 8.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Inability to meet timescales for opening in 2020	1	3	All milestones are closely monitored, and resource has been allocated to support the delivery. A cross party Member working group was set up for the project in 2019 and has approved all amendments to the scheme. They will continue to monitor the build.
To complete the scheme within budget	2	3	All milestones closely monitored, and resource has

			been allocated to support the delivery of the project. The cross party Member working group will continue to monitor the build and budget for the scheme.
Unable to get clean water to the facility	2	3	The mitigation measures have been worked through with the design team and the Environment Agency to ensure that the solution is suitable. An application for a permit to the Environment Agency has been submitted.
Flood risk in flood zone	1	2	Mitigation measures include changes as a result of consultation during the planning process, including advice from the Environment Agency and Suffolk County Council.
Inability to provide adequate drainage	1	3	The mitigation measures have been worked with the design team and the Environment Agency to ensure that the solution is suitable for the location.

9. CONSULTATIONS

9.1 All usual statutory consultations were carried out as part of the planning application process. There was also the additional event for the public in October 2019 which was attended by circa 100 residents and visitors of Needham Lake.

10. EQUALITY ANALYSIS

10.1 If any of the protected grounds may be affected as a result of the recommendations in this report a full Equality Impact Assessment (EQIA) will need to be carried out as attached at Appendix A. There is positive impact for the disability protected characteristic, please refer to the full Equality Impact Assessment.

11. ENVIRONMENTAL IMPLICATIONS

11.1 Whilst no direct environmental implications arise from additional funding, the building design and its use will have a positive impact upon the Needham Lake area.

11.2 Although the building is a new build on previously green land it has been designed to fully mitigate impacts on the environment by a range of sustainable measures including ground source heat pump, localised sewage treatment solution and solar panels.

11.3 Whilst being run as a café as well as a visitor centre, the Councils brief to secure a tenant for the facility was that it must be operated in an environmentally sustainable way with locally sourced and seasonal food, recycled items instead of single use and ability to link into the wider nature work at the Lake. This was taken account of during the selection process.

12. APPENDICES

Title	Location
(a) EQIA	Attached

13. Background papers

13.1 Cabinet Report March 2019

<https://babergmidsuffolk.moderngov.co.uk/documents/s14006/MCa1873%20Needham%20Lake.pdf>