

MARPLE ACTIVE COMMUNITIES HUB

Report of the and Director of Development & Regeneration and Deputy Chief Executive, Corporate & Support Services

1. Purpose of Report

- 1.1. The purpose of this report is to update members on the progress being made on the delivery of the new Marple Active Communities Hub.
- 1.2. To update members on the status of the existing Marple Swimming Pool and next steps for that asset.
- 1.3. To seek delegated authority for the Director of Development and Regeneration (Place) and Deputy Chief Executive (Corporate and Support Services) in conjunction with the Cabinet Member for Finance & Resources to take all steps necessary and required for the delivery of the Marple Active Communities Hub Project.
- 1.4. To seek delegated authority for the Director of Development and Regeneration (Place) and Deputy Chief Executive (Corporate and Support Services) in conjunction with the Cabinet Member for Finance and Resources and the Strategic Head of Service (Legal & Democratic Governance) to take the necessary steps to implement the strategy set out in this report.

2. Background & Context

- 2.1. The Government's £4.8bn Levelling Up Fund (LUF) was first announced in the spring budget of 2021. A submission of up to £20m grant could be made for a priority capital infrastructure project within a local constituency that would have a lasting impact and had strong local support. Any project had to meet a set of gateway criteria and score well against what was a very competitive round.
- 2.2. The Council submitted the Marple Active Communities Hub business case in June 2021 under the fund's Culture theme. However, the submission was not successful. Following feedback from Government, the Council resubmitted in August 2022 to Round 2 of the LUF. The project design and costs were reviewed and business case altered to include more health and inclusivity benefits in line with the updated funding guidance. The submission was for £19.7m LUF monies with £2.2m local co-funding. Again this submission was not supported, however feedback was that the business case was very strong and the Government wished to support the project through Capital Levelling Up monies. Following some initial clarifications the funding support for the full £19.7m grant was formally announced on 15th March 2023. Currently the Council is working with

DLUHC to finalise the Memorandum of Understanding that will form the grant agreement.

- 2.3. A key driver for the project is sustainability and the drive to decarbonise the Council's leisure estate. As such the new facility will be designed to be carbon neutral in operation, with significant investment being made in walking and cycling, a sustainable water cycle approach and adopting a fabric first approach to energy usage and loss.
- 2.4. The project is also part of the Council Plan's ambition to deliver wellbeing in neighbourhoods. At the heart of this approach is working with residents and communities to improve local areas and promote health and wellbeing. It means understanding and responding to different strengths and needs, reflecting the diversity of our borough. It is also about connecting public services so that they work better together and have strong relationships with businesses and the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector.

3. Current Project Status

- 3.1. Following announcement of the successful funding application in March a project mobilisation report was produced and issued in April setting out the recommended approach to the delivery of the project.
- 3.2. A recommendation for a Project Board for the scheme has been put forward and mobilised to oversee and provide guidance to the initial stages of the project with the first meeting held on 16th May 2023.
- 3.3. A procurement strategy for the SMBC professional team required to deliver the project has been agreed with STAR procurement. Initial tender exercises have been scoped and commenced for the appointment of a Project Manager, QS, Architect and Planning Consultant to support the delivery of the scheme.
- 3.4. A procurement strategy for a main contractor and full design team has also been developed in conjunction with STAR with 1st Stage tender exercise anticipated to take place in Summer 2023.
- 3.5. Work has also commenced on the stakeholder and public engagement strategy which will be undertaken in conjunction with SMBC Highways. The engagement will cover the works to the new Marple Hub and the associated Highways improvement works. It is anticipated this engagement will be undertaken through Spring and Summer 2023 prior to an anticipated planning application in late 2023.

4. Financial Implications

- 4.1. The overall project budget for the delivery of the Marple Community Hub Scheme is £21,890,073.
- 4.2. This is made up of two funding elements: £19,701,007 in funding as part of the Capital LUF Grant Award and £2,189,007 is required as Stockport Council Match Funding. The funding bid required a minimum capital contribution of 10% from all bidders, and the match funding offered by the Council is in line with this minimum requirement. It is proposed that this Match Funding be drawn from un-ringfenced capital receipts that the Council holds.
- 4.3. It is estimated that the costs to develop and deliver the scheme are phased as follows: 2023/24: £1.10m; 2024/25: £13.32m; 2025/26: £7.47m. These sums would be funded by both grant and Council match funding, at ratios to be agreed with the funding body. Grant funding is likely to be drawn down every six months in July and January based on forecast spend, and then going forward adjusted for actual spend, as required. Hence, there may be a requirement to cashflow some of grant. This will be the case if the grant agreement is not in place with DLUHC before July 2023.
- 4.4. At this stage there is a requirement for the Council to forward fund the development of the scheme to enable it to undertake the steps outlined in part 8 of the report. The cost of this phase of work is estimated at £2 million and is made up of two elements: design fees, surveys, and pre-construction services agreement with an estimated value of £1.2million; and an enabling works package to undertake the advanced demolition of the existing library building and utility diversions, prior to the main construction works commencing, with an estimated value of £0.8million
- 4.5. Delegated authority is sought for the Deputy Chief Executive to allocate Council resource to support this work. These capital costs will be eligible retrospectively for grant support.
- 4.6. It is to be noted that if for any reason the grant is not forthcoming, the above works can be ceased in order to minimise abortive costs.

5. Community Engagement

- 5.1. Significant community engagement and consultation has already taken place over a significant period of time. Much of this engagement was led by GT3, the Architects for the scheme appointed by the council in 2019. This has included:
 - 5.1.1. Workshops with Stockport Council, and its key services, in August 2019.

- 5.1.2. Community workshops have taken place with key stakeholder groups, including 'Friends of the Park', 'The Civic Society' and 'The Neighbourhood Forum', during March 2020.
 - 5.1.3. A public engagement open day took place at Marple Library during March 2020.
 - 5.1.4. An online questionnaire was undertaken during March and April 2020.
 - 5.1.5. Customised questionnaires have been undertaken by Marple Swim Club, Library Staff and Life Leisure Staff.
- 5.2. All of this feedback from these engagement activities was recorded and has been combined into the Stakeholder Engagement document, prepared by GT3, which has informed the ongoing design process and the business case for funding.
- 5.3. It is however noted that the previous rounds of engagement took place some time ago, and therefore the Council is proposing to undertake a final round of engagement, in support of a forthcoming planning application, to refine the current proposal further.
- 5.4. The proposals for this engagement are twofold; the first phase will focus on re-engagement with the key stakeholder groups identified in previous engagement and the second phase will focus on wider public engagement. The design of this engagement process is ongoing, however many of the previous techniques will be reused including workshops and forums, open days, and online questionnaires.
- 5.5. It should be noted that, in line with the grant funding conditions, there is limited scope for redefining the core offer and the outcomes of the scheme, as these have been agreed by the funder and will be a contractual obligation. Any engagement will therefore be focused on maximising what and how best services can be delivered in this context.

6. Procurement

- 6.1. A significant amount of work has been invested into the development of the scheme to date and the funding bid contained a design that is approaching RIBA Stage 2. Further design and development of the scheme is required to enable a planning application to be submitted, cost certainty to be achieved, contractor appointment to take place and construction to take place.
- 6.2. To support the delivery of these activities the Council will work with STaR procurement, its procurement service, to establish the most effective way to appoint of the required partners in line with Public Procurement rules and the Councils Contract Procedure Rules.

- 6.3. The Council is currently undertaking market engagement around the appointment of a professional services team.
- 6.4. The Council will also seek to appoint a Main Contractor for the delivery of the scheme. The Council has previously engaged a development partner for the scheme, procured via the UK Leisure Framework, however due to the significant delay between the submission of the LUF 2 grant application and the award decision being made, it is proposed that STaR undertake a refreshed appraisal of the construction market to ensure the Council is in the best position possible to move the project forward, whilst being cognisant of the current market conditions and volatility.
- 6.5. It is proposed that a two-stage tender process would be adopted. The initial step would be to procure a main contractor/development partner for the scheme and the Council would then enter a pre-construction services agreement. During this period the contractor would undertake the detailed design and costing of the scheme, the culmination of which would be a set of Contractor Proposals, which would form the basis of a further decision on the council entering the build contract.

7. Key Risks and Mitigations

- 7.1. Grant Conditions: The Council will act as accountable body for the LUF grant. It will therefore need to fulfil its governance role as set out in the grant conditions. The key risks in relation to the grant are under performance, ineligible spend or breach of any conditions. These risks will form part of a wider project risk register and are not unusual for grant funded projects.
- 7.2. In terms of project performance, the Council will mitigate risk through its robust project management function and its quarterly monitoring and progress reporting to DLUHC. This will be similar to that already undertaken for the Town Deal and Future High Street Fund and will cover progress, outputs and spend. If there is a need to revise the spend profile across financial years then this will be addressed through consultation with DLUHC and a Project Adjustment Request, if required. The main risks to the funding are around a significant change in project scope, and hence outcomes, or delays in delivery taking spend beyond the grant availability period. Again this will be mitigated through the project management processes and contingency built into the timetable. Ineligible expenditure, resulting in grant recovery, is highly unlikely. Spend has to be capital, relate to the project scope and be within the grant period. The Project Management Team will track expenditure and this will assured by Financial Services and the grant manager, before reporting to DLUHC. The project Management Team will ensure that grant conditions are adhered to, this includes the purpose of the grant, branding, Subsidy Control and other legal requirements.

- 7.3. Progressing and obtaining planning permission, and having a contractor appointed, are key milestone events that DLUHC will wish to see achieved as soon as possible to de-risk the project.
- 7.4. It is likely that the grant funding is the maximum amount of support that the Council will received from DLUHC. Should the overall project cost exceed the grant allocation there would be a requirement for the council to reduce overall project costs or self-fund any shortfalls. This potential issue will be mitigated through stringent design and budget management, budget monitoring and value engineering should the need arise.

8. Next Steps

- 8.1. A project board has been established specifically for the delivery of this project. This board comprises key stakeholders including those from the Library Service, Leisure Service, Estates and Asset Management, Children's Services and Life Leisure. The board will be tasked with providing robust oversight of the project during the design and delivery phase and ensuring the strategic outcomes of the project are being realised. The board reports directly to the overarching Capital Board and will agree progress reports to DLUHC.
- 8.2. An external design team is appointed to commence the detailed design of the works. This team would consist of:
 - 8.2.1. Project and Program Manager.
 - 8.2.2. Cost Consultant and Employers Agent.
 - 8.2.3. Professional services team to include Architect, Structural/Civil Engineer, and Mechanical, Electrical and Public Health consultant.
 - 8.2.4. Planning consultant.
 - 8.2.5. Additional specialists to advise on specific elements on the scheme and surveys required.
- 8.3. Community engagement will take place in line with the details provided in part 5 of this report. The responses to this final round of community engagement will be captured in a statement of community engagement which will be submitted as part of a forthcoming planning application.
- 8.4. The works will require planning consent, so a planning application will be brought forward in due course once the scheme is sufficiently developed to allow this.
- 8.5. A procurement process, as detailed in part 6 of this report, will take place to initially appoint a contractor under a Professional Services Agreement. This agreement will enable the contractor to undertake further significant

detailed design, undertake all required surveys, prepare and submit the planning application, and undertake detailed costings of the scheme. The culmination of the process will be the submission of the Contractors Proposals for the scheme, following which a further report will be made to Cabinet. This report will seek authority to enter the main build contract and commence the delivery and build phase of the project.

- 8.6. The following table provide indicative timescales for these steps to take place:

Task	Duration
Establish Project Board	1 Month
Develop Project Execution Plan and Control Documents	1 Month
Procurement and Mobilisation of Stage 2 Design Team	1 Month
Undertake Key Stakeholder Briefings and Engagement	1 Month
Procure Main Contractor and Full Design Team (under PCSA)	3 Months
Undertake Public Engagement	1 Month
Undertake Design to Planning Application	3 Months
Submit Planning and Determination Period	4 Months
Contractor Detailed Design and 2 nd Stage Procurement	5 Months
Negotiation and Delivery of an Enabling Works Package	4 Months
Build Phase – indicative depending on the results of final design, surveys and contractor engagement	Circa 18 Months

- 8.7. It is envisaged that two enabling works packages will take place. The first package is the demolition of the former Marple Swimming Pool, which is a surplus asset. The second package is the relocation of the current Marple Library to an interim facility within the locality, enabling the demolition of this building to take place. This is crucial from a risk mitigation perspective, as it will allow detailed ground investigations to take place on the site of the new Hub. Exact timelines for both of these enabling works packages are being developed, however it is envisaged that both packages could commence during autumn 2023. The details of this interim provision will be provided to Cabinet in due course.

9. Legal Considerations

- 9.1. Legal considerations relating to proposed contracts and agreements will be reviewed as part of the development of the scheme.

10. Human Resources Impact

- 10.1. It is not envisaged there are any direct Human Resources Impacts to be considered as a result of the scheme.

11. Equality Impact Assessment

- 11.1. As part of the funding business case an Equality Impact Assessment was undertaken that assessed the project, its design and its operation against those with protected characteristics. Earlier this year a Public Sector Equalities Duty (PSED) assessment was also submitted to DLUHC for their review. This sets out the positive and negative impacts that the Marple Hub might have on groups by reference to the relevant protected characteristics and also any mitigations, if applicable. The assessment also covered any impacts on the relations between those with different protected characteristics. Both these assessments will be kept live during the detailed project design process and implementation to ensure that the Council's PSED is being achieved.

12. Environmental Impact

- 12.1. The development of the new Marple Community Hub provides the Council with the opportunity to develop a sustainable leisure offer.
- 12.2. As part of the LUF bid a commitment was made that the building would achieve Net Zero Operational Carbon Emissions and the design of the building reflects this. A fabric first approach has been adopted with a focus on the reduction of energy demand, active management of the internal environment, the use of ultra low energy plant, and the use of non-fossil fuel heat sources for both building and pool heating.
- 12.3. Focus is also being directed at achieving a sustainable water cycle for the building with plant and equipment used to limit the amount of water required to operate the building, and in particular the pool itself.
- 12.4. As part of the LUF outcomes significant investment is proposed in the locality to improve connectivity and encourage walking and cycling. The Hub is a community facility, with the aim being that the communities it serves will be able to access the facility without the need to use private vehicles.
- 12.5. Finally, significant focus is being spent on reducing wherever possible the embodied carbon within the building itself. This will include the carrying out of life cycle carbon, as well as cost analysis; the use of local and

ethical materials wherever possible, use of offsite modular construction for key pieces of equipment and plant and ensuring that all materials that are used are robust and long lasting.

13. Conclusion and Recommendations

13.1. Cabinet is Recommended to:

- 13.1.1. Note the contents of this report and progress on the Marple Active Communities Hub, and that Cabinet approve the approach to the development of the project and to enter into agreements to achieve this, as required.
- 13.1.2. Given approval to undertake the proposed community engagement activities outlined in part 5 of this report.
- 13.1.3. Delegate authority to the Director of Development and Regeneration (Place) and the Deputy Chief Executive (Corporate and Support Services), in consultation with the Cabinet Members for Finance and Resources and Economy, Regeneration and Housing to enter into any Grant Funding Agreement or Memorandums of Understanding with the Department for Levelling Up, Housing and Communities, or any other government department or government organisation required to deliver the scheme.
- 13.1.4. Delegate authority to the Deputy Chief Executive (Corporate and Support Services), in consultation with the Cabinet Member for Finance and Resources to allocate Council Capital Resources to support the required funding match as part of any Grant Funding Agreements or Memorandums of Understanding.
- 13.1.5. Delegate authority to the Director of Development and Regeneration (Place) and the Deputy Chief Executive (Corporate and Support Services), in consultation with the Cabinet Members for Finance and Resources and Economy, Regeneration and Housing, to approve the undertaking of any required procurement activities to allow the appointment of any professional services consultants or construction contractors.
- 13.1.6. Delegate authority to the Director of Development and Regeneration (Place) and the Deputy Chief Executive (Corporate and Support Services), in consultation with the Cabinet Members for Finance and Resources and Economy, Regeneration and Housing, to approve the entering of any contracts required for the appointment of any professional services consultants or Construction Contractors and bring forth

any necessary planning applications related to the delivery of Marple Community Hub and the wider project, including the related Transport and Highways works contained in the LUF funding bid.

- 13.1.7. Delegate authority for the Director of Development and Regeneration (Place), Deputy Chief Executive (Corporate and Support Services) and the Assistant Director (Legal & Democratic Governance), in consultation with the Cabinet Members for Finance and Resources and Economy, Regeneration and Housing, to take the necessary steps to implement the strategies set out in this report.
- 13.1.8. Give approval for the release of up to £2 million in funding to allow the scheme to progress up to the conclusion of the second stage tender process, at which point a further report will be brought to cabinet to seek approval to conclude the second stage tender process and formally enter contract with a delivery partner.
- 13.1.9. Give approval for the development and implementation of two enabling works packages, which include the demolition of the former Marple Swimming Pool and current Marple Library buildings to enable the Marple Community Hub project to be brought forward at pace. Give approval for the establishment of an interim Marple Library provision during the construction phase of the project.
- 13.1.10. Approve that officers develop, consult, and seek approval for Highway works directly required for the development proposals along with wider supporting sustainable travel improvements in the Town Centre to be separately funded by further bids.
- 13.1.11. Approve that officers develop, consult, and seek approval for Traffic Regulation Orders, Parking Place Orders, Controlled Crossings and Traffic Calming as necessary for Orders directly required for the development.