

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF PROJECTS AND REGENERATION	EXECUTIVE COMMITTEE	19 FEBRUARY	9
KIRKHAM FUTURES – CONVERSION OF FORMER TSB BUILDING – CAPITAL PROGRAMME DRAWDOWN			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Corporate and Economic Development (Councillor Karen Buckley).

PURPOSE OF THE REPORT

One of the key projects to be delivered under the Kirkham Futures Programme banner is the conversion of the former girls' charity school (most recently occupied by TSB bank). This project was included within the Council's successful bid to the Government's Future High Street Fund in 2019.

The proposals received full planning permission in March 2023 (ref 22/0949) and include alterations and extensions to the former bank premises with use as a bar and restaurant. Subject to approval of the recommendations in this report the Council will seek to procure a suitable operator for the building during the construction phase of the project ready for occupation on completion of the works.

The report contains a summary of the tender process for the project and the Committee are requested to approve the proposed capital expenditure and confirm contract award to the preferred contractor. The Committee is also requested to consider and approve the underwriting of underspent funding within the Future High Street grant scheme to ensure that the available budget is in place for awarding the contract.

RECOVERABILITY

This decision is recoverable under section 7 of part 3 of the constitution.

RECOMMENDATIONS

1. To approve the proposed capital expenditure of £483,882 in respect to the scheme as outlined in this report. This includes expenditure of £50,000 in 2023/2024 and £433,882 in 2024/2025.
2. To approve the letting of the works contract to Rosslee Construction for £483,882 to carry out the works as outlined within this report.
3. That officers obtain written approval from the Future High Street Fund Team at DLUHC to transfer £45,819 for 2024/2025 in underspent funding from the Hillside Court scheme of the Kirkham Futures programme to the budget provision for Conversion of TSB Building works.
4. To approve that the Council underwrites a maximum of £45,819 for 2024/2025 financial year (from the capital investment reserve) if approval is not obtained from the Future High Street Fund grant team at DLUHC for the

underspend to be transferred from the Hillside Court scheme of the Kirkham Futures programme to the budget provision for Conversion of TSB Building works:

REPORT

BACKGROUND

1. In May 2021 the Government announced that Fylde Council had been successful with a £6.290m bid to the Future High Street Fund to regenerate Kirkham Town Centre. This award sat alongside the £3.271m Heritage Action Zone funding to form the Kirkham Futures Programme.
2. One of the projects identified within the Future High Street Fund award is the acquisition and conversion of the former TSB building at 52 – 64 Poulton Street. Council gave approval to acquire the property in December 2021, and since acquiring the building the Council have been developing proposals for a conversion of the building into a bar and restaurant establishment.
3. Fylde Council have appointed a multi-disciplinary consultant team led by DCMG Associates to lead on building design work and to administer the building contract upon award.
4. The scope of the refurbishment work includes:
 - Within the original Listed Building, refurbishment and remodelling of existing double height space with feature roof beams and supporting wall posts to create new entrance, dining, bar, cellar and storage facilities, then refurbishment of the second-floor accommodation to house staff welfare and storage facilities. Externally there will be works to refurbish railings, repair/replace cast iron rainwater goods, repairs to York stone pavers to frontage section, and repairs to the rendered plinth construction.
 - Demolition of 1970's rear extension and construction of new replacement extension with contemporary details and features to house further dining space, new WC's, and kitchen facilities.
 - External works to provide rear patio terrace, landscaped garden area and pathways linking to service areas including a fenced Service Yard and Refuse Store.
5. Planning permission and listed building consent for the works was granted on 1st March 2023 (ref 22/0949 & 22/0450 respectively).

PROCUREMENT PROCESS & EVALUATION

6. Officers have led the tender process with support from DCMG Associates via a traditional procurement route, where the Client fully details the design ahead of the tender period.
7. The tender process was undertaken via a restricted procedure. The opportunity was advertised on 12th October 2023 via the 'Chest Procurement Portal' with interested contractors required to populate a Standard Questionnaire response by the deadline of 2nd November 2023.
8. 19 Standard Questionnaire submissions were received. The Standard Questionnaire responses were evaluated and a shortlist of six contractors were selected to take through to the Invitation to Tender stage. The selected shortlist was as follows:
 - Rosslee Construction Ltd.
 - Warden Construction Ltd.
 - Bambers Remedial Contractors.
 - Krol Corlett Construction.
 - Colin Briscoe Construction.
 - Cunard Construction.

9. The Invitation to Tender documents were issued to the shortlist on 1st December 2023, with a submission deadline of 19th January 2024.
10. Five tender submissions were received before the submission deadline. Warden Construction Ltd confirmed their intention not to submit a tender in advance of the deadline and withdrew from the process.
11. The tender was evaluated on a 70% price basis and a 30% quality basis. The tenders were evaluated as a pro-rated score relative to the lowest tendered price. The calculation to work out scoring for the tender prices is as follows; (Lowest Tender Price / Actual Tender Price) multiplied by 70. A concise summary of the price evaluation section and how this was scored is contained within Table 1 below.

Table 1: Tender Evaluation: Prices

	Bambers RC	Colin Briscoe Construction	Cunard Construction	Krol Corlett Construction	Rosslee Construction
Price	£547,092.90	£690,269.42	£590,569.00	£607,889.21	£537,663.68
Price Score	68.79	54.52	63.73	61.91	70.00

12. A summary of the quality evaluation undertaken is contained below in Table 2.

Table 2: Summary of Tender Quality scores

Criteria	Max. Score	Criteria Weighting	Max. Weighted Score	Bambers RC	Colin Briscoe Construction	Cunard Construction	KrolCorlett Construction	Rosslee Construction
		%						
Programme	5	30%	9	5	4	5	5	5
Site Team and Experience	5	20%	6	3	5	5	5	5
Health and safety	5	10%	3	4	5	4	4	5
Site Management and Methodology	5	20%	6	5	5	5	3	5
Social Value	5	10%	3	3	2	3	4	5
Aftercare	5	10%	3	2	2	5	5	4
Total				22	23	27	26	29

13. Table 3 below includes the combined price and quality scores for each of the tender submissions.

Table 3: Overall Tender Evaluation Scores

	Bambers RC	Colin Briscoe	Cunard Construction	KrolCorlett Construction	Rosslee Construction
Evaluation Summary					
Price	68.79	54.52	63.73	61.91	70.00
Quality	24.00	24.60	28.20	26.40	29.40
Total Score	92.79	79.12	91.93	88.31	99.40

14. The highest scoring tender from the evaluation is Rosslee Construction.

COST BREAKDOWN OF THE SCHEME

15. A pre-tender estimate prepared by the Quantity Surveyor working for DCMG Associates estimated the construction works at £438,063, broken down into 3 main elements:

- Construction works - £378,353.
- Preliminaries - £37,835.
- Contingency - £21,875.

16. A copy of the full pre-tender estimate document is available on request.

POST TENDER NEGOTIATION

17. The Council's standard invitation to tender document expresses the right for the Council to enter post tender negotiations with the preferred contractor to ensure that the contractor's offer is affordable. The preferred contractor's tender submission was £537,664, which is £99,601 over the pre-tender estimate figure.

18. The Council commenced post-tender negotiation discussions with the preferred contractor Rosslee and the design team. This has resulted in a revised tender offer of £483,882, £53,782 less than the original tender offer.

19. There are further scope reduction measures that have been identified by the project team, predominantly in connection with Mechanical and Electrical Services which have not yet been fully detailed and costed, which should reduce the revised tender figure even further. These savings will be quantified during the contract and instructed accordingly.

METHOD AND COST OF FINANCING THE SCHEME

20. Funding for a scheme for this purpose is included within the approved Capital Programme for 2023/2024 and 2024/2025, subject to the approval of the recommendations contained within this report. The transfer of underspent funds from the Hillside Court scheme is subject to a 'Project Adjustment Request' (PAR). At the time of writing this report DLUHC have advised a 3-week period should be sufficient for them to approve the PAR. Following an initial discussion with DLUHC, officers can confirm that the risk of not receiving approval for the PAR is highly unlikely.

VALUE FOR MONEY AND DETAILS OF PROCUREMENT PATH

21. To ensure that value for money is achieved a procurement exercise has been undertaken in accordance with the Council's contract procedure rules. Selection of the successful bid has been based on value for money using a cost / quality assessment as outlined in Table 3 included in this report.

ONGOING REVENUE IMPLICATIONS OF THE SCHEME

22. The Council have already allocated a revenue budget for the management and maintenance of the former TSB building. Most costs associated with the building will be the responsibility of the leaseholder once in situ.

PROCUREMENT SUMMARY

23. The Council is requested to approve expenditure for the conversion of the former TSB building to be delivered under the Kirkham Futures Programme. The tender sum following post-tender negotiation is £483,882. The Council is also requested to approve the letting of the contract to Rosslee Construction, following a compliant tender process detailed above.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓

Tourism – To create a great place to live and visit	√
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IMPLICATIONS	
Finance	<p>The report requests approval for expenditure of £483,882 (£50,000 in 2023/24) and £433,882 in 2024/25) in respect of the conversion of the former TSB project as outlined in this report.</p> <p>The report also requests approval to the letting of the contract for works to Rosslee Construction at a value of £483,882.</p> <p>Also, to approve that the Council underwrites a maximum of £45,819 for 2024/2025 financial year (from the capital investment reserve) if approval is not obtained from the Future High Street Fund grant team at DLUHC for the underspend to be transferred from the Hillside Court scheme.</p>
Legal	No implications arising from this report
Community Safety	No implications arising from this report
Human Rights and Equalities	No implications arising from this report
Sustainability and Environmental Impact	No implications arising from this report
Health & Safety and Risk Management	No implications arising from this report.

SUMMARY OF PREVIOUS DECISIONS
<p>Planning Committee - 1 December 2021 - approved at Council on 6 December 2021</p> <p>5. The Chief Executive recommends that the Council approves the acquisition of the freehold interest of the property known as the former girls school/TSB bank 52 - 64, Poulton Street, Kirkham for a purchase price set out in the report and authorise officers to seek a potential restaurant / community tenant to take on a 7-year lease (insurance, utilities, internal repairs etc. including fit out will be met by the tenant), all costs being met from the Future High Street Fund grant award.</p> <p>Council – approved on 5th July 2021</p> <ol style="list-style-type: none"> The award of the Grant from the Ministry of Housing, Communities and Local Government (MHCLG), under the Future High Street Fund, of £6.290m in respect of the full funding award for the financial years 2021 – 2024. A fully funded capital budget increase of £6.290m to the Future High Street Fund: Kirkham allocated over the financial years as follows: (2021/22 - £3.489m), (2022/23 - £2.118m) and (2023/24 - £0.683m)

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
N/A		

LEAD AUTHOR	CONTACT DETAILS	DATE
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