

Title: Bristol Arena Contractor Appointment Value for Money Review and Further Options	
Ward: Windmill Hill and City wide	Cabinet lead: Mayor
Author: Stuart Woods/Alistair Reid	Job title: Project Director/Service Director Economy
Finance narrative: Please refer to Appendix A for detailed comments	
Finance Officer: Chris Holme, Service Manager Corporate Finance	

Summary of issue / proposal: To approve the award of the Pre Construction Services Agreement (PCSA) to Buckingham Group, seek approval for the commissioning of a Value for Money review and to undertake further indicative work as to the options as to what type, size and shape of arena that could be procured should a new procurement be required.

Summary of proposal & options appraisal:

- Bristol is the only core city without an Arena. Developments of this scale do require a significant public subsidy at the outset to enable the facility to be built.
- It is widely accepted however, that there are considerable economic and social benefits generated by such facilities in terms of attracting spending to the city and raising its profile. These economic benefits will be realised in Bristol and the sub-region. The lack of an Arena leaves the city without the necessary sized venue that all other major cities possess as part of their cultural infrastructure.
- The Arena project benefits from a site in the Council's ownership, a technical design (RIBA Stage 4), detailed planning permission and a 25 year operational agreement with an operator in place. Over £123m has been secured for the project. At this stage the Council has spent £9m on taking the project forward, and after several previous attempts to deliver an Arena in the city, the project is now more advanced than ever before.
- On January 11th 2017 the Council terminated its Pre Construction Services Agreement with Bouygues UK limited, leaving the project without a Contractor to build the scheme.
- The purpose of this report is to seek Cabinet approval to enter into a Pre-Construction Services Agreement with Buckingham Group.
- At the same time the report also seeks approval for the commissioning of a Value for Money review in order to assess the economic case for investment in the project
- It asks that the Strategic Director Place undertake further indicative work as to the options as to what type, size and shape of arena that could be procured should a new procurement be required.
- Finally the report seeks approval to bring forward Enabling Works and the pre-ordering of elements of work and to finance work on a proposed car park at 1-9 Bath Road.

Recommendation(s) / steer sought:

1. To approve the award of the Pre Construction Services Agreement (PCSA) to Buckingham Group in order to firm up current costings for the arena as currently proposed;
2. To authorise the Strategic Director for Place to undertake all negotiations and sign off the PCSA Contract in consultation with the Mayor as and when it is finalised;
3. To ensure that the PCSA process takes full advantage of value engineering options offered under the current arena project;
4. To commission an independent value for money review in parallel with the PCSA process in order to inform the economic case for any investment in the arena project;
5. To undertake further indicative work as to the options as to what type, size and shape of arena that could be procured should a new procurement be required;
6. To request that the Strategic Director for Place return to Cabinet following the conclusion of the PCSA, the Value for Money Study, and the review of options in order to allow Cabinet to take a view on how to proceed with the project in such a way as to seek to minimise additional costs and maximise VFM and the economic case for an Arena;
7. To approve Enabling Works and the pre-ordering of elements of work/materials yet to be specified (where there is a clear benefit in doing so) prior to the main building contract being signed;
8. To approve the allocation of £500,000 from the existing allocation to the scheme to finance further work on the proposed car park at 1-9 Bath Road; and
9. To return to Cabinet with options on the provision of a car park following the work referred to

above.

City Outcome: Bristol Arena is one of the Mayor's strategic priorities and commitments to the City. The Arena will serve as a catalyst for the development of the Bristol Temple Quarter Enterprise Zone (BTQEZ) in terms of spatial planning, creating jobs and generating economic and business rate growth.

Health Outcome summary: covered in previous cabinet papers

Sustainability Outcome summary: covered in previous cabinet papers

Equalities Outcome summary: covered in previous cabinet papers

Impact / Involvement of partners:

Key partners include the Local Enterprise Partnership (LEP) and Arena Island Limited (the Arena operator) who are providing significant funding to the project.

Consultation carried out: This paper has been reviewed by the Senior Leadership Team (28th February and 14th March). The Mayor and Cabinet Member have been briefed on the status of the project and were last briefed on 16th March 2017 and 13th March 2017. No external consultation has taken place.

Legal Issues

Legal advice supports the approach taken namely of appointing the second placed Contractor (Buckingham Group) as the Preferred Contractor and entering into a PCSA with them.

The PCSA does not commit the Council to enter into a building contract but to engage with Buckingham Group to seek to agree a target price for a building contract, the outcome will be reported to Cabinet for a final decision to proceed (or not).

Under the terms of the PCSA the Council may instruct Buckingham Group to carry out enabling works, including site preparatory works and ordering materials. By ordering enabling works through the PCSA the Council is not committed to proceeding into the main building contract. The enabling works are dealt with as a discrete package of works carried out under the PCSA.

Legal Officer: Nancy Rollason, Service manager, Legal Services and Deputy Monitoring Officer
Date: 27.03.17

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Barra Mac Ruairí, Place Strategic Director	28.02.17 and 14.03.17	Mayor
Appendix A – Further essential background / detail on the proposal		YES
Appendix B – Details of consultation carried out - internal and external		NO
Appendix C – Summary of any engagement with scrutiny		NO
Appendix D – Risk assessment		NO
Appendix E – Equalities screening / impact assessment of proposal		NO
Appendix F – Eco-impact screening/ impact assessment of proposal		NO
Appendix G – Exempt and not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information))' and 5 (Information in respect of which a claim for legal professional privilege could be maintained in legal proceedings').		YES