

Decision Pathway Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 21 January 2020

TITLE	South Bristol Sports Centre – Reinstatement Tender – Phase 1		
Ward(s)	Stockwood		
Author: Penny Fell	Job title: Director: Commercialisation, Citizens and Shareholder Liaison		
Cabinet lead: Cllr Craig Cheney	Executive Director lead: Mike Jackson		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: 1. To seek approval for the award of a variation for the completion of the remainder of Phase 1 of the enabling and reinstatement works at South Bristol Sports Centre, to 21 Century Building Services (21CBS), the contractor already delivering Phase 2.			
Evidence Base: 1. A fire caused substantial damage to part of the South Bristol Sports Centre (SBSC) in May 2018. 2. The facility is owned by Bristol City Council (BCC) and operated by a Trust under a Community Asset Transfer Lease from BCC. 3. The terms of that Lease oblige the Landlord (BCC) to insure and, in the event of a claim, to apply insurance monies to the reinstatement of the building. 4. BCC's insurers have agreed a settlement for reinstatement works; however, the level of costs has yet to be agreed. 5. The Tenant will suffer continued losses from protracted business interruption, but has an insurance policy to cover this that expires on 8 May 2020. 6. To reduce the business interruption a two Phase approach was taken to restoring the facilities and bring income streams online as soon as possible. 7. The first phase (enabling and reinstatement works to Sports Pavilion, including the reception area) was tendered and Dri-Build was commissioned to provide these works. 8. The second Phase was tendered and 21CBS was commissioned to undertake this work, comprising enabling and reinstatement works to the squash courts (Contract value £1,021,486.11) 9. In September 2019 Dri-Build went into administration, leaving Phase 1 unfinished. 10. The Council is contractually obliged to carry out the works the cost of which should be funded by the insurer. 11. It is proposed to use 21CBS to complete the Phase 1 works rather than retender as the delay to reinstatement works and additional costs associated with a retender would outweigh any savings. 12. Discussions are ongoing with the Loss Adjustors and Insurers and the full financial situation should be available for Cabinet in January. Cabinet is therefore asked to approve the award of a variation to the existing contract to 21CBS for the completion of Phase 1. It is proposed that this is completed, in line with the Phase 2 programme of works, by 8 May 2020.			
Cabinet Member / Officer Recommendations:			

That Cabinet:

1. Approve the variation to the existing contract to 21CBS to conclude the remaining works for Phase 1 estimated a cost of £750,000 (which includes a contingency); and,
2. Delegate authority to the Executive Director of Resources, (in consultation with the Deputy Mayor with responsibility for finance, governance and performance), to take all necessary steps to appoint 21CBS to complete the remaining works to rebuild the SBSC.

Corporate Strategy alignment:

1. The Council as landlord is legally obliged to complete the reinstatement works.

City Benefits:

1. The social and health outcomes of the Sports Centre are hugely positive to the local community and wider population.

Consultation Details:

1. BCC is in weekly contact with the SBSC Trustees and SBSC representatives, including regular meetings to update them on progress on the project.

Background Documents:

1. Cabinet Paper and approval 5 February 2018.

Revenue Cost	£	Source of Revenue Funding	
Capital Cost	£750,000	Source of Capital Funding	Insurance*
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

***Please note: any shortfall to be met from Capital and tenant contribution which is to be confirmed**

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: This report seeks approval to award a contract variation to 21CBS of £0.750m for completion of phase 1 of the enabling and reinstatement works at South Bristol Sport Centre. Phase 2 of the programme had already been awarded to 21CBS and work is already underway.

The need for the contract variation has arisen because the original contractor for Phase 1, Dri-Build, went into administration. It has therefore been proposed that the contractor for Phase 2, 21CBS, take over Phase 1 in addition to conducting the works for the Phase 2 contract.

It is intended that the costs of Phases 1 and 2 are to be covered by BCC insurers but as point 12 in the Evidence Base highlights, discussions with the Loss Adjustors and Insurers are on-going. A BCC meeting with the Loss Adjustors on 12 December 2019 highlighted an insurance funding gap in the region of £0.150m. It is confirmed that there is capacity in the Insurance Reserve to cover this current forecast shortfall.

Finance Business Partner: Jemma Prince, 12 December 2019

2. Legal Advice:
The Report seeks approval to a proposed variation to an existing JCT works contract; the value of the proposed variation (£750,000) is below the EU works threshold. The Council’s procurement rules permit a variation where a predetermined mechanism for objectively establishing the scope, terms, and implications (in particular the pricing implications) of the variation. The JCT contract provides such a mechanism, and accordingly a variation to the existing contract with 21CBS can be made compliantly within the Councils procurement rules.

Legal Team Leader: Eric Andrews, Team Leader, Legal Services, 9 December 2019.

3. Implications on IT: No anticipated impact on IT Services.

IT Team Leader: Simon Oliver, Director - Digital Transformation, Resources – IT, 11 December 2019

4. HR Advice: No HR implications evident		
HR Partner: James Brereton (People & Culture Manager), 10 December 2019		
EDM Sign-off	Mike Jackson	27.11.2019
Cabinet Member sign-off	Craig Cheney	09.12.2019
For Key Decisions - Mayor's Office sign-off	Mayor's Office	19.12.2019

Appendix A – Further essential background / detail on the proposal	NO
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 – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO