

# AGENDA ITEM 6

STC - 17/1/24

## PAVILION PROJECT - UPDATE

Further to minute 372/23-24 Officers met with representatives from the Youth Investment Fund (YIF) on Friday 12 January 2024.

Both the options A & B (open market tender and modular build) were put to YIF. The timescales and implications were explained along with the Town Councils continued desire to ensure this facility is built and delivers for the community.

The representatives from YIF expressed concerns regarding the potential risks associated with going back to the open market but would be willing to endorse the use of modular / prefabricated building processes.

A report, comparing the options and explaining the benefits of modular build, has been requested by YIF to be put before the next funding panel to agree the modified design process and the continued financial support of YIF. A copy of the report is attached for members information. This panel is due to meet on Thursday 25 January 2024, with a Teams meeting scheduled for Friday 26 January 2024 to receive the outcome.

Given the tight timescales officers have commissioned the modular building company to begin work on the initial designs. They have also been provided with copies of the professional reports commissioned during both the planning and tender processes (soil investigations, acoustics etc) to aid in utilising this in the new building.

Members will be updated on both the decision from YIF, and initial design works as these are provided to officers.

### **Recommended:**

To note the outcome of the meeting with YIF and to endorse the commissioning of the initial design works with the modular / prefabricated building contractor.

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# Community Hub Project Update Report – Post Tender - January 2024

## **Introduction**

This report is an update on the progress and position of the Community Hub Project for Swanscombe and Greenhithe Town Council, following the tender process.

The report will layout the background to the project, provide feedback on the status of the project following tender, and then guide through the available options to the Town Council.

## **Background**

The Town Council were successful with a bid to the Youth Investment Fund in April of 2023. The bid secured £4.3 million in funding with the Town Council pledging a further £500,000 towards the project. This was based on a Quantity Surveyor (QS) report from September 2022 detailing an expected build cost of £3.9 million, with a further £1 million added to the costs to allow for expected inflation in building costs.

Consultancy work followed to support a planning application that was successful, with a decision on 31 July 2023.

Work began alongside Fusion 21 to put a pack out to tender using the framework recommended to the Town Council. An expression of interest was issued to the x10 contractors within the framework. From this x5 came back with an interest in tendering.

On 6 October 2023, following some finalised design work, the project went out to tender to the x5 contractors.

During this period extensions were granted to allow time for these contractors to finalise prices with suppliers and sub-contractors, with a final deadline of Monday 4 December 2023.

## **Tender Feedback**

When the tender pack was issued it was confirmed as a Design & Build contract taken forward to RIBA stage 3. As a result of answering contractors queries and providing additional information the project progressed forward, resulting in the design being close to RIBA stage 4.

Following the closing of the tender period on 4 December 2023, x5 tenders were received but these ranged from £7.2 million up to £10.1 million.

A decision was made to continue with the interviews scheduled for week commencing 11 December 2023 with a view to engaging in a value engineering discussion with potential contractors. Following clarity on rankings and disparity in costs, x3 of the contractors withdrew from the process before the interviews, leaving x2 to be interviewed.

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Both contractors set out proposals for the project and provided some initial cost savings.

Following the tender evaluation, and given the timescales involved, both contractors were given until the 11 January 2024 to confirm whether they were in a position to bring the project costs down to within the budget of £4.2 million, and if so, how this could be done.

Whilst awaiting feedback from the value engineering exercise the Town Council explored other funding options to bridge the shortfall and engaged with its design team to formulate a design that would still meet the needs for the community but had a better chance of coming in under budget.

During discussions with potential funding streams a recommendation was received for a company that specialised in community buildings, had built another building in the area, and work quickly due to the modular / prefabricated nature of their designs.

Contact was made with the recommended company for costs and comparable work.

On the 11 January 2024 the Town Council were informed that the x2 contractors undertaking the value engineering exercise had created reduced schemes but neither had got close to the budget figure. The lowest came back at £5.2 million and the other at £5.3 million.

On reviewing the proposed design elements for this amount the building would no longer be viable to meet the needs of the community.

### **Options**

Following a discussion with Councillors, and its appointed design team, two potential options were identified:

1. Take the reduced design, created by the Town Councils design team, out to tender on the open market in the hope that it brings a more competitive price for the building.
2. Explore a modular building with the company recommended that specialises in community-based buildings.

Both options were explored and analysed.

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**Analysis**

<b>Option:</b>	<b>Timescales:</b>	<b>Financial:</b>	<b>Pros:</b>	<b>Cons:</b>
<p>1. Take the reduced design to the open market.</p>	<p>Release a tender document out in early February with an initial 6-week deadline.</p> <p>This would be released via Contracts Finder to comply with the Town Councils financial regulations.</p> <p>To expedite the process some outstanding planning conditions would be discharged during tender along with a variation of drawings application.</p> <p>Original build quoted as a 12-month programme, likely to be reduced with amended design.</p>	<p>The amended design works along with changes to specification would require additional costs from the Town Councils design team.</p> <p>A further planning fee would be required ranging from £500 to £5,000 depending on the application process.</p>	<p>Project continuity with use of existing design team.</p> <p>A greater chance of using the existing planning consent to progress.</p> <p>Building performance more assured with traditional building methods.</p>	<p>Risk that new tender figures still come back above contract fee.</p> <p>6-week tender period is less than suitable and could drive up risk in costs.</p> <p>Whole timeline at risk if additional value engineering required post tender.</p>

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Option:	Timescales:	Financial:	Pros:	Cons:
<p>2. Explore a modular design with a recommended company.</p>	<p>The company have confirmed that a standard timeline for projects of this nature from concept to completion would be 18 months.</p> <p>This can be reduced further by including the detailed design phase whilst seeking planning consent, including discharging conditions.</p> <p>In addition, the existing consultancy work from the existing building can be re-used for the modular building e.g. acoustics, ground investigations etc.</p>	<p>An initial feasibility study for designs and cost plan would cost £4,000.</p> <p>Additional professional fees would be required to take the project through to the point of appointment with a contractor.</p> <p>A further planning fee would be required ranging from £500 to £5,000 depending on the application process.</p> <p>An example of a comparable sized building has been provided which was recently completed for £3.7 million.</p>	<p>Guaranteed chance of project delivery within timescales due to construction methods.</p> <p>Greater chance of accurate pricing due to both recent projects comparable and the time of materials being used.</p> <p>Given the projects proximity to a similar building constructed by this company, it is easier to explain the potential outcome to the public.</p> <p>Greater flexibility in the potential design with the use of modular / prefabricated elements that the spaces required for youth delivery can be achieved.</p>	<p>Additional costs with design and tender period unknown until feasibility work undertaken.</p> <p>While possible, it is less likely the existing planning consent can be used.</p>

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**Conclusion**

The Town Council have had to look at three key elements when considering its preferred option:

1. The likelihood of a building delivering on the community needs
2. The greatest chance of delivering the project within budget
3. The construction method and timeline that is most risk adverse in adhering to the deadlines associated with YIF Funding

The following table ranks both options against these three key elements in relation to their suitability. A score of 1 is not very likely to meet, with a score of 5 being very likely to meet:

<b>Option:</b>	<b>New Tender</b>	<b>Modular</b>
Community Needs	4	4
Budget	2	4
Timeline	2	4
<b>Total</b>	<b>8</b>	<b>12</b>

Across all three areas the option to commission a building using modular / prefabricated design practices has a much greater chance of success.

To that end the Town Council have commissioned the initial feasibility works to be undertaken and to expedite getting to both planning and detailed design stages.

**Appendices**

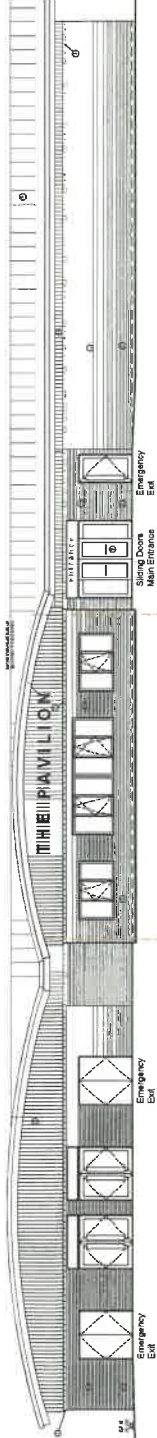
Attached are the following documents:

- A. The amended design created by the Town Councils existing design team.
- B. 3D imagery and photos from the finished building for a recent comparably sized building designed by the modular company.

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(A)



SOUTH ELEVATION

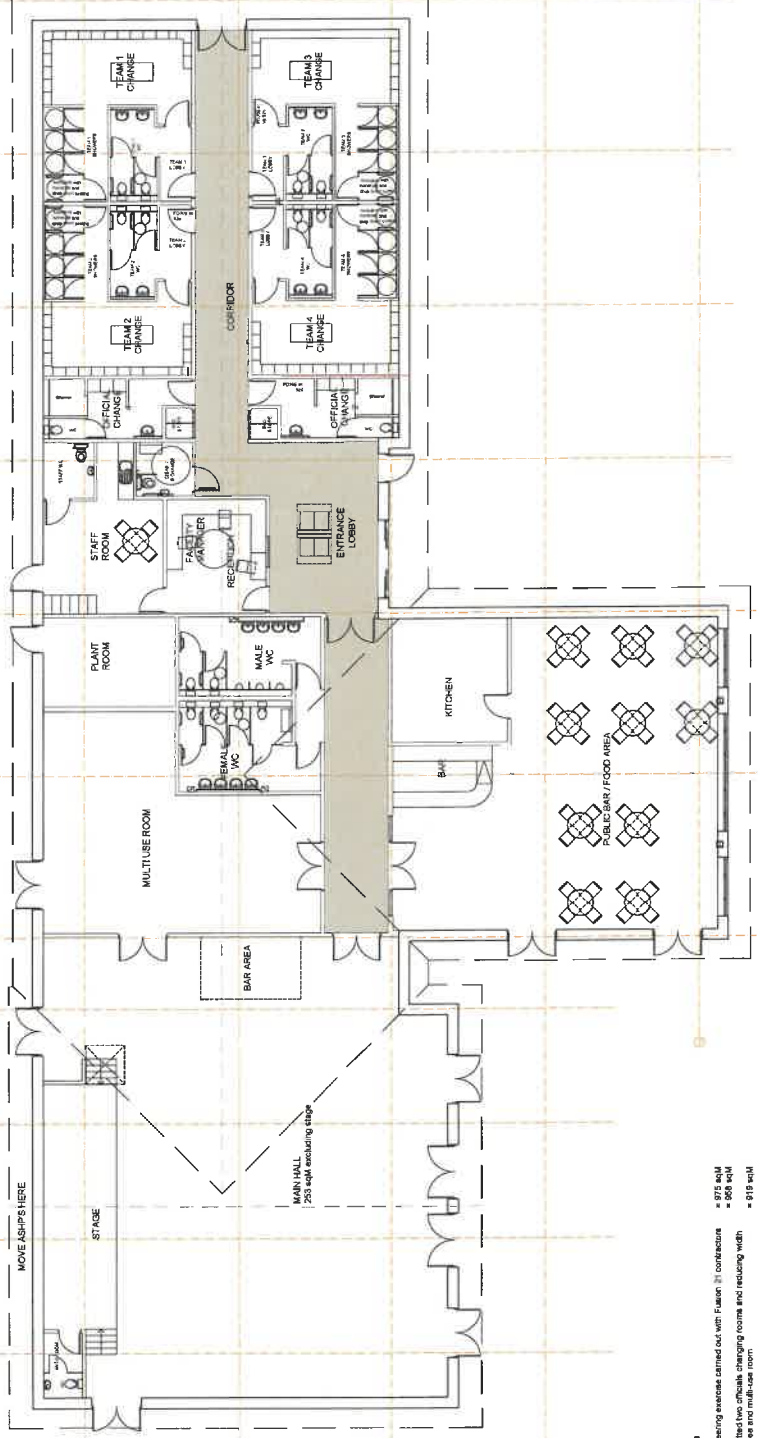
Datum: 25.000m

SOUTH ELEVATION

Datum: 25.000m

DRAFT FOR DISCUSSION ONLY

Lightweight warehouse structure



Gross Internal Floor Area

- 975 sqm
- 908 sqm
- 819 sqm

As a result of value engineering exercise carried out with Future 31 contractors reduced further to  
 An further reduced by omitting two officials changing rooms and reducing width of corridor between the area and multi-use room.

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NOTES

- Do not scale
- Verify all dimensions on site before commencing any work or preparing any shop drawings
- All building materials, components and workmanship to comply with the Building Regulations and the Building Act 2019 and the appropriate standards and Codes of Practice and to the appropriate manufacturer's recommendations.
- For all specialist work see relevant drawings
- All drawings to be in accordance with building codes, standards and specifications for the construction of works.
- Drawings to be checked against all regulatory plans and any necessary alterations to be established
- Any discrepancies, errors or omissions to be reported to the architect for further instructions before commencement of work.

K					
J					
H					
G					
F					
E					
D					
C					
B	10.07.24	Office changing room not reduced, potential future bar area	JR		
A	08.01.24	Size further reduced	JR		
Date	Revisors	By			

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Project Title  
**The Pavilion**  
 The Grove,  
 Swanscombe, Kent  
 DA10 0GA

Client  
**Swanscombe & Greenhithe**  
**Town Council**

Drawing Title  
**VE PROPOSALS**  
**DRAFT**  
**FOR DISCUSSION ONLY**

Scale	Date	Drawn By
1:100	19/12/23	JR

Project No.	Draw No.	Rev.
5351	WD-124	B

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