

Houghton Hall Park Renaissance and Renewal Project

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This report relates to a Key Decision

Purpose of this report

1. To provide an update on Houghton Hall Park Renaissance and Renewal project and seek approval to delegate the authority for the award of contracts for landscape restoration works and construction of a visitor centre at Houghton Hall Park, Houghton Regis.

RECOMMENDATIONS

The Executive is asked to:

1. **delegate the authority to the Director of Community Services, in consultation with the Executive Member for Corporate Resources and the Executive Member for Community Services, to award the contracts for Houghton Hall Park Renaissance and Renewal project in order to facilitate time critical landscape works ahead of the bird nesting season.**

Overview and Scrutiny Comments/Recommendations

2. This item has not been to Overview and Scrutiny committee. The Houghton Hall Park Renaissance and Renewal Project is identified as a priority within Central Bedfordshire's Outdoor Access Improvement Plan, approved by Executive on 18 March 2013.

Background

3. Houghton Hall Park is an urban park partly owned and managed by Central Bedfordshire Council (CBC) and Houghton Regis Town Council (HRTC). It is located in central Houghton Regis and has a history tied to the cultural and economic development of the town. More recently degradation of landscape and heritage features has reduced community use and pride in the park. The park has been largely managed naturally for the benefit of wildlife and there are no park facilities.
4. Extensive housing growth planned for Houghton Regis and the deficit of open green space in the development plans mean that the park will significantly increase in importance and be subject to additional pressures.
5. In December 2014 the Council was awarded a Heritage Lottery Fund (HLF) BIG Lottery 'Parks for People' Grant of £2.2m towards the delivery of a £3m Houghton Hall Park Renaissance and Renewal project to create a vibrant park which will meet the needs of the current and future population. A financial summary is set out in paragraphs 15 to 26 of the financial implications section of this report.
6. The Houghton Hall Park Renaissance and Renewal Project will deliver a range of outcomes in partnership with Houghton Regis Town Council:
 - A visitor centre which will include a café, meeting rooms, retail space, exhibition space and toilets.
 - Landscaping and environmental improvements to enhance, restore and safeguard the distinctive historic character of the park; achieving externally assessed quality 'Green Flag' status to recognise the improved standards.
 - Improve the physical, social and cultural accessibility of the park through improved entrances and paths, seating, play equipment and a park activity programme to engage the local community.
 - Support for the broader public health agenda via the promotion and provision of health and wellbeing services, active lifestyles and positive lifestyles choices.
 - Two practical 6 week projects for 16-21 year olds not in education, employment or training to work with the landscape architects to restore the kitchen and formal gardens.

7. The project is grant aided for a five year period from 2015/16. The two main capital elements of the project; construction of a visitor centre and landscape restoration works will take place from 2016 to 2017 followed by three years of community engagement activities, led by a HLF funded Activity Officer and supported by community groups and volunteers.
8. The new visitor centre will be built on CBC owned land and will become a CBC asset.
9. Key stages within the project are as follows, with some stages running concurrently:
 - Visitor centre construction and landscape restoration contract awards – February 2016
 - Landscape works – February 2016 – Spring 2017
 - Visitor Centre construction – March 2016 – December 2016
 - Visitor Centre internal fit – January 2017
 - Visitor Centre opening – February 2017
 - Community engagement activities – January 2017 onwards.

Current position

10. The procurement of a building contractor for the visitor centre is being managed in house with the plans having been approved by both HLF and the Houghton Hall Park Project Board. Tenders were returned on 20 January 2016.
11. The procurement of the landscape contractor for the landscape restoration is being managed by a HLF approved landscape consultant. The landscape restoration plan includes restoration of the formal and kitchen gardens, improvements to the park landscape, creation of new vistas and installation of new paths. The plans have been subject to public consultation and have been approved by both HLF and the Houghton Hall Park Project Board. Tenders were returned on 15 January 2016.

Next steps

12. In order to progress the project, the next steps are to award the contracts for the visitor centre construction and the landscape restoration works. This will ensure that the programme remains on track for delivery of the infrastructure assets by spring 2017.

Reason/s for decision

13. The contract values are expected to be in excess of £500k, and Executive approves contracts of this value. Delegation of authority to award the contract to the Director of Community Services, in consultation with the Executive Member for Corporate Resources and the Executive Member for Community Services is required to enable the contracts to be appointed without significant delay. HLF Board approval for the award of contracts is expected mid February 2016. Postponing the Council's approval until the next Executive meeting in April will delay the landscaping works for up to six months as no tree or scrub clearance works can take place in the bird nesting season from 1 March to 31 August unless approved by a qualified ecologist.

Council Priorities

14. The delivery of the Houghton Hall Park Renaissance and Renewal project is a flagship scheme within the Outdoor Access Improvement Plan for Central Bedfordshire (2013 – 2031). This together with the Leisure Strategy, Development Strategy and Green Infrastructure Plans provide direction on the delivery of greenspace in Central Bedfordshire. Implementation of the project will support the following Council priorities:
- Enhancing Central Bedfordshire – creating jobs, protecting our countryside and enabling businesses to grow.
 - Promoting health and wellbeing and protecting the vulnerable.
 - Great universal services – leisure.

Corporate Implications

Legal Implications

- a) Given that the value of the procurements are below the EU threshold for works contracts, the Contract Procurement Regulations 2015 do not apply and accordingly the procurement processes and contract awards must comply with the Council's contract standing orders where applicable and be properly authorised in accordance with the Council's Constitution.
- b) The Council is subject to the requirement to obtain best value in the procurement process because it is a best value authority for the purposes of the Local Government Act 1999. The act requires the Council to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. To this end, the Council must be satisfied that its procurement processes achieve best value in terms of price and quality. The Council should also ensure that the procurement processes comply with the EU Treaty principles of proportionality, equal treatment, transparency and mutual recognition.

- c) The building contract should be based on a suitable industry standard contract and be approved by legal services. The contract should be completed to ensure the Council is sufficiently protected whilst maintaining commercial viability.

Financial Implications

15. The total gross project cost is £3.03m, of which HLF has awarded a combined capital and revenue grant of £2.196m. The balance comprises £837k of match and CBC capital and revenue funding.

	HLF Grant	Match funding	CBC expenditure	Total
	£000	£000	£000	£000
Total project costs approved by HLF	2,196	200	637	3,033
Capital	1,489	187	508	2,184
Revenue	707	13	129	849

Capital funding

16. The capital element of the project is for the construction of the visitor centre, landscape restoration and other minor capital works. It is currently forecast to be £2,184k of which £1,489k is externally funded by the HLF grant, leaving a balance of £695k match and CBC funding as detailed below.
- External funding from Houghton Regis Town Council (HRTC), S106 contributions and Green Infrastructure Planning obligations totalling £187k. The S106 and Green infrastructure contributions have been secured towards play equipment and landscaping works, and
 - CBC funding, subject to the final budget papers being approved, of £192k in the 16/17 capital programme plus 2015/16 capital underspend.
17. Included in the HLF grant application was an estimate of £819,202 for the landscape restoration works. Current pre-tender estimates are within the approved budget.
18. There was an estimated cost for the construction of the visitor centre of £846k. Current pre-tender estimates for the build costs are £1,095k which is an estimated overspend of £249k. The risk management section of the report provides details of how the risks around this potential overspend will be mitigated.

19. Expenditure on the additional capital items within the project is expected to come in on budget.
20. Project costs will be regularly reviewed to ensure that all capital costs can be covered.

Revenue funding

21. The Revenue element of the project is for the management and operation of the park and is currently forecast as £849k of which £707k is externally funded by the HLF grant. The remaining £142k is made up from Houghton Regis Town Council (HRTC) contributions (£13k), income from the visitor centre and car park (£97k) and from existing CBC countryside revenue budgets or other grant sources (£32k) as detailed in the table below;
- 22.

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	£000	£000	£000	£000	£000	£000
Revenue Expenditure	34	240	232	196	147	849
HLF income	(34)	(237)	(184)	(144)	(108)	(707)
Other income (HRTC)		(3)	(3)	(3)	(4)	(13)
CBC income (visitor centre & car park)			(25)	(33)	(39)	(97)
From existing CBC countryside budgets or other grant sources			(20)	(16)	4	(32)
Net	0	0	0	0	0	0

All of the project revenue costs are covered by HLF funding and external match-funding in 2015/16 and 2016/17. The requirement for CBC revenue contributions to the project after 2016/17 was identified within the HLF application as the HLF grant of 72% of the total project cost is insufficient to cover all of the revenue expenditure during these years of the project. The application included a plan for how these costs will be covered including income from the visitor centre and income from the car park. Grant opportunities are being explored to meet the balance and any shortfall will be met from existing countryside budgets.

23. Current projections show that there will be sufficient income generated from the site from 2020 onwards to cover the operational running costs of the facility.
24. The current project costs and future running costs will be regularly reviewed to ensure that all revenue costs can be covered.

Equalities Implications

25. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
26. The improvements to the Houghton Hall Park aim to enhance the visitor experience and promote equality of opportunity by providing community space within a building which is accessible. Improvements to the park landscape including surfaced paths, seating and the installation of play equipment will make the park more accessible and attractive to a wide range of visitors.

Risk Management

27. A number of risks have been identified and are considered in more detail below:
 - a) Financial risks: The capital funding awarded within the HLF award was based on pre-tender estimates. There is a risk that the tender prices for the visitor centre construction will be higher than those included in the Project award from HLF due to increasing building costs since the estimated prices were submitted to HLF in August 2014. If the visitor centre construction costs from the tender are more expensive than the awarded grant from HLF the following options will be pursued:
 - Seek to secure an increased grant from HLF (including the industry recognised 6% increase in construction costs).
 - Value engineer to reduce costs.
 - Increase the contribution from the Council by seeking approval to vire budgets from existing approved countryside capital schemes.
 - Seek an additional contribution from Houghton Regis Town Council as per the terms of the Joint Venture Agreement in which it is identified that any shortfalls incurred will be shared 80% by CBC and 20% by HRTC.

- b) HLF Grant terms and conditions have been carefully reviewed to ensure that they are complied with in order to mitigate any risk of clawback or reduced funding. Quarterly grant claims for the early work in this project have been submitted to HLF and have been paid. Regular dialogue takes place between Council Officers and HLF representatives to ensure that they are kept informed of progress and any risks around spend on the project.
- c) The joint venture agreement between the Council and Houghton Regis Town Council contains robust governance and audit clauses to ensure compliance with the terms and conditions of the grant agreement with HLF in order to avoid any potential compliance issues in the future.
- d) Planning permission for the visitor centre was granted in May 2013 subject to a number of pre-commencement conditions. One of these is that construction must commence within three years of the date that planning permission was granted. If the decision to award the visitor centre construction contract is delayed, an extension to the implementation of the planning permission may be required.
- e) Communication: The construction of the new visitor centre is a key component of the wider Houghton Hall Park regeneration scheme and will deliver improvements and opportunities which support a number of the Council's objectives. A clear communication strategy is being planned with Houghton Regis Town Council so that the rationale and benefits of the scheme are clearly articulated to key stakeholders and the wider community.
- f) Reputational risks: Delivery of the approved Outdoor Access Improvement plan supports the Council's emerging 5 year plan. If the project is not delivered, this could reflect adversely on the Council, risking the successful application of any future HLF funding.

Public Health

- 28. Parks and open spaces are key community health resources which provide safe civic space for people to take part in healthy and active lifestyles which support the Council's Health and Wellbeing Strategy. Implementation of this project, with the community engagement activities which it will provide, will enable local communities to engage in regular physical and social activities, improving levels of health and wellbeing thereby reducing costs to society, particularly for the NHS and social care.

Community Safety

29. Under section 17 of the Crime and Disorder Act 1998 the Council has a statutory duty to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder within its areas. The park improvements and the activities that will be offered will provide positive opportunities, particularly to young people, who may otherwise engage in activities that may be criminal or anti-social.

Sustainability

30. The visitor centre will be of steel frame construction with natural hemp insulation. Passive ventilation will improve energy efficiency and sun pipes will make the most of natural sunlight. Solar panels will heat water and a ground source heat pump will provide underfloor heating. Subject to affordability, these elements will ensure that the building is environmentally sustainable and has a low carbon footprint. These measures will also provide benefits in terms of low running costs.

Procurement

31. A number of procurement routes were considered for the visitor centre construction contract to ensure that an appropriately skilled contractor will be appointed with the right team, agreed costs, delivery programme and appropriate transfer of risk. A single stage, with contractor presentations, was chosen as the most suitable option for this project, procured via the open market.
32. The landscape restoration works contract has been tendered through an open OJEU tender as this was considered the most suitable option for these works.

Conclusion and next Steps

33. Delegation of authority to award the contract to the Director of Community Services, in consultation with the Executive member for Corporate Resources and the Executive Member for Community Services is required to enable the contracts to be appointed without significant delay. This is recommended to the Executive.

Appendices - None

Background Papers - None