

EXECUTIVE

THURSDAY 30 APRIL 2020 AT 4.00 PM

PRESENT:

Councillor J Mallinson (Leader / Chair)
Councillor Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)
Councillor Christian (Environment and Transport Portfolio Holder)
Councillor Higgs (Culture, Heritage and Leisure Portfolio Holder)
Councillor Mrs Mallinson (Communities, Health and Wellbeing Portfolio Holder)

OFFICERS:

Town Clerk and Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Corporate Director of Economic Development

WELCOME

The Leader welcomed all those present to the first virtual meeting of the Executive.

APOLOGY FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Nedved (Economy, Enterprise and Housing Portfolio Holder).

DECLARATIONS OF INTEREST

There were no declarations of interest affecting the business to be transacted at the meeting.

PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

CALL-IN PROCEDURES

The Leader reported that the Mayor had, on 22 April 2020, agreed that the business to be transacted today in connection with the Civic Centre Reinstatement and Development Project should be exempt from call-in as call-in procedures would overlap the meeting of the City Council on 5 May 2020 when the matter was scheduled for consideration.

PROCEDURES PRIOR TO PRIVATE MEETINGS

Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 prescribed that, at least 28 clear days before a private meeting, the decision-making body must make available / publish a notice of its intention to hold the meeting in private.

It was necessary to submit an urgent private report concerning the Civic Centre Reinstatement and Development Project (Agenda item B.1) to this meeting.

Since compliance with the above regulation was impracticable and a delay to the decision making would present a range of project delivery problems, the Business and Transformation Scrutiny Panel Chair had agreed that the decision was urgent and required to be taken today.

A Notice setting out the reasons for urgency had also been published in compliance with the Regulation.

EX.41/20 **CIVIC CENTRE REINSTATEMENT AND DEVELOPMENT PROJECT
(Key Decision)

(With the consent of the Chair, and in accordance with Rule 15 of the Access to Information Procedure Rules; and Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 this item was included on the Executive Agenda as a Key decision, although not in the Notice of Executive Key Decisions for decision today)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

Pursuant to Minute EX.36/20, the Deputy Leader presented report CS.06/20, the purpose of which was to provide the Executive, Business and Transformation Scrutiny Panel and the City Council with an overview of the development of the Civic Centre reinstatement and development project and seek the views of Members prior to a final set of recommendations being made to the City Council on 5 May 2020.

Covered within the report were the following elements of the project and its development:

- Background to the project and the steps completed to reach this final stage of decision making
- An update on the project development, the proposed facilities, timeline for delivery and project management arrangements
- Other important considerations concerning the use of the Civic Centre and its current condition
- Project budget development and proposals for funding
- Proposals for a scheme of delegation that would support timely decision making on key contractual arrangements and funding

Private report CS.09/20, to be considered later in the meeting, dealt with the outcomes of the Civic Centre works procurement exercise and any other appropriate commercially sensitive information.

The Deputy Leader began by thanking the previous administration for getting the Council to where it was now. He reminded Members that in April 2018 Council had approved the final proposals for redevelopment across the whole site; and that what was being done now related to putting the finance in place and moving to the next stage of project delivery.

Speaking in terms of background, the Deputy Leader stated that, in December 2015, Carlisle had experienced devastating floods across city. The ground floor at the Civic Centre was extensively flooded and during that period the authority had opened up temporary facilities to support residents and businesses upon which the city relied. The priority post flooding was to support residents, businesses and also to get the authority's own premises up and running as quickly as possible. That included the use of temporary facilities for the customer contact centre.

In proposing changes to the ground floor of the Civic Centre, the Executive wished to ensure that the area would be resilient to future flooding events. With that in mind a project had been developed which would, as far as possible, remove electrics from the ground floor thereby facilitating the ability to get it up and running again in early course.

The Deputy Leader reiterated that the principle for the redevelopment project had been agreed in April 2018; the Executive was now being asked to approve for recommendation to Council, the financing thereof. The work leading up to that agreement had been scrutinised extensively and planning approval secured.

Clearly some would question the timing of the proposals, particularly during the current circumstances across the country and around the world. The Council had the opportunity to undertake the work now and it should be noted that taking no action was not cost free.

It was hoped that delivery of the project would enable the ground floor to recover quickly from flooding; create additional car parking facilities within the city, including substantial electric car parking points; more options for staff and residents to use council facilities without being reliant upon vehicles and improved cycling opportunities. The current customer contact centre was a temporary portacabin facility which incurred substantial costs, in addition to which the Council Chamber required significant investment should the planned demolition not proceed.

Turning to the issue of finance, the Deputy Leader explained that the substantial part came from the insurance settlement, and it was hoped that costs could be offset from car parking income; from the authority's own resources; and a change to its VAT recovery on the Civic Centre.

The project had been ongoing for quite some time and had reached the stage whereby approval was required to get the work done. If Council approval was not forthcoming the ground floor of the Civic Centre would be mothballed.

The Deputy Leader concluded his presentation by moving recommendations 1, 2, 3 and 4 set out within the report, which were duly seconded by the Leader.

The Leader then invited Members to pose any questions or comments.

The Environment and Transport Portfolio Holder noted that the report made reference to the potential to reduce costs by efficiency savings identified through value engineering exercises and questioned whether that work was ongoing.

In response, the Deputy Leader confirmed that work was ongoing.

The Culture, Heritage and Leisure Portfolio Holder questioned the position regarding the Bitts Park Lodge, given that Note 1 – Flood Reserve recorded that if the full amount of the flood reserve was released for the Civic reinstatement work, then there would be no funding available should the Council wish to progress the Bitts Park Lodge Project.

The Deputy Leader replied that, when the Bitts Park Lodge project was initially suggested and scoped out, it was thought that resources from an insurance cash settlement could be used and

a business case developed to identify whether it was a good way of improving the area. However, when further work was done there was quite an increase in anticipated costs, around £650,000 for the work; and in trying to reduce those costs the capacity to do the work and create any revenue from any café was reduced. The project was therefore deemed to be financially unviable.

The Communities, Health and Wellbeing Portfolio Holder commented that the Council's customer contact centre had operated out of a temporary building for some years now. The authority had a duty of care to staff and it was therefore important to progress the redevelopment project. Additionally, in the event that the ground floor was mothballed, by the time the authority progressed the matter again it would cost a great deal.

The Portfolio Holder considered the employment of a local building firm to be of most importance, given that after the lockdown the county would be in dire circumstances economically and particularly in this area which relied upon tourism. The Council needed to show and demonstrate to the local community that it meant business and would support them by progressing the project and supporting local building firms.

Also, as the authority moved forward with the green agenda the Council must ensure that its carbon footprint as a whole was correct. Currently the ground floor was costing the authority energy by default since when cold air rose during winter months it adversely affected floors higher up the building.

In conclusion, the Portfolio Holder felt that for the City Council's staff, the local economic development and for our carbon footprint the Council must go ahead with the redevelopment project now.

The Corporate Director of Governance and Regulatory Services intervened to request that the Deputy Leader respond to Members' questions, with the exception of any which related to the appointment of the contractor, which would be dealt with in Part B of the agenda.

The Deputy Leader indicated that the support of the city and business was an important aspect. People needed to know that, whilst circumstances were very difficult just now, they would change. The Civic Centre Reinstatement and Development Project would take a period of time. The current lockdown would end at some point and the authority needed to be ready for that. He added that due diligence had been undertaken in terms of the appointment of contractors, and it was important that people knew that the City would be open for business. The Council needed to proceed with the project and not shy away from the work which required to be carried out.

The Leader noted that recommendations 1, 2, 3 and 4 had been moved and seconded and, following voting, the recommendations were agreed.

Summary of options rejected that the recommendations should not be agreed for recommendation to Council

DECISION

That, following the necessary cancellation of the Business and Transformation Scrutiny Panel (26 March 2020) due to Coronavirus restrictions the Executive agreed the recommendations set out below:

1. Approve, for recommendation to Council on 5 May 2020, the amendment to the Capital Programme in 2020/21 and 2021/22 for this project;

2. Approve, for recommendation to Council on 5 May 2020, the funding proposals as set out in the report, utilising the insurance settlement and proposed 'invest to save' scheme, noting the current shortfall position, and approve, for recommendation to Council, a supplementary estimate funded from capital resources, if savings cannot be identified through a value engineering process. This supplementary estimate to be funded from a fundamental review of the current capital programme or other revenue budgets as part of the 2019/20 outturn position.
3. Note the recommendation to opt to tax for VAT purposes the Civic Centre capital project.
4. Delegate authority to the Deputy Chief Executive to deliver the Civic Centre Reinstatement and Development Project ("Project") in accordance with the approved Project and within the approved budget. The Delegation is subject to the usual condition of taking advice from the Council's Statutory Officers when appropriate. For the avoidance of doubt, 'in accordance with the approved Project' includes the usual variations required for the proper delivery of the said Project. Any sub-delegation of this authority by the Deputy Chief Executive to be recorded in a Project specific scheme of sub-delegation

Reasons for Decision

To seek the views of Members before a final set of recommendations is made to Council on 5 May 2020

The Leader then thanked Members and all those present who had logged in to observe the meeting.

EX.42/20 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EX.43/20 **CIVIC CENTRE REINSTATEMENT AND DEVELOPMENT PROJECT

(Key Decision)

(Public and Press excluded by virtue of Paragraph 3)

(With the consent of the Chair, and in accordance with Rule 15 of the Access to Information Procedure Rules; and Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 this item was included on the Executive Agenda as a Key decision, although not in the Notice of Executive Key Decisions for decision today)

(In accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chair of the Business and Transformation Scrutiny Panel had agreed that the decision in relation to this item of business was urgent and could not reasonably be deferred)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

Pursuant to Minute EX.38/20, the Deputy Leader submitted private report CS.09/20, the purpose of which was to present the results of the Civic Centre Reinstatement and Development project tender exercise and recommend the successful tenderer for appointment via contract.

Details of the background position; proposals; risks and consultation were provided within the report.

The Deputy Leader concluded by moving the recommendation, which was seconded by the Leader.

Following voting the recommendation was duly agreed.

Summary of options rejected other options as detailed within the report

DECISION

That, following the necessary cancellation of the Business and Transformation Scrutiny Panel (26 March 2020) due to Coronavirus restrictions the Executive agree the recommendation set out below, and propose this to City Council, 5 May 2020:

Subject to Council approval of the recommendations specified in CS.06/20, Approve the appointment of Story Construction as main contractor for this project in accordance with the 'Intention to Award Contract' letter issued 6 November 2019, noting that, in line with Contract Procedure Rules, this is not the lowest tender but is the recommendation to Members for the reasons set out in the report.

Reasons for Decision

To provide an appropriate overview of the Civic Centre reinstatement and development procurement exercise and the carefully considered outcome.

[The meeting ended at 4.25 pm]