

COMMITTEE	Finance Policy and Resources
DATE	29 June 2017
REPORT TITLE	Tillydrone Community Hub Update
REPORT NUMBER	CHI/17150
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Paul Tytler

1. PURPOSE OF REPORT:-

- 1.1 This report provides an update on proposals for the development of the new community hub in Tillydrone and seeks approval for a construction tendering exercise to take place. This report also provides the committee with an update in relation to the bid to the Scottish Government Regeneration Capital Grant Fund (RCGF).

2. RECOMMENDATION

- 2.1 It is recommended that the Committee: -
- (a) delegate authority to the Head of Communities & Housing, following consultation with the Head of Commercial and Procurement Services, to undertake a tender process for the procurement or competitive quotes procedures (as appropriate) in accordance with the Council's Procurement Regulations, and the awarding of contracts that follow thereon, all in relation to the construction of the Tillydrone Community Hub;
 - (b) delegate authority to the Head of Commercial and Procurement Services, to conclude contracts with the successful bidder(s) in respect of recommendation (a);
 - (c) approve the total aggregated estimated expenditure of £6million on the construction project as detailed in this report.
 - (d) Note the gross funding for the project identified in the body of the report.

3. BACKGROUND

- 3.1 At present in Tillydrone there are several organisations providing a range of services and activities which support the community, including youth projects, employability & welfare support activities and social and recreational programming. These are delivered from Council buildings and units within a shopping arcade, which is largely no longer used for retail purposes: one unit remains as a small convenience store. There is also a separate Housing Office, where the community can access Housing and other Council services. The buildings, and the shopping arcade in particular, are outdated and becoming increasingly unfit for purpose to the detriment of the centre of the community.

- 3.2 There is recognition that the residents of Tillydrone need better community facilities with the emphasis on encouraging collaboration among different organisations to improve service delivery and better meet community needs. An additional advantage is to make more efficient use of resources, by sharing common facilities rather than each organisation having its own separate building.
- 3.3 The new Community Hub aims to provide a modern and fit for purpose building which will accommodate a variety of services and provide community activities to the benefit of the Tillydrone community.

Project Delivery

- 3.4 The hub has been designed following extensive and ongoing community involvement, and final design work is now underway in line with the project plan. The costs have been verified externally and an application has been submitted for planning permission. Projects will shortly be moved from the shopping arcade to allow asbestos survey, removal and demolition works. The main construction tender will be issued shortly thereafter, with construction expected to begin late in 2017 after demolition and groundworks are completed. This paper seeks approval for the Head of Communities and Housing, in consultation with the Head of Commercial and Procurement to undertake or instruct tendering procedures or competitive quotes procedures as appropriate and the awarding of contracts following thereon, up to the aggregate value of £6million for the entire project.

Project Scope

- 3.5 This project is to build a new Community Hub which will accommodate a variety of services and provide community activities to the benefit of the Tillydrone community.

The hub will:

- Provide a focal point in the community;
- Be accessible to all residents and groups in the neighbourhood;
- Give potential to strengthen Community Empowerment, local community activity, enable easier access to services and bring residents, the local business community and other organisations together in one place to improve quality of life in the area;
- Allow groups accommodated within the Hub to share facilities, resources and knowledge to provide the best possible service to the community;
- Incorporate energy efficient design to reduce energy waste (e.g. insulation, efficient heating);
- a Zero Waste approach is being explored;
- Incorporate up-to-date digital connectivity in its design.

- 3.6 The project benefits are articulated in the project business case and application to Scottish Government Regeneration Capital Grant Fund. In addition, the project benefits are being incorporated in a project benefit realisation plan and integrated project plan.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council has allocated £3.5m in the Non Housing Regeneration Capital Programme, agreed by Council in February 2017. A further £0.6m has been agreed in the Housing Capital Budget to relocate the housing office within the new hub. The project has been costed at £6.0m, with the £4.1m allocation by the Council being supplemented by £1.9m Scottish Government RCGF grant.

- 4.2 The project has been awarded Scottish Government Regeneration Capital Grant funding of £1.9m in addition to the Aberdeen City Council allocation of £4.1m, meeting the overall project budget of £6.0m. The budget will cover demolition, construction, fit-out, internal professional fees, statutory consents and surveys, tests etc.
- 4.3 The project is expected to be revenue neutral with options being explored to deliver revenue savings in energy costs. The project will further allow the consolidation of existing community buildings, including an existing community centre that is not well used and will increasingly require repairs and maintenance: opportunities for disposal will be pursued. The project will further allow two flats to revert to housing purposes, alleviating demand for that housing type and allowing a (small) increase in rental income. Opportunities to reuse the current community library will also be explored as a means of reducing Council assets.

5. LEGAL IMPLICATIONS

- 5.1 ACC Procurement Regulation 4.1.1 states that: - "No tender shall be invited or contract entered into unless the total estimated expenditure has been previously approved. The allocation of a budget as part of the Council's budget setting process is insufficient."
- 5.1.1 This report seeks approval of the total estimated expenditure for a number of services and works contracts to deliver the project without the need to seek separate Committee approval for each and every contract. Procurement of services and works contracts will be carried out in accordance with the Council's Procurement Regulations and where appropriate, a fully compliant tender process will be conducted prior to contract award.
- 5.2 Failure to authorise expenditure means that work on the project cannot continue.
- 5.3 Formal arrangements governing the occupation of the Tillydrone Community Hub by external organisations (for example, a lease or licence to occupy) will be put in place prior to the date of entry by such organisations. Such arrangements shall be authorised by Chief Officers under the Council's Scheme of Delegation.

6. MANAGEMENT OF RISK

- 6.1 Consideration has been given to Financial, Employee, Customer/Citizen, Environmental, Technological, Legal and Reputational risks. Impacts have been identified and are managed through the project risk register and project governance arrangements with the Communities Projects Board.
- 6.2 The project is broadly in line with the project plan and approval for the tendering process is required to maintain this and to ensure sufficient progress can be made on construction in 2017/18 to meet the requirement of the RCGF that grant spend takes place this financial year, and the £1.9m grant is not therefore put at risk.
- 6.3 Partners have been operating from various council properties for well over 10 years. These partners are well established community bodies. As such, the risks in relation to the sustainability of these groups and their continued occupation of the hub, is considered low.
- 6.4 An application for planning permission has been submitted. Should planning permission be significantly delayed, this may result in the loss of grant funding. The

risk is being managed through the project management team with close working with planning colleagues and is highlighted in the project risk register.

- 6.5 Any contracts awarded prior to planning permission being granted shall give the Council the right to terminate said contracts if planning permission is not approved.

7. IMPACT SECTION

Economy

- 7.1 The new hub will support the delivery of inclusive economic growth by ensuring improved access to co-located council, partner and third sector services to support people in improving employability and tackling poverty. The project also includes improved retail unit provision allowing potential development of more affordable retail provision for the community, as well as a small retail unit allowing the development of a community or social business, to provide volunteering training and routes to employment for people in the community.

People

- 7.2 The hub will support the delivery of key improvements for people as described in the locality plan, overseen by the locality partnership. Capacity within the community for new activities is limited and the community has a limited community and social offering. The hub will provide increased capacity allowing improved programming with more opportunities for people to engage, improving people's sense of involvement and engagement in the community. The co-location of community projects, Council and partner services will support the delivery of locality plan priorities.
- 7.2.1 The new hub will be fully accessible, improving access to facilities and services for people with mobility issues. The hub will also be a focus for delivery of actions against drivers in the locality plan, particularly around promoting sense of community, feeling involved and overall community cohesion. The locality has a population with around 25% of people from other European countries, and the hub will be a focal point for ensuring services and activities meet the needs of everyone in the community.
- 7.2.2 The hub and projects will also be central in supporting actions to tackle domestic violence, a likely priority from the locality plan. This is a significant issue in the community and the hub and projects will reinforce work to ensure people can access the specialist support and services required to help address this issue.

Place

- 7.3 The hub will significantly improve amenity in the heart of the community, with modern purpose built accommodation replacing out of date and run-down buildings. This will ensure there are places for people to meet, with a new community café (providing training and skill development opportunities). This will underpin locality plan priorities around improving community cohesion.

Technology

- 7.4 The centre will make best use of technology from an environmental point of view – the building will connect to the Combined Heat and Power system and use solar panels to achieve BREEAM building standards; a Zero Waste approach is being considered, to include onsite composting and re-use of food waste; the implications of a connection to the nearby community hydro scheme are also being explored.

The area is already part of the Northern Wifi Regeneration project and community use will continue to be developed and expanded, becoming increasingly important for supporting people with the implementation of full service Universal Credit, expected in 2018.

8. BACKGROUND PAPERS

- 8.1 Tillydrone Community Hub, Communities, Housing and Infrastructure, 27 August 2015 - CHI/15/234

9. APPENDICES (if applicable)

Not applicable

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