

Meeting	Full Council
Date	28 th February 2023
Report Title	Grounds Maintenance Facility
Agenda Reference	12
Authors	Georgina Morgan-Denn, Chief Officer/Clerk & RFO, Dave Hunt, Head of Parks & Open Spaces, Laura Cutter, Deputy Clerk & Services Manager and Jodie Smart, Finance Officer & Deputy RFO

Officers' Recommendations:

1. To proceed with appointing Company A for the building of the Grounds Maintenance Facility at a cost of £640,590.10 + VAT.
2. To proceed with allocating a 10% project contingency amount of £64,000.00 to offset against any unexpected occurrences.
3. To appoint an external Project Manager up to the value of £64,000.00 and to give delegated authority to the Chief Officer to progress with their appointment up to that amount.
4. To seek the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a Public Works Loan of £768,590 over the borrowing term of 30 years for the building of a Grounds Maintenance Facility (grand total of points 1-3 above). The annual loan repayments will come to around £49,038. It is also intended to increase the Council Tax Precept for the purpose of the loan repayments by 3.34% which is the equivalent of an additional £4.18 a year. This will be subject to a Precept increase consultation.
5. To note that before any loan can be applied for, a public consultation must run to raise awareness of the Council's intention to apply for a loan.
6. To note that if the Public Works Loan is approved, the Council could draw down the loan in stages, as required and therefore, the full amount may not be required.
7. To note that the build timeline is 30 weeks from the date of awarding the contract, which brings completion to mid-October 2023.
8. To allocate the current balance (minus £1,000 for bus shelter repairs required) in the CIL EMR, £19,275 to cover the temporary relocation costs to Waterside Depot and/or Ventnor Close enhancements and GMF legal fees. This may reduce the total amount required to drawn down from the Public Works Loan.
9. To appoint a solicitor to review both contracts (Design & Build and Minor Works with Contractors Design) to the value of £5,000.00 (£2,500.00 each contract) and give delegated authority to the Chief Officer to progress. To be met from CIL EMR budget.
10. To proceed with the temporary move to Waterside Depot up to a cost of £20,000.00 per annum with a one-month tenancy notice period.
11. To note if the space at Waterside is shared with St Andrews Parish Council, the £20,000 cost may be halved.
12. To continue with contract and pricing negotiations with SBC with a view to occupying the space at Waterside Depot from 3rd April 2023.

Background

The Grounds Maintenance Facility (GMF) project has been in progress for the last 24 months and the Council has spent a significant amount of time, resources, and costs to date on bringing the project to the stage it is today. The current committed and spend total is £97,413.81 and this figure does not represent the staffing costs of the Council's senior officers and several councillors who have dedicated many hours of their time to attending site visits, working parties and various ad hoc meetings.

Since Swindon Borough Council devolved grounds maintenance services to the Parish Council in 2017 the size of the Council's in-house Parks & Open Spaces Team has increased significantly. For numerous years, the Parish Council has had a temporary arrangement at the Goodearl Allotment site which is simply not fit for purpose – see below.



In this year's precept and budget setting, the Council agreed to enhance the service further by going in house with its hedge, shrub and low-level grounds maintenance service, employing additional staff and increasing the vehicle fleet. It also agreed to proceed with the new Facility, and in doing so, committed 61% of the Council's precept or £611,552.00 (including £12,500 PWLB repayment budget) of its annual expenditure. Subsequently the scale of the operation has influenced the size (and cost) of the GMF the Council needs to be able to run a robust and professional grounds maintenance service for the community.

The GMF Working Party has liaised with several suppliers during the Design & Specification stage of the bid and received three quotations. The Council decided to progress with Affleck to conduct this part of the contract ahead of going out to tender again for the build stages of the facility that were identified within the final Design and Specification brief. Each stage of the project has been approved at Parks & Open Spaces Committee and Full Council.

Building Tendering Process

Four companies were approached to tender for the final design specification and one contractor provided us with a costing. All parties were aware that we were going out to several companies to tender for this work so the Council should be confident that any price received would be at the current market rate. We have since received feedback from one of the interested parties who declined to submit a final cost because they were too busy to take on any more work.

The final cost of £640,590.10 + VAT has been tendered. The Working Party recommended a 10% contingency amount of £64,000.00 be added to the overall project cost for any unexpected costs. If the contingency is not used, this will not be withdrawn from the end public works loan agreement. Further scrutiny of the tender could be done to see if any of the specification grades could be reduced to save money.

External Project Manager

It is on the advice from the Council's Solicitor that we should appoint an independent Project Manager to oversee the build on behalf of the Parish Council. This will help to ensure there are no disputes on quality of works or what money is owed. It is assumed that a cost of a Project Manager on a project of this size and scale could be up to 10% of the value of the project, £64,000.00.

The Head of Parks & Open Spaces has been in touch with three potential companies that could offer their services and after an initial discussion there is an indication that their fees may be lower.

Public Works Loan Board (PWLB)

It is the intention to apply for a fixed rate loan as we are unable to apply for a variable loan because the loan term only goes up to 10-years (and the repayments over 10 years will be astronomical). The process involves an approval for borrowing and then the loan application is made. Loan rates are set when the application is approved.

The figures below represent the most recent calculation (February 2023) for borrowing £768,590, which include the contingency and project management fees. Note the figures fluctuate based on the interest rate.

- 20yrs £58,715.12 4.68%
- 25yrs £52,847.84 4.85%
- 30yrs £49,037.92 4.94%

Loan advances can be arranged in tranches (up to the amount authorised by the borrowing approval letter). All loans will be treated as separate transactions. Therefore, if the full contingency amounts or project management costs are not as high as expected, this will not need to be withdrawn and will reduce the overall amount borrowed.

Repayments are made in six monthly instalments, with the first instalment being made within six months of the 'draw-down'. A drawdown in April 2023 will require the first payment in October 2023 and then the next in April 2024. Note next financial year there is £50,000 budgeted for PWLB repayments.

POS Committee 21st February - 'GMF - to proceed or to not to proceed?'

At the Parks & Open Spaces Committee there was a full and frank debate about whether to proceed with the Officers' recommendations contained in this report. Some members expressed apprehension, others objected to the recommendations, whilst others were in full agreement to proceed. The overarching response in the room was for Full Council to carefully consider the proposal.

Councillors were then invited to submit their arguments to include in this report for Full Council thereby giving everyone an opportunity to consider their points fully, then if any further questions were raised before the meeting, Officers could address them before the debate takes place on the 28th February. Below is a summary of the points received:

Against proceeding with the GMF

- Cost - this appears to be the only point of concern.

For proceeding with the GMF

- On the 14th February Council voted for option 2 of the budget proposal which included the GMF build project commencing in 2023/24, after discounting option 3 which accounted for a postponement of the build project.
- By continuing to proceed with the GMF the Council is committing to making long term plans which will enable the Parish to provide better services to our residents.
- Any delays in the project could mean that Council won't be ready for the inevitable future devolvement of the Borough Council services in 2024.
- The Council has spent nearly £100,000 already in architect, surveyors, planning, surveys fees. This doesn't include staff and councillor time over the past 24 months. By delaying we may have to do some of this work again and incur more cost to the Council.
- The current Facility was only ever a temporary solution. It will need replacing at some point. This project has been in the planning for approximately two years, the initial costings were in the region of £300K, two years on and the costings are now in the region of £700K. Further delaying of the project could only see costs increasing.
- As stated, the current Facility was only a temporary solution and was created for a smaller workforce with less equipment. Since 2017 the workforce has increased with a matching increase in the equipment needed to meet our maintenance commitments.

- If Swindon Borough Council continues with its intention to devolve more grounds maintenance services to parishes in 2024 the Parish Council must have a "fit-for-purpose" facility in which to operate.
- By building our own GMF, the Council will have invested in a structure which we own, and which will be serviceable far beyond the life of the mortgage. The alternative i.e. renting, will be a year-on-year expenditure, with nothing to show to it, it would be wasted money.
- Our staff currently work in unsatisfactory conditions. They deserve a safe, warm, modern working environment. By investing in their working environment, we are demonstrating to our residents that we value our staff.
- As employers we have a duty of care to our employees to provide them with adequate space, facilities, and equipment they need to work efficiently and safely.
- The current facilities do not meet HSE guidelines. Employers must provide adequate toilet and washing facilities (there is currently no hot or cold running water and insufficient toilet numbers for the size of workforce the Council currently has).
- The current Facility and parking facilities are not fully accessible – the improved GMF and proposed parking arrangement will ensure facilities and allotment parking are as inclusive as possible.
- The current site is untidy with insufficient storage space for the vehicles and materials. These are currently at the Council Office making this area look equally untidy. With a purpose built GMF the storage of machinery, materials and vehicles will be secure and more professional looking.
- The current collection of shipping containers and staff welfare cabin is inefficient to heat and run. The new build, is planned to have solar panels and battery storage, helping to reduce running costs, particularly for our electric vehicles. With up-to-date building materials and standards, the new building should be more efficient and cost effective to run. Not to mention reducing our carbon footprint.
- The new Facility will have a rainwater capture system to help provide water to the allotment rather than see it go down the drain and reduce the allotment site's water bill.

Legal Matters - types of Contracts & Appointment of Solicitor

There are two types of contracts that the Council need to consider when appointing the contractor for the building of the Grounds Maintenance Facility:

- a. the Design & Build Contract requires very little input from the client side, but you may require an Agent to act as a single point of contact, it would be based on the Tender drawings/spec together with the Contractors cost submission.
- b. the MWD (Minor Works with Contractors Design) requires an independent Contract Administrator appointed by the client to inspect works, advise on Valuations Variations etc.

The contracts will be reviewed by the Solicitor up to £2,500.00 for each contract and therefore delegated authority could be given to the Chief Officer to proceed with the appointment of a Solicitor up to the value of £5,000.00. It is proposed that we used CIL funds to cover the legal fees.

Timeframe

The proposed contractor has confirmed there is a 5–6-week lead time from receipt of instructions or signing of Contract with a 22-24 week construction period. The 30-week total brings the completion date to mid-October 2023, although this does not factor in any external delays such as solicitors' timelines for reviewing the contract.

Temporary Location to Swindon Borough Council's (SBC) Waterside Depot

Officers visited a space available at Waterside Depot in January 2023. Negotiations are still in progress with SBC, but from the meeting we were led to believe the space is available as soon as the Parish Council wishes to utilise it.

An opportunity has arisen with St Andrews Parish Council, who are currently occupying a space at Waterside Depot and may be willing to share spaces and split the costs for the old stores building offered. The Head of Parks & Open Spaces attended a recent site visit to Waterside Park with the Head Groundsman at St Andrews, who has also shown an interest in sharing temporary accommodation with Haydon Wick. As St Andrews currently rent other space at Waterside Depot their transition would be relatively straightforward.

A meeting has been scheduled for Thursday 23rd February 2023 with St Andrews to discuss this matter further and to potentially join forces to move forward with Swindon Borough Council. There has been no indication from Swindon Borough Council that sharing the space would halve the cost of the rent for the space and have previously stated it would not be willing to sublet the space.

The plan is to ask Swindon Borough Council for a one-month end of tenancy notice period as it is likely that the space wouldn't need to be occupied for a full 12 months. St Andrews will need to be aware of this, to confirm they would be happy to take on the cost of the full building if Haydon Wick no longer requires the space i.e. when the new facility is ready.

As a temporary location Waterside Depot could work as we refuel and wash down the fleet and tip all waste. However, the mowers may have to remain at Goodearl in the blue shipping container in the peak season to cut down on travelling time and costs.

There are some removal costs that Haydon Wick will incur of £1,000 mainly for the relocation of the shipping containers.

Ventnor Close

The plans for a temporary location to Ventnor Close are still with SBC's Planning Department to provide planning consent. It is an aspiration of the plans to enhance Ventnor Close even if the Team does not have to temporarily move to the site. The cost for these enhancements are not yet available.

CIL Funding

The current balance (minus £1,000 for bus shelter repairs required) in the CIL EMR, £19,275 could be utilised to cover the temporary relocation costs to Waterside Depot and/or Ventnor Close enhancements and project legal fees. With a view to reducing the total amount drawn down from the Public Works Loan. CIL funds can be used to assist in funding new/improved infrastructure and facilities across the Parish.

Budgetary Impact

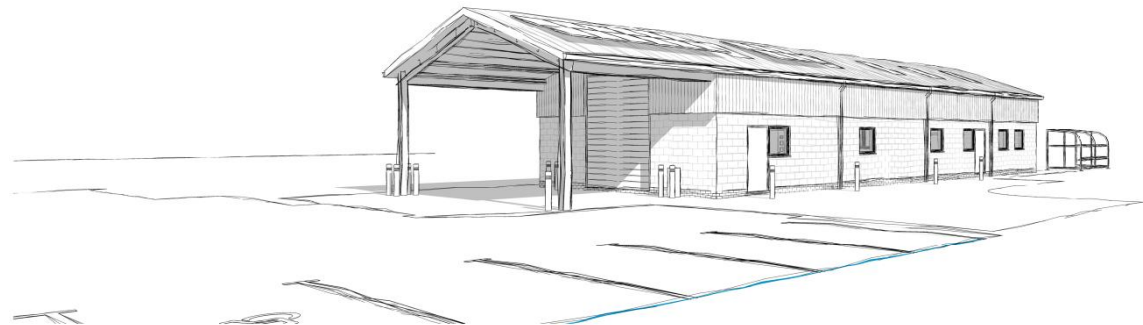
As stated, as Council had already included £12,500 in the 2022/23 budget setting, there is no increase in the precept for 2023/24 having included the same amount. There will need to be an increase in the 2024/25 budget to account for the first full year repayments as follows:

Council Tax Precept Increase	2023-24		2024-25		2025-26
Precept Increase for PWLB Repayment	0		37,500		0
Tax Base			8,970		
Increase per Band D per year to cover PWLB repayment (£)	0		4.18		0
Increase per Band D Per year to cover PWLB repayment (%)	0		3.34		0

The budget as approved by Council on 14th February 2023 includes the PWLB repayments as follows:

Budgeted Income & Expenditure Summary 2023-2026					
	2023-24		2024-25		2025-26
Income					
Precept	974,815		1,160,238		1,241,757
CTSG	16,598		16,598		16,598
Other	48,365		45,387		45,038
Reserves Subsidy	77,000		24,000		- 5,000
Total Income	1,116,778		1,246,223		1,298,393
Expenditure					
Central	360,381		370,952		388,723
Parks & Open Spaces	599,053		659,003		719,133
Community Development	143,844		155,268		125,787
Capital Projects	1,000		11,000		14,750
PWLB Repayment	12,500		50,000		50,000
Total Expenditure	1,116,778		1,246,223		1,298,393
Net Income/Expenditure	0		0		0

GMF Proposed

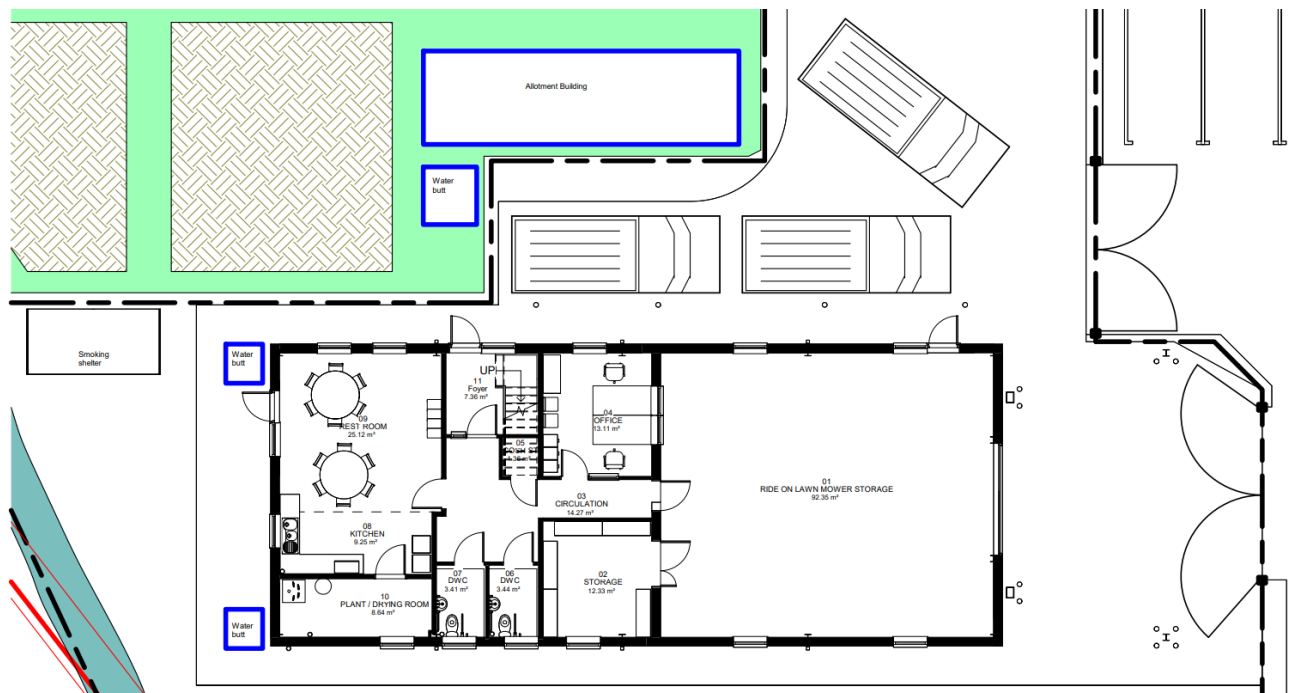


1 PL VIEW FROM SE
PL10

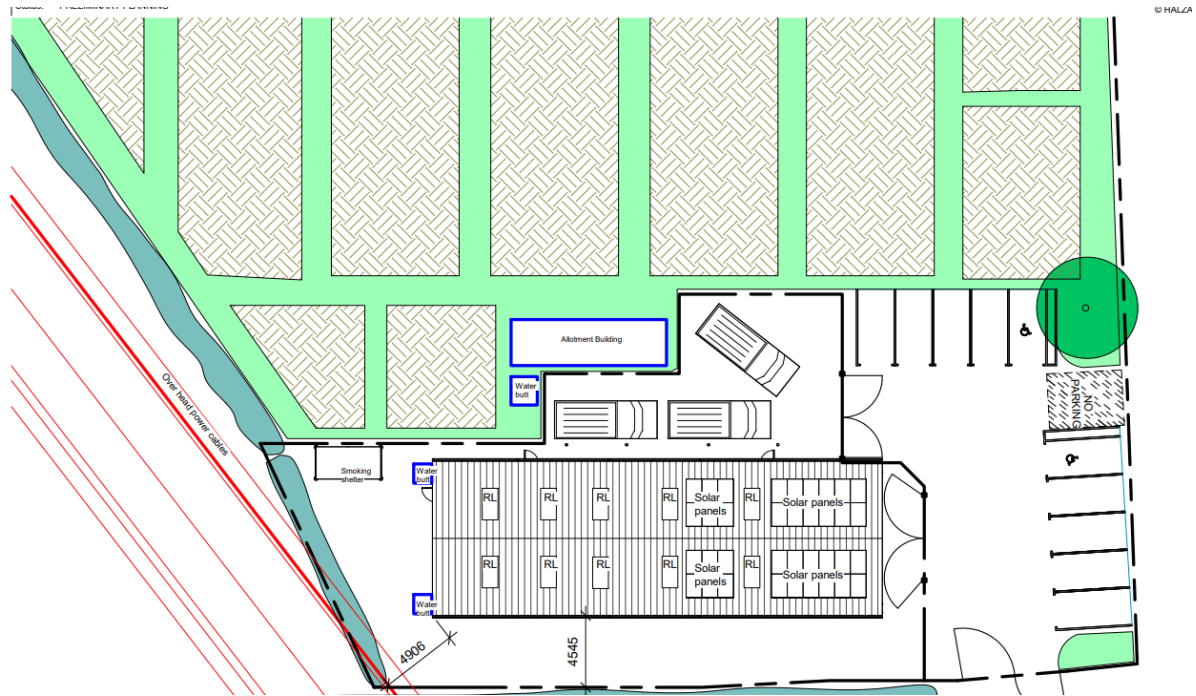


PRELIMINARY PLANNING

Fit for purpose professional looking structure



Space to house the team with adequate provision of welfare & secure storage facilities



Solar panels to improve the Council's carbon footprint with more inclusive parking facilities for allotment holders