

To: The Finance, Resources and Customer Services Policy Board

On: 4 September 2019

Report by: The Chief Executive

**Heading: Contract Authorisation Report: Paisley Learning & Cultural Hub –
hub West Scotland Award of Main Works Contract**

1. Summary

- 1.1 The relocation of Paisley Central Library to a new location in Paisley High Street is linked to the redevelopment of the Paisley Museum. The Paisley Museum Re-imagined project is the flagship project of the Paisley Heritage Asset Strategy which was approved by the Council meeting in January 2014.
- 1.2 The Council agreed that officers take forward commissioning of detailed studies and surveys of the building at 22 High Street between 2015- 2017. This has informed a Feasibility Study for the proposed Paisley Learning and Cultural Hub (the “Project”).
- 1.3 Following completion of the feasibility study, the Finance, Resources and Customer Services Policy Board approved the appointment of hub West Scotland (hWS) on 28 March 2018 as lead contractor and the budget of £6,686,245 for the Project.
- 1.4 On 14 November 2018 the Finance, Resources and Customer Services Policy Board authorised the award of the enabling and soft strip out works package for the Project to hub West Scotland as the main contractor with works being sub-contracted to CCG (Scotland) Limited.

- 1.5 This report seeks approval to progress with the main works phase of the project.
- 1.6 This report also includes a note in accordance with Clause 20.3 of the Standing Orders Relating to Contracts regarding additional costs incurred under the contract "Paisley Learning and Cultural Hub – Enabling Works (Hub West Scotland)".
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2. **Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
- (a) Authorise the award of the Main Works Contract to hub West Scotland as the main contractor with works then being sub-contracted to CCG (Scotland) Ltd.
 - (b) Authorise the contract value of £4,527,654.00 excluding VAT;
 - (c) Authorise the use of a potential contingency allowance (where required) of up to £522,431.00 excluding VAT in addition to the sum detailed in 2.1(b) above.
 - (d) Note that the total construction period for the Main Works is anticipated to be 64 weeks from the date of commencement which is currently scheduled to be 2 December 2019 with completion of 22 March 2021 however this timescale is fluid and may be extended pending the completion of the Enabling Works.
- 2.2 The Finance, Resources and Customer Services Policy Board are further asked to note that due to the discovery of additional asbestos, the Enabling Works contract sum previously authorised at the Finance, Resources and Customer Services Policy Board on 14 November 2018, has increased from £433,590.00 excluding VAT, plus contingency allowance of £20,000.00 excluding VAT to £584,713.59 excluding VAT, an increase of 29%.
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3. **Background**

- 3.1 The Paisley Learning and Cultural Hub project has been developed to create a modern accessible community resource in the heart of Paisley's High Street. This project supports the aspirations of the Council Plan and the local regeneration strategies as set out in the

Renfrewshire Local Development Plan, Community Plan and Economic Framework. The Paisley Town Centre Action Plan 2016-2026 provides the local context for this key regeneration project.

- 3.2 Following a Feasibility Stage, it was accepted that a refurbishment option (rather than a new build option) offered the most suitable and largest potential development solution in terms of new floorspace. A New Project Request (a hub West Scotland governance requirement) was submitted by the Council to hub West Scotland (hWS) which was accepted by the hWS Board on 31st May 2018 and resulted in the appointment of CCG (Scotland) Limited as the main contractor for the Project.
- 3.3 The Finance, Resources and Customer Services Policy Board on 14 November 2018, approved the recommendation to proceed with a programme of targeted enabling works consisting of asbestos removal and soft strip. The works were commissioned via a contractual arrangement with Hub West Scotland and managed and delivered by CCG and their subcontractors. These works aimed to facilitate more robust intrusive surveys, which in turn would yield better cost certainty and reduce risk to the main works.
- 3.4 During the course of the enabling works contract, it transpired that the extent of the asbestos removal required was greater than originally anticipated. There have been 2 instances of additional asbestos discovered. The first cost an additional £70,345.75 (ex VAT) to remove and the second cost an additional £131,123.59 (ex VAT) to remove. The additional spend can be funded from the client held contingency allowance within the overall Project budget.
- 3.5 This Main Works contract will refurbish and repurpose the 4 storeys, plus basement of the 22 High Street property into the Paisley Learning and Cultural Hub. The project will transform and bring back into use a vacant and historically significant town centre building and forms part of a larger suite of projects that will stimulate regeneration activity in Paisley town centre. The Project is being delivered in accordance with Paisley's Town Centre Heritage Asset Strategy, Paisley Town Centre Action Plan 2016-2026 and the Renfrewshire Local Development Plan.
- 3.6 The internal configuration of the building will be dramatically altered to accommodate Renfrewshire Leisure's library service. Accessible spaces will create an inclusive environment for service users. Distinct and characterful areas will be created to meet the needs of specific users, including bespoke areas for children, young adults and local groups. New mechanical, electrical and plumbing systems will

supplement a modern IT solution, creating a comfortable and high-quality environment that enhances service provision. Externally, the built fabric of the building will be consolidated, and condition improved. The High Street interface will be enhanced through careful retention of the upper façade, complemented by a modern intervention to the ground and first floor elevation.

- 3.7 The Project costs remain within the £6,686,245 budget funded from existing approved resources.

Implications of the Report

1. **Financial** – The Project remains within budget and the costs attributed to this Contract will be met from existing approved resources.
2. **HR & Organisational Development** – The Learning and Cultural Hub once implemented will be operated and managed by Renfrewshire Leisure. Renfrewshire Leisure will determine the human resources and organisation development requirements for the operation in due course.
3. **Community/Council Planning –**
 - Our Renfrewshire is thriving – Progressing cultural and heritage-led regeneration projects results in a stimulus to the local economy via contracts won and visitors and user numbers. The Learning and Cultural Hub can be a key partner in helping governments to achieve growth and sustainable jobs.
 - Our Renfrewshire is well – The Paisley Learning and Cultural Hub will provide improved access to all services and will promote longer, healthier lives, assisting with reducing health inequalities.
 - Our Renfrewshire is fair – The Paisley Learning and Cultural Hub will provide improved access to all services including digital support for the community.
 - Reshaping our place, our economy and our future – The Paisley Learning and Cultural Hub will secure the restoration and productive re-use of a high-profile vacant building which will house a flagship community facility which helps to support growth and sustainable jobs. This will also increase footfall and the associated increased use of the High Street offers potential benefits to traders, assisting the economy of Paisley Town Centre.
4. **Legal** - The procurement exercise to establish Hub West Scotland and the ability of the Council to enter into Contract with Hub West Scotland has been conducted in accordance with the EU Procurement Regulations.

The increase in value of the Enabling Works contract is notified under Clause 20.3 of the Standing Orders Relating to Contracts which states that where the net cumulative additional cost of a contract previously authorised for award by the Finance, Resources and Customer Services Policy Board is more than the greater of £100,000 or 25% of the approved contract value, a report on the matter should be submitted to the next meeting of the Finance, Resources and Customer Services Policy Board.

5. **Property/Assets** - The Paisley Learning and Cultural Hub is a key project within the Heritage Asset Strategy and will provide a valuable community resource as well as enabling the Paisley Museum Reimagined project to progress.
6. **Information Technology** – No Information Technology implications have arisen or are anticipated.
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. An Equality Impact Assessment is being prepared as part of the project requirements and relevant disability groups will be consulted as part of the process.
8. **Health & Safety** – A Health and Safety strategy is being developed for the project and will be applied at all relevant project stages.
9. **Procurement** – Hub West Scotland is a joint-venture organisation which is owned by both the public and private sectors and as such are not obligated to abide by public sector procurement regulations and protocol. The procurement process to establish the "hubco" for the hub West Territory was conducted by the Scottish Futures Trust (an infrastructure delivery company owned by the Scottish Government) in accordance with the above EU Threshold Competitive Dialogue Procedure for Services. On 5 March 2012 the Finance and Policy Board agreed that Renfrewshire Council could participate in the Hub West Territory Partnering Agreements co-ordinated by the Scottish Futures Trust.

The agreement with the Scottish Futures Trust allows the Council to consider a partnership with hub West as an option when developing procurement strategies for infrastructure projects which encompass an

element of design and build if it satisfies the requirement to achieve Value for Money, including adding social value through the project.

A Procurement Strategy has been prepared for the Paisley Learning and Cultural Hub by the Corporate Procurement Unit.

10. **Risk** - A Risk Register has been produced for the project and will be managed and maintained throughout the project lifetime.
 11. **Privacy Impact** - No Privacy Impact implications have been identified or are anticipated.
 12. **Cosla Policy Position** – No Cosla Policy Position implications have arisen or are anticipated.
 13. **Climate Risk - None**
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List of Background Papers

- (a) Report to Finance and Customer Services Policy Board; 14 November 2018, 'Paisley Learning and Cultural Hub',
 - (b) Report to Leadership Board; 20 June 2018, 'Paisley Learning and Cultural Hub',
 - (c) Report to Finance and Customer Services Policy Board; 28 March 2018, 'Paisley Learning and Cultural Hub',
 - (d) Report to Council; 15th December 2016, 'Paisley Town Centre Regeneration (Learning and Cultural Centre)',
 - (e) Report to the Planning and Property Board; 15th March 2016, 'Paisley Library Relocation'.
 - (f) Report to Leadership Board; 17th February 2016, 'Paisley Central Library Consultation Report',
 - (g) Report to Economy & Jobs Policy Board; 18 November 2015, 'The Regeneration of Paisley Town Centre – Paisley Museum',
 - (h) Report to the Economy and Jobs Board; 18 November 2015, 'Paisley Heritage Asset Strategy: Progress Report 4'.
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