

CABINET MEETING – 13th July 2023

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Construction of a new play area, Lowry Road, Seaburn

Author(s):

Report of the Executive Director of City Development

Purpose of Report:

To seek approval to enter into a Development Funding Agreement (DFA) with Siglion Developments LLP (“Siglion”) for the funding and delivery of a new children’s play area on land off Lowry Rd, Seaburn (“the Scheme”).

Description of Decision:

Cabinet is recommended to:

- i. Agree to enter into a Development Funding Agreement with Siglion for the funding and delivery of the Scheme on terms to be approved by the Executive Director of City Development, in consultation with the Cabinet Secretary and the Director of Finance; and
- ii. Agree to the allocation of £0.650m of previously approved Council capital towards the Scheme with the balance of the funding being provided by Siglion.

Is the decision consistent with the Budget/Policy Framework? ***Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Siglion is acting as master developer for the regeneration of the Seaburn area and produced a masterplan and design code to guide future development.

The masterplan identifies the need for high quality areas of play to replace the existing play area (known as the Pirate Play Park) which is no longer considered to be fit for purpose when compared with similar play areas across the City.

The land on which the current play area is located has been transferred to Siglion, and forms part of the wider development area at Seaburn.

Entering the proposed DFA will allow the Council and Siglion to combine its capital resources to deliver a high-quality new play area in keeping with the regeneration vision and the site-wide masterplan.

Alternative options to be considered and recommended to be rejected:

The alternative option is not to enter into the DFA with Siglion. This would leave a funding gap that would prevent delivery of the Scheme without the injection of additional Council capital. This option has been considered and is not recommended.

Impacts analysed;

Equality

N/A

Privacy

N/A

Sustainability

x

Crime and Disorder

N/A

Is the Decision consistent with the Council's co-operative values?

Yes

Is this a "Key Decision" as defined in the Constitution?

Yes

Is it included in the 28 day Notice of Decisions?

Yes

CONSTRUCTION OF A NEW PLAY AREA, LOWRY ROAD, SEABURN

Report of the Executive Director of City Development

1. Purpose of the Report

- 1.1 To seek approval to enter into a Development Funding Agreement (DFA) with Siglion Developments LLP (“Siglion”) for the funding and delivery of a new children’s play area at land off Lowry Rd, Seaburn (“the Scheme”).

2. Description of Decision

- 2.1 Cabinet is recommended to:
- i. Agree to enter into a Development Funding Agreement with Siglion for the funding and delivery of the Scheme on terms to be approved by the Executive Director of City Development, in consultation with the Cabinet Secretary and the Director of Finance; and
 - ii. Agree to the allocation of £0.650m of previously approved Council capital towards the Scheme with the balance of the funding being provided by Siglion.

3. Background

- 3.1 Siglion is the Council’s wholly owned development company tasked with delivering the regeneration of strategic sites across the city, including Seaburn.
- 3.2 In 2017 Siglion secured outline planning consent for the Seaburn masterplan which proposed a programme of leisure led mixed use development across the site and detailed planning consent for the first phase of development at the site.
- 3.3 Reserved matters consents have subsequently been secured for further development at the site in line with the approved masterplan and to date Siglion has successfully facilitated the delivery of the Seaburn Inn, Stack Seaburn, a new residential community at Lowry Park, the new Dykelands Road car park, and a programme of public realm enhancements.
- 3.4 The approved masterplan included proposals for new play facilities to be incorporated within the development area, including on land to the east of Lowry Road in the area of Cut Throat Dene.
- 3.5 The current play area at Seaburn (known as the Pirate Play Park) is on land that was transferred to Siglion in 2021. The Council has continued to operate the play area, but it has recently been closed due to the unsafe condition of the play equipment.
- 3.6 The approved Council Capital Programme includes a budget provision of £0.650m to support the design and delivery of a new play area at Seaburn.

- 3.7 The Council has been working with Siglion, the local community, and pupils from Seaburn Dene Primary School to develop proposals for a modern new play area commensurate with the masterplan ambition. As well as providing play provision for local residents, the new play area will be a key attraction as part of the wider seafront offer.

4. Current Position

- 4.1 The design of the proposed new play area has been completed by the Council's landscape team - see visualisations are provided in Appendix 2 – and is generally in line with the approved masterplan and the ambition of the local community.
- 4.2 Budget advice provided by the Council's Landscape Design Team, and play area equipment providers, suggests the estimated development cost will be £1.495m which is significantly higher than the £0.650m provision currently included within the approved capital programme.
- 4.3 It is therefore proposed that the Council enters a DFA with Siglion which will facilitate a financial contribution of £0.845m from Siglion to secure delivery of a large, smart, high-quality play area.
- 4.4 Siglion and the Council will agree terms for a proposed DFA under which Siglion will develop the new play area on behalf of the Council, with Siglion procuring and managing the development and construction process. The Council and Siglion will jointly fund the cost of the Scheme and on completion the Council will be the owner and operator of the new play area.
- 4.5 Subject to Cabinet approval, Siglion will submit a planning application for the development in July 2023 and will commence a competitive procurement process to appoint a construction contractor.
- 4.6 Subject to securing the necessary planning consent, construction works are expected to commence in Autumn 2023 with a target opening date for the new play area in Spring 2024.

5. Reasons for the Decision

- 5.1 Siglion is acting as master developer for the regeneration of the Seaburn area and produced a masterplan and design code to guide future development.
- 5.2 The masterplan identifies the need for high quality areas of play to replace the existing play area (known as the Pirate Play Park) which is no longer considered to be fit for purpose when compared with similar play areas across the City.
- 5.3 The land on which the current play area is located has been transferred to Siglion, and forms part of the wider development area at Seaburn.
- 5.4 Entering the proposed DFA will allow the Council and Siglion to combine its capital resources to deliver a high-quality new play area in keeping with the regeneration vision and the site-wide masterplan.

6. Alternative Options

- 6.1 The alternative option is not to enter into the DFA with Siglion. This would leave a funding gap that would prevent delivery of the Scheme without the injection of additional Council capital. This option has been considered and is not recommend

7. Impact Analysis

7.1 Equalities

- 7.1.1 An EIA has been undertaken in connection with the Scheme. The EIA has concluded that there will be no adverse impact arising from the proposals. The EIA will be kept under review during the detailed design development of the scheme.

7.2 Sustainability

- 7.2.1 The proposed design includes the use of locally reclaimed timber and several pieces of play equipment that are constructed from sustainably sourced timber.

8. Other Relevant Considerations / Consultations

8.1 Financial Implications

- 8.1.1 The total estimated cost of the works is £1.495m and the actual cost will be confirmed following completion of a competitive tender process to procure a construction contractor.
- 8.1.2 The Council's approved capital programme includes a provision of £0.650m to cover the design and delivery of a new play area at Seaburn.
- 8.1.3 In addition, the 2023 Siglion Business Plan which was approved by Cabinet in March 2023 includes a budget of £0.845m to deliver public realm upgrades across the Seaburn site in the 2023 and 2024 calendar years.
- 8.1.4 Entering the DFA will allow the Council and Siglion to combine its capital resources to deliver the Scheme.

8.2 Risk Analysis

- 8.2.1 The DFA will set out the risk position between the Council and Siglion in relation to the Works, specifically in respect of any cost overruns.
- 8.2.2 A detailed project risk register will be prepared, managed, and monitored by the project delivery team.

8.3 Legal Implications

- 8.3.1 Under the terms of the proposed DFA, the Council (as the intended owner of the proposed works on completion) will procure the delivery of the Scheme through Siglion. The Council is entitled to enter into this direct delivery agreement with Siglion pursuant to Regulation 12(1) of the Public Contracts Regulations 2015 ("PCR") (the Teckal in-house exception) given that Siglion meets both of the Council control and activity tests as set out therein.

- 8.3.2 Under the terms of the DFA, Siglion will undertake a competitive procurement process for the award of the works contract for the Scheme. The works contract is to be co-funded by both the Council and Siglion (as developer) with the Council's funding contribution capped at £0.650m.
- 8.3.3 In addition, the estimated value of the proposed works contract is substantially below the relevant threshold for works contracts (£5,336,937) for the purpose of the PCR.

8.4 Property Implications

- 8.4.1 The property implications are contained within this report

9. Appendices

Appendix One – Location Plan

Appendix Two – Design Proposals and Visualisations