

# Crawley Borough Council

## Consideration Report for Delegated Decision by Cabinet Member for Wellbeing

Expected Date of Decision 15 March 2023

### Review and Reprioritisation of the Unsupervised Play Investment Programme

Report of the Head of Community Services– Report. No. HCS/056

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#### 1. Purpose

- 1.1. To provide an update on the Cabinet approved Unsupervised Play Investment Programme for the years 2021/22 – 2022/23 as set out in report [HCS/33](#).
- 1.2. To set out the challenges and the implications within the market around supply restrictions (both materials and suppliers) plus the impact of cost inflation.
- 1.3. To seek approval for the proposed amendments to procurement, consultation and construction stages within the available resources and process timescales.

#### 2. Recommendations

- 2.1. That the Cabinet Member for Wellbeing:
- 2.2. Agrees to group the remaining 8 approved schemes together within one tender.
- 2.3. Delegate authority to the Head of Community Services, in consultation with the Cabinet Member for Wellbeing, to conduct any further review stage/s and agree where necessary to reprioritise the order of delivery for the relevant phase of the investment programme.

#### 3. Reasons for the Recommendations

- 3.1. To ensure we conduct the most advantageous and competitive tender process for the 8 remaining schemes to achieve best quality and value for money within the available resources and process timescales.

#### 4. Background

- 4.1. In November 2021, Cabinet agreed the Unsupervised Play Investment Programme for the years 2021/22 – 2022/23 as set out in report HCS/33. Through this report Cabinet agreed to delegate authority to the Cabinet Member for Wellbeing in consultation with the Head of Community Services, to conduct review stage/s and agree where necessary to reprioritise the order of delivery for the relevant phase of the investment programme.
- 4.2. Despite best efforts only 2 from 10 approved schemes have been awarded to date. This reflects challenges presented by the pandemic, and the implications within the market around supply restrictions (both materials and suppliers) plus the impact of cost inflation. Increasingly the tendering of single, often quite small, play schemes is proving to be

unattractive to the market and therefore not attracting good value.

- a) Two Play Areas (Meadowlands and Halley Close) will slip £80,000 into 2023/24 - as reported in 2022/23 Budget Monitoring - Quarter 1 ([FIN/586](#)).
  - b) Wakehams Play Area will slip £55,000 into 2023/24 due to delays in the evaluation and award stages of the tender exercise (see 4.4 below). The tender will now be awarded but consideration will need to be taken regarding market conditions – as reported in 2022/23 Budget Monitoring - Quarter 2 ([FIN/594](#))
  - c) Three Play Areas, Perkstead Court, Curteys Walk and Brideake will go out to tender to be delivered under one contract potentially being grouped with more sites in one procurement stage. Due to rising costs and market conditions this is the most advantageous way of delivering these approaching schemes within the current budget. The decision has held up the tender process causing slippage of £52,000 into 2023/24 - as reported in 2022/23 Budget Monitoring – Quarter 2 ([FIN/594](#)).
  - d) In November 2021, Cabinet agreed the Unsupervised Play Investment Programme for the years 2021/22 – 2022/23 in report HCS/33. Since that time due to inflation the costs of the schemes are going to be higher than anticipated. These additional costs are £18,958. Section 106 funding has been identified to fund this additional cost so that the schemes can go ahead as reported in 2023/24 Budget and Council Tax Report (FIN/606).
- 4.3. Of the two schemes awarded to date. Work has started at Southgate Playing Fields and is scheduled to complete by April 2023. Wakehams Play Area has been awarded in principle with the final design to go out to public consultation and contractual arrangements to be signed.
- 4.4. Wakehams Play Scheme received only one bid; two suppliers withdrew as felt they could not make a scheme that met budget and specification requirements. The award does accept we may see a slight reduction in play value but the improvement in condition and quality will go a long way to offset this.
- 4.5. Consequently, for all 8 remaining approved schemes consideration has been given to how to procure, manage and deliver the consultation and construction stages within the available resources and process timescales.

## 5. Description of Issue to be Resolved

- 5.1. A range of issues have led to delays in delivering the current phase of the investment programme, these are:
- a) **General Market Conditions.** There is a general issue with materials and resources within all sections of the construction sector. Play area equipment comes under this bracket and is suffering generally as well, with costs, availability, and resource.
  - b) **Resource within Suppliers.** It has been reported from the suppliers that resources within their teams are very busy. Each tender they apply for must be carefully considered whether it is worth spending money internally against the likely outcomes of winning the contract and their potential profit margins.
  - c) **Surrounding Borough's Works.** Surrounding local authorities have higher budgets, Brighton & Hove are reportedly spending millions of pounds on new play areas. This links to point 5.1 (b) where supplier have the choice, they are tendering for these types of works as it is more attractive to secure than the smaller play schemes CBC have planned.
  - d) **Material and General Costs.** The budgets were set in 2021, the market in the last 12 months has increased substantially. In the past there has been internal resources

available to assist in certain areas such as demolition, clearance, and fencing. Due to internal capacity this now needs to be completed externally and has had an impact on the originally planned specifications and what equipment can be obtained for budgets that were set.

## 6. Information & Analysis Supporting Recommendation

### 6.1. Specification and CBC Process.

Feedback was received that our specification is strict in places and unfavourable towards suppliers. This has led to very few tender returns. Previous tenders have allowed 6 weeks. Feedback has also been received that this is too short, so it is proposed to extend this to allow for as much opportunity for as many bidders to submit proposals to achieve a competitive tender process and achieve best quality and value for money through applying economy of scales.

6.2. The recommended approach to group all 8 remaining schemes together within one tender and for schemes to come forward and to be completed over 2023/24 and 2024/25 and which will all be managed under one contract. This approach will be a more attractive proposition for bidders and will involve:

- Tender documents need to be updated to cover all remaining schemes and will require support from the Procurement and Legal Teams.
- Proposed to extend the tender period to a minimum of 10 weeks.

6.3. **Alternative approach (option 2):** to issue two tenders with four Play Areas each. This would require the same criteria and changes above. The main risk with this approach is this will be less attractive for suppliers, so we are back to the original issues and risk of only receiving few or one tender back.

6.4. **Alternative approach (option 3):** to continue as we are with no changes to the way we release tenders and deliver schemes. This will result in a further 7 tenders being released at smaller values with tenders staggered which will be less attractive to suppliers and is likely to result in higher workload and delays to the delivery programme timescales.

## 7. Financial Implications

**Table 1: Budget Forecast – Approved Unsupervised Play Schemes**

Scheme Description	Projected Outturn 2022/23	Budget 2023-2025	Additional Budget	Revised Budget
	£	£	£	£
Meadowlands (GG)	0	65,000	6,565	71,565
Southgate Playing Fields (SG)	50,851	0	0	
Perkstead Court Play Area (BB)	0	20,000	2,115	22,115
Halley Close Play (BF)	0	15,000	1,610	16,610
Curteys Walk Play (BB)	0	15,000	1,610	16,610
Brideake Play (BB)	0	17,000	1,812	18,812
Wakehams Play (PH)	0	55,000	0	
Puffin Road Play (IF)	0	18,000	1,818	19,818
Bowness Close Play (IF)	0	18,000	1,818	19,818
Plantain Crescent Play (BF)	0	15,000	1,610	16,610
<b>Total at Q2 2022/23</b>	<b>50,851</b>	<b>238,000</b>	<b>18,958</b>	<b>201,958</b>

- 7.1. Table 1 above sets out the budget forecast for all approved unsupervised play schemes showing projected spend for 2022/23 and 2023-2025 collectively, and the approved additional and revised budget allocations.
- 7.2. Total Capital Investment budget allocation for Unsupervised Play Areas for 2023/25 to fund the remaining 8 approved schemes which are still to go out to tender: £201,958
- 7.3. It's important to note that the additional budget allocation does not factor in the hike in material costs, with up to 300% increases in some materials noted in the last 12-18 months. The revised budget should be sufficient to award and deliver the agreed schemes, but we are likely to see a slight reduction in play value and / or get less play area for our money. The improvement in condition and quality will help to offset this.
- 7.4. There remains a risk that this does not change the supplier's resource capacity and availability, and options to prioritise their work for other councils. There are also costs to suppliers just for tendering, this will not change, and this is another reason they must consider whether they tender for the CBC play areas.

## **8. Background Papers**

- 8.1. Report to Cabinet 24 November 2021 HCS/33 [Unsupervised Play Investment Programme](#)
- 8.2. Report to Cabinet 5 October 2022 FIN/586 [2022/2023 Budget Monitoring – Quarter 1](#)
- 8.3. Report to Cabinet 23 November 2022 FIN/594 [2022/2023 Budget Monitoring – Quarter 2](#)
- 8.4. Report to Cabinet 1 February 2023 FIN/606 [2023/2024 Budget and Council Tax](#)

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