

TITLE OF REPORT: Baltic Quarter – Site Investigation works

REPORT OF: Anthony Alder, Acting Strategic Director, Communities & Environment

Purpose of the Report

1. To seek approval for the Council to enter into a contract with Perfect Circle JV Limited under the Scape Framework to provide Phase 2 Site Investigations at Baltic Quarter.

Background

2. In October 2018, the Council entered into a Delivery Agreement (Contract) with Perfect Circle JV Ltd under the Scape National Built Environment Consultancy Services Framework to provide Phase 1 Desk Top Site Investigation report for the whole of Baltic Quarter in Council ownership, at a cost of £22,053. This was to facilitate taking the land at Baltic Quarter out to the market in early 2019, by providing supporting information to potential developers regarding ground conditions and potential contamination issues at the site.
3. To facilitate the development of Gateshead Quays, supporting key strategic infrastructure is required to be brought forward on Baltic Quarter, due to its proximity to the Quays site. It is intended to progress the next stage of site investigations – Phase 2 Intrusive studies in areas on Baltic Quarter where this infrastructure is proposed to be located.
4. As Perfect Circle JV Ltd were engaged in the Phase 1 site investigations and have the previous knowledge and experience in respect to the site, costs have been obtained from Perfect Circle JV Ltd for the provision of the Phase 2 works which is in the region of £140,000. The final costs are currently being clarified with Perfect Circle JV Ltd.

Proposal

5. That the Council enter into an additional Contract via the Scape Framework with Perfect Circle JV Ltd to provide Phase 2 Site Investigations at Baltic Quarter at a cost not exceeding £150,000.
6. The Phase 2 investigation is for areas on Baltic Quarter that would house key strategic infrastructure requirements essential to support the Gateshead Quays development including a proposed new Multi Storey Car Park (MSCP) and a new North / South road to allow access/egress to the Felling by-pass. The results of the investigations will help inform detailed design for both. On completion the MSCP and the road will also facilitate the wider development of the Baltic Quarter site. These schemes will be the subject of a further report to Cabinet.

Recommendations

7. It is recommended that Cabinet;
- (i) Retrospectively approves the obtaining of a tender using the Scape Framework from Perfect Circle JV Ltd to provide Phase 2 Site Investigations at Baltic Quarter; and
 - (ii) Authorises the acceptance of the final contract price at a cost not exceeding £150,000 by the Acting Strategic Director, Communities and Environment following consultation with the Strategic Director, Corporate Resources and subject to agreeing the form of Contract for the Works with Perfect Circle JV Ltd by the Strategic Director, Corporate Services and Governance (in accordance with the Constitution),

For the following reasons:

- (i) To ensure that supporting infrastructure for Gateshead Quays is brought forward in a timely manner.
- (ii) To ensure supporting infrastructure and access requirements to facilitate the wider development of Baltic Quarter are provided.

APPENDIX 1

Policy Context

1. The proposed site investigations will support the development of key development sites which is consistent with the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan 2015-2020. In particular, the use of assets to deliver economic growth.

Background

3. With over one million visitors each year, Gateshead Quays is one of the UK's most iconic waterfront locations. The area has seen huge transformation over the last 15 years and is now a thriving cultural destination, home to many world-class attractions.
4. The Council, along with its Development Partners, Ask Real Estate and Patrizia UK Limited (A&P), are bringing forward a £250m purpose-built entertainment Arena, Conference and Exhibition Centre on Gateshead Quays, which will bring huge economic benefits to the area.
5. Baltic Quarter (BQ) lies to the south of the Gateshead Quays area and is located within the Gateshead Urban Core. The site comprises almost 18 hectares (ha) of land of which around 14.5 ha are in Council ownership. Identified as Gateshead's premier office location - Baltic Quarter is part of an exciting and coherent proposition for the Gateshead Urban Core that brings together commercial, housing and regeneration activities to promote highly visible, high quality development, economic growth, business investment and jobs.
6. The area is a destination of choice for innovation clusters, high growth businesses and leading-edge institutions to locate and is the single biggest high-value jobs generator in Gateshead. A thriving urban cluster of high technology companies and their supporting cast of universities, colleges, financiers, professional services and support organisations, Baltic Quarter is the 'go to' place for demand led tech solutions.

Consultation

7. In preparing this report consultation have taken place with the Leader and Deputy Leader, Cabinet Members for Housing and Economy, and Ward Members for the Bridges Ward.

Alternative Options

8. The alternative options are:
 - i. not to agree to enter into a Contract via the Scape framework and the Council to procure the works through another means. This has been discounted. The Scape Framework is OJEU compliant and due to the value of the contract

offers competitive and fixed rates. Alternate procurement OJEU compliant procurement routes would delay the progress of the works.

- ii. not to agree to enter into a Contract and not to progress the site investigation works. This has been discounted as it could delay the progression of key strategic infrastructure required to bring forward Gateshead Quays.

Implications of Recommended Option

9. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial resources are included within the Capital Programme.
- b) **Human Resources Implications** – none.
- c) **Property Implications** – none.

10. **Risk Management Implication** - There are no risk management implications arising from this report

11. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report

12. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report

13. **Health Implications** – there are no health implications arising from this report

14. **Sustainability Implications** - there are no sustainability implications arising from this report

15. **Human Rights Implications** - there are no human rights implications arising from this report

16. **Area and Ward Implications** - Bridges ward in the Central area.