

London Borough of Enfield

Operational Report

Report of: Mark Bradbury, Director of Property & Economy

Subject: Refurbishment Contract Award Children & Families Hub

Cabinet Member: Councillor Mary Maguire

Executive Director: Sarah Cary, Place

Ward: All

Key Decision: KD 5280

Purpose of Report

1. To provide details of the procurement process for the refurbishment of the Thomas Hardy House Children & Families Hub and to approve the award of the contract for the works and to enter into the Delivery Agreement with Willmott Dixon Construction Ltd.

Proposal(s)

2. To approve the award Stage 2 of the SCAPE Framework process to Willmott Dixon Construction Limited (Willmott Dixon) for the refurbishment of Thomas Hardy House Children & Families Hub (the Works) for a total maximum contract value of £6,129,802 and enter into the Delivery Agreement for the Works with Willmott Dixon.
3. To note that Cabinet delegated authority, via Cabinet Decision KD 5280 – Build The Change Programme in April 2021, to the Director of Property & Economy in consultation with the Executive Director of Place to procure consultants and contractors in accordance with Contract Procedure Rules as necessary to deliver the programme.
4. To approve the construction cost of £6,129,802 to be drawn down from the overall programme budget as identified in the Cabinet report 21st April 2021
5. To note that as a result of para 4. above the construction cost will exceed the allocated **net** construction budget element of £5.8m including contingency, by £313k and these additional costs will be drawn from the overall BTC programme budget, potentially requiring a reduction of costs

in other elements of the programme in order to remain within the programme budget.

Reason for Proposal(s)

6. To enable the refurbishment of Thomas Hardy House 1st and 2nd floors and part ground floor to enable the implementation of the proposed new ways of working and consolidation of the Children & Families Services care delivery and thereby allowing the closure or repurposing of Charles Babbage House and retraction from other properties and accommodation including Triangle House and Clavering's.

Relevance to the Council's Corporate Plan

7. The development of the Children & Families Hub at Thomas Hardy House will enable the following objectives of the corporate plan to be met: -
 - Support our staff to adapt to new ways of working as a result of Covid-19 and social distancing restrictions, helping people to work safely and effectively wherever they are.
 - Deliver our services from fewer and better equipped buildings that are energy efficient, well maintained, supported with the right technology and in the right locations for the benefit of our communities.
 - Our buildings will be welcoming, accessible and inclusive places where residents can access all the support, they need in one place and where our staff feel happy to work.

Background

8. This report follows the Cabinet Decision KD 5280 – Corporate Property Investment Programme (CPIP) in April 2021 that delegated authority to the Director of Property & Economy in consultation with the Executive Director of Place to procure consultants and contractors in accordance with Contract Procedure Rules as necessary to deliver the programme.
9. Enfield Council's Strategic Asset Management Plan (SAMP) 2019-2024 was approved by Cabinet in June 2019. The SAMP describes the Council's approach to management of its assets and provides links to the operational and technical details that underpins the overall strategy. The SAMP provides the framework for decision making across the estate and for individual buildings and shapes the delivery of a resource at the heart of the Council's current and future offer.
10. Cabinet Decision KD 5280 as part of the wider Build the Change hub strategy, approved a total sum of £8.34m for the Children & Families Service hub project.
11. The Director of Property & Economy, acting under delegated powers granted by Cabinet Decision KD5280, approved the Scape Framework as the preferred procurement strategy using a two-stage construction

procurement process and further approved the Council entering into a pre-construction services agreement with Willmott Dixon for the first stage of the two-stage procurement process.

12. This report is to seek approval for the Council to award the contract for the Works and to enter into the Delivery Agreement with Willmott Dixon for the second stage under the same Scape Framework Agreement for the for a total maximum contract value of £6,129,802 following the completion of the PCSA stage.
13. Following the tender exercise undertaken through the PCSA stage via the SCAPE framework, the council will now award a contract by entering into a Delivery Agreement with Willmott Dixon via the SCAPE Framework to ensure compliance with both the Council's Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015) (PCR's). The costs for the PCSA stage (already approved by the officer with delegated authority via a record of decision dated 02.09.21) in the sum of £70,043.32 is included in the construction budget of £6.13m.
14. Further supplementary advantages of using Willmott Dixon via the Scape Framework on the Children & Families Service Hub is the retention of the professional team that delivered Edmonton Green Housing Hub to deliver the Children & Families Service Hub too. This ensures that valuable experience of Build the Change (BTC) is not lost and can be used to de-risk the operational delivery phase of the works.
15. Over 1,000 public bodies have used the Scape Framework to deliver construction projects. The rigour of the procurement approach has established that the framework partners are collaborative, dynamic, innovative, highly capable and committed to achieving value for money.
16. The SCAPE framework contract requires Willmott Dixon to use tender packages through its sub-contractor supply chain to secure value for money for the Council. This was undertaken at PCSA stage.
17. Following receipt of prices, the council and its consultants reviewed and challenged tender prices submitted and carried out a benchmarking exercise before finalising the contract value identified within this report in accordance with the SCAPE Framework process.
18. The Executive Director of Place has been consulted by the Director of Property and Economy in accordance with the delegated authority.

Main Considerations for the Council

19. The proposal allows the Council to meet the objectives of the Build the Change Programme within the approved overall programme budget and in accordance with the Council's Contract Procedure Rules using the Scape framework contract. The timely delivery of the Children & Families Service hub takes precedence on the basis that sufficient controls are in place to ensure the project budget is not exceeded.

Safeguarding Implications

20. There are no specific Safeguarding issues related to this report

Public Health Implications

21. There are no specific Public Health issues related to this report

Equalities Impact of the Proposal

22. The design has been prepared in consultation with the accessibility team disability working group. An EqlA has been completed at programme level. The Workforce workstream will ensure our buildings are inclusive and accessible.

An Equalities Impact Assessment has been completed for the Corporate property Investment Programme (CPIP) Report reference KD5006, which includes the Build the Change Programme. The approvals being sought within this report sit within the Build the Change Programme portfolio and are therefore covered by the Equalities Impact Assessment which was undertaken for the CPIP Report reference KD5006.

This involves having due regard for the need to:

- Remove or minimise disadvantages suffered by people due to their protected characteristics.
- Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people,
- Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

To have “due regard” means to be conscious of the need to eliminate discrimination, advance equality of opportunity, and foster good relations when making decisions. This includes the procurement and commissioning process

The building designs includes measures to ensure that the building is accessible to all including accessible toilets, hearing assistance facilities, visual contrast, lifts and general accessible features within the design. This exceeds the minimum standards set out in part M of the building regulations. The programme board includes stakeholders from the Disability Working Group who have been fully engaged in the design of the buildings and input from occupational therapy

The creation of service hubs in a central, accessible location is designed to offer improved benefits to a wide range of service users and their families who currently access services at several different locations across the borough. Some of these properties are no longer fit for purpose (especially at Clavering’s Industrial Estate) and will require major investment or redevelopment to deliver modern service. The location of some services, at Clavering’s in particular, has a negative impact on some users in that they will have extended journeys to the new location.

The choice of the hub locations in central town centre locations with public transport links to all parts of the borough and adjacent car parking is designed to ensure the maximum accessibility to the widest range of users. A single purpose designed facility with DDA compliance designed in situated in a prominent town centre location is considered to offer positive impacts on users.

Risks that may arise if the proposed decision and related work is not taken

23. Not undertaking the proposed refurbishment of the Children & Families Service hub will mean that it will not be possible to bring the service management team together to allow continued service improvement. In addition, it will mean that it will not be possible to introduce the new smarter working policy agreed by the council. It will also potentially require the Council to retain multiple properties in order to maintain service continuity.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

24. That the value of the works is above the proposed budget envelope and is therefore unaffordable. The proposed mitigation will be to fix the design, control variations and report regularly to Property Board. Due to market conditions and inflationary pressures caused by multiple factors prevailing at this time, this risk has been realised. The mitigation is that considerable work has been done to minimise the effect of these conditions, including the contractors offer to fix prices providing we are able to execute a contract award by 9th January 2022. The resultant contract sum proposed is outside the overall budget constraints for the THH scheme but will be delivered within the constraints of the overall Build The Change programme budget

Financial Implications

25. The awarding of this contract does not require budget growth or spending approval and can be managed within existing Build the Change budgets earmarked for the Thomas Hardy House Hub.
26. Council approved the 10 Year capital programme on 2nd March 2021 in KD5210 which included a budget for Build the Change of £39.5m for 2021/22 onwards with £8.34m allocated to the Thomas Hardy House Hub project. This includes a contingency budget for the hub of £1.3m, calculated at 20% of estimated digital costs, and 16% estimated construction and consultancy costs.
27. Of the programme budget envelope £28.8m has been approved to spend, approval for £13.6m in KD5006, and £15.2m was given in KD5280. The £8.34m allocated to the Thomas Hardy House Hub, which this contract is to be funded from, is covered in these amounts approved to spend.

28. The maximum contract price of £6.13m is within the earmarked budget for Thomas Hardy House Hub. The contract value being awarded of £6.13m will require use of the project's contingency budget. The project will need to attend Capital Finance Board to request use of its contingency budget, in accordance with the programme's finance governance procedures.
29. If the full £6.13m construction contract value is spent, no contingency budget will remain for the construction and consultancy elements of the Thomas Hardy House hub. The construction budget including contingency allocated to THH has been exceeded by £313k.
30. The Build the Change Programme will keep costs within the overall programme budget envelope. In addition to the award of this contract, there are other costs to deliver the hub. The additional construction costs will have to be drawn from the overall Build The Change programme budget, potentially requiring a reduction of costs in other elements of the programme in order to remain within the programme budget.

Environmental and Climate Change Considerations

31. The Children & Families Service Hub is being delivered as part of the Build the Change Programme; a Programme of work which supports the Council's aim to become carbon neutral by 2030, as set out in the Climate Action Plan.
32. Bringing Children & Families Service staff together in Thomas Hardy House, enables the closure of Charles Babbage House. By moving services out of older energy inefficient buildings, the Council is able to reduce its direct carbon emissions by disposing of buildings and making improvements to the energy consumption in the buildings that staff occupy. A separate report details the Building Sector Decarbonisation Fund which will assist in reducing the carbon emissions from the Civic and other council buildings.
33. Furthermore, the Council's new Smarter Ways of Working policy will reduce carbon emissions because staff classified as a 'flexible worker' will work remotely more often which will reduce travel to and from the office.

Legal Implications

34. The Council has the power under s.1(1) Localism Act (2011) to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. Under s.111 Local Government Act (1972) local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions. It is therefore considered that the Council has sufficient powers to implement the proposal in this report.

35. The value of the contract is **above** the threshold for public works contracts (currently £4,733,252) under the Public Contracts Regulations 2015 (PCR 2015). The Council must ensure that it complies with the PCR 2015 and the Contract Procedure Rules (CPRs). CPR 14.4 states that Frameworks, where they exist, should be used provided Best Value can be demonstrated and managers are required to retain sufficient evidence to demonstrate compliance. Calling off from Frameworks is further permitted under regulation 33 of the PCR 2015. The contract award must be in accordance with the process set out in the Framework Agreement. The P&C Hub must carry out a due diligence exercise and advise that the Council can call off from the Framework. In addition, section 3(2) of the Childcare Act 2006 (Childcare Act) imposes a duty on local authorities to make arrangements to secure that early childhood services in their area are provided in an integrated manner which is calculated to (a) facilitate access to those services; and (b) maximise the benefit of those services to parents, prospective parents and young children. Section 5D of the Childcare Act further imposes a duty on local authorities to secure that such consultation, as they think appropriate having regard to guidance from the Secretary of State, is carried out before
- (i) making arrangements to secure children centres under section 3(2);
 - (ii) any significant change is made to the services provided through a relevant children's centre; and
 - (iii) anything is done that would result in a relevant children's centre ceasing to be a children centre.
- If the works proposed in this report will result any of the above changes to the children centre, the Council must ensure that adequate consultation is carried out in accordance with the Childcare Act.
36. The Council must ensure value for money in accordance with the Local Government Act 1999 and the CPRs. It is advised that evidence of Best Value should be documented in accordance with the CPRs.
37. The contract must be in a form approved by the Director of Law and Governance. Legal Services is being consulted in the preparation of the delivery agreement. It is advised that the client department should be mindful of the following:
- (i) Before any work can commence by a sub-contractor, the Contractor must enter into a contract with the sub-contractor and confirm to the Council by providing a copy of the Contract Data to the project manager and also procure collateral warranties in favour of the Council from the sub-contractors;
 - (ii) Given that the value of the contract is above £1,000,000, sufficient security must be obtained from the Contractor in the form of a bond or parent company guarantee or one of the forms set out in CPR 7.3.
 - (iii) The Service Department must undertake a risk assessment to ensure that the levels of insurance are adequate seeking advice from the Council's Insurance team.

- (iv) The contract must be executed under seal to comply with the CPRs.

38. This is a Key Decision and the Key Decision process must be followed.

[LEGAL IMPLICATIONS PROVIDED BY ZS ON THE VERSION CIRCULATED ON 6.12.2021]

Workforce Implications

- 39. There are no specific workforce implications directly relating to this report as it is primarily a contractual award document. The rollout of the Build the Change programme will have significant workforce implications as it is predicated on employees having to work in a very different way from the traditional office-based model.
- 40. This operational shift will be supported by the new Smart Working Policy which is now being finalised. To ensure the successful transition to this new way of working there will need to be extensive staff engagement at officer and leadership levels addressing both the operational change and the behavioural / cultural change required.

Property Implications

- 41. The proposals contained within this report support the Council's Strategic Asset Management Plan (2019 – 2024) approved by Cabinet in June 2019 which set out the management approach to the Council's General Fund operational and commercial investment buildings and is in line with proposed expenditure contained within the Corporate Property Investment Programme.
- 42. All new or revised asset data arising out of the proposed works must be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM, including revised site plans, floor plans, asset information and maintenance regimes.

Procurement Implications

- 43. A business case approving the route to market was presented and approved by Procurement Services in April 2021
- 44. Due diligence and approval of the SCAPE framework agreement was undertaken by Procurement Services.
- 45. The award of the PCSA, Stage 1 of the two-stage construction procurement process, is stored and retained in the London Tenders Portal (LTP), the Council's E-Tendering Portal, reference DN557693.

46. The procurement was undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (PCR's) (2015).
47. The service has undertaken a "call-off" via the SCAPE Framework Agreement for Stage 2 of the two-stage tendering process. The Call-Off from the Framework was carried out in line with the relevant framework process and all retained documentation must be uploaded onto the Councils LTP once completed/awarded (LTP reference DN557693)
48. In accordance with the CPRs and as the contract is over £500k the service will ensure that sufficient security in the form of a Bond will be provided by the supplier. This will be stored and retained on the E-Tendering Portal for audit purposes.
49. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the executed contracts must be stored and retained on the E-Tendering Portal (LTP) including the future management of the contract.
50. In accordance with the Councils CPR's the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the LTP, and that the monitoring requirements are adhered to.
51. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Options Considered

52. To use other procurement strategies including open market tendering but this will not achieve the programme dates critical for improved delivery of statutory services.

Conclusions

53. The proposal allows the Council to meet the objectives of the Build the Change Programme within approved budgets and in accordance with the Council's Contract Procedure Rules.

Report Author: Mark Bradbury
Director of Property and Economy
Mark.Bradbury@enfield.gov.uk
0208 379 1451

08th December 2021

Appendices

Background Papers

None