

Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Operational Report Decision of the Director of Environment & Operational Services under delegated powers given by Cabinet Decision KD5006 Corporate Property Investment Programme (CPIP)

Report of Doug Wilkinson

Subject: Approval to procure design services – for the delivery of the Children and Family Services Hub

Executive Director: Sarah Cary

Ward Town Ward

Key Decision: KD5432

Purpose of Report

1. To provide details of the procurement process for the awarding of design services, to support delivery of the Children and Family Services Hub.
2. To seek authority for the expenditure to procure design services to support the delivery of construction and hand over phases for the Children and Family Services Hub, at Thomas Hardy House. This follows on from the successful completion of the design stages of the Children and Family Services Hub.
3. To provide details of the overall design services costs across all phases, for the Children and Family Services Hub.

Proposal(s)

4. To approve the award and to continue the design service contract with Perfect Circle JV Ltd to provide services for RIBA Stage 5 and 6 - delivery of construction and hand over phases for the Children and Family Services Hub at Thomas Hardy House, for the sum of £286,629.
5. To approve the award and to continue the design services contract with Stace LLP via Matrix Managed Marketplaces under the ESPO Framework 653F_15 Vendor Neutral Managed Services for services for RIBA Stage 5 and 6 - delivery of construction and hand over phases for the Children and Family Services Hub at Thomas Hardy House, for the sum of £25,106.
6. To note previous expenditure of £495K and £80K for design services costs (including contingency) up to Stage 4 for the delivery of the Children and

Family Services Hub, for Perfect Circle JV Ltd and Stace LLP, respectively. Reference Operational Decision of Director of Property and Economy Reports PL 20.088 O and PL 20.086 O respectively. (Delegated authority powers provided by Cabinet Decision KD5006 Corporate Property Investment Programme - CPIP) and as logged under LTP DN497430.

7. To note the overall expenditure for design services to support all stages of design, construction and handover for the Children and Family Services Hub, at Thomas Hardy House, is a total of £886,735 including contingency.

Reason for Proposal(s)

8. The proposals outlined will enable:
 - Refurbishment of the 1st and 2nd floors of Thomas Hardy House to create a Children and Family Services Hub, facilitating the consolidation of Children & Family Services Social Care delivery at Thomas Hardy House, and retraction from the Children Social Services staff from the following accommodation:
 - Charles Babbage House
 - Unit 9 Centre Way, Claverings
 - Civic Centre
 - Implementation and embedding of the Council's new ways of working.
 - Without committing to this expenditure and appointment of design services the capital scheme will not progress, according to the necessary timescales.

Relevance to the Council's Corporate Plan

9. The development of the Children and Family Services Hub will enable the following objectives from the corporate plan to be met: -
 - Support the successful implementation and embedding of the Council's new ways of working, enabling staff to work safely and effectively wherever they are.
 - Our buildings will be welcoming, accessible and inclusive places where residents can access all the support
 - Deliver 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, further supporting the realisation of the of the Strategic Asset Management Plan 2019-2024.
 - Support the Council to become carbon neutral by 2030, as set out in the Climate Action Plan. This will be achieved by:

- Moving services out of older energy inefficient buildings thereby reducing direct carbon emissions by disposing of buildings and making improvements to the energy consumption in the buildings that staff occupy.
- Introducing Smart Working which will help support the Climate Change policy by lowering the Council's carbon footprint and emissions from reduced travel.
- Consolidating staff in hubs in town centres will help drive footfall and boost local businesses in those areas. The procurement processes give the Council the opportunity to work with local businesses and partners to develop a stronger local economy.

Background

10. In March 2020 as part of the Corporate Property Investment Programme, Cabinet Decision KD5006 provided approval to develop a Children and Family Services Hub at Thomas Hardy House. The development of the Hub is now at RIBA stage 5 –construction, with works scheduled to complete in November 2022, and the Children and Family Services and partners are scheduled to move into the hub in December 2022.
11. The Build the Change Programme has an overall budget envelope of £41.7m. Approval to spend this budget envelope has been obtained against a number of individual approvals
12. Cabinet Decision KD5006 – Corporate Property Investment Programme (CPIP) delegated authority to the Director of Property & Economy in consultation with the Executive Director of Resources to procure consultants and contractors in accordance with Contract Procedure Rules as necessary to deliver the programme.
13. The appointment of design services is in accordance with the Council's strategy not to directly employ specialist designers, but instead procure external services which offers value for money and accessibility to the most up to date knowledge and experience in the market.

Main Considerations for the Council

14. 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, and Matrix Managed Marketplaces under the ESPO Framework 653F_15 Vendor Neutral Managed Services.
15. The proposals ensure that the need for the timely delivery of the Children and Family Services hub is met and provides controls to keep the project within budget.

Safeguarding Implications

16. There are no specific Safeguarding implications related to this report

Public Health Implications

17. There are no specific Public Health implications related to this report

Equalities Impact of the Proposal

18. 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 sits within the Build the Change Programme portfolio, and is covered therefore 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.

Environmental and Climate Change Considerations

19. The Children and Family Services 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.

20. Bringing Children and Family Services staff together at Thomas Hardy House, enables the closure of both Unit 9 at Claverings and Charles Babbage House.

Closure of older energy inefficient buildings, and improvements to Thomas Hardy House will reduce the Council’s direct carbon emissions. In 2020/21

corporate property emissions (Scope 1 and 2) made up 26% of all Council emissions. Therefore, reducing them is a priority.

21. Furthermore, the Council's new Smarter Ways of Working policy will reduce carbon emissions because staff classified as flexible workers will work remotely more often which will reduce travel to and from the office.

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

22. If the proposed refurbishment is not undertaken the Council will be required to retain multiple properties for Children and Family Services staff and Partners, thereby preventing the improvements to service delivery that can be achieved by new ways of working and service consolidation within the Hub.

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

23.

Risk	Mitigation
<ul style="list-style-type: none"> The value of the works is above the proposed budget envelope and is therefore unaffordable. 	Design has been fixed, with any changes proposed being subject to a change control process, which includes approval at the Children and Family Services Hub project board.
<ul style="list-style-type: none"> Inflationary pressures resulting in the budget envelope being exceeded. 	Considerable work has been done to minimise the effect of these conditions. This includes value engineering, and an undertaking from the contractor to fix prices.
<ul style="list-style-type: none"> The resultant contract sum exceeds the overall budget for the Children and Family Services Hub. 	If the budget envelope is exceeded, the additional expenditure will be met from within the overall Build the Change Programme budget envelope.

Financial Implications

24. This report is seeking approval to appoint external design services to facilitate the delivery of the Children's and Family Services hub in Thomas Hardy House, at a cost of £311k.

25. The overall Build the Change Programme has budget envelope of £41.7m and is summarised below.

26. KD5280(Cabinet April 2021) approved spend £14.5m in 2022/23 & £0.700m in 2023/24 to complete a range of work, including the completion of the Children's and Family Services hub at Thomas Hardy House.

27. Table below is compiled from the financial business case for Build the Change programme approved by KD 5280 in April 2021.

Capital Programme (£000)	2020/21 (Actual Spend)	2021/22 (Current Year Budget)	2022/23	2023/24	2024/25	2025/26	Total Capital Budgets
Hub 1 - Civic Centre	1,289	1,283	7,775	4,995	7,033	7,015	29,390
Hub 2 – Dugdale / Thomas Hardy House – Children’s Hub	438	1,771	6,132	0	0	0	8,342
Hub 4 - Edmonton Green	393	3,413	0	0	0	0	3,805
Sub-total	2,119	6,467	13,907	4,995	7,033	7,015	41,537
Virement: Community Hubs*	0	150	0	0	0	0	150
Total Build the Change Capital Budget	2,119	6,617	13,907	4,995	7,033	7,015	41,687

28. The overall forecast expenditure specific to the Dugdale / Thomas Hardy House phase is forecast to be £9,041m, including the overspend to the construction element reported separately, which exceeds the original estimated of £8.342m by £0.699m. As set out in the table below. This will need to be managed through the overall Build the Change programme budget.

29. The table below displays the current budget and forecast spend for the Children and Family Services Hub.

Children and Family Hub Costs	Budget inc Contingency	Forecast	Budget variation
External Design Services	697	887	190
Construction	5,799	6,130	331
Archives Relocation - Consultancy & Construction	1,032	1,021	(11)
Triangle House Decommissioning	21	18	(4)
Programme Resources	198	422	224
Digital Equipment & IT accessories	594	563	(30)
Total	8,342	9,041	699

30. In order to manage the overall financial position of the Build the Change programme within the total budget envelope a reprofile/reduction from the

Civic Centre budget will need to be delivered. Options to achieve this will include value engineering exercises and scope reduction to remain within the overall programme budget envelope (£41.7m Build the Change programme budget).

31. The overall BtC programme budget will need to be closely monitored, as with many other projects of this nature, construction market changes since the original budget was set will continue to exert pressure on the budget envelope and further opportunities to reduce the scope and value engineering of the overall programme will continue to be explored more widely. This will be reported through the quarterly capital budget monitoring reports to Cabinet.

Legal Implications

32. The Council has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided 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 as recommended in this report. Section 111 of the Local Government Act 1972 further gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The matters outlined in this report are incidental to the functions of the Council.
33. The contracts are public services contracts under the Public Contracts Regulations 2015 (PCR 2015). The value of the contract with Perfect Circle JV Ltd as proposed in this report is above the threshold for public services contract under Part 2 PCR 2015 (currently £213,477 inclusive to VAT). The Council must comply with the PCR 2015 and its Constitution, in particular the Contract Procedure Rules (CPRs), in awarding the contract to Perfect Circle JV Ltd and must comply with its CPRs in awarding the contract to Stace LLP.
34. Use of a legally compliant framework agreement where the Council is identified as a Contracting Authority able to use the Framework is permitted under Reg 33 of the PCR 2015. Additionally, the CPRs state 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. A due diligence exercise must be carried out by the Procurement and Commissioning Hub (P&C Hub) prior to calling off from a Framework and the Council must be clearly identified as a contracting authority able to use the Framework when the Framework was set up. The contract award must be in accordance with the process set out in the Framework agreement and the terms of the call off contract must be consistent with the Framework terms.

35. Accordingly, a direct award via a Framework can only be made if (i) Best Value can be demonstrated; (ii) it is permitted by the rules of that Framework; and (iii) the rules of the Framework on direct award are complied with.
36. The contracts must be in a form approved by Legal Services for and on behalf of the Director of Law and Governance. The value of each contract is below the Key Decision threshold of £500,000. However, CPR 25.3 provides that a contract must be sealed “where ... (ii) the Council wishes to enforce the contract for a period of more than 6 years”. If any of the contracts contain design services, it is advised that the contract should be executed under seal to enable the Council to benefit from the 12-year limitation period.
37. The Council must continue to comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.
38. The Matrix Managed Marketplaces (Matrix) under the ESPO Framework 653F_15 recommended in this report for the award of the consultancy contract to Stace LLP is a contract between the Council and Matrix. Stace LLP will be appointed as a subcontractor of Matrix under the ESPO framework terms. To ensure that the Council has a contract with Stace LLP, the Council must ensure that a collateral warranty in favour of the Council, in a form approved by the Director of Law and Governance, is executed by Stace LLP.

Workforce Implications

39. There are no specific workforce implications relating to this report as it is seeking consent for consultancy expenditure award.

Property Implications

40. 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.
41. 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

42. A business case approving the route to market was presented and approved by Procurement Services.
43. Due diligence and approval of the SCAPE Built Environment Framework Agreement was undertaken by Procurement Services.

44. The proposed SCAPE procurement was undertaken using London Tenders Portal (ref DN497430), in accordance with the Councils Contracts Procedure Rules (CPRs).
45. The award of the contracts, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts will be undertaken on the LTP, including future management of the contract.
46. 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.
47. The awarded contracts must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Other Implications

48. There are no other implications for consideration.

Options Considered

49. Resource in-house - The appointment of design services is in accordance with the Council's strategy not to directly employ specialist designers, but instead procure external services which offers value for money and accessibility to the most up to date knowledge and experience in the market.

Conclusions

50. The proposals are necessary to progress the approved scheme to programme and provide the optimal balance of control for the Council and leverage on the works contract.
51. 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.

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Appendices

N/A

Background Papers

N/A