



Haringey Council

TO BE READ IN CONJUNCTION WITH EXEMPT APPENDIX 1

Agenda item:

PROCUREMENT COMMITTEE MEETING ON 25 NOVEMBER 2008

Report Title: Hornsey Town Hall Project – Procurement of Design Team and planning work

Report of: Head of Corporate Property Services.

Wards(s) affected: Hornsey

Report for: Cabinet Procurement Committee

1. Purpose

The purpose of the report is to approve the appointment of Capita Symonds as project manager and design team lead for the project.

2. Introduction by Cabinet Member (if necessary)

I draw members attention to paragraphs 4, 5, 6, 14 and 16 and concur with the recommendations as outlined in paragraph 3 of the report in accordance with the Council's aspirations for the site.

3. Recommendations

3.1 That Capita Symonds is appointed as project manager and design team lead for the Hornsey Town Hall project. The appointment is to stage L (RIBA stages). Committee are also requested to note the appointment of John McAslan as architect by Capita Symonds.

Report Authorised by: Director of Corporate Resources.

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4. Chief Financial Officer Comments

4.1 The Chief Financial Officer has been consulted over the contents of this report and notes that the proposed procurement is in line with the decision made by Cabinet in March 2008 to split the Hornsey Town Hall redevelopment project into two projects with the Council funding the survey and design fees up front. These costs are currently estimated to be in the order of £1.5m based on a project value of £5-£10m however, given that these will have to be contained within the overall receipt received they will need to be kept under review.

4.2 Members should also note that there are stop clauses in the proposed contract which will allow the Council to terminate the contract at any stage and thus take stock of the property market and options at each stage in the process.

5. Head of Legal Services Comments

5.1 This report is seeking Procurement Committee approval of the proposed award of a contract for the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Hornsey Town Hall project (“the Project”).

5.2 The report states the contract for Project Management services in respect of the Project was originally awarded to Dearle & Henderson, following a mini-competition with the service providers on the Council’s Urban Regeneration Framework Agreement.

5.3 The Urban Regeneration Framework Agreement was established by the Council in 2006 following advertisement in the EU in accordance with EU public procurement directives as implemented by UK regulations.

5.4 The report further states that Dearle & Henderson were taken over by Erinaceous (who subsequently went into administration), following which, in order to facilitate the continued provision of the services under the contract, the Director of Corporate Services, acting under delegated powers, awarded the contract for the provision of Project Management services in respect of RIBA Stages A and B of the Project to Capita Symonds, which (as confirmed by the Council’s Construction Procurement Group) achieved the second highest score in the mini-competition held in respect of the original contract award.

5.5 The Head of Corporate Property Services is now seeking an award of a further contract to Capita Symonds upon expiry of the current contract in November 2008, to cover the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Project.

5.6 The value of the proposed further contract exceeds £250k in value therefore Procurement Committee approval is required in accordance with CSO 11.3, which provides that award of contracts in excess of £250k in value must be approved by Procurement Committee.

5.7 Due to the recent decision to split the Project into two parts (refurbishment and development) and the current state of the property market, a risk in relation to the funding of the project has been identified as the project is now dependent on finding a developer partner in 2009 with a view to having a development agreement in place by the end of 2009 with an initial capital receipt forecast in 2010.

5.8 To mitigate this risk, the report at paragraph 15.4 below, proposes that the Project and the appointment of Capita Symonds will be reviewed at RIBA Stage D with the option to terminate the contract with Capita Symonds at that stage if funding is still not available. The contract will need to contain a break clause to facilitate this.

5.9 The Head of Legal Services confirms that, subject to funding, there is no legal reason preventing Members from approving the recommendation in Paragraph 3 to award the contract for the provision of Project Management and Design Team Lead services in respect of RIBA Stages C – L of the Project to the current service provider.

6. Head of Procurement Comments

6.1. The original design consultants Dearle and Henderson were appointed following a mini competition from the Urban Regeneration design Consultant framework agreement.

6.2 When Dearle and Henderson were taken over by Erinaceous prior to administration, Capita were selected as the second position company from the mini competition from the Urban Regeneration design services framework.

6.3 Following the decision to split the project into two phases – refurbishment and development; it is intended that Capita complete the initial phase (together with their supply chain for design and related services), having the historical knowledge of the original scheme for the fee rates (excluding disbursements) tendered in the Urban Regeneration design services framework

6.4 Before proceeding to the next RIBA stage of work, the project should be evaluated for compliance with the timescales and quality of work required and each stage signed off by the Client.

6.5 The Head of Procurement therefore acknowledges the recommendation to appoint Capita in paragraphs 14.1 and 16.1 subject to review

7. Local Government (Access to Information) Act 1985

7.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix 1 and is not for publication. The exempt information is under the following category [identified in the amended schedule 12A of the Local Government Act 1972].

[3] Information relating to the financial or business affairs of any particular

person [including the authority holding that information].

8. Strategic Implications

- 8.1 Development of the Hornsey Town Hall is a key social, economic and physical regeneration target to meet Haringey's housing needs and transform this area by facilitating the development of a vibrant place for people to live, work and visit.
- 8.2 As well as restoring this important Grade 2 listed building this community partnership project contributes to the development of a vibrant voluntary sector through the provision of community spaces and assisting in the capacity building of a new management Trust.
- 8.3 This project also enables the Council to improve the use of public resource and will potentially enable leverage of capital funding. The community partnership approach is consistent with the recommendations of the Quirke Review.

9. Financial Implications

- 9.1 The Hornsey Town Hall project is currently in the Council's Capital Programme. Cabinet agreed in March 2008 to fund the design and preparatory costs which will cover the appointment of a design team, establishing the costs of refurbishment of the Town Hall and obtain planning consent for the works.
- 9.2 It is proposed to appoint Capita Symonds as project manager and design team lead to undertake the works described in 9.1. The appointment is through the Urban Regeneration framework and the levels of fees is set out in Appendix 1.

10. Legal Implications

- 10.1 Please refer to Paragraph 5.

11. Equalities Implications

- 11.1 This project will contribute to social, economic and physical regeneration in accordance with the Community Strategy and thereby contribute to housing needs (private and rented), locally accessible community facilities and uplifting the area thereby promoting to improvements in perceptions and reality of safety and social exclusion.

12. Consultation

12.1 The CPB provides an effective means for engagement in the project and public consultation is carried out jointly.

13. Background

13.1 The Council and the Community Partnership Board (CPB) working in partnership have decided to restore the Town Hall and remodel it to bring about appropriate public, cultural and community uses. The development strategy is to dispose of a part of the site to fund the capital works and transfer the future management to the Hornsey Town Hall Creative Trust (HTHCT) which has been formed by the CPB to take a leasehold interest in the refurbished building to run it as not-for profit social enterprise.

13.2 The aim of the project is for a development partnership to be formed between Haringey Council (asset owner), a developer (finance and build) and the CPB (project development) and HTHCT (management of the community facilities). The HTHCT is incorporated as a company limited by guarantee and the Council is working with them to build their capacity to become the leaseholder and management body for the refurbished Town Hall.

13.3 The Community Partnership Board has led the process of generating a vision for the Town Hall as 'A world class model of civic renaissance, an arena for all, that harnesses a spirit of progress, community, creativity and enterprise for future generations in Haringey, London and beyond'.

13.4 Following the formation of the Community Partnership Board in April 2005 as an advisory body to the Executive, the Hornsey Town Hall project has developed through a number of stages which has included engagement with the public, feasibility studies and consultation with stakeholders.

13.5 During 2006 Executive received recommendations from Council officers and the CPB to proceed with the development project on the basis of an integrated approach to restore and refurbish the Town Hall to an appropriate standard, bring it into community use and develop the adjoining site for regeneration (residential and employment generation) use. Executive agreed the principle of funding the refurbishment of the Town Hall from the value generated through the disposal of the site and approved the process for selecting a development partner to purchase the site and develop it to meet the community and regeneration objectives.

13.6 At that stage a Competitive Dialogue (CD) approach was selected as a tool to secure a development partner and using the commercial skills of that partner to generate best value from the land and property adjoining the Town Hall and to use that value to bring forward the restoration of the Town Hall.

13.7 Exempt. See Appendix 1.

13.8 Exempt. See Appendix 1.

13.9 In March 2008 the Council decided to stop the CD process and split the project into two parts - the refurbishment project and development project. It was agreed that the design costs would be met by the Council upfront on the basis that the future capital receipt from the sale of the land for development will cover the costs and refurbishment costs. The project is now part of the Council's capital programme and will be monitored and reported as part of the programme.

13.10 The project figures set out in this report reflect the fees and budget figures reported in the March 2008 Cabinet report. Fees and other costs with the overall value of the contract (based upon the agreed Urban regeneration Framework) are reported in Appendix 1.

14. Appointment

14.1 Capita Symonds continued to provide advice on the project after the CD process was stopped under delegated powers. The Director of Corporate Services granted a waiver for their project management services up to stage B in the process. There is now a need to continue the project with the appointment of Capita Symonds as project manager and design team lead for the project through to stage L (RIBA scale) of the project. The appointment is through the Urban Regeneration Framework.

14.2 Capita Symonds has been through a competitive process working with the Council and CPB to appoint an architect who will form part of their design team and John McAslan & Partners have been selected for appointment.

14.3 It is proposed to review the project and appointment at the end of stage D in view of the current property market and the issues relating to the funding and timing of the project. The appointment will also ensure that the appointment can stop at any time.

15. Risks

15.1 The project contains a number of inherent risks due to the two elements of refurbishment and development. A risk register has been set up by to consider and review these risks.

15.2 The key risk relates to the funding of the project as the property market is currently flat and falling away. The project is dependent on finding a purchaser for the development land in 2009 with a view to having a development agreement in place by the end of 2009 with an initial capital receipt forecast in 2010.

15.3 The timing of capital receipts will depend on the development agreement with a development partner the details of which will be influenced by the state of the property market. Cabinet agreed in March 2008 that the Council will not make a contractual commitment for the full extent of the construction works until the contract

for the sale of the land has been exchanged and/or there is a degree of certainty over the amount of receipts available from the development agreement.

- 15.4 In order to mitigate this risk it is proposed to review the project and appointment at stage D in the process. It is perceived that at this point in the project there will be sufficient information and clarity on the elements relating to the funding and timing issues. In addition the contract with Capita Symonds will include the option to stop the project at any time.

16. Conclusion

- 16.1 The project has reached a stage where a project manager and design team lead is required to undertake the work proposed in the report to Cabinet in March 2008. It is proposed that Capita Symonds be appointed to undertake these works.

17. Use of Appendices / Tables / Photographs