

Report for: Cabinet, 12 November 2024

Title: Civic Centre Development Project, Construction Main Contract Award

Report authorised by: Jonathan Kirby, Interim Director, Placemaking and Housing

Lead Officer: David Moore, Head of Major Projects Delivery

Ward(s) affected: Woodside, All Wards

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 In April 2023, Cabinet agreed to proceed with the appointment of a main contractor to undertake the restoration and refurbishment of the Haringey Civic Centre, and its expansion through the addition of an annex building, subject to achieving planning permission. Cabinet also considered and approved the full business case and options appraisal, which recommended the proposal being progressed.
- 1.1 Following the award of planning permission in September 2023, officers awarded, through delegated powers in line with the Council's Contract Standing Orders, a Pre-Construction Services Agreement (PCSA) to John Sisk & Son Limited (John Sisk) in August 2024.
- 1.2 Given the complexity of the project, which involves restoration of a Grade II listed building and the provision of a new build annex building; the Council has followed a two-stage procurement which involved completion of a PCSA. The award of a PCSA allowed the Council and the contractor to work proactively to mitigate project risks, continue the detailed design elements and identify efficiencies within the current design and programme to maximise the benefits to the Council.
- 1.3 Upon conclusion of the PCSA period (on 29 November 2024) and with greater understanding of the existing building's risks and their transfer to the main contractor, the Council is now able to recommend the award in principle of the main construction contract at a fixed and maximum price.
- 1.4 This report also includes a refresh and presentation of the final business case, which has been fully considered at each key stage of this project by Cabinet, as part of a strong governance model. The final business case, with its revised information concludes that the refurbishing of the existing Civic Centre, and its expansion through the addition of an annex building, continues to be the option that offers the best value for money to the Council, whilst also best meeting its strategic objectives.

2. Cabinet Member Introduction

- 2.1 Haringey Civic Centre is a building with proud and important history. The plan to restore the original Grade II listed building and build a high-quality annex will ensure that it can also be part of Haringey's future.
- 2.2 The people of Haringey deserve a civic building of which they can be proud. Many of us have happy memories of the Civic Centre. Not just of the big political moments that took

place there but also the family and community moments – the weddings and registering the birth of our children.

- 2.3 As a result of this project, we will again have a functional civic hub that will provide high quality office accommodation for staff alongside excellent community facilities in a modern energy efficient space. It will also free up the current office accommodation along Station Road in Wood Green for alternative uses that have the potential to create significant additional income to the council; and support the continued growth and development of our town centre.
- 2.4 Councillors have played a role in developing the design that was submitted to the Planning Committee through the Civic Centre Members Forum. The Civic Centre Members Forum has enabled cross-party review of design proposals, including the design of key democratic areas like the council chamber; and the on-going monitoring of the project's development. I am grateful to the Forum for their work.
- 2.5 The project was presented to the Haringey Council Planning Committee on 11 September 2023 and both full and listed buildings consents unanimously approved. This was a huge milestone in the project delivery and reinforced support for the Civic Centre project. Various statutory bodies, including Heritage England and the 20 Century Society were consulted as part of the planning process and provided positive feedback.
- 2.6 The project has also received positive feedback from residents. The Council held multiple in-person and online engagement events. These events gave residents the opportunity to learn about the proposed design for the Civic Centre and shared plans of its future use.
- 2.7 We want to continue to involve residents in the project as it moves on to the next stage. An online information hub about the project has been developed, which enables the public to monitor the project's development and take part in future engagement opportunities. In addition, it's interactive 'Civic Voices' page, offers all the opportunity to share memories and experiences of the civic and to read others' contributions.
- 2.8 Some residents will understandably ask themselves whether the council can afford to continue with this project given the funding challenges we are facing. This is a really important question. The answer is very clear. We have openly and transparently shared this business case in previous Cabinet reports and have continually challenged ourselves and retested this case at each key decision point. The refreshed business case which forms part of this report shows that refurbishing and extending the existing Civic Centre still provides the best value for money of all of the options available. Doing nothing is not an option and even that, given our responsibility to the listed building would cost millions and not bring the site back into civic use.

3. Recommendations

Cabinet is asked to:

- 3.1 Approve the final business case, which concludes that the refurbishment of the existing Civic Centre, and its expansion continues to offer the Council value for money and best meets its strategic objectives.
- 3.2 Approve the award in principle of the construction main contract to John Sisk & Son Limited, for the Civic Centre development project, following the completion of the Pre-Construction Services Period, for up to a maximum price of £54,077,000 (inclusive of contingency), in accordance with Contract Standing Order (CSO) 9.07.1(d).

3.3 Delegate the finalisation of the main contract price, up to a maximum price of £54,077,000 (inclusive of contingency), to John Sisk & Son Limited, to the Director of Placemaking and Housing after consultation with the Director of Finance and Section 151 Officer and the Cabinet Member for Placemaking, and the Local Economy, in accordance with CSO 9.07.1(d).

4. Reasons for decision

4.1 In April 2023 Cabinet agreed the recommendation to: “Agree to continue to proceed with the restoration and refurbishment of the existing Civic Centre, and its expansion through the addition of an Annex building, up to the conclusion of the procurement process to appoint a main contractor.”

4.2 The Civic Centre building has continued to deteriorate while its remained vacant, and as a Grade II listed building Haringey Council has an obligation to restore, repair and maintain the Civic Centre and bring it back into use.

4.3 The Civic Centre has a long and rich local history. We have seen many nationally significant moments in history take place there, as we can see on the illustrations located on the site hoarding. The Council’s commitment to the Civic Centre project means that the impressive building will be protected and revitalised and ensures that its local history continues for future generations.

4.4 The business case outlined:

4.4.1 The Council’s ambition to move to be a more agile organisation, with staff working under a ‘working flexibly’ model, which will see working locations for staff split across a combination of office, community, and home. This ambition requires the Council to provide a flexible and collaborative office working environment for its staff, which enhances the positive aspects of in-person interaction, enables work and activity that is harder to deliver remotely, and supports staff wellbeing.

4.4.2 There is also an objective to maximise the opportunities to explore alternative uses for the existing Council buildings in central Wood Green by freeing up office space through effective consolidation of the Council’s office accommodation needs. The current office accommodation estate in Wood Green now includes a significant amount of space that is deemed to be no longer required following the introduction of flexible working principles.

4.4.3 The restoration of the Civic Centre building would greatly enhance the wider Civic Centre site for the benefit of both staff and the wider community. The addition of an annex will result in the most efficient provision of office accommodation and allow the exiting of existing office accommodation in central Wood Green, consolidating all the Council’s core office accommodation onto one site, alongside its democratic functions. This option will also present the greatest opportunity for creating a compelling partner and community access offer at the site, through the ability to offer shared use of a variety of flexible spaces, both inside and outside.

4.4.4 The proposed new annex building and the refurbished Civic Centre will be designed and constructed to low carbon principles, meaning this option best meets the Council’s sustainability and carbon zero objectives.

4.4.5 The economic analysis presented in this final business case (Economic Case) also showed that this option represents the greatest public value for money.

- 4.5 The last version of the Council's office accommodation business case was presented to and approved by Cabinet in April 2023. The updated and final business case still demonstrates that the best option to meet the Council's core office accommodation needs is to restore and refurbish the Civic Centre and extend it with the addition of a new annex building. The consolidation of the accommodation needs providing opportunities for alternative uses for the existing Council buildings in central Wood Green.
- 4.6 Cabinet approved the project to proceed 'up to the conclusion of the procurement process to appoint a main contractor.' In accordance with Haringey's current Contract Standing Orders, the means of procurement did not require Cabinet approval.
- 4.7 The decision allowed Officers to continue with the necessary design development work and to progress with the submission of the full planning and listed building consent applications. Both planning consents were successfully and unanimously granted (subject to conditions) by Committee on 11 September 2023.
- 4.8 The April 2023 Cabinet report noted the highly volatile state of the construction market due to the impacts of Brexit and the Covid pandemic. Also, that the situation had worsened over the course of 2022 due the impact of the Ukraine crisis on the supply of materials and labour. The economic impact on these issues led to the Building Cost Information Service (BCIS) Tender Price Index projections increasing significantly, impacting the entire construction market.
- 4.9 Strategic Procurement were aware of the current market challenges affecting inflation, price fluctuations and lead-times in the current economic climate, contributing to a market preference for two stage tender following soft market testing, via the London Construction Programme Major Works Framework.
- 4.10 From the Council's perspective, it was mindful that there would be a risk that further inflation and long lead-times would have an adverse effect on a 'standard' two-stage contract price going forward. Therefore, Strategic Procurement recognised the Project Team's preference for a more single stage approach to the tender and that procurement would continue to work with the Project Team to identify the most effective and advantageous route to market for the Council.
- 4.11 The above market factors and the complex 'hybrid' project the Council were taking to market, for a nearly 50/50 split in cost and scope between a new build and heritage restoration project via a design and build route; meant the Council were procuring in a limited and extremely challenging market.
- 4.12 Following a rigorous set of workshops with officers from across the Council and our external professional consultant team, the Council agreed a 'hybrid' two stage proposal as its preferred procurement methodology. The idea for the contract would be like that of a two-stage procurement, the first stage of which is a Pre-Contract Services Agreement (PCSA) and the second stage being the main contract. However, limiting the scope of a PCSA period, prior to letting the full building contract to mitigate the challenging market conditions and transfer most of the risk to the contractor.
- 4.13 This 'hybrid' approach was believed to provide the Council with best value for money as it was anticipated to secure a fixed price at the end of the first stage tender, for a significant majority of the works packages (estimated at circa 93% on the pre-tender estimate).
- 4.14 The Council initially started its first tender process, issuing a Selection Questionnaire in November 2023 via the restricted tender procedure. Given the challenging market

conditions and complex nature of the project the Council received a limited amount of interest but were able to select three capable contractors that included John Sisk, who had been assessed as being financially sound, having the right experience, and ability to deliver the job. These three contractors were invited to bid within a restricted competitive tender process. One withdrew during the tender period due to other competing opportunities which they wished to prioritise.

- 4.15 The terms the Council included in the procurement to mitigate the risk of an incredibly volatile and challenging market, with several major contractors going into liquidation; were unable to be met in full by the remaining bidders.
- 4.16 The two remaining bidders were unable to accept, in full, the original contractual conditions, meaning that their tenders were non-compliant. Further to this they had differing levels of acceptance and differing terms, meaning a fair and equal offer being presented to both was not possible. Furthermore, these amendments would be deemed, under procurement legislation, to be material amendments to the original contract terms. This would introduce a very high risk of successful external challenge from contractors both within and outside of the original procurement process, were the Council to award under this procurement process. Accordingly, the procurement process was terminated.
- 4.17 However, the competitive procurement process run by the Council, resulted in John Sisk meeting a significant majority of the Council's original procurement objectives, around fixed lump sum price, delivery programme requirements and a significant portion of the contractual terms. Given the calming in the construction market and John Sisk meeting most the Council's procurement objectives, the Council was prepared to review certain contractual terms.
- 4.18 As mentioned in 4.16, accepting either amended bidder proposal would introduce a very high risk of successful challenge and would present a greater risk than the commercial risk of accepting contractual amendments only. Given this point it was felt that the lower risk approach was to abandon the competitive procurement and progress to a direct award via a suitable framework agreement or under Regulation 32 (of the Public Contract Regulations 2015) for this contract.
- 4.19 It was felt that going back into the wider market - which although was calming, was still challenging and because of the project's complex nature on which many contractors choose not to bid - would not have been in the Council's best commercial interest. It would have incurred significant time delay that would have incurred additional cost, as well as an increased the tender prices received due to inflation. The Council would have also been going back to the market with a 'blank sheet' and lost the benefit of what had been achieved through the original procurement and was potentially secured via John Sisk's submission.
- 4.20 It was also noted that with any further delay there would be continued deterioration to the Grade II listed Civic Centre and continued holding costs, including its 24 hours security to consider. In addition to the ongoing maintenance costs to repair perimeter hoarding and keep the site free from vermin, infestation and overgrowth. It also would delay the move from the Station Road sites.
- 4.21 Whilst the initial procurement had to be abandoned it did result in a contractor offering a 98% fixed price contract, with 2% provisional sums, quality delivery and a compliant delivery programme i.e. three major objectives of the original procurement. By ensuring that these elements were embedded in the new bid awarded direct via the NHS Shared Business Services (SBS) Public Sector Framework (SBS/18/DT/PZC/9332) agreement,

the Council did not only mitigate the risks that informed the original procurement route but avoided introducing the further risks and issues mentioned in 4.20 and 4.21.

- 4.22 The framework route for the second procurement was an acceptable means of awarding a contract in accordance with the Public Contracts Regulations 2015 and the NHS SBS Public Sector Framework Agreement allowed for direct award, as this was provided for in the framework documentation. Many Councils have taken such decisions to use direct awards under framework agreements when considering their original procurement methodology. In this case we benefitted from the original procurement's competitive elements based on our requirements, then going onto utilise the time benefits of accessing a framework agreement. This was a significant mitigation to the, often cited, concerns of using a direct award under a framework agreement. The adopted route is also in line with CSO 7.01
- 4.23 In accordance with the originally agreed approach, the framework route allowed the Council in September 2024 following the second procurement to enter into a services agreement with John Sisk, significantly limiting the time implications of the abandoned procurement process. It enables officers to now present to Cabinet a 98% fixed price main contract, with 2% provisional sums, up to a maximum price for consideration. Whilst the remaining 2% will be finalised by the end of November 2024, with the latest position contributing to this report, along with the realisation of significant value engineering savings targeted throughout the PCSA period.
- 4.24 Given the complex nature of the existing Civic Centre building, and its Grade II listed status, the Council then worked with the contractor to benefit from their insight, expertise and supply chain partners through their appointment under the PCSA to develop robust opportunities for value engineering.
- 4.25 The PCSA allowed the Council to work with the contractor to provide investigation and design services for some of the most challenging aspects of the construction process to the existing building. These included: the extent of structural, concrete and brickwork repairs; the type of basement and waterproofing repairs required, mitigate risks in the ground, advise on buildability, confirm their ability to reuse and install heritage fittings, and to engage with planners to detail their methodology to repair listed features, plan and discharge pre-commencement conditions.
- 4.26 The PCSA is a services agreement only, that has helped provide the Council with the necessary information to award the main construction contract. It was not guaranteed that John Sisk who were awarded the PCSA would be awarded the main contract, as the Council and contractor still need to reach agreement at the end of the PCSA period. If agreement is not met, there is provision within the PCSA and the contract for the Council to seek an alternative contractor and re-start the tender process. However, this is not believed to be required as John Sisk, their design team and the Council's officers and consultant team have worked collaboratively throughout the PCSA period to agree most provisional sums and agree substantial savings to the construction cost to date. With the PCSA concluding shortly, this positive progress suggests an agreement will be reached within the Council's available budget. To date the PCSA has reduced unknown risks, as well as the cost risk of the previously undefined elements. It has also improved both cost and programme certainty as we progress into the main contract and is expected to agree a reduced fixed price construction budget that is within the Council's budget envelope.
- 4.27 Importantly the agreed procurement approach has allowed the main contract award to be recommended to Cabinet with cost certainty of a maximum price and final sign off the previously approved business case.

- 4.28 Throughout the PCSA period John Sisk, their design team and supply chain partners have intrusively investigated challenging areas of the building to fix the previous provisional sum allowances and enable the Council to agree construction cost savings that will be embedded into a reduced main contract price to meet the Council's budget. In addition, John Sisk have been working with planners to agree approaches to discharge Listed Building Consent conditions and submit pre-commencement condition applications, so as not to impact the proposed start on site in spring of 2025.
- 4.29 The award of the main contract up to the maximum price of £54,077,000 (inclusive of contingency), is within the available project budget envelope, and the details outlined throughout this report and the final business case, enable Cabinet to make an informed decision.
- 4.30 The Council are close to achieving this significant project milestone, and subject to this Cabinet decision to award in principle the contract and delegate the authority to finalise the award value to the Director, the Council will be able to assess the outcome of the PCSA at the end of November, award the contract without loss to programme and to further engage with internal and external stakeholders on this project.

5. Alternative options considered

- 5.1 The Council considered a range of alternative options for the award the contract. This option recommended in this report provides best value for money to the Council, has the least programme and cost risks, meeting the Council's required budget and timescales.
- 5.2 Alternative options to award considered and rejected were:
- 5.2.1 To not award the contract as it is currently unaffordable: The submitted bid price is above the available construction budget and if no savings are achieved the Council would not be able to award the contract. However, the Council still has the responsibility to restore, repair and maintain the listed building and an alternate restoration approach would need to be considered.
- 5.2.2 If the minimum targeted VE amount is not achieved: If the identified minimum VE amount of £2 million is not achieved the Council would be required to fully utilise its retained contingency amount and reduce the fit-out cost allowances and further review use of existing furniture and IT equipment to meet the contract value. It is not recommended to enter into contract with no contingency.
- 5.2.3 Defer the award of contract until target VE is achieved: If the required VE is not achieved by the end of the PCSA period and it was considered to defer the award until the full target £4.5 million figure is achieved. It would further expose Haringey to prolongation to the programme, possible exposure to increased costs, and further possible risk the Council would not agree the contract within the tender validity period. This would then require renegotiation of the tendered prices with the main contractor and their subcontractors. The Council would also be at risk of wider industry inflation.
- 5.2.4 Reduce project brief scope: This may have a considerable impact on the brief's objectives and Critical Success Factors, timescales, would require further consultation with internal stakeholders, and expose Haringey to redesign and possible procurement costs. A further possible risk is the Council may not agree the contract within the tender validity period. This would then require renegotiation

of the tendered prices with the main contractor and their subcontractors. The Council would also be at risk of wider industry inflation.

6. Background information

- 6.1 In January 2022 Cabinet considered and approved the full business case and options appraisal, which recommended the full refurbishment of the Civic Centre, including the construction of an annex extension, to provide the Council's core office accommodation. The same report approved the award of a preparatory works contract, the project proceeding to planning outcome, and noted that Cabinet would be updated ahead of the commencement of the main contractor procurement.
- 6.2 In April 2023 Cabinet reaffirmed their commitment to the Civic Centre project through their approval of the refreshed project business case, which set out an updated delivery plan for the Civic Centre project.
- 6.3 This report reevaluates and presents the final business case using the proposed maximum contract price from John Sisk, current building valuation estimates and the progressed 'working flexibly' now 'new ways of working' model. Due to the building's fully flexible design the 'new ways of working' model now targets more staff groups than originally planned to be able to be based at the Civic Centre.
- 6.4 The final business case reaffirms the 'Five Case Model', which is the Office of Government Commerce's (OGC) recommended standard for the preparation of business cases and therefore includes the following:
- Strategic Case – setting out the context for the Council's office accommodation, current arrangements, and the case for change.
 - Economic Case – appraising the options for office accommodation for Haringey, and the preferred option.
 - Commercial Case – indicating the commercial implications of the option.
 - Financial Case – indicating how the preferred option could be funded.
 - Management Case – outlining the initial plans for delivery to manage the way forward.
- 6.5 The business case established and maintained the need for highly flexible core office accommodation with capacity for over 800 and up to 900 staff at any one time based on the Council's working flexibly model. This will see staff split their working time between a combination of Council accommodation, community locations, and working from home, where roles allow.
- 6.6 To assess the options available, the final business case re-states the following Critical Success Factors (CSFs) based on the Council's key strategic drivers:
- 6.6.1 Ensures that the Civic Centre is restored and brought back into use with enhanced community access.
- 6.6.2 Enables the Council's flexible working ambitions, providing office accommodation that is the right size, whilst increasing the flexibility of office accommodation and creating an environment that prioritises collaboration and staff wellbeing.
- 6.6.3 Maximises the quality and efficiency of existing Council office accommodation assets and the opportunities for Council buildings in Wood Green to be released for alternative uses, through the consolidation of accommodation needs on to the Civic Centre site.
- 6.6.4 Supports Haringey's Climate Crises Action Plan and commitment to work towards a zero-carbon estate; and

6.6.5 Affordable to implement and offers public value for money.

6.7 The project's delivery plan was developed in accordance with the CSFs set out in the business case, which were also integrated into the project and consultant briefs. These have been monitored throughout the project and reported against at the end of each stage and gateway review.

6.7.1 Civic Centre restoration, use and enhanced community access.

This is addressed within the design brief as providing an "environment to enrich lives" and is being successfully delivered through fully refurbishing the Grade II listed building with proposals that are sympathetic to the building, its heritage and design. The replacement of failing materials with modern, high performing and more robust building fabric / materials. The design of the scheme has at its core, areas that offer opportunities for shared / community use, which include and are not limited to the former Registrars' wing, Council Chamber and gallery, Committee Corridor, proposed 'Welcome Space' infill of the undercroft to the Committee Corridor and external spaces. All of which, will be able to be booked, used and enjoyed by the community.

The 'hybrid' two-stage design and build approach helped to resolve the more complex and riskier elements of the existing Civic Centre building. Through the PCSA period the contractor was able to investigate, survey and fully quantify the extent of the repair works required. The Council has benefitted from John Sisk's expertise, knowledge and advice to ensure the restoration works are completed to the best of their ability, stand the test of time and do not require regular unplanned maintenance works soon.

6.7.2 Flexible working, office accommodation that is fit for the future and creates an environment that prioritises collaboration and staff wellbeing.

This is demonstrated within the design team's response to the brief as "transforming the corporate working culture" and is being successfully delivered through, the design of high-quality office and works spaces that provide formal desk spaces for over 800 staff members (at any one time). Offering numerous small, medium and large sized digitally enabled meeting rooms, collaboration spaces, individual study / work booths and a large events / training space that can accommodate c.140 people. The proposals create a new open plan office space with a wide variety of working environments; increasing the flexibility of office accommodation and through the sensitively designed quiet spaces, reflections spaces, a breastfeeding / nursing space, First Aid space prioritises staff well-being.

6.7.3 Maximises the quality and efficiency of existing Council office accommodation.

This CSF is captured in the design brief as "using space flexibly and effectively" and is being successfully demonstrated through the effective and efficiently designed planning approved building spaces; that fully utilise the site, provide sufficient floor area for the targeted staff ratio and offer quality built and finished spaces, while respecting the neighbouring listed assets. The flexible offer of space, its size and arrangement, allows the co-location of staff from across the Wood Green corporate estate and will release those Wood Green buildings to be developed, leased or sold, maximising the opportunities to explore their alternative uses.

6.7.4 Supports the Climate Crises Action Plan and commitment to work towards a zero-carbon estate

A key component of the scheme's design is its response to the sustainability and carbon reduction agenda, which it has successfully demonstrated to date and is conditioned through the planning permission and requirements are included within the building contract. The scheme is on route to achieve an aspirational Building Research Establishment Environmental Assessment Method (BREEAM) rating of 'Outstanding', above the local planning policy and consented approval requirements of 'Excellent'. A reduced carbon target of 970kgCO₂e/m² across the site, high performing air tightness targets for any new build part of the works, and slightly lower – but equally high - targets for the existing structure part of the works. In addition to targeting an Energy Performance Certificate rating of B40. The scheme still aims to achieve its net Zero Carbon target as per the London Plan; its Net Zero Operational Carbon target as per the UK Green Building Council (UKGBC); and its Net Zero Carbon in Construction target as per the UKGBC. Although some offsetting will be required, as has been agreed with the Planning Authority and conditions set.

The PCSA and the 'hybrid' two-stage design and build approach provided the contractor a focussed period within which they reviewed the fabric requirements of the existing Civic Centre building, to deliver the upgrades required to meet the high sustainability and carbon reduction target requirements. Through the contractor's and their supply-chain's expertise, they have determined the most efficient and effective way to meet the targets set.

6.7.5 Affordable to implement and offers public value for money

The final business case and financial model still offer value for money. As demonstrated within the business case, the extent of improvements and adaptations required to the existing Wood Green offices (Alexandra House, 48 Station Road and River Park House), as their core infrastructure, including items such as the heating and ventilation systems, and glazing would need to be completely replaced in order bring the building up to a standard suitable for long-term occupation, along with meeting the Council's ambitious sustainability agenda. The investment required is significantly greater than that to achieve this proposed Civic Centre development. This is still believed to be the case, thus still offers value for money. The business case will be reviewed against the preferred bidder's price and overall forecast budget with the next report to Cabinet for the main construction contract award.

The PCSA and two-stage approach provided the Council with a further opportunity to fully test and present the final business case against current market conditions and costs. The proposal is believed to offer best value, and the appointment of John Sisk, a construction professional, to fully realise the Council's ambitions accords with this. They have interrogated the scheme and its more complex elements and offered a fixed lump sum and maximum price. Also, de-risking the possibility of on-site discovery and increased construction costs to the Council.

6.8 Following the abandoned procurement (with invitations to tender that were issued by on 19 January 2024, returns received on Friday 26 April 2024, and contractors formally notified of the termination of the procurement on Thursday 25 July 2024), John Sisk were invited to tender for the Civic Centre project on Monday 5 August via HPCS, through a direct award call-off using the NHS Shared Business Services (SBS) Public Sector Framework Agreement.

6.9 John Sisk submitted their bid on Tuesday 13 August 2024.

- 6.10 The project Quantity Surveyor (QS), Project and Client Teams completed an evaluation of John Sisk's return against their price, quality, social value, and value engineering strategy. Arithmetic checks of the submissions were completed by the project QS and clarifications were raised through Strategic Procurement to finalise their quality and commercial returns.
- 6.11 John Sisk were required as part of their tender submission to provide the following price breakdown:
- 6.7.1 A fixed price to complete the services required under the PCSA.
 - 6.7.2 A fixed price for their preliminaries, overheads and profit to deliver this project; and
 - 6.7.3 A price to deliver the construction works based on the current design (subject to the outcome of the PCSA – circa 2% of the works cost, however, the remainder of their submitted price is fixed).
- 6.12 John Sisk demonstrated their ability to deliver a successful project, meeting and surpassing any mandatory and minimum requirements outlined to progress the procurement. The direct award offered the opportunity for further positive dialogue pre-tender, which led to John Sisk's second procurement submission demonstrating an improved quality (design team, response to sustainability and social value measures) and understanding of the project's key programme, quality and cost drivers.

7. Budget, Programme and Risks

Budget

- 7.1 The Cabinet agreed a project budget of £66m in April 2023 for the construction of the building, furniture and fixed ICT (such as cabling and containment). The value of the PCSA and the maximum contract sum have been factored into the allocated construction budget.
- 7.2 The breakdown of the project budget can be found in the Part B report as it is deemed commercial sensitive. It sets out the summary of the allocated budget for the Civic Centre project, the baseline, against the current forecast costs.
- 7.3 The forecast project outturn value meets the £66m approved project budget. However, it requires the realisation of value engineering (VE) savings defined through the PCSA period to reduce the construction contract value and overall forecast cost to within the approved budget envelope. The tender submission provided the Council with a priced list of achievable Council identified VE savings, and an additional list of viable Contractor identified savings to achieve the target construction budget. The VE strategy included as part of the project's proposals was worked through workshops with the contractor, their supply chain partners, Council officers from the Corporate Landlord, Hard and Soft Facilities Management, Carbon, Planning and the Project Delivery Team to achieve the savings required, reported to and agreed through the project's strong governance structure.
- 7.4 The greatest opportunity for cost mitigation was a targeted reduction in construction cost, through various VE proposals, contractor innovation and alternative specification items that strived to minimise the impact on the project's critical success factors. This involved the drafting and ongoing review of a VE schedule following an initial prioritisation and ranking exercise, which considered the impacts on the project programme, cost, delivery quality, planned and preventative maintenance, operational and maintenance costs, and sustainability. This was a key activity through the PCSA, which required regular meetings, specialist workshops, the purchase and issue of samples, and discussions with the

Planning Authority to agree – through project governance - the range of savings being taken and embedded into the delivery contract. The PCSA progress to date has fixed a large portion of the provisional sums and is realising a significant amount of VE savings. Although some VE opportunities remain to be agreed, it is highly expected, based on current progress, to be able to award a contract within the maximum price of £54,077,000 (inclusive of contingency).

Programme

7.5 As set out in Section 4 above the development of the Civic Centre’s design development and procurement approach supported by the direct award, has removed a significant amount of risk from the main construction phase of the project. This informed decision has meant that the overall programme timescales became elongated, which on balance of the risk factors, which would have had both time and cost implications, was recommended by officers through the Civic Centre Governance structure as the correct approach. The revised programme milestones are as follows:

Revised Programme Milestones – Framework

Milestone	Date
Issue Invitation to Tender – PCSA and Main Construction Contract	5 August 2024
Tender returns (First Stage) – PCSA and Main Construction Contract	13 August 2024
Director authority to award the PCSA (First Stage)	30 August 2024
PCSA period commencement	6 September 2024
PCSA period completion	29 November 2024
Cabinet Decision to delegate award for Main Construction Contract Award (Second Stage)	12 November 2024
Award of Main Construction Contract, notice to proceed (Second Stage)	17 December 2024
Date of Issue of Contract:	20 December 2024
Contractor mobilisation commencement including Stage 4 design and any enabling works	6 January 2025
Construction - Start on site	24 March 2025
Construction - Practical Completion	21 September 2026
Client Fit Out commencement	22 September 2026
Client fit out completion date	14 December 2026
Handover and Occupation (from)	15 December 2026

Risks

7.6 The procurement approach has transferred most of the project development risks to the contractor, John Sisk, however, the greatest area of risk and concern to the contractor was the existing building, hence the ‘hybrid’ two stage approach that was followed. This allowed the period of the PCSA for them to carry out their own investigations, surveys and review key elements of the existing building to better understand and mitigate the risks and to price their resolution. As such, with the conclusion of the PCSA these risks related to further discovery and unknowns to the existing building elements, such as ground conditions, existing structure and asbestos are being transferred to the contractor under the contract, post PCSA.

Key Risks

Risk	Mitigation

<p>Pre-Construction and Construction phase - Existing building condition - if additional asbestos is found or other unforeseen issue related to the existing building's condition causing redesign and delay to onsite construction programme. Early works may be required and may result in elements of site discovery during construction.</p>	<p>Two phases of enabling works were completed at the Civic Centre. The first phase of strip out works, removed all the redundant building services and most of the identified asbestos leaving any remaining, hard to reach, items clearly identified. Pre and post strip out surveys were completed and included in the pre-construction contract information. The works confirmed some known asbestos that required demolition to enable its removal. The Project Team as part of the second phase of enabling works identified any further surveys and intrusive investigations required by prospective contractors to further de-risk the site prior to tender. The second phase of works required listed building consent to complete the demolition to remove more of the remaining identified asbestos and complete trial repairs to the building's stone floors, pre-cast elements and exposed structure, the outcome of which helped to inform the tender. Appropriate costs were included in the pre-tender estimate as a provisional sum for any remaining known asbestos removal. In addition, as part of the PCSA, additional surveys relating to such unforeseen issues (asbestos, ground risk, existing structure, etc) will be completed by the contractor as part of their risk transfer to the contractor into the main contract. However, there is also some identified an additional contingency, as the asbestos risk will remain throughout construction, as will other unforeseen issues, as there is the potential for discovery of unknowns as the works progress to an existing building.</p>
<p>Construction phase - Client change – post tender and when in contract, if there are any proposed / on-going changes, then it will impact the tendered design with potential cost and programme impacts.</p>	<p>A detailed Design Brief was developed with engagement from all stakeholders. The Design team have developed the scheme in line with the brief's requirements and have presented this throughout the design stages to the satisfaction of the Client Team. The final tendered scheme was presented to and agreed following the project governance processes (including with the project's Client, Project Board, approved at the pre-tender Gateway Review, and by the Sponsor's Steering Group and its sub-working groups). The scheme was also presented to the Members Forum, incorporating any feedback they had also. The design freeze was communicated to Members and staff at all levels. The form of contract is a fixed price contract, the form of contract is not designed for change and was based on the frozen scheme. Any proposed change should be limited and is to be managed through a formal change control process, and only instructed having fully understood any impacts to quality, cost and programme.</p>
<p>Pre-Construction and Construction phase - Available budget - construction cost exceeding the available budget identified and set aside for the delivery</p>	<p>The project budget undergoes regular formal monitoring, both monthly through its governance practices and quarterly with Finance. Mitigation measures are in place, as part of tender and proposed contract. The project team identified potential value engineering (VE) savings proposals that were issued as part of the tender which were priced to, if required, be firmed up and integrated through the PCSA (and construction phase) to reduce the costs to within budget. The greatest opportunity at</p>

<p>of the Civic Centre refurbishment and extension.</p>	<p>this stage for cost mitigation is within the construction contract capitalising on contractor innovation and alternative specification items.</p> <p>The PCSA and 'hybrid' two-stage approach provides the Council with the ability to fix costs to the riskier elements of the construction costs to the existing building, and a further opportunity to fully test and agree the business case (as is being requested in this report) against current market conditions.</p> <p>In addition, the Council has retained a healthy contingency throughout the project, the various stages of design, mitigation and in many cases elimination of risk. Although reduced through change control and the transfer of risk to the contractor, the project retains some contingency, informed by a costed risk register to meet any unforeseen issues and mitigate exceeding the available budget.</p> <p>Cabinet can consider this appointment of the main contractor, against the available budget, and business case, which confirms the proposal still offers value for money to award the main contract.</p>
<p>Pre-Construction and Construction phase - Sustainability and carbon reduction – Fulfilling the Council's ambition to deliver the buildings (both heritage and new <u>build</u>) as zero carbon, which is possible with some carbon off-setting required.</p>	<p>The sustainability and carbon strategies were agreed with the Carbon Management team, Conservation officers and conditioned through planning.</p> <p>Design stage assessments demonstrate the scheme is on target to achieve its aspirational target BREEAM rating of 'Outstanding' – above policy and the consented approval of 'Excellent', a reduced carbon target of 970kgCO₂e/m² across the site, its high performing air tightness targets and an Energy Performance Certificate rating of B40.</p> <p>These sustainability and carbon reduction requirements have been explicitly identified within the construction contract and damages outlined if these are not met upon the completion of the works.</p> <p>John Sisk have a strong and proven record for delivering sustainability, which they demonstrated through their selection questionnaire submissions, were invited to tender.</p> <p>The PCSA and the 'hybrid' two-stage design and build approach provide the contractor a focussed period, pre their Stage 4 design, within which they can review the fabric requirements of the existing Civic Centre building, to ensure they can deliver the upgrades required to meet the high sustainability targets required.</p>

7.7 The project team manage risk on an ongoing basis and will continue to do so for the duration of the Civic Centre project. Risks are regularly reviewed and are communicated through the Council's governance structure, where required, to ensure the correct mitigation strategies are adopted and implemented.

8. Communication and Engagement

8.1 The project team have developed and maintain a communication and engagement plan that is being delivered to, which is supported by a communication and engagement officer. The implementation of the communication and engagement plan has enabled the project team to inform, engage, and involve key stakeholders in the development of the

project. Since the January 2022 Cabinet, the project team have delivered key messages to staff and the public to update them on the short-, medium- and long-term phases of the project. They have also provided opportunities for in-person and on-line engagement to review the design as its progressed and gather stakeholders' thoughts and feedback on the scheme.

8.2 The internal communication and engagement objectives previously reported to Cabinet are:

8.2.1 to increase staff awareness of the project and reasons for the move.

8.2.2 to help staff recognise change as a positive aspect of working for the Council.

8.2.3 to support staff in embracing digital transformation.

8.2.4 to highlight efficient and better value services, as well as new services offered because of the move.

8.3 The project team are continuing to work to these objectives through the following measures:

8.3.1 Key internal stakeholders have been engaged through the Civic Centre project workstreams, which act as sub-groups to the Civic Centre Steering Group and have interrogated, challenged, informed and influenced the project's design. These workstreams helped to tackle key project issues such as sustainability, inclusivity and accessibility, future building management, external works and landscaping and digital services. These groups were in place throughout RIBA Stages 2 and 3 and played an integral part in the enhancement of the Stage 3 design information and preparation of the NBS specification.

8.3.2 The Civic Centre Members Forum was formed in 2021 and has allowed the project team to engage with Members on different aspects of the project. Members have been engaged through a combination of design presentations, workshops and in-person discussions. Members have also visited the Civic Centre building, following completion of the preparatory strip-out works contract, the completion of the design and submission to planning, and visited other and exemplar recent Civic Centre developments such as Waltham Forest and Tower Hamlets Civic Centres. These sessions provided an opportunity for Members to gain a more detailed knowledge of the scheme, challenge design elements and building uses, influence communication strategies, involve all Members and feedback their thoughts to ensure the project is working in the best interests of staff, residents and Members.

8.3.3 Over the last year the project team have issued regular communications to staff members to inform on project developments through news bulletins, Team Briefs, updates on the Council's intranet pages, dissemination through managers, presentations at directorate and all staff meetings, and posts on the Council's internal social media platform, Viva Engage. These communications have provided regular updates on project progress, upcoming events, timescales and have allowed staff to follow project's design development.

8.3.4 The project team have also held a series of in-person and online engagement sessions starting in January 2023 that will continue until the project's completion. These sessions allowed staff members to come and see the design proposals, ask questions about the project and feedback their thoughts. Engagement sessions were also held virtually, available to all-staff, which promoted accessibility and inclusivity, and recognising that staff are working more flexibly. Members of the project team have also attended staff group, departmental and directorate group discussions / meetings to present the progress on the Civic Centre scheme and answer questions. The most recent being a cyclist engagement session with staff members who cycle to the Haringey offices. This

was a hybrid session held in Alexandra House and on Teams in January 2024, giving cyclists a brief overview of the scheme and an opportunity to have an in-depth review of the proposed cycle parking arrangements, access, security and shower and change facilities to be available to staff and visitors that regularly or occasionally cycle to the Wood Green offices.

- 8.4 The external communication and engagement objectives are:
- 8.4.1 to increase awareness of the project and reasons for the move
 - 8.4.2 to communicate benefits to residents of the Council's new ways of working
 - 8.4.3 to create a sense of involvement across the community
 - 8.4.4 to highlight that it is money well spent.
- 8.5 The project team are working to these objectives through the following measures:
- 8.5.1 Working with the Council's Regeneration Team, the project team have formed a Co-Design Group for the Civic Centre to involve the community, which includes participants from Trinity Primary Academy, St Michael's Primary School, and St Michael's Church. The Co-Design Group's remit looks at developing the external landscaping elements of the project, with a key focus on the South Gardens area on the Bounds Green side of the site. The Council aims to reinvigorate the South Gardens area to create an attractive and inviting green space that will be available for residents and communities to enjoy.
 - 8.5.2 The project team have created a dedicated Civic Centre webpage on the Council's website, which has allowed residents across the borough to view the current plans and design proposals, leave their feedback and has provided a means for delivering regular updates.
 - 8.5.3 In-person events have also been offered to the wider public through drop-in sessions held at Wood Green Library, Trinity Primary Academy, and other Council buildings across the borough. These events have offered residents the opportunity to learn about the proposed plan and current design for the Civic Centre, shared plans of its future use, informed about the services that will be delivered on site, and anticipated shared use opportunities with the community. These sessions have been incredibly important to communicate how the community will benefit from greater service efficiency and value for money from the updated Civic Centre and new use of Council office space. Information boards and project models have been on display at these events, which have also facilitated question and answer sessions.
 - 8.5.4 In addition, project and design information has been made available across the borough's libraries, with a standing exhibition at Wood Green Library. Feedback forms were also provided in hard copy and online to enable residents to comment on the proposals.
- 8.6 To complement the series of internal and external communication and engagement being held, the project team developed a Commonplace website, which is available and has been promoted to staff, Members, and residents. It acts as central information hub about the project, offering the site visitors interactive information about the Civic Centre's poignant and key moments in history, it's listing, the project's history, its current design proposals, delivery plans, programme timeline and enables the public to monitor the project's development. In addition, the 'Civic Voices' page offers all the opportunity to engage with the Civic Centre's community, sharing their memories and experiences of the Civic Centre (writing a post and / or sharing a voice clip or video) and read about others'.

- 8.7 As a local developer within Wood Green the project team are part of the Wood Green Construction Logistics Plan (CLP) Forum, where developers and contractors regularly meet to share with each other and the Council's key delivery areas their proposed activities within and around the surrounding Wood Green area. This enables joint planning, and more effective coordination of potential disruptions that might impact residents and businesses. As part of the CLP Forum developers and contractors are required to also meet and communicate regularly with residents to notify them of planned activities, and mitigation measures to minimise any local disruption. The duties required under the CLP Forum have been included within the contract, so the main contractor will become a member of the CLP Forum and must abide by its requirements.
- 8.8 The project's governance has been strengthened with the addition of a Programme Board, chaired by the Chief Executive and attended by key Directors and Assistant Directors to provide oversight of the Council's efforts across the New Civic Centre related projects and ensure the full benefits are realised. This includes the related regeneration opportunity from the vacated sites, relocation of staff and to prepare the staff and community for the move to a new building. In addition, a New Ways of Working Group has been established to sit alongside the Civic Centre Project Board – both chaired by Directors and reporting into the Programme Board, which is to oversee the changes to ways of working, identifying suitable work, meeting, collaboration, event, democratic and events spaces, and agree the digital offer to support flexible hybrid working arrangements.

9. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes'

9.1 The project contributes to the Council's Corporate Delivery Plan 2024-2026 and Haringey Deal. This is reflected in key capital project documentation, such as the project brief, design brief, business cases, project initiation documents (PID) and award reports.

10. Carbon and Climate Change

- 10.1 As identified under section 6.8.4, a key component of the scheme's design is its response to the sustainability and carbon reduction agenda, which it has successfully demonstrated to date and is conditioned through the planning permission and requirements are included within the building contract.
- 10.2 The scheme is on target to achieve an aspirational BREEAM rating of 'Outstanding', well above the local planning policy and consented approval that requires 'Excellent'. A reduced carbon target of 970kgCO₂e/m² across the site, high performing air tightness targets for any new build part of the works, and slightly lower – but equally high - targets for the existing structure part of the works. In addition to targeting an Energy Performance Certificate rating of B40.
- 10.3 The scheme still aims to achieve its net Zero Carbon target as per the London Plan; its Net Zero Operational Carbon target as per the UKGBC; and its Net Zero Carbon in Construction target as per the UKGBC. Although some offsetting will be required, as has been agreed with the Planning Authority and conditions set.

11. Statutory Officers comments (Director of Finance, Strategic Procurement, Head of Legal and Governance, Equalities)

11.1 Finance

- 11.1.1 In the period up to the occupation of the Civic Centre the existing revenue budgets for corporate accommodation are unchanged, which will mean that there will be no impact on the Council's MTFS. Given the significance of this potential investment and the fact it would span several years, the Council's Capital Strategy allows for interest charges incurred during the construction period to be capitalised, along with the other costs of bringing the asset into operation. The Council's existing policy for Minimum Revenue Provisions (MRP) already works on this basis. This would ensure that current taxpayers would not be burdened with costs incurred on such major schemes where the benefits are in future years.
- 11.1.2 The recommendation of the report is to award a construction contract to John John Sisk for the maximum sum of £54,077,00 (inclusive of contingency), to refurbish the Civic Centre and construct a new annex. The report notes that there are still some elements of the contract that are not resolved and could impact the final cost. Should this be the case then the project contingency will be utilised and potentially the fit-out budget. The current approved General Fund capital programme as agreed by Council at its budget setting meeting of the 4th of March 2024 provides for the proposed expenditure of £66m on the Civic Centre project.
- 11.1.3 The financial case of the business case has been rerun in the light of the tender received and the current position on Public Works Loan Board interest rates which are indicating higher long-term rates. The tables below have been refreshed from the Cabinet report in April 2023.

11.1.4 Revenue

- 11.1.4.1 The business case evaluates two options, which both make several assumptions around the use of the buildings on Station Road. Both options considered assume that RPH will be vacated and held ready for future purposes, yet to be decided. The revenue financial implications of the two options addressed in this business case have been considered in comparison with the corporate accommodation revenue budgets in the current MTFS for the purposes of modelling. They include the revenue implications of the capital costs described below.
- 11.1.4.2 In coming to the recommendation to proceed with the Civic Centre Annex option, the option of using a combination of a refurbished Alexandra House and the Civic Centre to meet the accommodation requirement and the letting of 48 Station Road and 40 Cumberland Road, was also explored (Option1). The revenue effect of this option is disclosed in the table below:

OPTION 1	Current Cost	Cost of Option 1	Variance
	£000's	£000's	£000's
Civic Centre	516	2,365	1,849
Civic Centre Annex	0	0	0
48 Station Road	269	-264	-533
40 Cumberland	335	-289	-625
RPH	987	0	-987
Alexandra House	773	4,334	3,560
Total	2,881	6,146	3,265

- 11.1.4.3 The above table shows that the refurbishing Alexandra House option would result in an increase in the cost of running the corporate

accommodation estate by £3.560m to £6.146m. The significant cost difference arises due to the increased cost of the capital investment in Alexandra House but critically not then letting it out, thus forgoing an income stream and retaining a higher cost base (reflecting the capital finance charges of the investment).

- 11.1.4.4 Option 2 is to refurbish Alexandra House, 40 Cumberland Road, and 48 Station Rd, and let them commercially for at least 10 years and use the Civic Centre and Annex to meet the Council’s accommodation needs. The rent levels assumed are modest and similar to other rental levels being achieved in the area. The longer-term decision making on Alexandra House, 48 Station Road, 40 Cumberland Road and River Park House will be subject to later reports, but it is assumed at this stage that the net revenue implications of their future applications will be at least equivalent to the medium-term arrangements assumed in this report. The revenue effect of the foregoing is set out in the table below:

OPTION 2	Current Cost	Cost of Option 2	Variance
	£000's	£000's	£000's
Civic Centre	516	2,365	1,849
Civic Centre Annex	0	2,436	2,436
48 Station Road	269	-264	-533
40 Cumberland	335	-289	-625
RPH	987	0	-987
Alexandra House	773	-678	-1,452
Total	2,881	3,571	689

- 11.1.4.5 The above table shows that the preferred option has moved to an estimated increase of £0.689m in the cost of running the corporate accommodation estate, compared to the position reported in April 2023 where an increase of £0.274m over existing budgets was estimated. The estimated increase in running costs relates to the increase in interest costs. However, this option is considerably less than Option 1. This revenue pressure of £0.689m will be incorporated into the next MTFS.

- 11.1.4.6 The risk analysis in this report addresses the headline risks that might impact on this forecast. The preferred solution leads to considerably better civic, public and accommodation amenities, enhanced future site potential of the Station Road estate and addresses the future purpose of the Civic Centre site and the listed building. The annex option is significantly more advantageous than Option 1.

11.1.5 Capital

- 11.1.5.1 The accommodation strategy has a significant capital programme attached to it. Within the approved General Fund capital programme there is £66m budget for Option 2, which is unchanged from April 2023 report to Cabinet. This budget is in the capital programme on a self-financing basis. The analysis above indicates that at this time that there will be a budget pressure of £0.689m (after making the savings described above) as a result of changes in interest rates. This will be factored into the MTFS.

11.1.5.2 The preferred option requires less capital expenditure than the alternative option. This is unchanged since the April 2023 report to Cabinet.

11.1.5.3 The approved capital programme includes provision for the cost of the Civic Centre and the Annex as a separate budget (including ICT/AV of £2.3m) and the costs of the works to 48 Station Road, 40 Cumberland Road, RPH and Alexandra House are contained in the Asset Management of Council Buildings budget.

11.1.6 Investment Appraisal

11.1.6.1 In addition to the revenue affordability appraisal above, the 2 options were also appraised using the Net Present Value (NPV) technique. This technique allows future cash flows to be expressed in today's money, thus enabling different projects with different cash flows to be evaluated on a consistent basis. This is achieved through discounting those future cash flows back to today. The technique accounts for the capital costs when incurred but not the capital financing costs. The model uses the current Treasury standard discount rate of 3.5% that is used to appraise public sector investment decisions. In investment terms, a project with a positive NPV is one that pays for itself in totality over its lifespan and generates a surplus. So, the higher the NPV the better.

11.1.6.2 On applying this methodology, option 1 was found to be financially disadvantageous, with a negative NPV of -£7.85m and option 2 has a positive NPV of £1.249m. Both figures are unchanged since April 2023.

11.1.6.3 The current construction (excluding IT) cash flow for the project is as set out in the table. These latest estimated project cash flows closely match the approved capital programme budgets, with minor variations in year which will be monitored through the Council's budget monitoring process:

Civic Centre Estimated Cash Flow					
Prior Years	2024/25	2025/26	2026/27	2027/28	Total
£000's	£000's	£000's	£000's	£000's	£000's
5,699	2,637	27,683	28,533	1,448	66,000

11.1.7 Risk

11.1.7.1 The award of a contract up to a value of £54.077m will mean realisation of c£2m of value engineering savings, no further VE savings and the utilisation of the remaining contingency of £1.025m. Should the VE savings not be achieved or there are unforeseen events during the contract period, then there would need to be either a call on the approved capital programme contingency or a reduction in other capital programme budgets.

11.1.7.2 The current approved capital programme budget also includes £2.3m to fund the audio-visual (AV) and IT equipment that will be required at the new Civic Centre to become fully operational.

11.2 Procurement

- 11.2.1 Strategic Procurement (SP) note that this report relates to the approval to award the construction main contract to John Sisk & Son Limited.
- 11.2.2 This procurement was initially advertised as a restricted procedure in accordance with CSO 9.01.2(b).
- 11.2.3 Two final bids were received following the selection questionnaire stage (PAS 91).
- 11.2.4 Unfortunately, the council could not progress with an award under this procedure due to non-compliant bids.
- 11.2.5 Acceptance of their proposals would have materially changed the contract, leading to a challenge from the market.
- 11.2.6 Due to the urgency of the project, it was agreed between SP, legal and the service area to adopt a direct award route via a framework as it was the lowest risk route for the Council, considering all commercial considerations and time delay.
- 11.2.7 A recommendation was made to the Civic Centre Programme Board on 17th July 2024 to adopt a direct award route via the NHS Shared Business Services (SBS) Framework Agreement - Public Sector Construction Works – Lot 5.
- 11.2.8 Prior to this recommendation, several frameworks were explored, however the named framework above was the most suitable to meet our requirements.
- 11.2.9 The Council has complied with the terms of the framework for a direct award.
- 11.2.10 The adopted procurement route is in line with Regulation 33 of the Public Contracts Regulations (PCR 2015) and CSO 7.01 b).
- 11.2.11 SP support the recommendation to approve the award in accordance with CSO. 9.07.1 (d).

11.3 Legal and Governance

- 11.3.1 The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 11.3.2 Strategic Procurement has confirmed that a procurement process which is compliant with the Public Contracts Regulations 2015 (the Regulations) and the Council's CSOs has been carried out. Strategic Procurement has also confirmed that the proposed award is compliant with the terms of the NHS Shared Business Services (SBS) Public Sector Framework Agreement – Public Sector Construction Works - Lot 5. Use of a Framework Agreement is provided for under Reg 33 of the Regulations and is also covered under CSO 7.01 of the CSOs.
- 11.3.3 Cabinet has power under the Local Government Act 2000 (S.9 (E) (Discharge of functions) to delegate an executive decision to an officer of the Council. Once the contract price has been finalised with the Contractor (up to the maximum approved by Cabinet in this report) a further report will need to be presented to the Director of Placemaking and Housing recommending award of the construction contract.

11.3.4 The award of the contract is a Key Decision and as such will need to comply with the Council's governance requirements in respect of Key Decisions including publication in the Forward Plan.

11.3.5 The Assistant Director of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing Cabinet from approving the recommendations in this report.

11.4 Equality

11.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

11.4.1.1 Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.

11.4.1.2 Advance equality of opportunity between people who share those protected characteristics and people who do not.

11.4.1.3 Foster good relations between people who share those characteristics and people who do not.

11.4.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy / maternity, race, religion / faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

11.4.3 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

11.4.4 The following measures have ensured that the works proposed will comply with the Council's equalities duties:

11.4.4.1 Civic Centre project design team includes an accessibility consultant that ensured the Civic Centre refurbishment and annex extension design includes measures to ensure the building is genuinely accessible for all staff and residents, integral and not ad hoc to the design, going beyond the minimum requirements that are set out as part of Building Regulations.

11.4.4.2 The building's design has progressed to ensure that the building provides autism and neurodiverse friendly environments, spaces with enhanced technology for the hearing impaired, quiet (faith / non-faith) room, gender neutral toilets, a breastfeeding / nursing space, a Changing Places toilet and accessibility to disabled users.

11.4.4.3 The project has engaged with staff representatives across different working groups to ensure that issues related to disability, accessibility and inclusion were captured and addressed as part of the design process.

11.4.5 In addition, it should be noted that one of the fundamental design principles of the project is 'promoting accessibility and diversity', including full accessibility, surpassing part M regulations and being genuinely accessible for all.

11.4.6 Considering the above points, if these plans are delivered, there should be a positive impact on those with protected characteristics who work at or visit the Council's main premises, particularly people with disabilities.

11.4.7 As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above, which will be secured through contract. Arrangements will be put in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a disproportionately negative impact on any groups who share the protected characteristics.

12. Use of Appendices

12.1 Part B Exempt Information

12.2 Appendix A – Council Office Accommodation Review Final Business Case - November 2024

13. Background papers

13.1 30 August 2024 delegated authority report, Civic Centre Pre-Construction Services Agreement Award

13.2 18 April 2023 Cabinet Report, Civic Centre Project Update

13.3 18 January 2022 Cabinet Report, Civic Centre Project Update and Enabling Works Contract Award

13.4 8 December 2020, Proposed Future Use of Civic Centre and Capital Works