

## Notice of Key Executive Decision

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to the financial or business affairs of any particular person, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

<b>Subject Heading:</b>	Remodelling of the Town Hall
<b>Cabinet Member:</b>	Councillor Damian White – Leader of the Council
<b>SLT Lead:</b>	Jane West – Chief Operating Officer
<b>Report Author and contact details:</b>	Ian Saxby – Head of Technical Services Telephone: 01708 433529 Email: ian.saxby@onesource.co.uk
<b>Policy context:</b>	The proposals within this paper support the Corporate Plan objectives to optimise the use of Council assets to improve the customer experience, reduce cost, make better use of technology to make life easier for residents and reduce the cost of public services.
<b>Financial summary:</b>	The proposed contract value is £2,433,930.94. This will be funded from the £1,500,000 agreed by Cabinet in January 2021. Budget for Town Hall works. Approved virement of £827,808 of funding from Havering Pupil Referral Services Allocation as previously detailed and approved allocation from capital contingency of £106,122.94.
<b>Reason decision is Key</b>	Expenditure or saving (including anticipated income) of £500,000 or more.
<b>Date notice given of intended decision:</b>	August 2021
<b>Relevant OSC:</b>	Overview and Scrutiny Board
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## Key Executive Decision

### **Part A – Report seeking decision**

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

To approve the award of a Contract to Barnes Construction Ltd for the remodelling of the Town Hall for a period of 10 months, commencing in October 2021 for a value of £2,433,930.94.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

Paragraph 2.5(h) Powers of Cabinet Members and the Leader.

To award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and up to £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.

#### **STATEMENT OF THE REASONS FOR THE DECISION**

##### **Background**

On the 18th September 2019, Cabinet recommended and Council approved funding of £3.3million for the refurbishment and reconfiguration of Mercury House, including modest improvements to the Town Hall. In light of the COVID-19 pandemic and the need to work differently, a decision was made not to go ahead with these works, but instead to refocus efforts to consider the wider rationalisation of the corporate office estate. Since this time, a great deal of work has been undertaken and a plan has been developed to rationalise the Council's corporate estate.

On the 27th January 2021, Cabinet recommended and Council approved a report detailing the rationalising of the Council's administrative accommodation, generating revenue savings to support the Council's Medium Term Financial Strategy, delegating authority to the Director of Asset Management to take such actions necessary to negotiate the re-use of surplus assets. This included the modernisation and refurbishment of the Town Hall, based on a reduced scope of works, with an immediate programme of building works necessary to provide the new Appointment Centre on the lower ground floor of the Town Hall and other measures to facilitate the rationalisation of buildings, including the commencement of related procurement processes. The Council currently leases both Mercury House and the space occupied by the Public Advice and Services Centre (PASC). Therefore, these works will begin to enable the Council to concentrate its operations on the Town Hall Campus and reduce its accommodation footprint, which will in turn open up a number of wider operational efficiencies.

The proposed contract value is £2,433,930.94. This is below the threshold required by Contract Procurement Regulations and it was therefore agreed to procure a contractor via a single stage selective tendering process with seven contractors selected from the Construction Line database in accordance with the Contract Procedure Rules. Tenders received will be evaluated on a 70% cost/ 30% quality basis.

##### **Procurement**

An expression of interest was sent to seven contractors. All contractors responded and were invited to tender on the basis of a JCT Design and Build Contract 2016 with amendments, however four contractors latterly chose to withdraw their tender submissions. Three contractors returned tenders. The remaining four contractors have been assessed on a 30/70 quality/cost.

Further details of the tender process (including the price and scoring information) are set out in **Appendix 1**, attached to this report. As a result it is proposed to appoint the contractor with the highest scoring compliant bid to undertake the works, namely Barnes Construction.

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The tender submitted by Barnes Construction is considered to be the most economically advantageous tender on the combined criteria of technical response and cost provision and is therefore recommended for approval.

Provisional Programme key dates are as follows:

Production of detailed specification and pricing documents	Complete
Release of specification and pricing documents	Complete
Initial appointment of contractor	October 2021
Contract Completion (appointments centre)	May 2022
Contract Completion (all other areas)	July 2022

The project team will comprise staff from Technical Services and Procurement and will be supported by a range of externally appointed consultants.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

#### **Option 1 - Alternative Procurement Options**

Other procurement routes, including framework agreements have been considered and rejected. Extensive experience of this department has demonstrated achievability of very good value for money with this procurement route (single stage selective tendering).

E-Auctions have been considered and rejected.

#### **Option 2 – Do Nothing**

Doing nothing would lead to the Council failing to deliver the Asset Rationalisation Programme.

#### **Option 3 – Alternative Locations for the appointment centre**

A number of alternative options were considered for the location of the new appointments centre and the wider rationalisation of the Council's corporate estate, but were rejected on the basis that they did not represent the best use of Council resources, whilst this scaled back option offered reduced costs whilst still delivering the required remodelling.

### **PRE-DECISION CONSULTATION**

Consultation has taken place with a number of key stakeholders and service users. Consultation has also taken place with colleagues in finance, legal, procurement, HR and E&SI&R. In addition to this consultation has taken place with the Ability Forum

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Ian Saxby  
Designation: Head of Technical Services

Signature:

Date:

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### Part B - Assessment of implications and risks

#### LEGAL IMPLICATIONS AND RISKS

1. The Council is a local authority and a best value authority with duties and powers to make arrangements to secure continuous improvement in the way it exercises its functions, pursuant to Part I of the Local Government Act 1999. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, including the matters set out in this report.
2. Under the Contract Procedure Rules (CPR) 2.5(h), Cabinet Members and the Leader may award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and up to £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.
3. The proposed contract value is under the EU threshold for works contracts (currently £4,551,413) and accordingly is not subject to the full rigours of the Public Contracts Regulations (PCR) 2015. Officers intend to award the (call-off) contract from an OJEU compliant framework, under which the Council is part of an identifiable group cited in the published contract notice, and which fully satisfies the requirements of the public procurement rules.
4. The procurement process followed by the Council has already been set out in the body of this report. Due to the value of the contract, a minimum of seven organisations have been selected from Constructionline and invited to tender as set out in CPR 13.3.
5. Furthermore, the Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions, which includes the works contained in the proposed procurement. While conducting the procurement and evaluating the bids, officers have satisfied themselves the procurement process was in accordance with this principal.
6. Upon award, the contract will incorporate the JCT Single Stage Design and Build Contract 2016. The contract must be sealed in accordance with CPR 17.1.

#### FINANCIAL IMPLICATIONS AND RISKS

##### Breakdown of costs

Works (Contract award) including £180k contingency	£2,433,930.94
<b>Total Costs</b>	<b>£2,433,930.94</b>

The following items have approved funding within the capital programme:

##### **Funded by:**

Approved Allocation for Town Hall Developments Works	£1,500,000.00
Approved Virement from Havering Pupil Referral Services Allocation	£ 827,808.00
Approved Allocation from Capital Contingency	£ 106,122.94
<b>Total Funding</b>	<b>£2,433,930.94</b>

As with all major works there is a risk that unknown issues will arise during the completion of the works hence the inclusion of a contingency within the contract sum to mitigate the risk as far as possible.

Please note the cost of the AV (Audio Visual) Equipment within the meeting rooms is not included within the above figures and will be funded separately. This is the subject of an options appraisal and a separate report will be produced detailing the cost options and required funding.

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### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

Although there are no direct implications associated with this decision, the building works will be an impact on staff that are using the building during the works. These impacts are referenced within the Health and Wellbeing section of this report.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

These proposals do not have any equalities and social impact implications and risks, however we have met with the equalities and social inclusion team regarding the Equalities Impact Assessment for the works to the Town Hall. We have also met with the Staff Disability Forum to discuss the project in detail. The project received a favourable response and a number of points were raised, which have now been incorporated into the final design.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

This proposal / rationalisation of building assets, the refurbishment is likely to retain wealth in the local area, and provide opportunity for economic investment in other council priority areas. The Town Hall will continue to be an asset. The new design and refurbishment will impact those most who will be using.

The refurbishment proposal has taken into consideration aspects and foundations of a healthy building design and complies with building standards relating to air quality and ventilation, moisture, lighting and views and activity-based working, and support public health and wellbeing considerations.

The design of the building has promoted natural ventilation in the office areas and increased space standards. The new appointment centre on the lower ground floor will be provided with a new dedicated mechanical ventilation with heat recovery system. The ventilation rates to the proposed spaces conform to the requirements as set out in Building Regulations Approved Document F. The system will provide fresh air into the spaces whilst simultaneously extracting stale air and removing moisture from the spaces. The incoming air will be provided with G4 grade filters to improve air quality within the space. The remaining floors are naturally ventilated (with the exception of the training room) as per the current strategy and due to the reduced scope in the refurbishment works of these floors. On this aspect, the refurbishment will increase and enhance existing open and natural spaces. This has positive effects, notably, in reducing the risk of poor air quality linked to the incidence of chronic lung disease

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(emphysema and chronic bronchitis), asthma levels and heart conditions for frequent building occupiers.

All new luminaires will be provided with energy efficient LED light sources, with DALI digital dimming controls, with new absence detection and daylight harvesting control via ceiling sensors. These luminaires have been selected to provide adequate illuminance whilst limiting glare to within good practice standards for office buildings as set out in CIBSE lighting guidance. Occupant-controlled blinds are fitted to external windows that receive sunlight directly or indirectly. Coverings are designed to provide optimum glare control and allow best possible retention of views with the coverings drawn closed. The desks are no further than 7m away from the window (BCO Specification for Offices) maximising daylight and providing views out. From a health and wellbeing perspective, the light has two roles; one to detect light and the second, to tell regulate the circadian rhythm. Good lighting ensures the correct regulation and synchronisation of the circadian rhythm, which regulates functions of physiology including immune function, reproductive function, sleep-wake cycles, alertness, mood and metabolism. The daylight harvesting control via ceiling sensors will maximise a nature-inspired design room and thereby reduce the risk of chronic diseases including diabetes and heart disease, promote better recovery from stress and mental fatigue, and increase attentional functioning.

The West Wing of the Town Hall is open plan and can accommodate activity-based working without structural alterations to the space. The refurbishment will include a variety of workspace typologies and furniture in the building to suit different types of activities for the users and this will minimise discomfort and limit the development of chronic physical injuries.

The Town Hall site will remain in active use during the contract period. The works are sectioned and phased in such a way that works will only take place in unoccupied areas. Prior communications with the Estates mgr. will ensure that the areas are vacated will in advance of the works taking place. Noise, dust and nuisance control measures are part of the contractual requirements that the constructor will need to conform to. The appointed contractor will furthermore present all their Method Statements for review by the Client advisors prior to commencement.

The refurbishment works include internal works only. The internal works will be carried out in segregated areas (behind locked doors or behind specially erected full height internal hoarding panels) in order to minimise the amount of dust, noise and other nuisance caused to the occupied areas and staff members. Access and egress routes for the contractors will be agreed by Technical Services, so that these do not cross over into access and egress routes for staff members. In the view of Technical Services and their appointed professional consultants, these measures are sufficient to protect the health and wellbeing of the occupiers of the site

No member of council staff will be working in / attending the areas subject to these works (Remodelling, refurbishment etc.) until the works in all of these areas are fully completed and defect free. Only when the works will be completely dried out, completed to the most satisfactory standard, and finished in all its parts, the refurbished areas will be handed over by the contractor to the Council for occupation and use. The contractual practical completion process will ensure that the works will be finished to the utmost standard before the building is handed over and colleagues are allowed to occupy / work in the areas.

Overall, these measures will limit the presence of background noise which has been found to be disruptive and can interfere with people's ability to perceive speech at a normal speaking level. Furthermore, the measures will assist in reducing the risk of non-auditory effects including changes linked to heart rate, fatigue, irritability and increased levels of stress hormones. Taken together, impact during construction, particularly on air pollution and noise disturbance are minimised.

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The main entrance door is replaced by automatic opening doors which reduces touch point. Clear signage and wayfinding will help first time visitors to be able to navigate through the space well. The workspace is designed with plenty of circulation routes around desks, ensuring physical distancing can be achieved easily if the requirement arises in the future. Sensor taps and soap dispensers have been specified in the WCs to further reduce touch points. PIR presence detection to lighting in all shared areas to limit surfaces touched. We are introducing self-contained WCs to the Lower Ground Floor customer service area which will help with physical distancing. Where there must be common touch-points, pure or engineered materials that are antibacterial, antimicrobial or allow for cleaning and disinfection without degrading over time have been specified. In post-pandemic workspace, the longer working from home is continued in large numbers, the more likely that virtual collaboration and new ways of working will continue. Future offices will need to integrate enhanced virtual experiences so people can connect across distances. Overall, the following considerations will ensure health protection considerations within building design / built environment and occupation of the Town Hall thereby minimising the transfer of pathogens and potential for infectious disease spread whilst maintaining opportunity for sociability and safe spaces for human interaction and collaboration.

Feedback from the disability Forum have been taken into design consideration. Some feedbacks outside of the current scope of work were noted for consideration in the future phases of work. Feedback includes ensuring accessible facilities. For example, accessible, gender-neutral WCs are provided on the Lower Ground Floor customer service area (one for public use, one for staff use) based on the request that the facility is required for both staff and the public, but the two should not be mixed. The second consideration was a provision of induction loop. Taken together, the overall architecture benefits from an inclusive design which will limit the widening of health inequalities.

### **BACKGROUND PAPERS**

None

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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

**Details of decision maker**

Signed

Name: Councillor Roger Ramsey  
Lead Member for Finance and Property

Date:

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_