

Award of contract for the refurbishment of Town Hall North
Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments
April 2020
Deadline date: 3 April 2020

Cabinet portfolio holder: Responsible Director:	Cllr Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments Peter Carpenter, Acting Corporate Director Resources
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: Yes Unique Key decision Reference from Forward Plan: KEY/29Apr19/04
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES
Is this a project and if so has it been registered on Verto?	YES Verto number: PR002491

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the main refurbishment works of the Town Hall North to enable the letting of the space to Cambridgeshire & Peterborough NHS Foundation Trust (CPFT) up to the total value of the budget sum of £5,089,241.73 .
2. Authorise the Council to award the design and build contract to RG Carter (Cambridge) Ltd.
3. Authorise the Director for Legal and Governance, or delegated officers, to enter into any other legal documentation on behalf of the Council in relation to this matter.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Cabinet Member for Strategic Planning and Commercial Strategy and Investments to consider exercising delegated authority under paragraph 3.4.3 and 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (q).
- 1.2 There is an exempt annex which is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of the Council namely the details of the items and costs that support the refurbishment of the Town Hall North. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would compromise the Council's position when procuring similar works.

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	N/A
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3. BACKGROUND AND KEY ISSUES

- 3.1 The report seeks the Cabinet Member's approval for the works and award of the build contract to deliver the remodelling of the Town Hall North to enable it to be let to Cambridgeshire & Peterborough NHS Foundation Trust (CPFT)
- 3.2 As part of the council's relocation to Sand Martin House the Town Hall North is being made ready for a new tenant. A mini competition was undertaken under the Council's Construction Framework for a contractor to undertake the enabling works for the refurbishment and the production of a detailed design and costings for the overall works.
- 3.3 On October 22nd 2018, the Cabinet Member for Resources, in consultation with the Leader of the Council, authorised the Council to enter into a Pre-Construction Services Agreement (PCSA) and an Early Works Agreement (EWA) with RG Carter (Cambridge) Ltd.
- 3.4 Authorisation is now sought for the contract to enable the construction works to begin. The programme of works is scheduled to start on site on the 11th May 2020 and to be completed by 6th January 2021 to enable the new tenant to take up occupancy shortly after.
- 3.5 The Council's Construction Framework was procured using the restricted procedure under the Public Contracts Regulations 2015. The framework agreement commenced on 1st January 2017 for a period of four years. The framework permits contracts to be called-off under a mini competition process between pre-selected contractor's.
- 3.6 The PCSA and EWA were procured as part of a two-stage tender process as set out in the cabinet member decision notice OCT18/CMDN/46. The first part included the initial early works, including the demolition and strip out of the north side of the Town Hall, which have now been completed. Appointed to quote for stage 2, RG Carter (Cambridge) have subsequently submitted a detailed design that has been developed in conjunction with the CPFT and the Council's appointed design team.

- 3.7 The CMDN of October 2018 gave the Council the authority to enter into a design and build contract for the main construction works to RG Carter (Cambridge) Ltd subject to a full value for money report and further authorisation by the cabinet member.
- 3.8 The tender report was provided by Hamson Barron Smith (HBS) on behalf of the Council. The purpose of the report is to reassure the council that the tender price submitted by RG Carter provides value for money when compared to the market. Having reviewed the tender as based on the detailed design works that have been undertaken in consultation with the council and the CPFT, the Council is satisfied that the tender offers value for money.
- 3.9 The contract price to for the works is £3,918,340.66.

4. CONSULTATION

- 4.1 No external consultation has been required.
- 4.2 It is not proposed that other consultations should be undertaken.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 The letting of this space in the Town Hall supports the council's financial plans and the development of the Fletton Quays site following the vacation of the Town Hall north side in the move to the Sand Martin house location.
- 5.2 The maintenance of a strategic asset in the city centre in a suitably high quality condition for use over the long term and the letting to the CPFT ensures the long term occupation of the asset.
- 5.3 The occupation has the benefit of protecting the economic vibrancy of the city centre, increasing the footfall for the retail outlets in the centre.

6. REASON FOR THE RECOMMENDATION

- 6.1 To enable the letting of the vacated Town Hall North to an external organisation. This will generate income for the council to offset the costs of the Fletton Quays development and contribute to the wider benefits arising for the city centre.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 To do nothing: That is, not to move to the main construction following the already granted enabling works. This would leave the Town Hall North in an unfinished state and mean that it would be left vacant and fall into dis-use with all of the ongoing costs associated with this. There would be very significant reputational, legal and financial consequences associated with re-negotiating on the Agreement for Lease that has been signed with the CPFT
- 7.2 To retender to the construction market for a contractor: This was rejected because of the timescales and costs of going out to the market at this point in the programme. The value for money report prepared by the independent quantity surveyor and design team (HBS) shows that the RG Carter tender sits at the lower end of the averages for fitting out a healthcare unit. Any retender is likely to incur additional costs and delay the income receipts that the council will get from the point of completion.

8. IMPLICATIONS

Financial Implications

- 8.1 A total budget of £4,098,340.66 including contingency and future fee (client side) costs has been set for the main building works. This has been accounted for in the 2020-21 Capital Budget.
- 8.2 The CPFT will contribute £871,820.21 towards this to cover off those aspects of the fit out works that are specific to their needs.
- 8.3 The council's expenditure for the construction phase of this project will therefore be £3,226,520.45.
- 8.4 The all-in total costs including the PCSA, the EWA and construction is £5,089,241.73. Of this the CPFT contribution will be £1,025,234.06. The council contribution will be £4,064,007.67.

Legal Implications

- 8.5 The legal implications are set out within the report.

Equalities Implications

- 8.6 The design of the refurbished area will be compliant with all relevant legislation to ensure accessibility for all.
- 8.7 The letting of the Town Hall South to the CPFT will provide a central location for customers.

Carbon Impact Assessment

- 8.8 A Carbon Impact Assessment has been completed and is currently with the Environment and Transport Team for comment.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 10.1 Town Hall Lease and Remodelling Project - OCT18/CMDN/46