

Croydon Council

REPORT TO:	CABINET MEMBER FOR HOMES, REGENERATION AND PLANNING 22nd June 2015
AGENDA ITEM:	Background report to Agenda Item 14
SUBJECT:	Award for New Addington: Central Parade & Fishers Farm - Scheme Design and Development
LEAD OFFICER:	Jo Negrini, Executive Director- Place
CABINET MEMBER:	Councillor Alison Butler Cabinet Member for Homes, Regeneration and Planning <i>And</i> Councillor Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	New Addington & Fieldway

CORPORATE PRIORITY/POLICY CONTEXT:

The recommendation within this report addresses the Council's strategic priorities, as expressed in The Croydon Promise, for New Addington town centre as an attractive place in which to live, work and visit, and the provision of new affordable homes and community facilities.

The schemes at Central Parade and Fishers Farm will address the following priorities:

- An Enterprising City
- A Caring City
- A Sustainable City

AMBITIOUS FOR CROYDON AND WHY WE ARE DOING THIS:

The Council is 'Ambitious for New Addington and Fieldway' and determined to deliver exceptionally high quality new community facilities and new homes. Central Parade is a vital public place and many of its facilities are worn out and need replacing. A successful scheme on Central Parade has the potential to completely change the perception of New Addington District Centre and meet the community's needs – whilst attracting more service users, shoppers, events and visitors. The residential redevelopment of Fishers Farm with a high quality scheme can provide much needed and affordable new homes with a mix of tenures and attractive extension to the existing community. Taken together, these two new developments can make a real difference for residents and businesses and the whole community.

Croydon's Local Plan identifies New Addington as a location for growth, with significant

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opportunity to capitalise on its strategic position between Croydon Metropolitan Centre and Biggin Hill Airport, and Central Parade itself has been allocated as an area for rejuvenation and public realm improvements.

FINANCIAL IMPACT SUMMARY:

This report recommends commitment to a Contract Award of £1,209,791 including contingency over the next year.

KEY DECISION REFERENCE NO.: 26/15/HR

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 13.00 hours on 5th working day after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Homes, Regeneration and Planning in consultation with the Cabinet Member for Finance and Treasury, is recommended to approve the award of contract for the New Addington: Central Parade and Fishers Farm sites – Scheme Design and Development consultancy services to the bidder detailed within the Part B report at a contract value of £1,099,810 plus a 10% contingency sum to give a maximum potential contract value of £1,209,791
- 1.2 The Cabinet Member for Homes, Regeneration and Planning is asked to note that the name of the successful contractor will be released once the contract award is approved and implemented.

2.0 EXECUTIVE SUMMARY

- 2.1 On 29 September 2014 the Cabinet agreed a report 'Growth For the Prosperity of All- Growth Plan & District Centre Investment and Place Plans' including the launch of place-based discussions involving local communities, residents, businesses and investors, using the Promise as the basis for local delivery. This was to take place with stakeholders over a 6 month period with

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area based recommendations, including New Addington and Fieldway, returning to Cabinet after April 2015 (Min. A79/14). The Place Plan for New Addington and Fieldway includes the commitment to ‘a town centre that New Addington deserves’ and the delivery of a comprehensive regeneration of the town centre including street improvements to pavements and footpaths; a new leisure centre; new community facilities; a new food store; new homes, with the majority affordable and local people prioritised; and enhanced public space, as well as addressing the issues regarding the rear of Central Parade.. The Place Plan also included a commitment to new homes at Fishers Farm. It is now considered that the wider Place Plan discussions for New Addington and Fieldway should take place to a later timetable than originally envisaged while the immediate priority is to deliver the redevelopment of Central Parade and Fishers Farm. The Council’s commitment to that wider development is not, in any way, diminished.

- 2.2 This report therefore recommends the award of a contract to deliver the New Addington: Central Parade and Fishers farm Developments – Scheme Design and Development (the Contract), which will enable the project to progress. The procurement strategy was approved at the Contracts and Commissioning Board meeting held on 4 December 2014 (ref. CCB 0951/14).
- 2.3 The report includes a recommendation to commit up to £1,209,791 from the £17 million capital programme budget allocation for New Addington regeneration.
- 2.4 The next section of this report sets out the background to the project as well as the procurement approach and evaluation process to select a multi-disciplinary consultancy service to facilitate the project, calling off the Homes and Communities Agency (HCA) Multi-Disciplinary Framework for this purpose.
- 2.5 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
18 June 2015	CCB1013/15-16

3.0 DETAIL

Key Redevelopment Deliverables

- 3.1 The Key Redevelopment Deliverables for Central Parade West are:

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- A new Leisure Centre
- A new Community Centre
- Town and Village Green and Public Space
- New Homes at Central Parade

3.2 In addition there are two Optional/Unconfirmed deliverables:

- One Stop Health and Wellbeing Centre
- Small/medium format supermarket

3.3 The Key Redevelopment Deliverables for Fishers Farm (which are on the premise that a suitable alternative location for the refuse and recycling centre) are:

- a high quality housing scheme for the whole site.
- a development and design option which excludes the North Downs Road blocks;
- a development and design option which includes a mixed use development of housing and community facilities for the Over 21s club either:
 - to remain where it is with housing on top or around the existing building or
 - a new building within a mixed use development on part of the site.

3.4 The Council is proposing to submit a hybrid planning application for the mixed use scheme for Central Parade West, with an overall Outline application and, as part of the hybrid application the Council will secure detailed consent on the phase 1 leisure led scheme.

3.5 In order for the Council to deliver the hybrid application for Central Parade and the Detailed Application for Fishers Farm it requires a multi-disciplinary consultancy service with the relevant experience to assist the project team.

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- 3.6 Approval of the award of this contract will enable commencement of the design and feasibility work and subsequently submit the planning applications for both the Central Parade and Fishers Farm developments.

PROCUREMENT APPROACH

- 3.7 In accordance with the approved procurement strategy, a mini competition was conducted, calling off the Homes and Communities (HCA) Multi-Disciplinary Panel Framework. This is an OJEU compliant framework which has 18 contractors as panel members and complies with the Councils Contracts and Tender Regulations in its provisions.
- 3.8 The HCA framework requires a sifting brief (Mini Competition Part A) to be issued to all 18 contractors inviting them to participate and to respond to the sifting brief criteria. This was issued on 17 December 2014 with a response deadline of 5 January 2015. Five responses were received but due to suppliers not fully understanding the requirements for a leisure centre it was agreed to reissue the sifting brief emphasising this requirement. This time seven HCA contractors responded by the return date of 3 February 2015. They were evaluated in accordance with the published criteria and on 27th April 2015 via the Council's procurement portal website, five shortlisted contractors were invited to submit a full bid (Mini-Competition Part B) with a submission deadline of 26 May 2015.
- 3.9 Responses were received from 3 of the shortlisted contractors invited to participate, one framework operator declined and one did not respond. These tender responses were evaluated in accordance with the published criteria within the Mini Competition Part B documentation and detailed below:

Quality	Weighting	Total
Design approach	35%	70%
Proposed Team	15%	
Method Statement	15%	
Social Value	5%	
Price		30%

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3.10 The submitted tenders were reviewed and validated by the evaluation panel to ensure compliance with the ITT tender documents and in accordance with the advertised evaluation criteria:

3.11 The pricing documents were first checked for arithmetical errors. Submissions also required clarifications on a number of qualitative responses and on some aspects of the price submission; this was due to the difference in the number of resource hours provided as part of each submission.

3.12 The Evaluation Panel was formed by Council representatives from the following:-

Senior Procurement Officer for D&E (Moderator for the evaluation process)
 Director of Development
 Senior Regeneration Manager
 Regeneration Manager
 Sport and Physical Activity Manager
 Deputy Team Leader –Placemaking

3.13 The evaluation scores for each Bid received are detailed below.

Quality Evaluation Criteria	Bidder 1	Bidder 2	Bidder 3
Design Approach	10.87%	22%	26.60%
Proposed Team	4.44%	10%	10.30%
Method Statement	4.61%	7.50%	9.90%
Social Value	1.61%	2.40%	3.20%
Total Quality (Max. 70%)	20.53%	41.90%	50%
Price (Max. 30%)	20.53%	30.0%	24.15%
Total	42.05%	71.9%	74.15%
Rank	3	2	1

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3.14 The price submission evaluations have been normalised due to variances in the resource hours provided and the number of surveys included in each of the submissions. By removing the costs of surveys and Environmental Statements all price submissions have been evaluated equally.

3.15

4.0 CONSULTATION

4.1 There has been substantial previous consultation on proposals for central Parade with residents and other stakeholders over three previous periods In 2008 on the TESCO proposals, in 2009 for the John Thompson Study in 2012 through the Council's commissioned masterplanners and with local businesses through an Indoor Leisure Needs Assessment Study 2014.

4.2 The redevelopment of Central Parade has also been assessed as one of 18 priority sites in the Council's Strategic Sites Review which has developed proposals for investment by the Council's new Revolving Investment Fund.

4.3 Further consultation will take place as part of the design phase of the project, with a comprehensive consultation being undertaken with stakeholder and the community to ensure the project is meeting the needs of communities in New Addington and Fieldway. Statutory consultation will also be undertaken as part of the planning process.

4.4 With reference to the Cabinet's decision of September 2015, the wider Place Plan discussions for New Addington and Fieldway will be taking place later than originally envisaged as the priority is to deliver the redevelopment of Central Parade and Fishers Farm.

4.5 A communications strategy has been developed for the project.

5.0 FINANCIAL AND RISK ASSESSEMENT CONSIDERATIONS

5.1 Capital Consequences of Report Recommendations

Current year	Medium Term Financial Strategy – 3 year forecast		
2015/16	2016/17	2017/18	2018/19

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	£'000	£'000	£'000	£'000
Capital Budget available				
Expenditure	670	7,830	8,500	
Effect of decision from report				
Expenditure	1,000	210		
Remaining budget	<u>330</u>	<u>7,620</u>	<u>8,500</u>	<u></u>

5.1.1 The effect of the forecast additional expenditure in 2015/16 means that a re-profile of the budget will be sought at Cabinet's July 2015 review of the capital programme.

5.1.2. The total budget and expenditure for this contract award is for a contract sum of is £1,209,791. This includes a 10% contingency sum of £109,981 to be expended against risk items and consultation. Expenditure of the contingency sum will be subject to the contract terms.

5.2 **Effect of the Decision:** the Procurement Strategy for this award originally estimated a contract of £700,000 subject to the market and feasibility. Market conditions and bidders assessment has resulted in a higher bid price of £1.09 million. The award of this recommendation will commit £1,099,810 plus a 10% contingency sum to give a maximum contract value of £1,209,791 to enable the Council to progress the design and submit a hybrid planning application for the Central Parade scheme and a detailed application for the Fishers Farm scheme. Expenditure of the contingency sum will be subject to the contract terms. The contract is to be funded from the New Addington regeneration allocation of £17 million in the Council's 3 year capital programme approved by Cabinet in February 2015.

5.3 **Risks:** The principal risks associated with this commission are:

- i) managing the technical design complexities involved with the mix of uses;
- ii) ensuring a planning policy compliant scheme;
- iii) achieving the project timetable;
- iv) potential objections to specific aspects of the scheme, such as changes to the Town & Village Green .

In addition any delay in procuring the consultancy services may result in delays on meeting the programme milestones, in particular the submission of planning applications by December 2015

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- 5.4 **Future Savings / Efficiencies:** as the project continues it will be essential that value for money and efficiency savings are sought at all stages of the project.

Approved by: Diane Ellender – Head of Finance and Deputy 151 Officer/Louise Philipps- Finance Business Partner.

6. COMMENTS OF THE COUNCIL SOLICITOR

- 6.1 The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999.

Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no human resources implications arising from this report.

Approved by: Adrian Prescod, HR Business Partner, for and on behalf of Director of HR, Resources department.

8. EQUALITIES ANALYSIS

- 8.1 An Initial Equality Analysis was undertaken to assess the impact the redevelopment of Central Parade and Fishers Farm would have on protected groups compared to non-protected groups. The analysis identified the project will have a substantial and positive impact on protected groups within New Addington and Fieldway, and Croydon, through the provision of new affordable homes and community facilities and a revitalised town centre in one of the borough's most deprived communities. A full Equality Analysis will be prepared for the scheme when the scheme is designed prior to public consultation.

9. ENVIRONMENTAL IMPACT

- 9.1 The detailed scheme development and design for the redevelopment of Central Parade west presents an excellent opportunity for a truly integrated site-wide environmental strategy. The scale and mix of buildings potentially allow for a centralised energy plant by linking complementary energy profiles.

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- 9.2 In relation to the redevelopment of Fishers Farm for residential use, detailed scheme development and design presents an opportunity for an exemplar sustainable development of new homes.
- 9.3 The Housing Standards Review has withdrawn the Code for Sustainable Homes. The Council's Planning Policy requirements were previously Code Level 4, but this now needs to be replaced. The government's new national standards will be built into the Building Regulations and only apply to CO2 emissions and water use (not the wider range of environmental impact areas addressed by the Code). These standards are set at 2 levels - a minimum and enhanced, the latter is equivalent to the CO2 and water standards already required by Code Level 4. The national CO2 standard will increase again in 2016 when the Zero Carbon Homes will apply.
- 9.4 As these are proposed to be council delivered schemes, the council can set whatever level of environmental standard it sees fit. With the demise of the Code, the BRE have developed their own voluntary 'Home Quality Mark'. This is about environmental impacts it also includes recognition of health and wellbeing, along with digital connectivity. The council could, if it wished adopt this new voluntary standard for its own developments.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no direct crime and disorder reduction impacts arising from the recommendations in this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Following analysis of the commercial and qualitative aspects of the tenders received, it is recommended that the contract be awarded to Bidder 3 as demonstrating the most economically advantageous tender.

12.0 ANY OPTIONS CONSIDERED AND REJECTED

- 12.1 No appropriate alternative delivery options were identified and suitable compliant tender submissions was received. Therefore no further options were considered.

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Background documents: Exempt from disclosure.