

REPORT TO:	Cabinet 20 January 2020
SUBJECT:	Timebridge Community Centre and Fieldway Family Centre Contract Variation
LEAD OFFICER:	Shifa Mustafa Executive Director Place Stephen Tate - Director of District Centres and Regeneration
CABINET MEMBER:	Councillor Stuart King - Cabinet Members for Environment, Transport and Regeneration (job share) Councillor Paul Scott - Cabinet Members for Environment, Transport and Regeneration (job share) and Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	New Addington North

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

This project supports delivery of the following key themes of the proposed corporate plan 2018-22:

- **One borough – many places:** There is an opportunity for us to provide space for local communities, for new businesses but also for council services. We want to create a network of hubs that support local initiatives and meet local needs. Using our Community Fund and other forms of revenue and grants we can give our local voluntary sector the support it needs to make a real difference.
- **Education and Learning:** We want to work towards a borough that can provide every young person the best possible start and recognizes the different needs and challenges that they all face.
- **A fairer Croydon:** The Opportunity and Fairness Commission provides much that we must still pursue including a commitment to equality of access to education and jobs. We also need to look at how we provide the best possible opportunities for all our communities and celebrate our diversity. We will do this through continued investment in our voluntary sector through the Community Fund in line with the recommendations of the Opportunity and Fairness Commission.

This project, through release of the Timebridge site and relocation of the community facilities to a new modular build, whilst retaining the valued community provisions, will enable the development of a new SEN school for the borough.

FINANCIAL IMPACT

£4m was originally allocated within the Council's Capital Programme Budget. Additional budget of £2,216,000 was secured, therefore the current total approved budget is £6,216,000. The report recommends varying the award of a Design and Build contract for the delivery of the Timebridge Community Centre for an increase maximum contract (2 contracts) value of £6,110,143 inclusive of 5% (£302,896) contingency to be held by the Council.

FORWARD PLAN KEY DECISION REFERENCE NO.: 3118ETR

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

The Cabinet is recommended by the Contracts and Commissioning Board to approve the following contract variations to The McAvoy Group Ltd, in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations and for the reasons detailed within this report:

- 1.1 The Timebridge and Community Centre Design and Construction contract variation for a new maximum contract value of £5,297,860. This new contract value includes a 5% contingency value of £302,896 and the new contract period of 18 months including 12 months defects liability period.
- 1.2 The design and contract of the permanent modular building contract variation for a new maximum contract value of £509,387 for the Fieldway Family Centre.

2. EXECUTIVE SUMMARY

2.1 On 26th February 2018, the Cabinet endorsed the recommended Education Estate Capital Programme 2018-21 (ref: A14/18a), as part of the Council's budget setting process. This includes the delivery of a new community centre to replace the existing Timebridge Community Centre at an agreed budget of £4m, to allow for the development of the new SEN school (Addington Valley SEN Free School) to be completed by September 2020.

2.2 The Timebridge Community Centre project consists of the following:

- The construction of a new community building to accommodate the Fieldway Family Centre and Timebridge community centre in Fieldway;

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- The demolition of the existing Fieldway family centre;
- Temporary accommodation to house the Fieldway Family Centre during the construction of the new centre.

2.3 Project objectives and ambitions in relation to the Council's policies/priorities:

- The new proposed Community Centre has been designed to offer a central community gateway services hub in Fieldway and New Addington where access to education, health, career and social support can be acquired.
- New Addington and Fieldway are amongst the most deprived areas in the borough. The community centre will enable the Council and the voluntary/community sector to connect and collaborate to tackle challenges including unemployment, crime and anti-social behaviour, deprivation, poverty and homelessness.
- The Centre will be the base for a diverse range of community uses including a nursery, food bank, youth and family Centre and a community café.
- The Family Centre in collaboration with the Council's Gateway division will support the residents and help prevent homelessness and build community resilience through providing various services such as job club, health wellbeing, benefits advice and personal budgeting support.
- In addition, the building includes other flexible spaces for hire such as a multi-purpose hall, two studio spaces, conference and meeting rooms and social and work space.

2.4 Through the above mentioned project objectives, the delivery of the project will support the following key themes of the corporate plan 2018-2022:

- **One borough – many places:** There is an opportunity for us to provide space for local communities, for new businesses but also for council services. We want to create a network of hubs that support local initiatives and meet local needs. Using our Community Fund and other forms of revenue and grants we can give our local voluntary sector the support it needs to make a real difference.
- **A fairer Croydon:** The Opportunity and Fairness Commission provides much that we must still pursue including a commitment to equality of access to education and jobs. We also need to look at how we provide the best possible opportunities for all our communities and celebrate our diversity. We will do this through continued investment in our voluntary sector through the Community Fund in line with the recommendations of the Opportunity and Fairness Commission.

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- 2.5 The purpose of this report is to approve the recommendation to vary the original contracts with the McAvoy Group Ltd, from the original contract value of £4,000,000 to a new contract value of £5,807,246 in addition to 5% contingency valued at £302,896.
- 2.6 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1532/19-20	02/12/2019

3. DETAIL

- 3.1 The original approved award report (CCB1392/18-19) recommended the award of contract for the design and build of the new Timebridge Community Centre to the McAvoy Group Ltd for a maximum contract value of £4m, inclusive of the option to incorporate a temporary modular build to facilitate decant of the existing facilities at an estimated value of £200,000 subject to project requirements and funding being agreed.
- 3.2 The original award report of £4,000,000 was for one contract for both the main Timebridge Community Centre and the temporary modular. The route of awarding this contract was via direct award through the LHC Framework and using the NEC4 ECC Option A form of contract. Following the award and due to changes in the timing of the project the two elements were split under two contracts instead of one. Following the same award route and form of contract.
- 3.3 On 14th November 2018 Growth Board approved further funding of £1,413,000 which was subsequently approved by Cabinet in February 2019. The additional funding was to cover:
- Expanding the scope to include the Fieldway Family Centre into the redevelopment of new facilities. This has led to an increase in the building floor area by circa 225m².
 - Providing a temporary facility to accommodate the Family Centre during the construction of the new centre.
 - Introducing some design changes including an increase to the building footprint and improved materiality of the building following collaborative design workshops with the planning officers and the inclusion of recommendations from the Place Review Panel.
- 3.4 Subsequently on 4th July 2019, senior management including Head of Finance agreed to an additional funding of £1,160,000 to cover:

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- Purchase of Fieldway Family Centre temporary accommodation for a cost of circa £534,000 (of which £509,000 are related to this contract award), increased from £350k hire cost (was planned to accommodate the Boxing Club permanently).
- The full RIBA stage 4 Contractor's proposals for the **proposed Design and construction** cost of £5,598,000 (an increase of approximately £741,000 from the previous submitted RIBA Stage 3 Design and Construction cost of £4,857,000).

3.5 Overview of the detailed breakdown of the costs:

Item	Cost
Design and Construction costs	£5,297,860
Permanent Modular building Design and construction	£509,387
Contingency (5%)	£302,896
Total Report Award Value	£6,110,143

Other project associated costs:

Item	Cost
Project Management fees	£64,964
Planning	£26,520
Family Centre decant fees	£15,429
Building Control	£3,000
Legal fees	£2,000
Surveys and other miscellaneous costs	£138,764
Total	£250,677

3.6 The reason behind the increase in construction costs is outlined below:

- The costs of the mechanical and electrical, substructure, external works and internal finish elements have increased from the original estimated contractor's costs from stage RIBA 3 to RIBA Stage 4. The original costs were based on the London Housing Consortium (LHC) framework rates, however following supply chain engagement and obtaining three comparable quotes for those elements from subcontractors, it was found that the LHC rates do not represent the current market rates.
- It is important to note that the contractor's cost proposal is subject to an open book tendering procedure, where the contractor submits all the quotes from the subcontractors and those were reviewed by the appointed independent cost consultant on this project.

3.7 Under regulation 72 of the PCR 2015, the risk of challenge as a result of this variation is low. As this falls under 72. (b) Additional works, by the original contractor that have become necessary and were not included in the initial

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procurement. A change of contractor at this stage would cause significant inconvenience and substantial duplication of costs for the Council.

- 3.8 The delivery of the contracts will be managed by the Capital Delivery (HSIS) team in accordance with the Council's contract management framework. The progress of delivering this contract will be reported on a monthly basis to the Growth Board.

4. CONSULTATION

- 4.1 The main driver for this project was the adopted Croydon Local Plan 2018, in which the Timebridge site was re-designated for educational use. In preparing the Croydon Local Plan 2018, the Council has worked with partners and interested parties to devise policies and proposals that it thinks will best address the needs of the borough up to 2036. The strategic policies have been subject to four periods of consultation.
- 4.2 The consultation for the development of the Timebridge community centre has been undertaken and included the Local Community Groups, who are currently using the existing Timebridge Centre and Fieldway Family Centre. The consultation took the form of an information event where the proposed design for the community centre was presented to the local community to take any feedback or comments.

5 PRE-DECISION SCRUTINY

- 5.1 This report has not gone to a Scrutiny meeting.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of report recommendations

	Previous Year	Current Year		
	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Capital Budget available				
Expenditure	4,000	5,514	600	
Effect of decision from report				
Expenditure	702	4,914	600	
Remaining budget	3,298	600	0	

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6.2 The effect of the decision

This decision will commit the Council to a total sum of £6,110,142 (inclusive of 5% contingency) which can be met from the capital budget. The table above shows that the budget as at the end of 2019/2020 will be carried forward into the following financial year.

6.3 Risks

The following risks have been identified and are being actively managed:

Risk	L	I	Mitigations
Programme of works takes longer than anticipated.	M	M	Contract Period reflects the programme requirements. Effective change management will ensure works are delivered within the agreed timeframe. The Contract includes Liquidated Damages for late completion.
PCR 2015 procurement challenge due to the proposed variation.	L	M	The proposed variation reflects a contract value increase of 45.18% which is considered not to be substantial material change. The proposed variation is still within scope of the original direct award of contract in accordance with the LHC framework agreement.

6.4 Options

Ref	Short Description	Main Advantages	Main Weaknesses
1	Do nothing	No costs associated with this option	<p>The useful life of the Asset is expiring and doesn't offer fit for purpose facilities to the local community</p> <p>Doesn't allow for the optimum master plan of the site to be delivered in relation to the new SEN school.</p> <p>This option is not recommended.</p>
2	Transfer Timebridge Centre Community groups to an existing Council asset	<p>Less funding required.</p> <p>Faster route to deliver the project.</p>	<p>There isn't an available asset in Fieldway/ New Addington to accommodate the current activities in the community centre.</p> <p>This option is not recommended.</p>

Ref	Short Description	Main Advantages	Main Weaknesses
3	Build a new community centre	Offers a purpose built facility to the local community. Allows for the optimum development of the Timebridge site along with the free SEN school	Requires a £5.8m capital cost. This option is recommended.

6.5 Future savings/efficiencies

The building has been designed to meet BREEAM 'Excellent', the building is therefore designed to be energy efficient and low maintenance which will minimize on going energy costs and repair and maintenance costs.

Approved by: Kate Bingham, Head of Finance

7. LEGAL CONSIDERATIONS

7.1 The Director of Law comments that there are no additional legal issues directly arising directly from the report.

Approved by Sean Murphy, Director of Law and Governance

8. HUMAN RESOURCES IMPACT

8.1 This report does not invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 and no Human Resource impact for Council staff.

Approved by: Jennifer Sanker on behalf of the Director of Human Resources

9. EQUALITIES IMPACT

9.1 The Equality Policy 2016 - 20 sets out the Council's commitment to equality and its ambition to create a stronger, fairer borough where no community is held back. The policy reflects the council's statutory duties under the Equality Act 2010 and is supported by the equality objectives set out in the Opportunity and Fairness Plan 2016-2020.

9.2 The equality objectives for 2018-22 are aligned to and will support the delivery of the Council's business outcomes set out in its Corporate Plan particularly in relation to:

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- **People live long, healthy, happy and independent lives:** the delivery of this project is an investment in the voluntary and community sector, delivering a high quality purpose built space for the community, voluntary and the Council to work together to reduce inequality and increase the resilience of communities and individuals.
 - **Everyone feels safer in their street, neighbourhood and home:** Creating a welcoming, inclusive and pleasant place in which local people want to live and work and feel safe. The Community Centre will help in bringing people together through a diverse range of activities, increasing the resilience of the local community which in turn will help reduce crimes and anti-social behaviour.
- 9.3 The McAvoy Group Ltd will be required to comply with the CDM Regulations 2015 which includes the obligation to meet the provisions set out in the Equality Act 2010.
- 9.4 The project will give us the opportunity for us to provide space for local communities, for new businesses but also for council services. We want to create a network of hubs that support local initiatives and meet local needs
- 9.5 The community centre will enable the Council and the voluntary and community sector to connect and collaborate to tackle challenges including unemployment, crime and anti-social behaviour, deprivation, poverty and homelessness

Approved by: Yvonne Okiyo, Equalities Manager

10. ENVIRONMENTAL IMPACT

- 10.1 The new building works have been designed to comply with the Council's requirement for BREEAM 'Excellent' and also the London Plan which exceeds the minimum energy efficiency requirements in the latest Building Regulations.
- 10.2 There will be a Site Waste Management Plan for the proposed construction site, to ensure that a minimum of waste is sent to landfill and opportunities for recycling and reusing materials are maximised.
- 10.3 The design of the scheme to date ensures there is no impact on the environment as the following points have been incorporated:
- Identification and promotion of environmental issues.
 - Sustainable solutions are designed into the scheme, and minimises waste, the carbon footprint and resources.
 - Minimises the impact of vibration, and air, light and noise pollution.
 - Protects the ecology, the landscape, wildlife, vegetation and water courses.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 There are no immediate adverse Crime and Disorder impacts arising from this report. However, there is potential for the project to aid in reducing crime and disorder in the locality. The community centre will enable the Council and the voluntary and community sector to connect and collaborate to tackle challenges including unemployment, crime and anti-social behaviour, deprivation, poverty and homelessness.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 To enable the delivery of Timebridge development which includes the Design and build of the new Addington Valley SEN Free School, to enable the Council to accommodate 150 placements (from age of 2-19) from September 2020. Also, to enable the children and young people with special education needs to be educated within the borough.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 The Council has considered the option of not proceeding with this however, this would have significant impact on delivering the Timebridge development. This includes the design and build of the new Addington Valley SEN Free School, to enable the Council to accommodate 150 placements from September 2020. It is therefore recommended to approve the award of the following contracts:
- a) the Timebridge Community centre contract (NEC4 ECC) to the McAvoy Group Ltd for a total contract value of £5.297m
 - b) the purchase and adaptation of the current modular units contract (NEC4 - ESSC) short form agreement to the McAvoy Group Ltd for a total contract value of £509k.

14. DATA PROTECTION IMPLICATIONS

14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO. This report does not involve the processing of 'PERSONAL DATA'.

The Director of Council Homes, Districts and Regeneration comments that there are no additional data protection implications arising directly from the report.

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Approved by: Stephen Tate, Director of Council Homes, Districts,
Regeneration and Growth Zone.

CONTACT OFFICER: Saheed Ullah, Programme Manager

BACKGROUND DOCUMENTS: None