

	<h2>Policy & Resources Committee</h2> <h3>5 December 2017</h3>
<p style="text-align: right;">Title</p>	<p>Authorisation to commence procurement of improvement works at Hendon Cemetery and Crematorium</p>
<p style="text-align: right;">Report of</p>	<p>Councillor Richard Cornelius</p>
<p style="text-align: right;">Wards</p>	<p>HCC is in Mill Hill Ward and provides a service to residents across all wards.</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>None</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Megan Hallett, Project Manager, CSG, Megan.hallett@capita.co.uk 020 8359 4469</p> <p>Jamie Blake, Strategic Director of Environment Jamie.blake@barnet.gov.uk 020 8359 7609</p>

Summary

This report seeks authority to commence procurement of improvement works at Hendon Cemetery and Crematorium (HCC) within 2017/18. It also seeks to delegate authority to the Strategic Director of Environment, in consultation with the Chair of Policy & Resources Committee, to accept tenders and enter into contracts above £500k.

The HCC Refurbishment and Regeneration project is not included on the 2017/18 Procurement Forward Plan so authorisation to commence procurement is required. As the value of works to be procured is over £500k, the Council's Constitution requires that authorisation is sought via report to relevant thematic committee.

This report also seeks approval to the addition of £440,000 to the budget in 2018/19.

Recommendations

- 1. That the Policy and Resources Committee authorise commencement of procurement activities for refurbishment and regeneration works at Hendon Cemetery and Crematorium (HCC) to allow procurement to start within 2017/18.**
- 2. That the Policy and Resources Committee delegate authority to the Strategic Director of Environment in consultation with the Chair of the Policy and Resources Committee to accept the most economically advantageous tender and to enter into a contract for the execution of the refurbishment and regeneration works at HCC**
- 3. That the Policy and Resources Committee approve the addition of £440,000 in 2018/19 to the Refurbishment and regeneration of Hendon cemetery and crematorium scheme funding by RE as set out in paragraph 5.2.2**

1. WHY THIS REPORT IS NEEDED

- 1.1 Refurbishment and regeneration of Hendon Cemetery and Crematorium is needed to allow RE (Regional Enterprise) Ltd to meet their contractual obligations in relation to the site, to utilise long term empty fire damaged buildings, rebuild the structurally unstable mess facilities and redecorate the Chapel complex. It will also improve the Council's Bereavement Service by improving the front of house areas, with the overall objective of maximising use of space. To achieve this a number of construction related activities need to be procured.
- 1.2 The Council's Contract Procedure Rules require any procurement action to have authorisation prior to commencing procurement.
- 1.3 The Contract Procedure Rules allow that any proposed procurement action that is listed on the Annual Procurement Forward Plan approved by the Policy and Resources Committee for that financial year can commence without further authorisation. Procurements not listed will require separate authorisation.
- 1.4 The HCC project is not included on the approved 2017/18 Procurement Forward Plan, so separate authorisation is required to commence procurement in the current financial year.
- 1.5 Council Constitution Article 10 - Decision Making, Table B, published October 2017, requires authorisation to commence procurement for works over £500k in value to be gained via report to the relevant thematic committee.

2. REASONS FOR RECOMMENDATIONS

2.1 Authorisation to commence procurement this financial year will allow the project to proceed without procurement delay, and enable works to start on site ahead of April 2018.

2.2 This approach follows the Procurement Strategy agreed by project Board.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 One alternative to the recommended options is to not seek authorisation to commence procurement, and close the project. This would prevent improvements to the site and negatively impact on RE (Regional Enterprise) Ltd's ability to meet its contractual commitments to LBB in terms of improving service provision and guaranteeing income provision.

3.2 The other alternative is to add the proposed procurements to the Annual Forward Plan for 2018/19 and await committee approval of the latter. This would allow procurement activity to commence in January 2018 but contracts could not be entered into before April 2018. This latter constraint which would restrict how soon works could start on site, negatively impacting on the works programme and potentially delaying completion.

4. POST DECISION IMPLEMENTATION

4.1 Once recommendations are approved the procurement process(es) will commence, following which the Strategic Director of Environment in consultation with the Chair of the Policy and Resources Committee will exercise the delegated authority granted to him by the Policy & Resources Committee to accept the most economically advantageous tender and enter into a contract for the execution of the refurbishment and regeneration works at HCC. The exercise of the delegated authority will be recorded by an officer full DPR.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 This project will improve the facilities for the Council's Bereavement Service, including making their reception area more accessible to users and providing much needed private consultation space. This aligns with the Council's 2015-2020 Corporate Priority to Deliver Quality Services.

5.1.2 The project will refurbish /replace existing buildings in poor states of repair to provide fit for purpose facilities for staff and visitors, provide new wake/café facilities for users of the Cemetery & Crematorium and create the opportunity to increase burial space at the site. It will assist RE (Regional Enterprise) Ltd to meet their contractual commitments to the Council, including management of the site and income generation for the Council. This supports the 2015-2020 Corporate Priority of Responsible Growth, Regeneration and Investment. It also assists the Council's vision to deliver services efficiently, to maximize value for money for the taxpayer, and to generate local income to enable the Council to be more financially independent and grow local services.

5.1.3 Undertaking the proposed works will help the Service fulfil the wider objective of achieving the Green Flag status for the site, which aligns with the Council's vision to ensure the Green Spaces are amongst the best in London by 2020.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The project to refurbish and regenerate Hendon Cemetery and Crematorium, is funded from the Environmental Health Capital Programme with a budget allocation of £1,183,000

5.2.2 The budget was approved by Policy & Resources Committee in February 2016 and will be used to cover construction activities, project management and technical team fees, surveys, legal and statutory consent costs.. In addition, RE have a contractual commitment to LBB to contribute £ 440,000 for capital works, thereby increasing the project budget to £1,623,000.

5.2.3 Completion of the works, including provision of the new café/wake facilities, and releasing potential space for burials, will support RE in generating additional income on behalf of the Council. ,

5.2.4 To ensure value for money the works will be competitively tendered, and submissions will be reviewed by the technical team, who will include cost consultants.

5.2.5 The Procurement strategy has been agreed with the project board. Procurement will be undertaken in line with the Council's Contract Procurement Rules, in consultation with the strategic procurement team. There are 3 separate building elements on site – the gatehouse, welfare & storage facilities for maintenance staff, and the chapel complex – and the total works value will be over £500k. If beneficial and/or necessary in terms of phasing of works or direct appointment of specialist contractors, and compliant with Council regulations, the procurement may be split into more than one exercise.

5.2.6 Any tenders / quotations received from procurement exercises will be assessed against pre-agreed cost, time and quality criteria to select the preferred supplier and approval to enter into contract will be given in accordance with the powers delegated to the Strategic Director for Environment in this report..

5.2.7 Welfare and storage facilities for maintenance staff will be improved as part of the procured works and additional desk space may be made available in the gatehouse for office based staff. There are no other staffing implications.

5.2.8 IT requirements for refurbished /replacement buildings will be addressed as part of the procured works.

5.2.9 The proposed works will improve the condition of the property assets on site by bringing the vacant fire damaged gatehouse back into use, replacing buildings which are no longer fit for purpose and improving decoration/lighting within the Chapel complex. This will allow better and more efficient use of the Council's estate and provide improved facilities for public and staff working at the site.

5.3 **Social Value**

5.3.1 The Public Services (Social Value) Act 2012 requires that consideration is given for above threshold (£164,176) service contracts to secure benefits for the community, environment and value for money for the London Borough of Barnet as follows:

- a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

5.3.2 The Council has extended the Social Value Act's requirements in its social value and sustainability policies to cover all procurement at the council, not just above threshold services contracts.

5.3.3 The development of specifications for all proposed procurements will take these requirements into consideration. It should be noted that such considerations could compromise the Council's ability to maximise the value for money it can achieve, so a balance will be sought wherever possible.

5.4 **Legal and Constitutional References**

5.4.1 Constitution Responsibilities for Functions Annex A sets out the terms of reference of the Policy and Resources Committee including (1) To determine strategic policy, finance including recommending capital and revenue budget to full Council, welfare, corporate plan and local plans, procurement, partnerships, IT, grants and the effective use of resources.

5.4.2 The Council's Constitution (Contract Procedure Rules) sets out the authorisation process for entering contractual commitments. "Authorisation" is the approval required before quotations or tenders for supplies, services or works may be sought, in accordance with Article 10 Table B – Procurement Authorisation and Acceptance Thresholds which outlines Authorisation and Acceptance Procedures, including that authorisation to commence procurements above £500,000 requires approval of the relevant Theme committee or via inclusion on the approved Procurement Forward Plan. As the HCC project is not included on the approved 2017/18 Procurement Forward Plan, separate authorisation is required from the Policy & Resources Committee to commence procurement in the current financial year.

5.4.3 The Policy & Resources Committee can delegate authority to the Strategic Director for Environment to accept tenders and enter into contracts above £500k.

5.4.4 Legal advice will be required to draft and approve the construction contract for the works and any related documents

5.5 Risk Management

5.5.1 A Project Risk register is maintained by the CSG Corporate Programmes Team. Risks are monitored by the Project Team and the risk register updated as required.

5.5.2 Any significant project risks will be reported to the Project Board and escalated to POB where appropriate.

5.5.3 Following procurement of works the project team will monitor all aspects of the build to ensure continued assessment of the finances, appropriate design and health & safety through design and from construction start to completion.

5.5.4 It is considered that any issues involved are unlikely to raise significant levels of public concern or give rise to policy considerations.

5.5.5 The main risks associated with the recommendations in this report are:

- If procurement is not authorised to commence at December Policy and Resources Committee then it could delay the programme and impact on the project end date, affecting when new / improved facilities become available, (programme risk) and impacting on RE's ability to generate the guaranteed income contained within the RE contract (financial risk)
- If procurement is not authorised to commence then the Council, via RE (Regional Enterprise) may not be able to comply with Article 4(1) of LACO 1977 which requires that a Local Authority keeps any cemetery that they are responsible for in good order, including buildings and infrastructure.
- If procurement submissions come back with higher costs than anticipated then there may be insufficient budget allowance to cover all the proposed works, and either budget will need to be increased or scope of works reduced.
- If insufficient submissions are received in procurement exercises then works may need to be retendered which would delay the programme.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.

5.6.2 All organisations that submit tenders for Council business are required to submit their Policy Statement regarding how they manage compliance with the Equality Act, or equivalent legislation.

5.6.3 Hendon Cemetery and Crematorium is a multi-faith facility and routinely undertakes funerals for all major faiths as well as secular services. Procuring works to improve facilities/accessibility at the site should provide benefits to all of Barnet's diverse communities.

5.7 **Consultation and Engagement**

5.7.1 Comprehensive engagement is ongoing with the Service in developing the proposals/ specification ahead of procurement. Engagement relating to procurement activity will take place as appropriate to the product(s) or service(s) required.

5.7.2 Statutory consultation on planning applications will be undertaken by the planners at the required time in the planning process.

5.8 **Insight**

5.8.1 Insight data will be used to support the delivery of the project and individual procurements where possible.

6. **BACKGROUND PAPERS**

6.1 Policy and Resources Committee, 16 February 2016, (Decision Item 7 - Business Planning 2016-20) approved the project budget for 'Refurbish and regenerate Hendon Cemetery & Crematorium'.

<https://barnetintranet.moderngov.co.uk/documents/b26926/Business%20Planning%202016-20%2016th-Feb%202016%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=9>

6.2 Environment Committee, 11 January 2017, (Decision Item 12 - Addressing limited burial capacity at Hendon Cemetery & Crematorium) highlighted the shortage of new burial space at HCC and the impact on service provision and projected income if this is not addressed.

<https://barnetintranet.moderngov.co.uk/documents/b28798/Addressing%20limited%20burial%20capacity%20at%20Hendon%20Cemetery%20and%20Crematorium%20HCC%2011th-Jan-2017%2019.00%20En.pdf?T=9>