



CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT IN CONSULTATION WITH THE CHAIRMAN

Title	Former Church End Library: Agreement of LHC Refurbishment Contract to approve commencement of conversion works
Report of	Deputy Chief Executive
Wards	Finchley Church End Ward
Status	Public
Enclosures	None
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Summary

The concept to convert the property 24 Hendon Lane (former Church End Library) for use by The Network was first developed in 2017. The Network is an LBB organisation providing short term support for adults requiring guidance and support in relation to mental health. They are currently based in a poor quality prefabricated building, in Castle Road.

Decisions

1. Decision to award a refurbishment contract for the old Church End Library to Vinci Construction Ltd at a contract sum of £710,576+ VAT.
2. Decision for the Network be re-located from Castle Road to Church End so that disposal of the Castle Road site can be investigated. Any subsequent land transaction will be conducted in accordance with Article 10 of the constitution and be presented for approval separately.

1. WHY THIS REPORT IS NEEDED

- 1.1 Conversion and refurbishment of the former Church End Library is necessary to provide the service with improved, fit-for-purpose facilities to provide office space for the Networks, a Council service, which provides user space for partner agencies, one to one sessions and training for vulnerable adults with mental health needs. Relocating the service to the refurbished site is a cost-effective solution to providing the Networks with office and user space which is equipped and has the space to deal with the demands of the service.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The concept to convert the property 24 Hendon Lane (former Church End Library) for use by the Network service was first developed in 2017. The Network is an LBB organisation providing short term support for adults requiring guidance and support in relation to mental health. They are currently based in a poor quality prefabricated building, in Castle Road.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Three options were investigated for the site before coming to this conclusion;
- Refurbish the Church End site for the contract sum of £710,576+ VAT and release the estimated £485k value of the Castle Road site in the form of a capital receipt. This is the preferred option.
 - Demolish and rebuild at an estimated cost of £3.5M and release the estimated £485k value of the Castle Road site in the form of a capital receipt. This was discounted because it provides poor VFM in comparison with option 1.
 - Sell the Church End asset in its current condition for an estimated capital receipt of £410K. This was discounted because it fails to meet the objective to provide better facilities for The Network.
 - Do nothing and leave the building vacant. This was also discounted because it fails to meet the objective to provide better facilities for The Network.

4. POST DECISION IMPLEMENTATION

- 4.1 The contractor will be mobilised and works will ensue for refurbishment of the site. Once the works have been completed the Networks service will move from their current location in Castle Road.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

Refurbishing the old Church End Library will help promote the Council's Core Values of:

The Council's Corporate Plan 2015-20 states that the Council, working with local, regional and national partners, will strive to ensure that Barnet is a place

- of opportunity, where people can further their quality of life
- where people are helped to help themselves, recognising that prevention is better than cure
- where responsibility is shared, fairly
- where services are delivered efficiently to get value for money for the taxpayer

By seeking to balance the needs of different groups of residents and users and providing a location that provide access to essential service for vulnerable adults. By recognising that the existing Adults hubs within the Borough are not fit for purpose which means that action must be taken to provide and promote alternative locations. By making this new location for the service accessible and practical to all user groups.

5.2 Timings

The programme for these works is approximately 6 months from the date of instruction to the Contractor.

February 2019 – Mobilisation

March to June 2019 – Works

July 2019 - Handover

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

A £906K budget for the refurbishment (inclusive of risk, fees and other on-costs) has been allocated from the capital Asset Management Fund 18/19 and 19/20.

The budget includes;

Contract sum	£710,576.00
Fees	£96,272.00
Move from Castle Road and fixture & fittings	£50,000.00
Other one-off costs	£19,630.00

There is a potential estimated capital receipt of £485K, upon the sale of the old Networks site. This effectively means that the capital investment in improved accommodation for the service is approximately £421K.

Some commercial space will also be available in the building, which has an estimated value of £18K per year so notwithstanding the significant improvements for The Network, the project has a pay-back period of 24 years.

5.4 Scope of works

Since being vacated, the building has been broken into a number of times and many fixtures and fittings have been stolen.

As a result, the entire interior of the building will be fully refurbished and re-modelled as office space, with compliant ramps and a lift to facilitate disabled access. Stud partition walls will be constructed throughout, new electrical circuits will be installed and missing wet central heating pipework will be replaced.

Prior to this, asbestos found in the rear wall will also be removed in accordance with all relevant statutory and regulatory standards.

5.5 Procurement Process

Specification and drawings were compiled Building Services, and there have been 3 rounds of tender to get a commercially viable price for the refurbishment. The first two rounds resulted in only one bid each time, both of which were circa £1M contract value. The third tender went out to contractors listed on a framework created by the London Housing Consortium.

Despite this change in sourcing strategy, this still only resulted in one bid being submitted: by VINCI Construction UK Ltd trading as VINCI Facilities. The tendered price submitted before the bid submission closing time of noon on 12/10/18 was £692,651.00 ex VAT. Feedback indicates that the construction market is buoyant – particularly in London - and contractors are able to pick and choose at ease which projects they wish to bid for.

Some additional requirements were subsequently added to the scope of works to deal with the loss through theft of various fixtures and fittings. Consequently, the contract value for the complete requirement has increased to £710,576.00 (ex VAT).

Monitoring will take place on a regular basis throughout the project in relation to costs, quality, time (programme), health and safety, etc. and against pre-determined criteria, standards, regulations. There will be bi-weekly progress meetings in which all aspects will be reviewed and recorded.

5.6 Social Value

By refurbishing the site this will provide a more effective service to mental health users/groups as well as an increased number of available sessions

5.7 Legal and Constitutional References

- 5.7.1 The Council has power under S122 of The Local Government Act 1972 to appropriate land from one statutory purpose to another where: (i) The land is no longer required for the purpose for which it is currently held: and (ii) The purpose for which the land is to be appropriated is one for which the authority is empowered to acquire land by agreement. The land meets the requirements and is now no longer

needed for planning purposes.

5.7.2 In accordance with the Council's Contract Procedure Rules, relating to Rule 5 (Procurement Method) and Rule 6 (Single Tender Action): the Council seeks to rely on Rule 5.4 and Rule 6.2 respectively. The Commercial Director has been consulted as required.

5.7.3 In accordance with Article 10 – Decision Making detailed in Section 10.9 and Table B – Authorisation and Acceptance Thresholds.

5.8 Risk Management

5.8.1 A full risk analysis has been conducted by Building Services, identified risks will be managed in accordance with the Corporate Risk Management Framework.

6. BACKGROUND PAPERS

Planning approval for Church End Library works:

<https://barnet.moderngov.co.uk/documents/s48227/18-3470-FUL%20Church%20End%20Library%20committee%20report%20final.pdf>

Decision to move Church End Library to Gateway House:

<https://barnet.moderngov.co.uk/documents/s13280/CRC%20Church%20End%20Gateway%20House%20v21.pdf>

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed: **Deputy Chief Executive**

Date: **29 January 2019**