

	<h2>CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</h2>
Title	Appointment of Blakedown Leisure Limited to undertake the landscaping works and to also build the café hub building required for the Montrose Playing Field/Silkstream Park improvement scheme (amended)
Report of	Executive Director, Environment
Wards	Burnt Oak
Status	Public
Enclosures	None
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Summary

At its 12 May 2016 meeting, the Environment Committee agreed, amongst other things, to adopt the Parks and Open Spaces Strategy 2016 – 2030 and its action plan; including, at Action 7:-

“To deliver new investment in the parks and open spaces of Colindale and Burnt Oak associated with the Regeneration Programme, including improvements to Montrose Playing Field, Heybourne Park and Colindale Park”

The Action Plan anticipated a start on site in 2018. To meet this target, detailed designs were developed for the Montrose Playing Field/Silkstream Park improvement scheme and planning consent was obtained for their realisation.

A procurement works quotation has been undertaken for the main landscape construction contract for the scheme in accordance with the Council’s Contract Procedure Rules. The evaluation outcome confirmed award of a contract with Blakedown Leisure Limited to undertake the landscape works.

The addition of the Hub building to the landscape works has been discussed with HB Public Law and confirmed with Blakedown Leisure Limited with oversight from the independent Quantity Surveyor. Authorisation of the Hub building works and the award of this element of the work to Blakedown Leisure Ltd (which will be dealt with by way of a

Deed of Variation of the Contract for the landscape works) will support reduction of overall costs and minimise duplication.

Decisions

1. That the Council enters into a contract with Blakedown Leisure Limited to undertake the landscape works of the Montrose Playing Field/Silkstream Park improvement scheme in the initial sum of £3,902,550 and on the basis of working within budget constraints as described in this report.
2. That the Council enters into a Deed of Variation with Blakedown Leisure Limited in respect of the Hub building for the sum of £1,000,000 for this element of the work, which is within the work construction scope of the landscape requirements.
3. That the contract sum is increased through contract variation to reflect any additional third party funding for the scheme from applications, the outcome of which has yet to be determined and the Value Engineering proposals are amended accordingly to deliver the project within budget constraints.
4. The Strategic Director: Environment is granted authority to finalise the Value Engineering proposals as described in this report and to authorise contract variations to reflect additional third party funding for the scheme and Hub building works.

1. WHY THIS REPORT IS NEEDED

- 1.1 Detailed designs have been developed for the Montrose Playing Field/Silkstream Park improvement scheme and planning consent has been obtained for their realisation in accordance with the adopted Parks and Open Spaces Strategy and Action Plan.
- 1.2 The hub building will be dealt with by way of a Deed of Variation of the contract since it was agreed by negotiation as a Contractor Design Portion (CDP) outside the Procurement but will be delivered simultaneously with the landscape works.
- 1.3 Individual packages for the delivery of the scheme have been defined:-
 - Landscape contract (main contract);
 - Design and construction of skate park (specialist contract);
 - Streetlighting contract (Council's PFI partner);
 - Traffic calming to Montrose Avenue (Council's Highways Planned and Term Maintenance partner);
- 1.4 This report relates to both the award of the Landscape works and the additional Hub building works which will be dealt with by way of a Deed of Variation of the contract.

- 1.5 The awarding of the landscape contract has been subject to an open tender process in accordance with the Council's Contract Procedure Rules. Two tenders were returned and subjected to independent evaluation and subsequent moderation on the basis of 50/50 quality and cost:-

	Blakedown Leisure Ltd Tenderer A	Tenderer B
Quality	35.00	20.00
Cost	50.00	32.96
Total	85.00	52.96

- 1.6 However, both price submissions were in excess of the funding allocation of £3,902,550 for the works:-

- Tenderer A: £5,680,477.48;
- Tenderer B: £8,617,843.93;

Tenderer A's cost submission, whilst over budget, was the lower of the two returned and also scored the higher on quality.

- 1.7. The negotiation of the Hub building works was undertaken outside this Procurement but in conjunction with the independent Quantity Surveyor to ensure that the prices are in line with industry standards. There is obvious savings in preliminaries and set up costs in using the same contractor. The increased price in the contract from £3,902,550 by £1,000,000 to cover the Hub building works is an increase of 26%, which is within the 50% of the value of the original contract under Regulation 72 of The Public Contract Regulations 2015.
- 1.8 The Council's revised approved capital programme includes a total allocation of £7.665M relative to improvements to the parks in Colindale and Burnt Oak. Taking actual spend to date, commitments and cost plan allocations for Colindale and Rushgrove Parks into account, the capital funding available for the landscape construction contract at Montrose Playing field/Silkstream Park is £3,395,550. This allocation is increased to £3,902,550 by agreed third party funding as follows
- Greater London Authority Green Capital Fund: £324,000;
 - London Marathon Trust £103,000
 - Environment Agency: £ 80,000
£507,000
- 1.9 The evaluation identified the requirement for post tender clarification due to budget constraints. Post tender price clarifications were released to Tenderer A which confirmed ability to address budget constraints.. Tenderers were informed of the extension of conclusion of the procurement exercise. No objection has been received from Tenderer B and Tenderer A agreed to meet budget constraints.
- 1.10 Design and specification amendment to meet budget constraints will not result in a diminished scheme; these have addressed the funding allocation of £3,902,550: including the agreed £507,000 third party funding.

1.11 The contract delivery will be progressed with value engineering to enable costs within the budget constraints for this project. The post tender clarifications on pricing supported the proposed entry into a contract for the landscape works with Tenderer A (Blakedown Leisure Limited) at an initial contract sum of £3,399,550.00; with the contract sum being increased by the value of any additional third party funding achieved.

1.12 At the time of writing this report the outcomes of further applications for third party funding have yet to be received:-

• TfL LIP funding for traffic calming to Montrose Avenue:	£190,000;;
• Lawn Tennis Association:	£ 30,000
• Football Foundation:	<u>£ 50,000</u>
	£270,000

2. REASONS FOR RECOMMENDATIONS

2.1 To deliver the Montrose Playing Field/Silkstream Park improvement scheme as required by the adopted Parks and Open Spaces Strategy Action Plan on time and within budget.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Retendering the landscape works was considered but discounted due to:-

- the additional time that would be incurred;
- the progress made to deliver within budget constraints with Contractor A;
- there being limited confidence that retendering would result in reduced cost submissions.

3.2 Open tender for the Hub building were considered but discounted due to:

- coordination with the main contractor to ensure no abortive works and making good of landscape during Hub construction
- saving on preliminaries and set up cost
- Hub building can open at the same time as completion of the main landscape works
- Blakedown have previous experience of this type of building

4. POST DECISION IMPLEMENTATION

- 4.1 A contract will be entered into with Blakedown Leisure Limited who will be appointed for the landscape works and separate Deed of Variation will be entered into with Blakedown Leisure Limited for the hub building works as described in this report.
- 4.2 The VE proposals to meet budget constraints and contract sum (which includes the Hub building work) will be finalised dependant on the outcome of outstanding funding applications as detailed in this report.
- 4.3 The works started on site in late October 2018 with a 12 to 15 month contract period. The Construction Management and Phasing Plan was developed and used as the basis of pre-contract and ongoing communication with residents of the area relative to the scheme and its benefits.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Council's Corporate Priorities Plan says:-

- Barnet's Parks and Greenspaces will be amongst the best in London;
- Resident feedback consistently shows that Barnet's Park and Greenspaces are amongst its biggest assets and a strong influence for people deciding to live here;
- The Council recognises this and will continue to ensure that the Borough's Parks and Greenspaces are looked after;
- The Council will develop more innovative ways of maintaining its Parks and Greenspaces; including through greater partnerships with community groups and focus on using parks to achieve wider public health priorities for the Borough.

5.1.2 The Joint Health and Wellbeing Strategy says:-

- Barnet is now the largest Borough in London by population (367,265 at the end of 2015) and is continuing to grow. The highest rates of population growth are forecast to occur around the planned development works in the west of the Borough; with over 113% growth in Golders Green and 56% in Colindale by 2030;
- Barnet Sport and Physical Activity Needs Assessment (2012) highlighted that whilst health behaviours and outcomes are more favourable in Barnet than in England as a whole, sport and physical activity rates and the use of outdoor spaces are below the national average;
- A breadth of evidence demonstrates that a more active lifestyle is essential for physical and mental wellbeing. Regular physical activity helps reduce the risk of stroke, type II diabetes, development of dementia, incidences of heart disease, cancers and high blood pressure. Physical activity supports the prevention and management of long term conditions as well as being a component of achieving and maintaining a healthy weight;
- Physical inactivity currently costs the UK economy £7.2 billion. Additional costs are incurred via the wider economy through increased sickness absence, premature death of productive individuals and increased costs for individuals and their carers;
- Within Barnet the health costs of physical inactivity currently amount to £6.7 million.

This is approximately £1.9 million per 100,000 of the Borough's population. However, as measured by the Sport England Active People Survey Data (APS9 Quarter 2) 43.8% of the Borough are currently inactive and would like to do more;

- The number of people with mental health conditions is predicted to increase as the population grows. In November 2014, the Health and Wellbeing Board identified prevention of and early intervention in mental health problems as a priority. Mental health is our key priority in year one of the London Health and Wellbeing Board Strategy with partners coming together to make a positive impact for all of our residents;
- Maximise the potential of improvements to and changes in the management of open spaces where this could support improved mental wellbeing.

5.1.3 Local Plan Policy CS7 says the Council will create a greener Borough by:-

- Enhancing open spaces to provide improvements in overall quality and accessibility;
- Meeting increased demand for access to open space and opportunities for physical activity;
- By tackling deficiencies and under-provision.

5.1.4 Investment in and improvement of Barnet's greenspaces to support growth and wellbeing in Barnet will also result in the delivery of a range of outcomes linked to other Council strategies:-

- Regeneration Strategy;
- Fit and Active Barnet Strategy;
- Community Safety Strategy;
- Entrepreneurial Barnet Strategy
- Growth strategy.

5.1.5 The residents' perception survey for Barnet showed a decline in satisfaction in parks and open spaces: from 70% in 2013 to 66% in 2016. Consultation with residents undertaken as part of the development of the Parks and Open Spaces Strategy showed a decline in Barnet's parks and open spaces rated 'good' or 'excellent' from 28% to 14% from 2009 to 2015.

5.1.6 It is probable that failure to address the decline in residents' satisfaction with parks and open spaces will result in a reduction in the numbers of individuals, families and groups that visit and use parks for informal physical activity and/or organised sport. Such a reduction would have an adverse effect on the delivery of the Joint Health and Wellbeing Strategy outcomes.

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

5.2.1 The current approved capital programme includes an allocation of £7,665M for improvements to parks and open spaces in Burnt Oak and Colindale; of which £3,395,550 has been identified within the cost plan for the Montrose Playing Field/Silkstream Park landscape contract. Additional funding of £404,000 has been secured from the Environment Agency, London Marathon Trust and Greater London Authority towards the cost of the landscaping elements of the scheme. This increases the funding available for the landscape contract to £3,902,550 and the total funding available

for the wider Colindale Parks Improvement Project to £8.069M. This amendment to the capital programme was agreed by Capital Strategy Board on 20 September 2018 and approved by Policy and Resources Committee on 20th February 2019.

- 5.2.2 The lowest of the tenders received for the landscape works was £5,680,477.48 and is in excess of the increased allocation of £3,902,550 for the works. As indicated in paragraph 1.11 above, a process of Value Engineering (VE) has been undertaken with Tenderer A to reduce the cost of the landscape works to within the revised funding allocation of £3,799,550, now £3,902,550 with the additional funding mentioned in paragraph 5.2.1. A number of design and specification changes together with some rescheduling of elements, such as tennis courts to when Lawn Tennis Association funding becomes available, have been agreed between Council officers and the Tenderer A. It has also been agreed, subject to contract, with Tenderer A that the amended landscape works will be delivered within the revised funding allocation of £3,902,550. The outcomes of further requests for external funding totalling £270,000 are awaited. If successful, the total allocation for the landscape works could increase by up to that amount; allowing a review of some of the VE changes.
- 5.2.3 The total contract sum which includes the variation of the contract has increased to £4,902,550 with the inclusion of the Hub building, which is still within the allocated budget for the capital works. The Hub building has always been allocated a budget and will be added to this Contract by way of a Deed of Variation.
- 5.2.4 The landscape design is such as to keep ongoing revenue maintenance costs to a minimum. The new hub building also being developed will create a reliable source of income. Once all aspects of the scheme have been completed it is anticipated that, once established, the site can be operated at revenue cost neutrality.
- 5.2.5 Value for money can be demonstrated by the open tender process and subsequent post tender clarification to meet budget constraints. Also, the involvement in the process of an experienced Cost Consultant engaged to protect the Council's interests.
- 5.2.6 The procurement exercise undertaken was in accordance with The Public Contract Regulations 2015 and the Contract Procedure Rules and was authorised within the current year's Annual Procurement Forward Plan 2018-19 approved by Policy and Resources Committee in December 2017
- 5.3 **Staffing**
- 5.3.1 There are no staffing implications. The design and tendering processes have been overseen by the Colindale Project Manager: Regeneration and the Interim Lead Commissioner: Greenspaces will continue to oversee the project and whose costs have been accounted for.
- 5.4 **IT and Property**
- 5.4.1 There are no IT or Property implications.
- 5.5 **Sustainability**
- 5.5.1 One of the key principles of the Parks and Open Spaces Strategy is to ensure the sustainability of Barnet's greenspaces: both in environmental and financial terms. The

Montrose Playing Field/Silkstream Park improvement scheme has been designed and will be delivered with these objectives in mind. An example is the use of LEDs in the new cycle/footpath lighting scheme.

5.6 Equalities and Diversity

5.6.1 The Montrose Playing Field/Silkstream Park improvement scheme has been developed following extensive engagement and consultation with residents. A detailed equalities assessment was undertaken and the new park is being developed in accordance with best principles so as to be accessible and attractive to all Barnet's communities.

5.7 Social Value

5.7.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. The key themes within Parks and Open Spaces Strategy schemes are Social, Environmental and Economic outcomes and Benefits.

5.8 Legal and Constitutional References

5.8.1 Local authorities have a number of different statutory powers in relation to parks and open spaces, including the Public Health Act 1875 which permits the purchase and maintenance of public walks or pleasure grounds and the Local Government (Miscellaneous Provisions) Act 1976, which gives wide powers to provide recreational facilities (including parking spaces in connection thereto) and to levy charges upon users as it sees fit. The Open Spaces Act 1906 provides that local authorities shall hold and administer open space in trust to allow the enjoyment of it by the public and shall maintain and keep the open space in a good and decent state.

5.8.2 Legal note the assurances contained with this report and that this procurement has been undertaken in accordance with The Public Contracts Regulations 2015 (PCRs) and the Council's Contract Procedure Rules (CPRs) in response to a decision of the Environment Committee and is included within the approved Procurement Forward Plan. The decision to enter into a contract with Blakedown Leisure Limited as described in this report is delegated within the CPRs to the appropriate Chief Officer in consultation with the theme Committee Chair.

5.8.3 With regard to the variation of the Contract in respect of the Hub building at a cost of £1m, Regulation 72(1)(b) of the PCR says that contracts can be modified without a new procurement procedure where additional necessary services not included in the initial procurement are required from the original contractor and where a change of contractor:

- cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
- would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract.

5.8.4 The variation of the Contract to deal with the Hub works is therefore allowed under Regulation 72(1)(b) of the PCRs and the Deed of Variation will be drafted by HB Public Law.

5.8.5 In the case of reliance on Regulation 72 the Council must send a notice to that effect, in accordance with Regulation 51, for publication.

5.9 Risk Management

5.9.1 The management of risk is undertaken on a continual basis and reported as part of the Council's Quarterly Performance regime and considered as part of the Performance and Contract Management Committee quarterly monitoring report.

5.9.2 Risks will be managed by close and frequent contract and contractor monitoring against the contract specification, construction management plan, and cost plan, including site inspections, by the Project Manager, Lead Commissioner, Supervising Landscape Architect and Cost Consultant. Any issues will be escalated as appropriate for resolution. The current key risk areas are:-

	Rating Criteria	1: Low	2: Medium	3: High
1.	Total investment required	X		
2.	Potential benefits	X		
3.	Return on investment	X		
4.	Planning	X		
5.	Political sensitivity	X		
6.	Fit with corporate objectives	X		
7.	Users/DU's impacted	X		
	Total score	7		

5.10 Equalities and Diversity

5.10.1 The Montrose Playing Field/Silkstream Park improvement scheme has been developed taking the outcome of Equality Impact Assessments into account and following significant community engagement, consultation and input to the design. The completed scheme will ensure that the broad diversity of Barnet's residents and communities continue to benefit from these community assets and that their needs and aspirations are reflected in the provision that the Council makes.

5.11 Consultation and Engagement

5.11.1 As indicated earlier in this report, there was significant engagement and consultation with the local community in the development of the scheme. Undertaking the landscape contract will require closures of the sites and disruption to traffic and pedestrians. The Project Manager and Lead Commissioner are working with the Council's Communications Team on a communications strategy to ensure that local communities are fully aware of the scheme and its progress.

6 BACKGROUND PAPERS

- 6.1 Environment Committee papers: May 2016 and subsequent meetings;
- 6.2 Colindale Area Development Plan;
- 6.3 Parks and Open Spaces Strategy;
- 6.4 Policy and Resources Committee 05 December 2017 agenda item 11: Annual Procurement Forward Plan 2018/2018;
- 6.5 Project files held by Colindale Project Manager: Regeneration. <https://barnet.moderngov.co.uk/documents/s43785/Annual%20Procurement%20Forward%20Plan%20APFP%2020182019.pdf>

Chairman:

Has been consulted

Signed



Date 9th May 2019

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed



Date 9th May 2019