

	<b>ACTION TAKEN UNDER DELEGATED POWERS BY CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIR</b>
<b>Title</b>	<b>Project call off from the Strategic Construction Partner contract with John Graham Construction Ltd to enter into contract for 27 Woodside Avenue Children’s Care Home &amp; Intervention Centre</b>
<b>Report of</b>	Executive Director, Children's Services
<b>Wards</b>	Totteridge
<b>Status</b>	Public
<b>Enclosures</b>	N/A
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## Summary

This report summarises the procurement project call off process, seeks approval to formally accept the quotation from John Graham Construction Ltd and to enter into contract to undertake the demolition and rebuild of 27 Woodside Ave located in the Totteridge Ward.

The project shall provide a new 6 bedroom children’s care home to house, short to medium term placements with an intervention centre where intensive work can be undertaken with children and families to prepare children into moving into stable and long-term family settings.

The value of the works is £2,441,921.00 undertaken over a 12 month period.

## Decisions

- 1. To approve acceptance of a quotation and enter into contract with John Grahams Construction Ltd to undertake the demolition and rebuild of 27 Woodside Avenue to provide a children's care home with an intervention centre incorporated within the development.**

### 1. WHY THIS REPORT IS NEEDED

- 1.1 Children's and Family services engaged the Corporate Programmes department to deliver children's care home project to house, short to medium term placements with an intervention centre where intensive work can be undertaken with children and families to prepare children into moving into stable and long-term family settings.
- 1.2 Ofsted has reported that the existing children's home at Meadow Close will not achieve a higher rating than 'GOOD' in the future. One of the strategic objectives is to ensure a high quality home for the young people, which would result in an Ofsted rate of 'OUTSTANDING'.
- 1.3 Following a strategic review of council owned sites and an options appraisal, 27 Woodside Avenue was the chosen site to be in alignment with the Council's strategic objectives and the criteria set forth for the relocation of the Children's Home from Meadow Close.
- 1.4 27 Woodside Avenue is in close proximity to Woodside Park tube station. There is a requirement to have transport access, however not too accessible to reduce the likelihood of young people taking unnecessary trips and/or going missing. With Woodside Park being a small quiet station this will reduce the potential for negative influences compared to a larger transport hub. The local environment of Woodside Avenue offers a quiet, spacious and relaxed atmosphere with no proximity to areas where youths congregate and with minimal potential for any negative influences. Moreover, the spacious site would help reduce any noise from the building as well as reducing the likelihood of any negative impact on neighbours.
- 1.5 This authorisation to undertake this procurement is action taken under Delegated Powers by officer on 26 September 2016, Award of Contact for Strategic Construction Partner contract ref 701462 to John Graham Construction Ltd.



## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The council has opted to undertake this project by calling off from the Strategic Construction Partner framework contract where the sole supplier is John Grahams Construction Ltd.
- 2.2 The project has now received a competitive quotation from John Grahams Construction Ltd which has been externally validated by a cost consultant and has been recommended to the Council to proceed with.
- 2.3 This report is recommending the appointment of John Grahams Construction Ltd to undertake the demolition and rebuild works and the report decision will confirm the proposed acceptance of the offer and award of the works to this supplier.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 An alternative option was considered to refurbish the existing building however following intrusive surveys carried out, this option carried a shorter design life, risks to construction as well as future operational risks with significant maintenance required for upkeep. This option was therefore discounted in lieu of demolishing and rebuilding the home.
- 3.2 Procuring via an open competitive quotation was disregarded due to the presence of an existing framework suited to the procurement category of this work which presented favourable efficiencies and the Councils need to deliver the scheme in a timely manner.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Following approval of this report, the award letter will be confirmed and contract terms will be agreed with the contractor.
- 4.2 The requirement for the project to call off from the Strategic Construction Partner framework agreement will result in an NEC 3 Option A contract, a priced contract with activity schedule.
- 4.3 A requisition will be raised for the balance less any previous amount previously issued under purchase orders for works engaged through Pre-Construction Services Agreement otherwise referred to as a 'Letter of Intent(s)'

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The project commenced under the Councils 2015-20 Corporate Plan which included a core principle to make sure Barnet is a place where services are delivered efficiently to get value for money for the tax payer.

- 5.1.2 The Outline Business Case approved at ARG demonstrated alignment with the Councils Corporate plan, FS2020 Plan and Resilient Futures agenda. It has set out the strategic case for investment in a relocated Children's Home at 27 Woodside Avenue.
- 5.1.3 The Council has just agreed a new five-year Corporate Plan, Barnet 2024, with new outcomes: a pleasant, well maintained borough that is protected and invested in, residents living happy, healthy, independent lives, and safe and strong communities where people get along well. The project will support the Council's approach to Barnet 2024, in particular by managing finances and contracts robustly as part of the efficient and effective council approach.
- 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
- 5.2.1 The value of the works contract is £2,441,921 of which £193,235 has been expended under a Pre-Construction Services Agreement with John Grahams Construction Ltd to undertake design works.
- 5.2.2 The overall budget is £ 3,597,368.22 of which £900,918 has been spent to date since 2016
- 5.2.3 An amount of £100k contained within this budget is retained for project contingency for any risks that may materialise into issues through construction until the end of the project. This equates to 3% of the construction contract sum. The contingency amount is measured against the programme duration therefore where the project comes to financial year end, a percentage of this shall be returned as efficiency. The NEC Option A contract allows for the provision of changes to be instructed if necessary during the contract for any new or revised requirements initiated by the Council or other body such as OFSTED or the Department for Education. The nature of construction works means that should an identified risk materialise and it be deemed a client risk, the contractor would be permitted to submit a compensation event to claim for additional works and any additional time required to address the issue. The project team includes a cost consultant who will be able to provide assessment and appropriate scrutiny of cost where a compensation event occurs. Any changes would be subject to appropriate project governance and adequate contingency funding remaining in the approved project budget. The contract will have supplementary negotiated 'Z Clauses' to reduce the event of the contractor submitting compensation events.
- 5.2.4 Whilst sufficient budget is available to enter into contract with John Grahams Construction Ltd, an additional £105,000.00 will be required to complete the project. Project Board have made a commitment to seek this additional budget through the Family Services Estates budget.
- 5.2.5 Procurement for construction services was conducted in accordance with LB Barnet's procurement policies and undertaken via an Invitation to Quote (ITQ) to the sole supplier under the Strategic Construction Partner framework agreement. The overarching framework agreement already has agreed rates in place and quality matrix in place to ensure a value for money solution has been sought.
- 5.2.6 Whilst only a single quotation was evaluated, the initial appointment of John Graham Construction Ltd to the Strategic Construction Partner framework was via a competitive

selection process, so competition was achieved in the overarching framework quotation process for the contract against which these works are now being called off.

- 5.2.7 IT works are being managed by the project and engaged separately via CSG IT and any contractors appointed by them.
- 5.2.8 A number of sites were identified through the Development Pipeline Programme Board of which 27 Woodside Ave was one. A minimum of 438m<sup>2</sup> was required for the residential unit to provide an appropriate environment for Barnet's looked after-children in line with the current Department of Education Children's Homes Regulations and Standards. Of the options presented at this board, 27 Woodside Avenue was deemed to be the most suitable. The council owns the freehold to the property which was previously allocated to Barnet Homes configured as a hostel containing eleven individual flats. The property is now vacant allowing for enabling works and various intrusive surveys to take place in order to achieve cost certainty and risk reduction.
- 5.2.9 The site is in close proximity to Woodside Park tube station. Family Services requirement is to have transport access, however not too accessible to reduce the likelihood of young people taking unnecessary trips and/or going missing. With Woodside Park being a small quiet station, this will reduce the potential for negative influences compared to a larger transport hub. The local environment of Woodside Avenue offers a quiet, spacious and relaxed atmosphere with no proximity to areas where youths congregate and with minimal potential for any negative influences. Moreover, the spacious site would help reduce any noise from the building as well as reducing the likelihood of any negative impact on neighbours.
- 5.2.10 The new development will sit in the footprint of the existing building using the sites sloping garden to provide a semi basement lower ground level. The proposed 3 storey Children's home will sit at ground level, level 1 and level 2. The intervention centre will sit within the lower ground semi basement area, below the Children's home. The 2 facilities will have independent access.
- 5.2.11 A Sustainability Statement has been produced to support the planning application for the proposed project which has led to sustainability issues to be considered as part of the design translated into the build in relation to LED lamps and PIR controlled lights for energy efficiency, as well as timeclocks to control water boilers and heaters. This project will not be delivering to the London Plan policy or have any BREEAM requirements. Risk allowance has been made should a post planning condition be imposed on a higher energy requirement.

### 5.3 **Social Value**

- 5.3.1 The procurement was carried out in accordance with the Public Services (Social Value Act) 2012.

### 5.4 **Legal and Constitutional References**

- 5.4.1 This report is in line with the authorisation process as required by the Council's Contract Procedure Rules (CPRs). The Council's Constitution, Article 10 – Decision Making, Table



B sets the authorisation delegated powers thresholds, and delegates power to an Approved Officer.

- 5.4.2 The financial commitment is £500,000.00 and above, and within the current budget allocation so the appropriate authorisation route is via Full Delegated Powers Report, signed by the appropriate chief officer with delegated authority in consultation with the relevant committee chair.
- 5.4.3 The signatory for the report will be in accordance with the Scheme of Delegation and at this value it will be the Executive Director, Children's Services.
- 5.4.4 This decision to call off the Strategic Construction Partner framework is being made in compliance with these provisions.
- 5.4.5 The Strategic Construction Partner framework was quotationed in compliance with The Public Contract Regulations 2015 (PCRs) and the Council is able to call off under this contract.

## 5.5 Risk Management

- 5.5.1 Risk relating to this procurement and the wider project are identified and monitored through the project risk register, maintained by the Corporate Programmes Team. Risks are monitored by the Project Team with the contractor in line with the NEC contract and the risk register updated as required. Where required any significant risks will be discussed at an Early Warning or Risk Reduction meeting with the contractor and reported to the Woodside Avenue Project Board and the Capital Projects Board in accordance with the Council's risk management framework within the Councils Project Management Toolkit.

## 5.6 Equalities and Diversity

- 5.6.1 There are no equality implications arising directly from the decision set out in this report and the awarding of this contract does not compromise the Council in meeting its statutory Equality Act duties.

## 5.7 Corporate Parenting

- 5.7.1 The Council is the Corporate Parent to looked after children and care leavers and the Corporate parenting service works to ensure that all care planning and support for children and young people who are in care is of a high quality with the child and young person being the centre to all service planning; ensuring good outcomes for children and young people in care and care leavers and supporting effective transition to independence for care leavers. The development of 27 Woodside Avenue supplements the councils response to OFSTED and Department for Education standards.
- 5.7.2 The council has children in care teams (CIC) who work with children and young people who have become looked after by the Local Authority following Court Proceedings or occasionally are in voluntary care arrangements (s20 Children Act 1989). The teams work closely with children and young people placed in long term fostering, within extended family arrangements or adoptive families to promote resilience and positive

outcomes for them. The teams will work with children and young people until they no longer require statutory social work services or until they are transferred to Onwards and Upwards (Leaving Care) Team.

## 5.8 Consultation and Engagement

- 5.8.1 A formal public consultation was undertaken as part of the planning application process initially to 183 neighbouring properties further extended to 243 properties. 2 letters of support and 67 letters of objections were received.
- 5.8.2 Most of the objections were due to the demolition of a Victorian character building with there being enough modern developments in the vicinity.
- 5.8.3 Following consultation with Members of the Totteridge ward, it was requested to address these objections by undertaking revisions to the design which has been accomplished and a supplementary addendum was submitted with the planning application.
- 5.8.4 Regular engagement has taken place with the service as well as the end users at 68 Meadow Close to capture and build on requirements.
- 5.8.5 A public engagement event is being held on 6<sup>th</sup> January 2020 at North Finchley Library.

## 5.9 Insight

- 5.9.1 Not applicable.

## 6. BACKGROUND PAPERS

- 6.1 Action taken under Delegated Powers by officer on 26 September 2016, Award of Contact for Strategic Construction Partner contract ref 701462 to John Graham Construction Ltd.  
<https://barnet.moderngov.co.uk/documents/s35284/Award%20of%20Contract%20for%20Strategic%20Construction%20Partner%20to%20John%20Graham%20Construction%20LTD.pdf>
- 6.2 Annual Procurement Forward Plan (APFP) 2018/2019: Report to Policy and Resources committee on 5 December 2017  
<https://barnet.moderngov.co.uk/documents/s43785/Annual%20Procurement%20Forward%20Plan%20APFP%2020182019.pdf>
- 6.3 Outline Business Case: Report to Assets Regeneration and Growth committee.  
<https://barnet.moderngov.co.uk/documents/s36543/Meadow%20Close%20Relocation%20-%20ARG%20-%20121216%20v9.pdf>

## 7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision-making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations. The decision is compliant with the principles of decision making in Article 10 of the constitution.*

**Chief Officer:** Chris Munday, Executive Director for Children's Services

**Signed:** 

**Dated:** 15/01/2020.