

Key Decision Report of the Corporate Director of Community Wealth Building

Officer Key Decision	Date: 8n December 2021	Ward(s):
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SUBJECT: Contract Award for Whittington Park Community Centre**1. Synopsis**

- 1.1 This report seeks approval for a Contract award in respect of Whittington Park Community Centre in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 This contract is to appoint Cuttle Construction as the principal contractor to deliver the Whittington Park Community Centre project.

The refurbishment of the Whittington Park Community Centre aims to bring unused or underutilised areas of the building back into use to create one holistic community centre joined by a new passenger lift that will provide access for all users. This will enable Whittington Park Community Association to become self-sufficient through the letting of spaces to local organisations and community groups, for the benefit of the community.

2. Recommendation

- 2.1 To approve the contract award for Whittington Park Community Centre as outlined in this report.

3. Date the decision is to be taken: 8th December 2021

4. Background

4.1 Nature of the service

This contract is to appoint Cuttle Construction as the principal contractor for the delivery of the Whittington Park Community Centre (WPCC) project. As principal contractor, they will be responsible for delivering the project as set out in the tender information.

The works will include replacement and upgrading of all windows and external doors, improvements to the accessibility by installing a passenger lift to all floors, upgrading the thermal performance and infrastructure of Hocking Hall and creation of a more flexible arrangement of multipurpose spaces. Critical structural works are necessary for securing the continued use of the building for the local community. These works include the underpinning of foundations to Hocking Hall, the South Façade (Rupert Street) and the flank walls.

In preparation for the main refurbishment works, asbestos containing materials were removed from the building and planning approval has been granted.

4.2 Estimated Value

The project is funded by a combination of council funding and funds raised by Whittington Park Community Association (WPCA) from external sources.

London Borough of Islington (LBI) funding contribution is £984,000. The remainder of the contract value will be funded from external sources, which have been confirmed to LBI.

The value of the contract is **£1,278,349.36**

4.3 Timetable

Due to issues with Covid and funding, the timetable for this project has slipped considerably from the initial tender undertaken in December 2019.

Any further delay to the scheme may result in external funders withdrawing their contributions to the scheme.

Following approval of the key decision to appoint Cuttle Construction, mobilisation of the contractor will be 6 weeks. The programme included in the tender submission by Cuttle Construction allows for a 26-week construction period. Options to extend this duration would include valid extensions of time awarded to the contractor or delays incurred by the contractor.

The initial planning approval for this scheme was granted 12 March 2019. As a condition of this approval the development shall begin no later than three years from the date of this permission, 12 March 2022.

Approval of a second planning application was granted 29 January 2021. This included the same 3 year condition meaning works relating to this application must commence before 29 January 2024.

4.4 Procurement Process

Cuttle Construction were the successful contractor of a compliant and competitive procurement exercise undertaken by an external consultant on behalf of Whittington Park Community Association.

Whittington Park Community Association had intended to sign and manage the contract with Cuttle Construction directly. However, the Association and the Council have now agreed that Islington Council will sign the contract with Cuttle Construction in order to have greater control over the scheme for which the Council is the primary funder and freeholder of the building.

The decision and rationale for the direct appointment of Cuttle Construction by Islington has been outlined in a Waiver Request Form. Implications from a Procurement, Financial, and Legal perspective are outlined in the Waiver. A signed copy of the Waiver Request Form has been included in Appendix A of this report.

4.5 Key Considerations

Cuttle Construction have set out clear and achievable social value targets and aspirations for the WPCCA project.

Encouraging a diverse base of suppliers - Cuttle Construction have outlined plans to promote supplier diversity, utilising suppliers/subcontractors who are from the local area on this project. This could include plant hire, material purchase, subcontractors or tradesmen. Cuttle Construction will research and attend where possible a local 'Meet the Buyer' event.

Target - 50% of suppliers/subcontractors be used on this project will be from the local area.

Meeting recruitment and training needs - Cuttle Construction have put emphasis on training and apprenticeships and over the eighteen years of trading have employed 20 apprentices. Cuttle Construction do not just employ apprentices for a single project and then 'let them go' at the end. They will stay with Cuttle Construction for the duration of their apprenticeship and beyond.

Target - Within 1 month of the project commencement, Cuttle Construction will advertise for an apprentice with the view to find an Islington resident to take up the position. Cuttle Construction will utilise the Council's youth employment team to assist with this, and attend local career fairs where possible.

Promoting Greater Environmental Sustainability - On this project, Cuttle Construction will utilise waste contractors who will recycle/reuse the waste generated. Regular reports will show the breakdown of how much waste is recycling/reused. Generators on site will be set up on hard standings or a drip tray and will be kept well away from any drains or watercourses. Noise and dust will be kept to a minimum by fabricating offsite wherever possible and utilising dampening down methods. Cuttle Construction aim to reduce their carbon footprint by encouraging personnel to use public transport, to travel by bicycle or to car pool.

Target – Recycle/reuse 100% of waste generated for this project. Use of a solar powered scaffold alarm and battery powered handheld tools.

Community Benefits - Cuttle Construction intend to work with a local charity within Islington for the benefit of the local community. This will be arranged through Islington and WPCA.

Target - A minimum of 4 hours volunteering work with a local charity within Islington.

Promoting Fair Employment Practices - Cuttle Construction are accredited with the CITB's 'Be Fair' framework. This framework aims to transform working environments across all segments of construction. It addresses all forms of discrimination including negative cultures and practices to create a fair and inclusive and respectful industry for everyone.

Ethical Sourcing Practices - Cuttle Construction are committed to sourcing sustainable products from local suppliers and embracing the value that a diverse supplier base adds to their business. In particular, they are addressing the sustainability issues surrounding timber sourcing. To help reduce illegal and unsustainable logging practices, Cuttle Construction are committed to identifying the sources of all their timber and paper products.

Promoting workforce welfare - Cuttle Construction continuously train their workforce to ensure that they are health and safety aware. This includes toolbox talks, site inductions as well as external training in asbestos awareness, first aid, manual handling, working at height and general health and safety.

The London Living wage is applicable to all personnel for this project. Apprentices are paid in line with the BATJIC (Building & Allied Trades Joint Council) wage rates.

Structural works to 'Hocking Hall', replacement of all windows and external doors, improvements to the accessibility of the building and works to the roof, will ensure the longevity of the building and continued use as a community centre for the local community.

4.6 Evaluation

The procurement exercise for this project was undertaken by WPCA and the appointed consultant, Architects Network. The tender was conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

Submissions were evaluated on the basis of 60% price and 40% quality, as per the procurement documents. The quality score was comprised of four questions based on the following weighting.

Experience of refurbishment of similar multi-use community buildings in London - 7.5%

Experience of not for private profit client organisations they have worked with - 7.5%

Experience of delivering similar projects to time and budget - 15%

Experience of delivering similar projects to high standards of health and safety and specification and detail - 10%

4.7 Business Risks

Islington did not undertake the procurement exercise for the appointment of a principal contractor to deliver the WPCC project. The procurement of a principal contractor was managed and evaluated by WPCA and the appointed consultant, Architects Network.

The procurement exercise has been reviewed by relevant Islington Council officers and has been determined as competitive and resulted in the selection of a contractor that is capable of delivering the works and presents value for money.

Currently the budget for these works exceeds to the project value by £108,163. This presents the project with contingency above the 7.5% contingency against construction cost, already included in the total project cost. This provides greater security against rising labour and material costs present in the construction industry, resulting from Covid-19. It also provides an opportunity to mitigate the need for WPCA to take out a loan of £50,000 and contribute a further £50,000 from their unrestricted reserves to fund the works.

The adjoining nurse and community centre areas that are not included within the project will continue to function whilst the works are undertaken. Clear separation of the spaces and separate access and egress will be agreed prior to works commencing. Noisy working procedures and scheduling of deliveries to site will also be agreed with local service users.

- 4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 4.9 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	To appoint Cuttle Construction as the principal contractor to deliver the Whittington Park Community Centre project. See paragraph [4.1]
2 Estimated value	The estimated value per year is £1,238,187. The agreement is proposed to run for a period of 6 months. See paragraph [4.2]
3 Timetable	The procurement exercise was undertaken in December 2019. Delays caused by Covid-19 have impacted on the decision to appoint Cuttle Construction. Following approval of the key decision to appoint Cuttle Construction, mobilisation of the contractor will be 6 weeks. The construction period is 26 weeks.

	See paragraph [4.3]
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Options considered include retendering the work and the preferred option of directly appointing Cuttle Construction based on the competitive tender managed by WPCA and their appointed consultants. See paragraph [4.4]
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Cuttle Construction have set out clear and achievable social value targets and aspirations for the WPCCC project. The London Living wage is applicable to all personnel for this project and the works have been identified as delivering best value for the centre and local community. See paragraph [4.5]
6 Award criteria	Submissions were evaluated on the basis of 60% price and 40% quality. The award criteria price/quality breakdown is more particularly described within the report. See paragraph [4.6]
7 Any business risks associated with entering the contract	Islington did not undertake the procurement exercise for the appointment of a principal contractor for the delivery of the WPCCC project. See paragraph [4.7]
8 Any other relevant financial, legal or other considerations.	Delay to LBI signing a contract with Cuttle Construction puts the funding raised by WPCA from external sources at risk. See paragraph [4.2]

5. Implications

5.1 Financial implications:

London Borough of Islington has allocated approved budget of £984,000. WAPC have confirmed additional contribution to the budget of £611,532 (4.2) bringing the total budget to £1,595,532. This budget is sufficient to cover the contract cost of £1,238,187 (4.2) provided the WAPC contribution is secured.

5.2 Legal Implications:

The council is responsible for undertaking the repair, maintenance and servicing of its properties and installations therein (Part 2 of the Housing Act 1985). The Council has power to enter into a contract for this purpose by virtue of section 1 of the Local Government (Contracts) Act 1997.

Corporate directors have power to approve the award of works contracts up to the value of £5million using capital money (Council's Procurement Rule 16.2).

The proposed contract is a public works contract. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £4,733,252 for public works contracts. Contracts below this threshold must be procured in compliance with the principles of equal treatment and non-discrimination that underpin the Regulations. The Council's Procurement Rules require contracts over the value of £1m capital to be subject to competitive tender with a minimum of 5 organisations invited to tender via the council's internal procurement team. However, in this instance the contract was tendered by the Whittington Park Community Association. Accordingly, officers have sought and obtained a Waiver a copy of which is attached at Appendix A.

The contract has been tendered in accordance with the Regulations and accordingly the Corporate Director may award the contract to Cuttle Construction subject to being satisfied that its tender represents value for money for the Council.

5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

This contract will contribute to Islington's target of achieving net zero carbon by 2030 through a number of initiatives and processes agreed with the contractor.

Cuttle Construction are committed to sourcing sustainable products from local suppliers. Any timber used in the construction will be PEFC/FSC timber.

On this project, Cuttle Construction will use a waste contractor who will recycle/reuse the waste generated. Regular reports will show the breakdown of how much waste is recycling/reused. Cuttle aim to reduce their carbon footprint by encouraging personnel to use public transport, to travel by bicycle or to car pool.

A solar powered scaffold alarm will be utilised and battery powered handheld tools will be used wherever possible.

Where possible the constructor and consultants will operate on a paperless system, utilising email and electronic documents.

The refurbishment of the Whittington Park Community Centre, hocking hall and ancillary spaces will ensure the building is better equipped to handle future changes to the climate. Installation of new windows to the hall will provide better thermal properties. The conversion of small rooms on the first floor to a larger space will make it easier to regulate temperature in that space. The creation of a new green roof at the rear of the building will provide sustainable benefits for the building, as will newer, more energy efficient lighting.

5.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public

life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 08 November 2021. The complete Resident Impact Assessment has been included in Appendix B.

6. Reasons for the decision:

6.1 Approving the decision to directly appoint Cuttle Construction as the principal contractor for the delivery of the Whittington Park Community Centre will ensure that critical structural, access and refurbishment works are undertaken, securing the continued and future use of the space for the local community.

7. Record of the decision:

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:



Corporate Director of Community Wealth
Building

Date: 8 December 2021

Appendices

Appendix A – Waiver Request Form, WPCC (exempt)

Appendix B – Residential Impact Assessment, WPCC

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