

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the council's definition and has been included in the relevant Forward Plan

**Report of the Executive
Director Place and the
Executive Director Legal &
Governance**

Appointment for the delivery of RIBA Stage 4 Design and associated Project Management and Cost Consultancy Services – The Glass Works

1. Purpose of report

- 1.1. To provide an update on phase 2 of the Better Barnsley scheme – The Glass Works and set out options for the procurement of RIBA Stage 4 designs and associated project management and cost consultancy services required for the next stage in the development cycle; including recommendations that will secure the necessary appointments to deliver these services.

2. Recommendations

It is recommended that:

- 2.1 **Cabinet note the procurement options considered for services required for the delivery of RIBA Stage 4 design work, associated project management and cost consultancy services for the Glass Works development;**
- 2.2 **Cabinet approve the appointment of Turner and Townsend, via a direct call-off from the Land Solve framework for project management and cost consultancy services;**
- 2.3 **Cabinet note and approve the commissioning of NPS Barnsley for the delivery of RIBA Stage 4 architectural, civil and structural, and mechanical engineering services.**
- 2.4 **Cabinet approve the release of up to £1.7M (subject to final confirmation following the tender process) included as part of the Better Barnsley Phase 2 scheme, to be funded via prudential borrowing.**

3. Introduction

- 3.1 On 30th March 2017 Council approved the recommendations set out in the Better Barnsley Phase 2 funding report. This included a recommendation for officers in economic development to commence the procurement of additional design services for Phase 2 of the Better Barnsley scheme with contractor appointment being subject to a further cabinet report.

- 3.2 This report therefore provides an update on the options that have been considered with regard to the procurement of the necessary, project management, cost consultancy and further design work and the preferred method for securing the required appointments.

Current Position

- 3.3 On the 9th March 2017 cabinet approved the recommendation to fully fund the construction and development of the Glass Works scheme. This was immediately followed by a formal launch event of the same day that was positively received by both local press and national property journals.
- 3.4 Significant progress with regards scheme design has been undertaken with the completion of RIBA Stage 3. This level of design development has enabled further review and update of the cost plan which has confirmed the robustness of construction cost detailed in the Business Case submitted and approved by cabinet in January 2017. In addition, a full planning application for The Glass Works has been submitted and validated by the Local Planning Authority on the 2nd May 2017 and is currently under consideration.
- 3.4 Marketing and leasing activity continues to be progressed by the Development Management Organisation (DMO) with good levels of interest being secured following confirmation of the Councils decision to fund and the announcement of two key leisure anchors – Cineworld and Superbowl.
- 3.5 A detailed Marketing Plan has been developed by the DMO targeting both business to business and business to customers. In addition, hoarding designs for use around the development sites are currently being finalised that contain marketing material enabling scheme evolution and development to be communicated to town centre visitors.
- 3.6 Procurement activity, in conjunction with NPS Barnsley, has been commenced that will secure a works contractor and DMO services post November 2017 - the date when the current DMO contract comes to an end.
- 3.7 The next stage in the development cycle is the completion of RIBA Stage 4 designs which provides the technical detail design and specifications. The availability of this level of design detail when issuing the Invitation to Tender for a main works contractor will give greater certainty over the final tender price; reducing the need for bidders to submit conditioned tender prices.

4. Consideration of alternative approaches

- 4.1 An alternative approach would be to incorporate RIBA 4 design work, Project Management and Cost Consultancy services in the OJEU DMO procurement process.
- 4.2 This option would replicate the current arrangements in place and operating as part of the existing Development Management Agreement, whereby, following an OJEU procurement process for DMO Services, the appointed DMO would procure, appoint and project manage the necessary consultants for architectural, mechanical and structural engineering services to undertake design work, including RIBA Stage 4. Once complete, the RIBA Stage 4

designs would then be appraised from a construction cost perspective, and again the appointed DMO would be in a position to undertake this activity.

- 4.3** There is a need to undertake an OJEU procurement exercise for DMO services required beyond November 2017, with this piece of procurement having recently been commenced. An indicative programme of tasks associated with this procurement is set out at appendix B. This indicates sufficient time for a DMO to be procured and contracted by the time the existing contract comes to an end in November 2017. However, there is a requirement for RIBA Stage 4 Design work to be commenced and completed sooner in order for this level of design detail to be available for inclusion in the Invitation to Tender for a works contractor. An indicative Contractor procurement task timeline is included at appendix C which indicates a requirement for RIBA Stage 4 design work to be completed no later than 1st September 2017.
- 4.4** In addition to the time constraints, there is also the a possibility that a different DMO could be appointed than that which the Council is currently contracted with, who may bring a different design team to that which has undertaken design work to present - RIBA Stage 3. This could potentially jeopardise the continuity in design, not just between RIBA stages 3 and 4, but also in the successful integration of Phase 1 and 2 of the Better Barnsley scheme. There is also the potential for delays in the development of design work with clarity and confirmation of information between different professional design teams being sought.
- 4.5** For the reasons set out above it is not recommended that the RIBA Stage 4 design work and associated project management and cost consultancy services are included in the OJEU procurement process for the DMO services required beyond November 2017.

5. Proposal and justification

- 5.1** Utilise the Barnsley MBC/NPS Barnsley Land Solve Framework to appoint Turner and Townsend for project management and cost consultancy services necessary to effectively deliver RIBA Stage 4 design work. The Land Solve framework was procured by Barnsley Council and is managed by NPS Barnsley Ltd. It is a land delivery framework designed to help public sector organisations and charities maximise the value of their surplus land by securing its development potential.
- 5.2** A separate commission is then intend to be placed with NPS Barnsley for professional design services - architect, mechanical engineering (M&E) and structural engineering services. NPS Barnsley will then procure and sub-contract (via frameworks to which they have access) with IBI Group and Mott MacDonald, with M&E services intended to be delivered in-house by NPS Barnsley.
- 5.3** This approach will ensure that RIBA Stage 4 design work, project management and cost consultancy services will be procured and delivered in sufficient time for the resultant design work to be available for use in the

procurement exercise to secure a works contractor for the Glass Works development. It should be noted that procurement activity associated with the appointment of a works contractor has commenced.

- 5.4** This proposal will also ensure that the extensive knowledge, experience and working arrangements that have been established and in place with the design team involved with the development of scheme designs to RIBA Stage 3 will be maintained through RIBA Stage 4. This will address any potential warranty issues that may have arisen as a result of the appointment of a different design team. This will also allow continuity of IBI as principal designers for the purpose of CDM regulations.

6. Implications for local people / service users

- 6.1** The creation of new retail and leisure facilities will create significant job opportunities for the local people. The scheme will provide a number of part time and full time opportunities within the local economy and with a mix of employment opportunities help people find varied employment based upon their work life balances.
- 6.2** In the short term there could be some adverse impacts on existing businesses and potential redundancies as a consequence of the site assembly, demolition, refurbishment and redevelopment requirements of the proposed scheme.
- 6.3** There will be significant construction over a period of time which will cause some disturbance to the town centre. The scheme will be managed to minimise impact on existing businesses and the public including those businesses whose premises are close to the development area. Significant emphasis will also be placed on maintaining a vibrant town centre throughout any construction works. Central to this will be the development of a promotion and events programme to support retail footfall to the Town Centre. The selected DMO has committed to working with the Council on a joint communications and marketing strategy.

7. Financial implications

- 7.1** Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2** In March 2017, Full Council approved the recommendation from Cabinet to fund the development of the Better Barnsley Phase 2 scheme (Cab.9.3.2017/3 refers). As part of this report the Council also approved the procurement of additional design (RIBA Stage 4) services for Phase 2.
- 7.3** At the time, it was expected that these services would be delivered during the 2018/19 financial year. However in order to meet the necessary deadlines included within the overall project plan as well as enabling a more accurate fixed price to be provided by the contractor for the scheme (subject of a

ongoing procurement exercise), it is now proposed that these services are procured and delivered during 2017/18.

7.4 The current estimated cost of these services stands at around £1.7M; however this cost will be finalised following completion of the tender process due imminently. It is proposed that these costs are funded via prudential borrowing with the associated early year borrowing costs (repayment and interest) being funded from reserves earmarked for the Better Barnsley Phase 2 scheme as part of the 2017-2020 Capital Programme. Ongoing it is expected that all the borrowing costs associated with the scheme costs will be funded from revenues generated by the scheme.

7.5 The financial implications of this report are presented Appendix A.

8. Employee implications

8.1 There are no employee implications arising from this report.

9. Communications implications

9.1 There are significant communication implications for the scheme. An integrated communications strategy for the Better Barnsley scheme has been developed by BMBC and the DMO. The key messages to be communicated at the current stage of the development include:

- The scheme will deliver a new retail and leisure destination for Barnsley, providing the type of offer that a town the size of Barnsley deserves.
- The unique characteristics of Barnsley will be retained by adding in high street names and restaurants alongside the strong independent offering epitomised by the historic markets and Victorian Arcade.
- A key priority of the scheme is to create a family-friendly evening destination, served by the cinema, other leisure facilities and family-oriented restaurants.

9.2 The communication strategy also needs to recognise that the town centre is facing a long period of change with major construction work taking place. A key objective therefore has to be to promote the town centre and its retailers through this period of change communicating that the town centre is still open for business.

10. Consultations

10.1 Consultations have previously taken place with elected members via an all member briefing on overall progress with the Better Barnsley scheme and the next steps in terms of delivering new leisure and retail units.

10.2 Consultation has taken place with representatives from the Director of Finance, Assets and Information Services regarding the financial implications and Risk Management issues.

10.3 Consultations have previously taken place with representatives of the Director of Legal and Governance regarding the legal implications of any future procurement process.

10.4 Consultation has taken place with representatives of Strategic Procurement & Commissioning Support and NPS Barnsley with regards the DMO procurement Strategy.

11. Community Strategy and the Council's Performance Management Framework

11.1 The proposals in this report are consistent with Council's Corporate Plan 2012-15 as it directly contributes towards the aspiration of delivering a thriving and vibrant economy. A specific outcome of this objective is a vibrant town centre with clear linkages to the further outcomes of creating more and better jobs and increasing skills to get more people working.

11.2 The corporate performance framework monitors the vibrancy and health of the town centre by measuring footfall and the occupancy levels of retail units in the town centre. To enhance the measurement of the footfall element work is ongoing to procure a new recording system that will catch footfall at multiple locations across the town centre.

12. Tackling Health Inequalities

12.1 The creation of new jobs reduces overall worklessness which provides a significant contribution to addressing inequalities in health and developing a healthy productive workforce.

13. Climate Change & Sustainable Energy Act 2006

13.1 Action to improve the energy efficiency of buildings constructed as part of the project will help to reduce carbon emissions.

14. Risk Management Issues

14.1 There is a comprehensive risk register for the Better Barnsley project which is reviewed and updated on a regular basis. A specific risk relating to the procurement of RIBA Stage 4 has been identified with the extract from the risk register as follows:

Risk Number	Risk Title	Risk Description	Risk Consequences	Probability	Impact	Score	Mitigation Action	Owner	Review Date
026	Failure to procure an appropriate RIBA Stage 4 design services consultant for Phase 2	Delivery impacted as RIBA Stage 4 needed to feed into procurement of main works contractor;	Programme extensions as impacts on engagement with main works contractor;	M	H	2	<ul style="list-style-type: none">• Suitable procurement framework identified to procure the team;• Resources identified to procure the team;	Andrew Osborn	27/04/2017

15. Health & Safety Issues

15.1 None arising directly from this report although there is the need to ensure all relevant staff are trained up on health and safety issues.

16. Compatibility with the European Convention on Human Rights

16.1 There are no matters of relevance arising from this report.

17. Promoting Equality & Diversity and Social Inclusion

17.1 There is an understanding that anyone with disabilities can face all kinds of challenges using the town centre. The goal is that the finished scheme is a destination of choice for anyone with disabilities to visit, shop, eat and have the facilities they need to fully enjoy their day.

17.2 The Town Centre delivery team have put significant emphasis on consulting with local access groups as the scheme has developed to outline planning stage. There has been engagement with local disabled people to ensure that the re-developed town centre is fully accessible and the existing town centre remains accessible for the duration of the work period. This detailed work will continue as the scheme develops and detailed designs emerge for the new retail and leisure facilities created by the scheme.

18. Reduction of Crime & Disorder

18.1 The Council is collaborating with the Police to address anti-social behaviour across the town centre. Good, safe design principal will help and assist this work going forward.

19. Conservation of Biodiversity

19.1 There are no matters of direct relevance arising from this report.

20. Glossary

DMO – Development Management Organisation

RIBA – Royal Institute of British Architects

CDM – Construction Design Management Regulations

OJEU – Official Journal of the European Union

HoT - Heads of Terms

21. List of Appendices

Appendix A Financial Implications

Appendix B OJEU DMO Procurement Timeline

Appendix C Works Contractor Procurement Timeline

22. Background Papers

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