

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Councillor Andrew Jones, Cabinet Member for the Economy

**Date:** 12/01/2024

**Subject:** Appointment of Design Team for the Four Sites at:

- Barclay Close,
- Becklow Gardens,
- Land Behind the Grange
- Land Adjacent to Jepson House

**Report author:** Peter Cook, Head of Development

**Responsible Director:** Jon Pickstone, Strategic Director for the Economy

---

### SUMMARY

This Report seeks approval to appoint PRP Architects LLP as the Design Team for the redevelopment of the four independent sites (Projects) at:

- Barclay Close
- Becklow Gardens
- Land Behind the Grange
- Land adjacent to Jepson House.

---

The appointment is for a professional multi-disciplinary Design team. The fee proposal that is being recommended for approval has been thoroughly tested via a procurement framework process and is considered to be the most economically advantageous tender and provides value for money in comparison to other similar development projects of this size and nature.

This appointment on each project (site) is to enable the delivery of approximately 80 new homes of which 50% would be affordable and prioritised for local residents. The contract is in line with H&F's Development Gateway processes and covers Gateway 1 – Feasibility and 2 – Planning (RIBA Stages 1 – 4).

The commission covers each scheme to be designed at an 'aspirational sustainability standard' with the option to change down to an intermediate standard if the financial viability for each project is challenged. A sustainability review will be carried out by the team during RIBA Stage 2 to determine which level to progress. The commission allows for a proportionate reduction in fees and resources if an aspirational standard is not viable.

---

### RECOMMENDATIONS

The Cabinet Member for the Economy is recommended to:

1. To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the appointment of PRP Architects LLP to provide professional 'Design Team' services consisting of:
  - \* Lead Architect
  - \* Lead Designer (to coordinate design)
  - \* Planning Consultant
  - \* Landscape Architect
  - \* Structural and Civil Engineers
  - \* M&E Consultant
  - \* Sustainability & Energy Consultant
  - \* Plus some proprietary survey work (geotechnical assessment, prelim ecological appraisal, arboricultural impact assessment and others)

To redevelop each of the four independent sites through Gateways 2 – Planning and 3 – Procurement (RIBA Stages 1 – 4) of the Council's Development Gateway process. The Headline Programme up to Planning is shown below.

Milestone	Date
<b>LBHF Development Stage 2: (Planning)</b>	
RIBA Work Stages 1	Jan 24
RIBA Work Stages 2	Feb – Aug 24
RIBA Work Stages 3	Sep 24 – Dec 24
Planning Submission	Jan 25
RIBA Stage 3+ Supplementary Design	Jan 25 – Mar 25
RIBA Stage 4 Procurement	Mar 25-Nov 25
Planning Consent	May 25

3. To note individual budget allocations including 10% contingency (at a total of £1,922,008) from the existing budget envelope as set out below:
  - i) Barclay Close for a value of £351,983.50
  - ii) Becklow Gardens for a value of £477,582.88
  - iii) land behind the Grange for a value of £417,859.75 and
  - iv) land adjacent to Jepson House for a value of £674,581.88
4. To note that this sets the build standard to aspirational on all four projects combined, with all four projects independent of each other.

---

**Wards Affected:** Sands End, Walham Green, Coningham

---

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The 'Design' team will be required, where possible, to procure from local businesses (sub-consultants) for elements of the construction works in accordance with the council's industrial strategy and Contract Standing Orders.
Creating a compassionate council	The design and team will be required to engage in comprehensive public consultations on the proposals and delivery approach to provide modern and quality homes. This will be achieved through adopting the Defend Council Homes Policy and Implementation Guide along with adopting best practice co-production and continued engagement with the residents, stakeholders and wider community. A project resident steering group will be created as part of the process to inform emerging designs and influence our services. This coproduction process will extend further to accessibility to accommodate the principles of the Councils Disabled Peoples Housing Strategy.
Doing things with local residents, not to them	The design team will work to the council's values of working with residents and local residents and will be engaged and consulted extensively on the redevelopment throughout the development.
Being ruthlessly financially efficient	Selection of the correct design team through robust procurement process will ensure that the project has the best possible chance of delivering a high quality and financially viable project.
Taking pride in H&F	The tender documents which will be issued during the procurement process will encourage a quality addition to the borough to ensure that in both in terms of housing provision and the physical fabric of the borough. The engagement approach of the project will also empower the local communities to enhance their locality.
Rising to the challenge of the climate and ecological emergency	The brief to the design team will be to meet the targets set out in the emerging Climate Strategy with the aim to achieve

	a significant reduction in operational carbon usage, thereby reducing fuel bills of future residents.
--	---

## Financial Impact

1. On 18th July 2022, Cabinet approved an overall budget of £7,512,028 to allow progression of associated development tasks, activities and expenditure, to facilitate the journey and delivery, on all four sites, up to and including the completion of H&F's development stage 2 – Planning (RIBA Stages 1 Review, 2 and 3) and stage 3 – Procurement (RIBA Stage 4). The overall budget is split independently between projects.
2. The four sites form part of the Council's direct delivery development programme. Across the four sites capacity studies demonstrate 80 new homes could be delivered with a minimum of 50% being affordable.
3. This procurement is in line with Council's commitment to replacing social housing and providing genuinely affordable housing to meet the acute housing needs in the Borough and help rejuvenate the local area and local business that are still struggling from the effects of Covid-19.
4. Review of available frameworks such as the GLA's AD+UP and the South East Consortium has identified the **Notting Hill Genesis Development Consultants Framework, Lot 1** as the most suitable for this procurement as it offers the option to run a mini competition between invited suppliers with demonstrable ability and skill to deliver the Council's objectives as set out in section 2 above. There is no charge to the Council to use the Framework.
5. The further mini competition has now been completed and the proposed contract award value has been agreed. The contract value of £1,922,008 is within the estimate stated in the Procurement strategy approved 11<sup>th</sup> November 2022. This adheres to the Council's Contract Standing Orders (CSOs).
6. This is shown across the four independent projects in the table below:

Project Name	Overall programme budget up to RIBA Stage 4 (Approved 18 <sup>th</sup> July 2022)	Estimated Cost under Procurement Strategy (£)	Contract Award up to RIBA Stage 4 (£)
Barclay Close	900,878	500,000	351,983
Becklow Gardens	1,677,922	800,000	477,583
Land behind The Grange	1,732,504	950,000	417,860
Land adjacent to Jepson House	3,200,724	1,750,000	674,582
<b>Total Budget</b>	<b>7,512,028</b>	<b>4,000,000</b>	<b>1,922,008</b>

7. The current approved budget is sufficient to fully fund the recommended award contract required during RIBA Stage 2-4.

8. This will be funded from borrowing within the HRA as stated in the current capital programme.
9. It should be noted that all capitalised spend to date (currently standing at £105,497) would be written off to revenue if the project were not to proceed.
10. At the end of each RIBA stage, and on each of the individual projects, the council will take a view on the services to date, available funding and budgets and decide whether to continue with the contract or to activate the break provisions.
11. The scheme will be regularly reviewed in terms of costs and viability throughout its lifecycle at pertinent and timely intervals. The culmination of these intermediate and milestone reviews, throughout the project not only facilitate the ongoing management, coordination and monitoring of the projects performance, but also inform any Gateway and Governance approval accordingly and allow the Development Board to monitor performance generally.
12. In addition and to compliment this there are break clauses in place in all contracts with proposed members of the integrated project team and therefore should the decision not to proceed beyond a Gateway Stage be taken by the council. Expenditure is limited to only costs incurred to that date thereby reducing the Councils financial exposure.
13. After the initial design stages, if it is deemed not possible to complete the design to Aspirational level then this will go down to an intermediate sustainability level and a reduction in costs is to be expected to reflect this.
14. The consultant has been subject to an assessment of their financial stability, which produced the following results:
  - A CreditSafe score of 64 (deemed low risk). This exceeds the Council's threshold score of 50.
  - A Credit Safe annual recommended contract limit of £2,350,000 (22 months as £4,700,000) which exceeds the proposed contract award up to RIBA stage 4.
15. These results meet the Council's criteria for financial standing.

*Harun Guleid, Principal Accountant (Development), 27<sup>th</sup> November 2023*

*Verified by Andre Mark, Head of Finance (Strategic planning and investment), 15<sup>th</sup> December 2023*

## **Legal Implications**

16. The value of the procurement is above EU thresholds and so the Public Contracts Regulations 2015 (PCRs) will apply.

17. The Notting Hill Genesis Development Consultants Framework is compliant with the PCRs. The mini competition run under this framework to appoint consultants is compliant with the advertising and competition requirements under the Council's Contract Standing Orders (CSOs).
18. Where the procurement strategy concerns a contract with estimate value in excess of £300,000 in value or the expenditure is otherwise significant, then it is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.
19. The relevant Cabinet member has authority to award the contract.

*Joginder Bola, Senior Solicitor, 24/11/2023*

---

## **Background Papers Used in Preparing This Report**

### **Background**

20. In July 2019, Cabinet approved the '**Building Homes and Communities Strategy**' which set out the principles of a self-funding programme of investment in homes and community assets. The strategy's headline objectives are to:
  - a. Increase the supply of affordable housing in line with the administration's priorities,
  - b. Use capital resource to increase the Council's income in line with the long-term financial strategy, and,
  - c. Utilise assets to help deliver, manage demand and avoid costs.
21. The Building Homes and Communities strategy dovetails with the Defend Council Homes Policy (DCHP) and its core principles, that:
  - a. No development on HRA sites is to proceed without resident involvement, and,
  - b. The establishment of a 'resident panel' to be an integral part of the development process and to provide input on development proposals and oversight regarding engagement and consultation with residents, stakeholders and the wider community.
22. The 4 sites form part of the Council's direct delivery development programme. The overall development programme currently includes 14 projects and c.1,200 homes, of which c.720 are affordable (60%). The 4 sites look to yield a total of 80 new homes in the borough, of which a minimum of 50% will be affordable. As with the Council's direct delivery programme we will look to maximise the amount of affordable homes whilst maintaining viability along with other initiatives around family sized homes and key worker initiatives. The programme also includes c. 8,500m<sup>2</sup> of new re-provisioned community infrastructure, offices, schools and education facilities.

23. After challenges relating to procuring Farm Lane and Lillie Road a decision was made to package these 4 smaller sites together so as to make them more attractive to potential suppliers.
  24. All four projects will be subject to a sustainability options analysis during Gateway 2 (RIBA 2) to ensure they align with the Climate and Ecology Strategy and 'Homes, Buildings and Energy' action plan targets. The commission covers each scheme to be designed at an 'aspirational sustainability standard' with the option to change down to an intermediate standard if the financial viability for each project is challenged.
  25. On 18th July 2022, Cabinet approved an overall budget of £7,512,028 to allow progression of associated development tasks, activities and expenditure, to facilitate the journey and delivery, on all four sites, up to and including the completion of H&F's development stage 2 – Planning (RIBA Stages 1 Review, 2 and 3) and stage 3 – Procurement (RIBA Stage 4)
  26. The four sites form part of the Council's direct delivery development programme. Across the four sites capacity studies demonstrate 80 new homes could be delivered with a minimum of 50% being affordable.
  27. This procurement is in line with Council's commitment to replacing social housing and providing genuinely affordable housing to meet the acute housing needs in the Borough and help rejuvenate the local area and local business that are still struggling from the effects of Covid-19.
- 

## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

28. The Integrated Project Team is made up of the Design Team alongside the Control Team. The multidisciplinary Design Team includes landscape architects, civil and structural engineers, M&E engineers, planning consultants, sustainability and energy advisers.
29. Together the Integrated Project Team will enable appropriate management of design as well as cost risk and support H&F in 'Being Ruthlessly Financially Efficient'.
30. The four sites have been procured together to attract tender submissions, these sites are to be commissioned and delivered independent of each other.

### **Quality/Technical/Commercial**

31. Officers carried out a mini competition using the Notting Hill Genesis Framework Consultants Framework Lot 1. Notting Hill Genesis' Framework specifically permits the running of mini competition between invited suppliers which passed their capability assessment.

32. The Council's capital Sourcing portal was used to manage the process (itt\_17421).

33. 31 Suppliers accessed the tender details through the framework and six suppliers submitted tenders within the deadline.

34. H&F broadcast a clarification with an updated pricing and resource schedule, in an attempt to better understand the appropriate level of resources being applied to each scheme across the life span of the project.

35. Tenders were evaluated in accordance with criteria of Quality 60%: Price 40%.

36. The quality review was based on the following sub-criteria as selected by officers. Below are the sub-weightings for the overall 60% quality criteria.

- a) Delivery 21%
- b) Approach 17%
- c) Resource 10%
- d) Risks 9%
- e) Communication 5%
- f) Health & Safety 5%
- g) Social Value Questionnaire 17%
- h) Social Value Method Statement 16%

37. PRP Architects LLP scored the highest overall, and we are confident that they will have the necessary skills and experience to deliver the required Design team services as defined in the specification.

Bidder	Technical % score	Commercial % score	Overall score
<b>PRP Architects LLP</b>	44.28	40.00	84.28
<b>Bidder 2</b>	41.76	37.54	79.30
<b>Bidder 3</b>	39.84	34.63	74.47
<b>Bidder 4</b>	33.48	32.54	66.02
<b>Bidder 5</b>	35.64	27.35	62.99
<b>Bidder 6</b>	33.60	27.35	60.95

38. A breakdown of the total costs is set out below, this also includes a 10% contingency for each project for any unforeseen services outside of our scope. The total fees including contingency required are within the approved budget envelope.

Project	Cost set out in tender	Contingency 10%	Total
Barclay Close	£319,985.00	£31,998.50	£351,983.50
Becklow Gardens	£434,166.25	£43,416.63	£477,582.88
Land behind The Grange	£379,872.50	£37,987.25	£417,859.75
Land adjacent to	£613,256.25	£61,325.63	£674,581.88



Jepson House			
<b>TOTAL</b>	<b>£1,747,280.00</b>	<b>£174,728</b>	<b>£1,922,008</b>

39. The total sum for all four projects is £1,922,008.

40. We have received a social value commitment of £161,496.57 for this contract.

**Option 1: Do nothing (not recommended)**

41. The “do nothing” option would either mean (a) not proceeding with this decision or (b) not proceeding with the redevelopment projects or (c) not appointing a control team but proceeding with developments.

42. Not proceeding with this decision but proceeding with the redevelopment would result in further delay to procurement of the Design Team which are specialist services not available to the council internally. This option would significantly delay commencement on site and ultimately the timely delivery of much needed affordable housing.

43. Not proceeding with this project would mean the Council not complying with its GLA funding and delivery commitments. This would also not be in line with the Council’s commitment to delivering the redevelopment of the site and would result in no re-provision of much needed genuinely affordable housing in the Borough.

**Option 2: Proceed with Appointment (recommended)**

44. Proceed with the appointment of PRP Architects LLP as the Design Team for the four sites. The Headline Programme up to Planning is shown below.

<b>Milestone</b>	<b>Date</b>
<b>LBHF Development Stage 2: (Planning)</b>	
RIBA Work Stages 1	Jan 24
RIBA Work Stages 2	Feb – Aug 24
RIBA Work Stages 3	Sep 24 – Dec 24
Planning Submission	Jan 25
RIBA Stage 3+ Supplementary Design	Jan 25 – Mar 25
RIBA Stage 3+ Procurement	Mar 25 – Nov 25
Planning Consent	May 25

**Reasons for Decision**

45. Option 2 has been recommended as the preferred approach. The Council’s priorities are still aligned in delivering new affordable Council housing in the borough and the procurement process has produced a good result in compliance with Council’s Contract Standing Orders.

46. The Decision to award this contract will enable the council to deliver on the Four sites housing developments in the borough, a crucial step in delivering targets on the provision of affordable homes.
47. The Contract Manager will manage the contract in accordance with the Notting Hill Genesis Call Off Terms and Conditions. Contract management will play a pivotal role in ensuring compliance and mitigating risks. Once the contract has been signed by both parties it will be uploaded on to capitalEsourcing where the suppliers performance will be recorded.

### **Equality Implications**

48. There are no direct implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the recommended option outlined in this report.
49. However, as part of the process the Equality Impact Assessment that was produced and approved by Cabinet will be reviewed accordingly as coproduced designs emerge.

### **Risk Management Implications**

50. This project is both highly complex with resulting high levels of expenditure and risk. To mitigate the resulting risks, it is noted that the project follows the Gateway stages, however the review cycle must be defined in advance and adhered to. In addition, project roles and associated boards must be defined and communicated.
51. To further mitigate the management and delivery risks, it is advised that this initiative is set up as a programme, with each area of construction run as a project. Each delivery should have its own governance, reporting and planning structure managed by a dedicated PMO and planning team. It is further recommended that the programme and projects are all led by experienced council staff.
52. It is recommended that this initiative should have its own risk management structure that reports not less than monthly to the programme board. At all stages the boards and SLT should consider their risk appetite and willingness to proceed.
53. There is a reputational risk to the council due to delays, poor delivery, poor engagement with residents and environmental impacts. To mitigate this is advised that communications are actively managed by a dedicated resource.

*Agreed Jules Binney, Risk and Assurance Manager, 14 Dec 2023*

### **Climate and Ecological Emergency Implications**

54. The H&F development team have engaged with the design team at procurement stage in order to enhance the designed sustainability of the development, and the design team have provided costs for the extra services required for this as part of their tender response. These proposals allow for traditional/classic Passivhaus design which would result in an airtight building, with superior insulation and windows. As a result, the properties would need about 75% less energy to heat vs an average new build. The development is also suitable for 'car free' proposals due to the high PTAL rating of the site, proposals are also inclusive of bike storage, to allow for alternative means of transport.

55. All of the proposals are subject to financial viability, design and suitability.

*Approved by Hinesh Mehta, Assistant Director Climate Change, 28/11/2023*

### **Procurement implications**

56. The results of the evaluation process have been verified against the e-tendering system and the Moderation Matrix has been uploaded on to capitalEsourcing on Friday 24 November 2023 by Sophie Uddin Procurement Category Lead, Procurement and Commercial.

### **Local Economy and Social Value**

57. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed. In addition, the evaluation of social value should account for a weighting of a minimum of 10% of the overall score.

58. The value of the contract is above £100,000. Paragraph 7 above outlines how the bids were scored including Social Value.

59. The winning bidder has proposed a social value offer of £161,496.57. This includes working with local schools and colleges, providing work experience, donations to local projects, volunteering and local MSME spending.

60. The commissioner should work with the Legal Service to ensure appropriate social value clauses are included in the contract so that the council can enforce its right to financial remedies if social value commitments are not delivered.

*Paul Clarke, Principal ED Officer, December 2023*

### **Consultation**

61. This will be achieved through adopting the Defend Council Homes Policy and Implementation Guide along with adopting best practice co-production and continued engagement with the residents, stakeholders and wider community. A project resident steering group will be created as part of the process to inform emerging designs and influence our services. This coproduction process will

extend further to accessibility to accommodate the principles of the Councils Disabled Peoples Housing Strategy.

62. The Design Team will work closely with local residents and facilitate co-production of any scheme brought forward. A project community consultation strategy will be developed to engage with the local community and ensure residents are consulted throughout the design development process. This will entail a co-ordinated approach from the design team, H&F client team, the community engagement lead to ensure all stakeholders are integrated into the process.

## **LIST OF APPENDICES**

Exempt Appendix 1 – Four Sites Design Team Appointment Scores