

Decision Maker: PORTFOLIO HOLDER FOR RENEWAL, RECREATION AND HOUSING

Date: For Pre-Decision Scrutiny by Renewal, Recreation and Housing PDS Committee on Thursday 14 March 2024

Decision Type: Non-Urgent Non-Executive Key

Title: BELLEGROVE HOUSING DEVELOPMENT - APPROVAL TO APPOINT PROFESSIONAL SERVICES - PART 1 (PUBLIC) REPORT

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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: St Paul's Cray

1. Reason for decision/report and options

1.1 Following the Housing Delivery Update report, presented to members in September 2023 (HPR2023/051), this report seeks approval to appoint the necessary professional services to deliver the project. A subsequent report will be brought to Executive, after the conclusion of RIBA stage 3, outlining the proposals and seeking a decision as to whether to proceed to construction.

2. RECOMMENDATION(S)

2.1 The Portfolio Holder for Renewal, Recreation and Housing is recommended to approve:

- 1) The award of a contract for a whole life value of £865,000 to the winning bidder to deliver multi-disciplinary consultancy services for the Bellegrove Housing Development. Noting this contract will have break clauses at each RIBA stage in case the project does not progress; and,
- 2) The award of a contract for a whole life value of £129,500 to the winning bidder to deliver Project Management (PM) and Employers Agent (EA) services for the Bellegrove Housing Development. Noting this contract will have break clauses at each RIBA stage in case the project does not progress.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Positive impact through the provision of additional affordable housing and assisted living residences.
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Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: £994, 500, as whole life value
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Bellegrave Feasibility
 4. Total current budget for this head: up to £1.5m
 5. Source of funding: Feasibility funding recycled from other schemes now on capital programme
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Personnel

1. Number of staff (*current and additional*): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: This process has been carried out within the guidelines of the NHS SBS HPCCAS framework.
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Property

1. Summary of Property Implications: No comments
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Both winning bidders will provide positive social value contributions to the local community.
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Impact on the Local Economy

1. Summary of Local Economy Implications: A varied housing supply is a critical enabler for Bromley's future economic growth.
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: N/A
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Customer Impact

1. Estimated number of users or customers (*current and projected*): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes

Summary of Ward Councillors comments: All Ward Councillors have been updated with the progress, and one ward Councillor responded to advise their support for the project.

3. COMMENTARY

- 3.1 The London Borough of Bromley is taking steps to reduce the number of households in nightly paid accommodation by developing quality affordable housing on council owned sites. In 2020 the Council also adopted its first Regeneration Strategy, which set out the aspiration of bringing forward quality housing, community facility and public realm projects.
- 3.2 Bellegrove is situated in St Paul's Cray, Orpington. It is a former residential care home which is currently being used for Temporary Accommodation with shared facilities. During the height of Covid it was difficult to utilise the site fully as residents were unable to share facilities, namely bathrooms and kitchens. The site has numerous operational property issues which makes it difficult to manage as a temporary accommodation service. The site does not enable the wellbeing of residents, particularly families, to reach their full potential due to the sharing of facilities. This also creates potential safeguarding issues. Housing colleagues have confirmed the site is no longer suitable for temporary accommodation use, and is currently being decanted with residents relocated elsewhere, creating further pressures on the housing service. For this reason, the current temporary accommodation savings cannot be profiled into the financial feasibility calculations as it will not be available longer term. Given these issues, the site has been considered for redevelopment as part of the housing transformation programme delivering affordable housing in Bromley for Bromley residents.
- 3.3 In September 2023, the Executive approved the Housing Delivery Update (report No HPR2023/051) which provided an update on Council owned sites that have been earmarked for affordable housing development. These sites must have begun work before March 2026 in order to qualify for GLA funding. Since then, officers have produced appropriate tender documentation, completed a tender process and are now seeking approval to appoint the professional services as outlined in this report.
- 3.4 Rather than a provision of temporary accommodation, officers consider that the Bellegrove site is likely to be viable for permanent housing. Early feasibility has indicated that the site could be fully redeveloped into permanent housing, providing between 55 to 70 dwellings and ongoing revenue savings against rising TA costs for the Council. The proposed redevelopment could include a mix of general needs affordable housing and specialist housing (supported living).
- 3.5 The procurement of professional consultancy services for design and technical services is required to progress the scheme through RIBA stages 2 – 7. It should be noted that the contract will be constructed with suitable break clauses at each relevant RIBA stage should the project not progress at any stage for any reason.
- 3.6 The break clauses will be applied as required to enable the Council to terminate the contract should budget not be available, the scheme isn't considered financially viable or if the Council wishes to retender the service. The continuation of the scheme past RIBA 3a will be dependent on a financial viability assessment, and a report will be taken to Executive to provide an update on the scheme before it is progressed post planning.

Tender Summary

- 3.7 The Council utilised the NHS Consultancy Services Framework to run a competition for both the multidisciplinary team and the PM and EA services using the following lots:
- Multi-disciplinary team: Lot 7
 - PM and EA Services: Lot 2

- 3.8 This is a unique development given the Council's goal of delivering assisted living residences within the scheme. Therefore, the NHS Shared Business Services Healthcare, Planning, Construction, Consultancy and Ancillary Services (SBS HPCCAS) Framework was chosen as the designated framework procurement route in order to seek suppliers with relevant experience.
- 3.9 The Council undertook a call for further competition, in line with NHS SBS HPCCAS framework rules, providing information about the project, services required, programme, and contractual terms; details of the submission requirements and evaluation criteria; and instructions and conditions for participating. The consultants on the Framework were provided the opportunity to bid for the contract and the process was managed by the Council's Procurement Team.
- 3.10 Two appointments were sought via the framework: a multi-disciplinary team, led by an architect, to provide design and technical services, and a separate appointment to provide PM and EA services. The multi-disciplinary team would be appointed via a JCT consultancy services contract (with LBB amendments) and are responsible for the following services:
- Principal Designer
 - Architect
 - Landscape Architect
 - Civil Engineer
 - Structural Engineer
 - Mechanical and Electrical Engineer
 - Planning Consultant (RTPI accredited)
 - Sustainability Consultant
- 3.11 The PM and EA provider would be appointed via a RICS consultancy services contract (with LBB amendments) and are responsible for co-ordination of the RIBA Plan of Work stages 2020 with the design and technical team, full PM and EA services for RIBA Stages 2-7, managing a dashboard covering the risk register, programme and change control tracker, and issuing monthly dashboard updates during the lifespan of the project.

Tender Evaluation: Multi-Disciplinary Consultancy Services

- 3.12 Six bids in total were evaluated for the multi-disciplinary services tender. However, following evaluation of the quality questions, two companies were scored below the Council's minimum scores. Therefore, four providers were deemed suitable for the project.
- 3.13 Below are the categories and weightings of the quality questions for this tender. Overall, bidders were evaluated 60% on price and 40% on quality.

Question	Criteria	Weightings
1.1	Skills and Experience	25%
1.2	Finance	15%
1.3	Technical Ability to Complete the Project	25%
1.4	Programme of Delivery and Methodology	25%
1.5	Social Value & Sustainability	10%

- 3.14 The outcome of the tender exercise has been summarised in 3.4 of the Part 2 report.
- 3.15 The winning bidder provided a quality submission and competitive pricing. They possess strong financial resources and submit to regular auditing, ensuring accountability to the client and providing reassurance they can deliver the project. The consultants assigned to the scheme are all appropriately qualified.

Tender Evaluation: PM and EA Services

- 3.16 Ten bids were received in total, but two were deemed to be non-compliant. Therefore, eight bids were evaluated for the PM and EA services tender. Following evaluation of the quality questions, four providers scored below the Council's minimum scores. Therefore, four companies were deemed suitable for the project.
- 3.17 Below are the categories and weightings of the quality questions in the PM and EA services tender. Overall, bidders were evaluated 60% on price and 40% on quality.

Question	Criteria	Weightings
1.1	Skills and Experience	25%
1.2	Staffing	20%
1.3	Project Approach Methodology	25%
1.4	Construction	20%
1.5	Social Value	10%

- 3.18 The outcome of the tender exercise has been summarised in 3.5 of the Part 2 report.
- 3.19 The winning bidder provided competitive pricing and strong quality responses. Their bid showed a high level of awareness for the duties and expectations of the PM/EA roles. They clearly outlined their experience in delivering projects of similar scope and with extra care requirements.

Contract Award Recommendation

3.20 Multi-Disciplinary Consultancy Services

- 3.20.1 Estimated Contract Value (annual and whole life): £865,000
- 3.20.2 Other Associated Costs: N/A
- 3.20.3 Proposed Contract Period: April 2024 – April 2027

3.21 Project Management and Employer's Agent

- 3.21.1 Estimated Contract Value (annual and whole life): £129,500
- 3.21.2 Other Associated Costs: N/A
- 3.21.3 Proposed Contract Period: April 2024 – April 2027

Market Considerations

- 3.22 The Council does not employ staff to operate services of this kind. Although bringing services in house has been considered, due to the specialist nature of each development it is unlikely this would be cost effective. The professional skills required to undertake the works are specialised, for example structural engineers and architects, therefore it is considered appropriate to go out to tender for a multidisciplinary team to manage these works, as well as project and cost management services.
- 3.23 The multi-disciplinary consultancy team and separately appointed PM and EA services team will be appointed through the NHS SBS HPCAS Framework which is in accordance with the Public Contract Regulations and there is no fee or levy for use.

3.24 The Regeneration Team has undertaken market engagement with companies in the Multi-disciplinary and Project Management lots of the NHS Framework that have affordable housing and specialist housing experience to seek feedback and to ascertain interest in the opportunity.

3.25 The indicative timeline for delivery, including up to the point of completion, is summarised below:

Action/Stage	Estimated Timescale
Tender launched	December 2023 – January 2024
Evaluation of tender responses	February 2024
Portfolio Holder Approval	March 2024
Contract Award and Appointment	April 2024
RIBA Stage 2 complete and pre-app undertaken	July 2024
RIBA Stage 3a, pre-app and public consultation complete	November 2024
Planning application submission	November 2024
Estimated planning determination	Early 2025
RIBA Stage 4a begins and launch tender for contractor services.	Early 2025
Evaluation of tender responses for contractor services.	Spring 2025
Contract Award and Appointment of contractor services.	Spring 2025
RIBA Stage 5 Estimated site construction start date	Spring/Summer 2025
Estimated Completion date	Spring 2027

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The housing development will have a positive impact on the local community through the provision of quality social housing.

4.2 Social housing provides affordable and stable housing options, helping low-income individuals and families secure a safe place to live. This reduces the risk of homelessness and provides a foundation for a better quality of life.

5. TRANSFORMATION/POLICY IMPLICATIONS

5.1 The delivery of the Bellegrave Housing Development will contribute to the Corporate Strategy to Make Bromley Even Better by meeting the following objectives:

- For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
- For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
- For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
- To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

5.2 The site is adjacent to Hoblingwell Wood Recreation Ground. The extent of Hoblingwell Woods' biodiversity and richness or wildlife is recognised through its designation as a Grade II listed Site of Borough Importance for Nature Conservation (SINC).

5.3 Hoblingwell Wood Recreation Ground is classified as 'Urban Open Space' (UOS) according to Policy 55 of the Local Plan.

5.4 According to the Local Plan, proposals for built development in Urban Open Space (UOS) will be permitted only under the following circumstances:

- The development is related to the existing or allocated use (in this context, neither residential nor indoor sports development, other than sports development related to educational use on the site, will normally be regarded as being related to the existing use); or
- The development is small scale and supports the outdoor recreational uses or children's play facilities on the site; or
- Any replacement buildings do not exceed the site coverage of the existing development on the site.

5.5 Subject to the clauses above, where built development is involved; the Council will weigh any benefits being offered to the community, such as new recreational or employment opportunities, against a proposed loss of open space. In any case, the scale, siting, and size of the proposal should not unduly impair the open nature of the site.

6 FINANCIAL IMPLICATIONS

6.1 See Part 2 (Exempt) information.

7 LEGAL IMPLICATIONS

7.1 This report seeks to award (i) a Multi-Disciplinary contract to the bidder named in the Part 2 report for a period of three years at a value of £865,000 and (ii) a Project Management and Employers Agent contract to the bidder named in the Part 2 report at a value of £129,500. Both these contracts have been awarded via the NHS Shared Business Services Healthcare Planning Construction Consultancy and Ancillary Services Framework (Lots 7 and 2 respectively).

7.2 The Housing Act 1985 governs the Council's responsibility to review housing needs, provide housing, develop and appropriate land. In addition, the Council has both an implied and a specific power under section 111 of the Local Government Act 1972 to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of

any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

- 7.3 Both of these contracts are services contract for the purposes of the Public Contract Regulations 2015 (the Regulations). One contract is above the current financial threshold (£214,904) and the other one below the financial threshold which would normally require a full Find a Tender advertisement which complies with the Regulations.
- 7.4 Procurement have confirmed that a compliant Framework Agreement was used to procure both these services as permitted under Regulation 33. The services have both been procured by way of a mini competition as provided for by the Framework Agreement. The use of Framework Agreements internally is governed by CPR 3.5 and all CPRs appear to have been followed in making use of this Framework.
- 7.5 Legal Services have been instructed in this matter and will continue to assist where necessary and to the conclusion of the contractual documentation.

8 PROCUREMENT IMPLICATIONS

- 8.1 This report seeks to award a contract for multi-disciplinary services for a period of three years with, a value of £865,000, via the NHS Shared Business Services Healthcare Planning Construction Consultancy and Ancillary Services Framework - Lot 7 - Multidisciplinary Services. The Council is able to make use of the Framework and has been properly included on the Contract Notice.
- 8.2 This process has been carried out within the guidelines of the framework. A call off contract duration of this duration is permitted under the terms of the framework. For each requirement, an order form and template call off contract must be completed.
- 8.3 As the contract value is over £30,000 including VAT, an award notice will need to be published on Contracts Finder, and, as the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published.
- 8.4 This report also seeks to award a contract for project management and employer's agent services for a period of three years with, a value of £129,500, via the NHS Shared Business Services Healthcare Planning Construction Consultancy and Ancillary Services Framework - Lot 2 -Project Management. The Council is able to make use of the Framework and has been properly included on the Contract Notice.
- 8.5 This process has been carried out within the guidelines of the framework. A call off contract duration of this duration is permitted under the terms of the framework. For each requirement, an order form and template call off contract must be completed.
- 8.6 As the contract value is over £30,000 including VAT, an award notice will need to be published on Contracts Finder.
- 8.7 A voluntary standstill period will need to be observed for both contracts.
- 8.8 The Council's Contract Procedure Rules require the following for authorising an award via a framework for a contract of this value; the Approval of the Portfolio Holder, with agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance to be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

8.9 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

9 CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 9.1 Both winning providers committed to delivering the following social value initiatives as part of their package of work
- 9.2 The Multi-Disciplinary Team winning bidder would provide work experience placements, training opportunities for LBB staff, attend school workshops and support local small/medium enterprises.
- 9.3 The PM and EA winning bidder advised they would also provide student work placements in the local area, attend career fairs and school/college workshops and commit to staff volunteering with local organisations.

10 IMPACT ON BROMLEY'S ECONOMIC DEVELOPMENT

- 10.1 A high quality and varied housing supply is a critical enabler for Bromley's future economic growth. The Bellegrove Housing Development's proposed affordable housing provision would make a key contribution to this offer and will contribute to sustainable economic development and deliver a range of economic benefits to the community.

11 WARD COUNCILLOR VIEWS

- 11.1 All Ward Councillors have been updated with the progress, and one ward Councillor responded to advise their support for the project.

Non-Applicable Headings:	Impact on Health and Wellbeing, Customer Impact, Personnel Implications, Property implications
Background Documents: (Access via Contact Officer)	Housing Delivery Update, September 2023, HPR2023/051