

North Tyneside Council

Report to the Chief Executive

Date: 23 April 2021

Title: Procurement of a Contractor through the Scape Framework to deliver North Shields Masterplan Projects

Portfolio(s): The Deputy Mayor
Finance and Resources

Cabinet Member(s): Councillor Bruce Pickard
Elected Mayor Redfearn

Report from Service

Area: Regeneration and Economic Development

Responsible Officer: John Sparks, Head of Regeneration and Economic Development (Tel: (0191) 643 6091)

Wards affected: Riverside and Tynemouth

PART 1

1.1 Executive Summary:

On 25th January 2021, Cabinet approved the Masterplan for the Regeneration of North Shields.

At the meeting, Cabinet granted delegated authority to various officers to progress the delivery of the Masterplan including the procurement of design and construction services for those projects identified within the Masterplan. It is accepted that delegated authority should rest and be exercised by the Chief Executive as the single named officer of the Authority in consultation with the other named officers and members.

This report seeks delegated approval to appoint a contractor to deliver the following North Shields Masterplan projects:-

- Transport Interchange and New Town Square
- Riverside Embankment Walkway
- Gateway Improvements

1.2 Recommendation(s):

In accordance with the delegation provided by the Cabinet Report of 25th January 2021, it is recommended that the Chief Executive in consultation with the Head of Resources, the Head of Regeneration, the Mayor, the Deputy Mayor and the Cabinet Member for Finance and Resources is authorised to:

(1) Appoint Wilmott Dixon as the Lead Construction Partner under the Scape Framework for the design and construction of the following North Shields Masterplan projects:

- Transport Interchange and New Town Square
- Riverside Embankment Walkway
- Gateway Improvements

- (2) Enter into a Preconstruction Delivery Agreement (PCDA) with Wilmott Dixon for the projects identified in point (1) above.
- (3) When the final funding allocation is granted by the Department for Transport and subject to the Authority's acceptance of the design proposals, enter into a separate Construction Delivery Agreement with Wilmott Dixon to proceed to final design and build for each of the projects identified in point (1) above. .

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 19th March 2021.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2020-2024 Our North Tyneside Plan:

Our Places will:

- Be great places to live by focusing on what is important to local people, such as by tackling the derelict properties that are blighting some of our neighbourhoods.
- Have an effective transport and physical infrastructure - including our roads, pavements, street lighting, drainage and public transport.
- Continue to be regenerated in Wallsend and Whitley Bay, through effective public, private and community partnerships, while ambitious plans will be developed for North Shields, Forest Hall and Killingworth.

1.5 Information:

1.5.1 Background

- 1.5.2 On the 25th January 2021, Cabinet approved the final Masterplan for the regeneration of North Shields. As part of taking forward the delivery and implementation of the Masterplan, the following delegation was also agreed:-

That the Chief Executive, The Head of Resources and the Head of Regeneration in consultation with the Mayor, Deputy Mayor and Cabinet Member for Finance and Resources progress the delivery of the Master Plan including the acquisition of property interests, procurement of design and construction services for those projects identified within the Masterplan and for which funding has been secured.

- 1.5.3 Subsequent legal advice has confirmed that delegated authority should be exercised by the Chief Executive as the most senior officer, in consultation with the other named officers and members.

1.5.4 Scape Framework

Scape is a Public Sector Construction Framework which has been set up in compliance with UK procurement law. It is managed by local government representatives who understand local government procurement responsibilities and the need to incorporate value for money for the taxpayer, sustainable delivery, community cohesion and local economic impact alongside the usual time, cost and quality critical success factors. It is configured to use resources that have a proven track record in delivering to the highest possible standard to inject certainty into project delivery.

Scape actively performance manages the Major Works frameworks, ensuring the project is delivered to the highest standard..

The Framework is a tried and tested route that has been used successfully across the North East and is considered to be the quickest, compliant and most efficient route to market. The Authority and others in Tyne and Wear have successfully used it and have comfort in this delivering its objectives. Given the value of the projects within scope, an alternative open and compliant route could add 6 months to each projects' timeline, which would render them undeliverable within the funding timescale.

Officers have engaged with representatives from Wilmott Dixon, who are the default Lead Construction Partner under the Framework for the size of the contracts the Authority wishes to pursue.

Positive discussions have progressed and the Wilmott Dixon team have come forward with a proposal to enter into a Preconstruction Delivery Services Agreement (PDSA) to help progress these schemes and assist the Authority in completing the required Final Business Case which is needed to draw down the final funding allocation under the Transforming Cities Fund (TCF). Officers have been successful in drawing down a £0.100m allocation from the fund to finalise the Final Business Case.

An activity schedule has been prepared to help inform and guide the PDSA, to take forward the Final Business Case and to secure the remaining allocation of funding. The Final Business Case needs to be submitted by June 2021.

It is anticipated that the Authority will complete the property acquisitions required for the Transport Interchange in the summer of 2021, and the Authority will need to then move forward quickly to demolish and clear the site ready for construction in the autumn of 2021. Wilmott Dixon would be the Authority's delivery partner to undertake these works under the Scape Framework.

In order to progress, authority is sought to appoint Wilmott Dixon as the Authority's Lead Construction Partner for the Transport Interchange and the other critical projects listed at 1.1.

1.6 Decision options:

The following decision options are available for consideration by the Chief Executive:

Option 1

To agree the recommendations at paragraph 1.2 of this report,

Option 2

Not to agree the recommendations at paragraph 1.2 of this report and propose that officers consider other options for the delivery of the identified projects. As set out in paragraph 1.5.4 above, there are no other viable delivery routes to achieve the funding deadlines.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The projects listed at 1.1 are critical to the delivery of the North Shields Masterplan approved at Cabinet in January 2021. The recommended procurement route will allow the smooth delivery of the listed projects by use of an experienced lead construction partner. As set out on paragraph 1.5.4 above, there are no other viable delivery routes to achieve the funding deadlines. It will allow the Transport Interchange project to proceed in which case the Co-op building can be demolished by Wilmott Dixon (once acquired by the Authority) and the new Transport Interchange built on the site. This alone will add immediate and significant value to the Authority's regeneration proposals for North Shields Town Centre as confirmed in the Authority's Ambition for North Tyneside. It will also allow the delivery of the other masterplan projects listed at paragraph 1.1.

1.8 Appendices:

There are no appendices to this report.

1.9 Contact officers:

Paul Dowling, Regeneration & Transport Service Manager, Tel: 643 6428.
Sarah Heslop, Strategic Commercial and Procurement Manager, Tel: 643 5456.
Cathy Davison, Principal Accountant, Tel: 643 7038.
Louise Watson, Senior Manager, Legal & Registration Services, Tel: 643 5325

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) North Shields Town Centre and Fish Quay Master Plan; Cabinet, 25th January 2021.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Authority has been provisionally allocated £19.1m from the Department for Transport (DfT) under the Transforming Cities Fund (TCF) for the implementation and delivery of the following projects:

- Transport Interchange and Town Square
- Riverside Embankment Walkway
- Gateway Improvements

Of this amount, £0.100m has been confirmed and is included in the Authority's 2021/22 Capital Investment Plan; this grant will be used in full to fund the costs of getting to design stage / RIBA stage 2.

A request will be made to Investment Programme Board that the remainder of the works be funded using a proportion of a £2.5m drawdown of the Plan's £10m Ambition Budget which will be used as the match funding requirement of the TCF grant.

This is being progressed as an urgent decision from the North Shields Project Group and the Investment Programme Board (IPB) for approval to utilise the Investment Plan's Ambition Budget.

2.2 Legal

As the value of these contracts will exceed £500,000, under the Authority's Contract Standing Orders, the procurement of design and constructions services requires Cabinet approval. This was obtained on 25th January 2021. The Scape Framework was set up prior to the EU transition and as such was undertaken as an OJEU compliant procurement process taking into account the Public Contract Regulations 2015 and the relevant EU procurement legislation in force at that time. Under the EU-UK Withdrawal Agreement the public procurement regulations that applied at the time the framework commenced will continue to apply. This will also apply to all call-off procedures and contracts entered into during the term of the framework agreement. The procurement of the contractor therefore complies with current UK procurement legislation.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

In accordance with the delegation in the Cabinet Report of 25th January 2021, the following Officers and Elected Members have been consulted on the proposed procurement route and are supportive for the reasons given in this report:-

- The Deputy Mayor in his role as Cabinet Member for Regeneration.
- The Elected Mayor, both in mayoral capacity and also with interim responsibility for the Finance and Resources Portfolio at the time of writing this report.
- The Head of Resources and the Head of Regeneration as members of the North Shields Project Board responsible for the oversight and direction of the programme.

2.3.2 External Consultation/Engagement

In the autumn of 2020, the Authority's draft North Shields Masterplan was subject to consultation with residents, businesses and other stakeholders in order to seek their views on the future of the Town Centre.

Further consultation will be undertaken as part of the planning process in respect of the demolition of the Co-op building and the subsequent redevelopment of the site as the Transport Interchange.

2.4 Human rights

There are no human rights issues directly arising from this report.

2.5 Equalities and diversity

There are no direct equality implications arising from this report.

2.6 Risk management

Risks associated with the appointment of Wilmott Dixon under the Scape framework have been considered. As set out at paragraph 1.5.4 above, a procurement process complying with UK procurement legislation following the EU transition would add to the timeline and render these projects undeliverable by the spend deadlines within the funding terms. This faster way to market via a pre-tendered compliant route that is known to the Authority is considered to be the best delivery route.

The procurement of a construction partner now is necessary in order to commence design work and achieve the construction deadline that is a condition of the funding. This timing risk is included on the Masterplan's Strategic Risk Register with the following mitigations:

- The Outline Business Case has already secured approval from the DfT for the TCF funding with some drawdown monies in place to develop the Final Business Case - it is the Final Business Case that awaits the DfT's October decision to release the remainder of the funding.
- The Project Team are having ongoing and regular conversations with all funding organisations to ensure the Authority meets requirements and expectations.

2.7 Crime and disorder

Crime and disorder implications will be considered as part of the planning process in respect of the demolition of the Co-op building and the subsequent redevelopment of the site as the Transport Interchange.

2.8 Environment and sustainability

Environment and sustainability implications will be considered as part of the planning process in respect of the demolition of the Co-op building and the subsequent redevelopment of the site. The Riverside Embankment Walkway is also a Site of Special Scientific Interest (SSSI) and officers will work closely with the Authority's Biodiversity Officer to ensure that development progresses in an engaging way.

PART 3 - SIGN OFF

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| • Chief Executive | <input checked="" type="checkbox"/> |
| • Head(s) of Service | <input checked="" type="checkbox"/> |
| • Mayor/Cabinet Member(s) | <input checked="" type="checkbox"/> |
| • Chief Finance Officer | <input checked="" type="checkbox"/> |
| • Monitoring Officer | <input checked="" type="checkbox"/> |
| • Head of Corporate Strategy and Customer Service | <input checked="" type="checkbox"/> |