



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development (Please Select) (Please Select...)
LEAD OFFICERS:	Strategic Director Place (Please Select)
DATE:	13/10/21

PORTFOLIO/S AFFECTED:	Growth and Development	Finance and Governance
WARD/S AFFECTED:	Shear Brow and Corporation Park	(Please Select...)

SUBJECT: Blakey Moor Townscape Heritage Project – Main Contractor Award

1. EXECUTIVE SUMMARY

In 2016, the Council was successful in securing approval for £1.5 million National Lottery Heritage Funding, matched by a further £1.5 million Council funding for the delivery of the £3 million Blakey Moor Townscape Heritage Project (TH) in Blackburn town centre.

The TH project is focused on the Northgate Conservation area and included proposals for a public realm improvement scheme, the renovation and repair of the Blakey Moor Terrace and other historic properties on Northgate and Lord Street West.

The TH project offers eligible property owners (including BwD BC) grants of up to 80% for conservation and restoration works.

The restoration, redevelopment and re-use of the Blakey Moor Terrace was identified as Priority Scheme within the TH project. The Priority Scheme is now ready to commence subject to Executive Member Approval to appoint a main contractor and sign-off from the National Lottery Heritage Fund.

2. RECOMMENDATIONS

That the Executive Member: Approves the appointment of Forrest Joinery & Construction Contracts Ltd as main contractor for the restoration and redevelopment of the Blakey Moor Terrace and rear landscaping works, and delegates authority to the Strategic Director Place in consultation with the Executive Member for Growth & Development to formally award the contract, in accordance with this report and compliance with legal requirements.

The value of the contract award is £1,616,753.

3. BACKGROUND

Since 2016, the TH Project has successfully delivered the new public realm scheme around King George's Hall and Northgate, completed major restoration works to 35 Northgate, 10-12, 14 & 20 Lord Street West and works to 29 Blakey Moor are currently onsite. A number of other projects are in development including schemes for 21-27, 29, 34, 36-40 and 50-54 Northgate.

Blakey Moor Terrace is identified within the project as the Priority Scheme. Due to the significance of the scheme, the size and scale of the terrace and the complexity of the works needed, the Council acted to acquire the properties to facilitate its full restoration and redevelopment.

While this was done in consultation and agreement with the private owner and businesses, securing the acquisition and vacant possession took significantly longer than anticipated. This delay was further impacted by lockdown restrictions 2020/21.

Supported by Architectural Design Team Group Ginger, the Council has developed detailed designs that will see the terrace restored and redeveloped, creating two units suitable for F&B, leisure or retail and the provision of a new rear courtyard area.

An Invitation to Tender for a Main Contractor to deliver the scheme was advertised as an open tender on The Chest NW procurement portal. Two submissions were received in response.

Due to the specialists structural and conservation nature of the project the evaluation criteria were split 50% quality, 40% price and 10% social value basis.

The evaluation was undertaken by the Townscape Heritage Project Manager, BwD Procurement Officer, BwD Surveyor and Group Ginger Design Team including Structural Engineer from CCS Consulting.

A number of clarifications were undertaken via The Chest, as well as on-line clarification meetings with both contractors. Those clarifications resulted in determining that one bidder's price was abnormally low and accordingly is recommended to be rejected. The winning bidder scored 47.5% out of 60% across quality and social value.

The value of the contract award is £1,616,753.

Subject to Executive Member approval to award the contract and sign-off by the National Heritage Lottery, it is hoped that works could begin on site before Christmas for 12 months.

During construction phase, a property agent will be appointed and the two units will be marketed to let for F&B.

4. KEY ISSUES & RISKS

Increased Costs

Due to the time it has taken to bring the scheme to delivery stage, estimated costs for the project have increased. This is due to a number of reasons including continued deterioration of the terrace, unforeseen structural issues, general inflation and increased cost of materials and labour as a result of Covid and Brexit. In addition to this, landscaping of the rear courtyard area has now been included.

This increase has been accommodated within the wider Townscape Heritage Project budget approved 2016, and there is no additional financial request.

Risk of further cost increases

To reduce risk of cost increases during delivery of the project, a phase I demolition/strip-out was undertaken in 2020. This allowed for a detailed structural investigation of the building and resulted in the increased specification of structural works within the tender specification.

Due to the complex nature of the project, there is still risk of unforeseen works and unknown costs on some elements (such as groundworks and services). A number of mitigation measures have been

taken to protect the Council as much as possible against increased costs. This includes the inclusion of a number of provisional and contingency sums within the tender, detailed pre-tender clarifications with contractors and where possible contractual conditions on price.

A key benefit of the preferred contractor is that they undertook the phase I demolition/strip out works and have a very good knowledge and understanding of the building (as clearly demonstrated in their tender submission) giving more accuracy to their costs.

Within the wider Townscape Heritage Project, there is also an additional unallocated grant budget that could be used as a further contingency sum if necessary. However, this would require an additional 20% contribution from BwD, as the 'Property Owner Contribution' if it were used.

Risk of not awarding the contract

BwD is currently experiencing cost increases across all construction projects in terms of both materials and labour. Costs are predicted to continue to rise in the short term, so any further delays in letting the contractor will result in further cost increases.

Should the Council decide not to progress the scheme, significant investment would be required to undertake remedial works to make the building structurally sound in the short-term. In addition to this, BwD BC would lose £742,994 National Lottery Heritage Funding and other Townscape Heritage Funding could be at risk.

5. POLICY IMPLICATIONS

The development of the Northgate Conservation area and Blakey Moor Terrace was a key part of the Council's '12 Point Plan' responding to the 'Culture and Life' objective of the Blackburn Town Centre Strategy.

It also supports Blackburn with Darwen's Draft Local Plan 2018-2037, specifically Core Policy 4 (CP4) Town Centre's and Commercial Development – to promote the growth of commercial developments and other town centre uses such as leisure, entertainment, arts and cultural and Core Policy 7 (CP7) Design and Heritage – contributing towards a sense of place through quality design and enhancement of historic environments.

6. FINANCIAL IMPLICATIONS

Total BwD capital funds of £1,745,000 (including match funding and property owner's contributions) were approved February 2016 for the Townscape Heritage Project.

The budget allocation for the Blakey Moor Terrace is as follows:

	TH GRANT		PROPERTY OWNERS CONTRIBUTION	TOTAL
	NLHF 40%	Council Match 40%	20%	
Blakey Moor Terrace	£742,994	£742,994	£371,498	£1,857,486

The budget allocation includes a contingency and can be accommodated within the wider TH project budget and BwD capital funds approved 2016.

The budget allocation is broken down as follows:

	£Amount
Spend to date	
Design Team fees & surveys	£110,944

Demolition and strip-out contact	£59,056	
Remaining Costs		
Construction Contract	£1,616,753	
Utilities services	£23,267	
Professional Fees	£47,466	
Total	£1,857,486	

7. LEGAL IMPLICATIONS

The procurement process has been carried out in accordance with the Council's Contracts and Procurement Procedure Rules.

The contract will be awarded on the basis of the JCT Intermediate building Contract (with Contractors design) 2016, as amended by the Council approved Schedule of Amendments, which was issued with the ITT. The Council's legal team will finalise the contract with Forrest Joinery.

8. RESOURCE IMPLICATIONS

No additional resource are required.

As well as main construction contract, the budget includes all other works, surveys and professional fees.

The Townscape Heritage Project also includes a small revenue budget that will be used for supporting marketing activity around the Blakey Moor Terrace.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

The contract has been tendered and evaluated in close consultation with BwD Procurement Team to ensure that financial risk to the Council is minimised.

The scheme design and specification has been prepared by Group Ginger Architects and Design Team in consultation with BwD Local Planning Authority and CSS Structural Engineer.

The scheme has been developed in consultation with National Lottery Heritage Fund to ensure it meets all of their funding criteria.

Executive Member of Regeneration has been consulted at each stage of development.

Public consultation took place throughout the development phase of the Townscape Heritage Project.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with

equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	1
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CONTACT OFFICER:	Julia Simpson
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DATE:	13/10/2021
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BACKGROUND PAPER:	
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