



City of Westminster

# Cabinet Member Report

<b>Decision Maker:</b>	Cabinet Member for Regeneration and Renters
<b>Date:</b>	21 <sup>st</sup> February 2024
<b>Classification:</b>	For General Release but that the Appendices, be declared as exempt from publication as (i) it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, (ii) it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under paragraph 5 of Schedule 12A of the Local Government Act 1972; (iii) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
<b>Title:</b>	Ebury Phase 2 – Planning & Financial Viability Consultant Appointment
<b>Wards Affected:</b>	Knightsbridge & Belgravia (formerly Churchill Ward)
<b>Policy Context:</b>	The proposed estate renewal of Ebury provides an important opportunity to deliver on a number of key pillars of the Council's Fairer Westminster vision, including Fairer Housing, Fairer Communities and Fairer Economy. A transparent process will be undertaken and demonstrated as part of a continuous engagement strategy with the community, residents and key stakeholders.
<b>Key Decision:</b>	Yes, due to consultant fees over £300k
<b>Financial Summary:</b>	This report is seeking approval of expenditure for Planning & Financial Viability Consultancy Services to support Ebury Phase 2 and 3, up to the initial contract value of £139,580 as part of the Ebury Planning Phase 2 Renewal Scheme which was approved by the Cabinet on 8 <sup>th</sup> March 2021.
<b>Report of:</b>	Debbie Jackson, Executive Director, Regeneration, Economy, and Planning

## 1. Executive Summary

- 1.1. The regeneration of the Ebury Bridge Estate will provide more affordable housing and bring about the long-term physical, economic and social sustainability of the neighbourhood.
- 1.2. The hybrid planning application for Ebury Phase 1 & 2 was originally approved on the 6<sup>th</sup> of October 2021, with the amended application approved on the 21<sup>st</sup> of July 2023.
- 1.3. The proposed appointment of Savills (UK Limited) for Planning and Financial Viability Consultancy services sought within this report is consistent with the capital budget approved by full Council on 8<sup>th</sup> March 2021. Cabinet Member approval is required as the value of the consultancy contract is over £300,000 (excl. VAT).
- 1.4. The appointment of a Planning and Financial Viability Consultancy services is proposed to support Ebury Phase 2 and 3. Specifically, the appointment will provide the following scope of services:
  - Planning services will cover planning support on the Reserved Matters Application for the scheme and leading pre-application meetings with and on behalf of the Council, including various public consultation and engagement events.
  - The financial viability services will cover the commercial assessment of the scheme and collation of information related to cost, sale and other inputs to the financial viability.
- 1.5. A rigorous and competitive procurement exercise has been undertaken to procure the Planning and Financial Viability Consultancy services, which has been endorsed by the Council's Commercial Gateway Review Board (CGRB), the paper of which is appended to this report (Appendix B).
- 1.6. The proposed commencement date of the contract is 12<sup>th</sup> February 2024, further to conclusion of the standstill period. The anticipated end date of the contract is 12<sup>th</sup> February 2025.

## **2. Recommendations**

- 2.1. That the Cabinet Member for Regeneration and Renters:
  - Approves the contract award for Planning and Financial Viability consultancy services for a contract value up to £139,580 (£167,496 incl. VAT) to Savills for RIBA Stage 3 onwards on Phase 2, which sits within the remaining approved budget of £148,000.
  - Notes CGRB have endorsed the tendered contract value for the full contract sum for Planning and Financial Viability consultancy services of £403,955 (excl. VAT) to Savills from RIBA Stage 3 onwards on Phase 2 and Phase 3.

- Approval of the remaining spend will be addressed in the Outline Business Case and accompanying Cabinet Member Report for Ebury Phase 2, along with a refresh of the projects overall viability.
- Once the Outline Business Case budget is approved, to delegate authority to the Executive Director of Regeneration, Economy and Planning (REP) up to the full contract value.

2.2. The proposed commencement date of the contract is 12<sup>th</sup> February 2024, for a period of up to 12 months. Should the additional options be pursued, the maximum contract terms will be for a period of four years and three months.

2.3. A JCT Consultancy Agreement with the Council's standard amendments will be used, which will include the option to suspend or terminate the contract at the end of each RIBA stage.

### **3. Reasons for Decision**

3.1. The reason for the recommendation is to secure fees and appoint a Planning and Financial Viability Consultant to support RIBA Stage 3 onwards on Ebury Phase 2 and lead on Ebury Phase 3.

3.2. The overarching objective of regenerating Ebury Bridge Estate is to create a comprehensive renewal that brings about physical, economic and sustainable change that creates additional homes and improves the lives of residents, businesses and visitors alike.

3.3. The proposed redevelopment of Ebury is in line with the Council's ambitions for a Fairer Westminster and aims to deliver on the following objectives:

- Re-provision of existing homes and explore opportunities to deliver high quality new homes of all tenures.
- Construction of high quality and energy efficient sustainable new buildings which utilise cutting edge design and technological innovation.
- Improvement to place shaping including play space, bio-diverse green space and enhancement of the public realm including increasing permeability and connectivity with the canal and surrounding areas.
- Promoting a safer and vibrant neighbourhood, which encourages positive community interaction.
- Enhancing community assets and maximising impact through linking to wider provision in the surrounding area.
- Encouraging and facilitating strong public participation from the community in the design and development of the scheme.
- Increasing opportunities for employment and business growth and initiatives.
- Responsible Procurement ensuring ethical treatment and consideration and mitigation of environmental impacts.

#### **4. Background, including Policy Context**

- 4.1. The Ebury Bridge Estate is one of the five priority estates identified in the Council's Housing Renewal Strategy (2010) as needing significant improvement and investment.
- 4.2. In line with the Council's City for All objectives, the overarching objective of regenerating Ebury Bridge Estate is to create a comprehensive renewal that brings about physical, economic and sustainable change that creates additional homes and improves the lives of residents, businesses and visitors alike.
- 4.3. This proposal will help meet the Council's objectives for the regeneration which include:
- The regeneration should be a Council led;
  - The Council should retain long term ownership of the estate;
  - The regeneration should produce a range of tenures or ladder of opportunity for people on different incomes to live and work in central London; and
  - Delivering the regeneration in a sensitive and inclusive way, setting a standard for quality and place making for this important Westminster neighbourhood.

#### **5. Procurement**

- 5.1. As approved at Gate 2, the CCS Framework was used to seek proposals from a list of established Planning and Financial Viability Consultants. In October 2023, 31 framework suppliers were invited to an expression of interest, of which 19 responded and were invited to a mini competition, with two returning bids on 9 November 2023. Only three weeks was provided given the tight programme requiring a consultant appointed as soon as practical. Responses were received from the following firms:
- Savills (UK) Limited
  - Pick Everard as leading bidder on behalf of Lichfield Limited
- 5.2. The two responses were checked for completeness, with all bidders submitting compliant tender responses, which were formally evaluated and moderated by the evaluation team comprised of the following officers:
- Commercial Manager, Procurement and Commercial Services (price evaluation and moderator)
  - Senior Development Manager, Development Services (non-price evaluation)
  - Senior Commercial Manager, Development Services (non-price evaluation)

- 5.3. The result of this tender evaluation and moderation was that Savills (UK Limited) were the successful organisation as their bid was identified as the “most economically advantageous tender”.
- 5.4. The Councils Fairer Westminster vision was heavily promoted with suppliers, with three questions relating to Responsible Procurement comprising a total of 20% of the Technical Criteria.
- 5.5. For each tender undertaken, the Evaluation Strategy was based on the Most Economically Advantageous Tender (MEAT) made up of Quality (70%) and Price (30%).
- 5.6. The Planning and Financial Viability Consultant tendered services have received endorsement from the Executive Director and the Council’s Commercial Gate Review Board (CGRB), the paper of which are appended to this report (Appendix B). The CGRB endorsement was received on Wednesday 10<sup>th</sup> January 2024.

## **6. Financial Implications**

- 6.1. The recommendation under this report is to approve the award of a contract to Savills (UK) Limited for planning and financial viability services for the Ebury Renewal Scheme Phase 2 and Phase 3.
- 6.2. The value of the initial services for RIBA Stage 3 is £139,580 with options to provide services in future RIBA Stages taking the total to £403,955 (including VAT is £484,746).
- 6.3. The commencement date of the contract is 12 February 2024 for a period of up to 12 months. The anticipated end date should all optional extensions be taken is 31 May 2028.
- 6.4. There is budget allocation of c. £200k for this service of which £52k has already been spent leaving balance of £148k to be allocated towards this contract. This covers the initial services of £139,580, however, there is a funding gap of £256k against the total contract value of £404k.
- 6.5. There have been changes to the project programme including the delays and changes in the design to meet new legislation, namely the introduction of the second staircase.
- 6.6. A detailed review of the above changes will be undertaken to understand the financial impact and Cabinet member approval sought along with the Outline business case in Autumn. It is important for project continuity the contract is awarded but spend is restricted to balance of £139,580 until further budget of £256,000 is approved and there is satisfactory completion of initial deliverables.

## **7. Legal Implications**

- 7.1. The recommendation under this report is to approve the award of a contract to Savills (UK) Limited for planning and financial viability services for the Ebury Renewal Scheme Phase 2 and Phase 3. The value of the contract is £139,580 (£167,496 incl. VAT) for the initial contract services covering RIBA Stage 3 for Phase 2, and options to the maximum value of £403,955 (incl. VAT is £484,746) for future stages of work which may not be required. The total contract value is above the relevant threshold for services under the Public Contract Regulations (“the PCR”) and as such the full implications of the PCR will apply.
- 7.2. The procurement process followed, namely the mini competition under the CCS Estate Management Services Framework RM6168 is compliant with both the PCR and the Council’s Procurement Code (“the Code”).
- 7.3. Legal confirms that the services procured by the Council are within the scope of the framework and that it is an existing framework which expires on 20/7/25.
- 7.4. For consultancy appointments with a value over £300k, the Code requires the approval of the appropriate Cabinet Member.
- 7.5. All contracts with a value of over £175,000 must be signed by at least 2 authorised officers of the Council or made under the common seal attested by the Chief Executive, Director of Law or authorised Solicitors in accordance with Standing Orders 47 and 56 in the Council’s Constitution.
- 7.6. The contract will be a JCT Consultancy Agreement with the standard Council amendments and will include cover for the additional options and costs in the schedule of rates. This is an allowable contract option under the Framework. Legal Services will be available to assist with the drafting and execution of the contract for the Consultant’s appointment.
- 7.7. Details of the contract award must be published on Contracts Finder in accordance with the PCR.

## **8. Carbon Impact**

- 8.1. Ebury Phase 2 will propose a high performing sustainable development that seeks to minimise the Carbon Impact in line with the Council’s commitment to becoming carbon neutral Council by 2030 and carbon neutral City by 2040.

## **9. Equalities Impact**

- 9.1. In the decision to enter into contracts for professional services up to a value of £403,955 (incl. VAT £484,746) for Planning and Financial Viability Consultancy Services to support Ebury Phase 2 and 3, the Council must pay due regard to its Public Sector Equality Duty (PSED), as set out in Section 149 of the Equalities

Act 2010 (the 2010 Act). The PSED provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the 2010 Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9.2. The development of the site will be designed to address the needs of a wide range of people. Across development schemes there are always likely to be a range of outcomes, some of which will be negative for some people; however, the development aspiration aims to maximise the positives for many people and for a longer period. An Equalities Impact Assessment (EQIA) is required to ensure that any detriment experienced by residents is not a result of their protected characteristic.

9.3. Consideration will be given to future recommendations and, if they go ahead, whether it is possible to mitigate any adverse impact on a protected group, or to take steps to promote equality of opportunity by, for example, treating an affected group more favourably.

9.4. Officers are mindful of this duty in making the recommendations in this Report. An EQIA will be updated throughout the progress of the project and incorporated into the contract management processes to ensure compliance with statutory duties, considering the impact on those with protected characteristics and how the design development, along with consultation with the community, will take these into account.

## **10. Consultation**

10.1. Ongoing, meaningful engagement with the local community underpins the delivery of the Ebury Bridge Regeneration scheme. Since the project was initiated in 2017, a dedicated onsite engagement team has been based on the estate to provide support to residents. This team also provides a direct interface between our contractors and the Ebury Bridge community and surrounding neighbours. The Tender process demonstrated that work undertaken by the chosen contractor will have consultation with Officers and Community Representatives at its heart. Both Planning and Financial Viability services will require ongoing consultation with residents as further Reserved Matters Applications are submitted.

10.2. The Ebury Bridge Community Partnership Group (CPG) has met monthly since October 2017. This is the strategic resident steering group that provides a strong community voice on key decisions throughout the project. The group has been consulted on the appointment of contractors, delivery routes, best value, changes in tenancy (Under Section 105 legislation) and will continue to play an important role as the project progresses. The CPG have been consulted at each design stage and have received viability training to enable them to assess

options for scheme delivery. Should the appointment be approved, the chosen contractor will be instrumental in ensuring that there are opportunities for regular resident participation in design development and options for delivery of future phases (including viability assessments).

## 11. Next Steps

11.1. Over the next few months, WCC officers will progress the following items on Ebury Phase 2:

- Progress the appointment of Savills as Planning & Financial Viability Consultancy Services to support Ebury Phase 2 and 3.
- Submit the Reserved Matters Application (RMA) for Ebury Phase 2.
- Progress the Main Works Contractor procurement on Ebury Phase 2.
- Return to the Cabinet Member at Outline Business Case and Cabinet Member Report (CMR) for approval of the remaining spend.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

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### **APPENDICES (EXEMPT FROM PUBLICATION)**

**Appendix A – Ebury Phase 2 – Exempt Legal Implications**

**Appendix B – Ebury Phase 2 – CGRB Gate 3 Planning & Financial Viability Services**



For completion by the **Cabinet Member for Regeneration and Renters**

**Declaration of Interest**

I have no interest to declare in respect of this report.

Signed:     Matt Noble    

Date:     08/03/24    

NAME:     **Matt Noble**    

State nature of interest if any:

*(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled 291 Harrow Road – Multi-Discipline Consultant Team (MDCT) Appointment and reject any alternative options which are referred to but not recommended.

Signed:     Matt Noble    

**Cabinet Member for Regeneration and Renters**

Date:     08/03/2024    

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.