



Cabinet
13 February 2017

**Report from the Strategic Director of
Regeneration & Environment**

For Action

Wards affected:
Kilburn

**Appointment of Architect and Multidisciplinary Design
Team for Queens Park/ Cullen House site South Kilburn**

1 Summary

- 1.1 This report seeks Cabinet's approval to the extension and variation to the existing contract for an architect, Maccreanor Lavington Architects and for the appointment of a wider consultant team; for the completion of a s73/s96a application for minor material amendment or for non-material amendments and for the completion of design works to the consented scheme.
- 1.2 The appointments, if approved would take forward the comprehensive redevelopment of Cullen House, Keniston Press, TfL offices at Premier House and the Falcon Public House and associated carparks (together defined as '**Site 18**' and as shown edged red on plan at **Appendix 1**).
- 1.3 This development has been stalled since 2012 due to safeguarding of the site by HS2 for a proposed ventilation shaft and auto transformer. This HS2 safeguarding is now removed from this site enabling the project to recommence.

2 Recommendations

- 2.1 That the Cabinet approve: (i) the extension and variation to the contract with Maccreanor Lavington Architects (ii) the appointment of a wider consultant team (iii) the completion of a s73/s96a application for minor material amendment or non-material amendments to the consented scheme
- 2.2 That the Cabinet approve an exemption pursuant to Contract Standing Order 84 (a) from the requirement to seek quotes in respect of the consultants' appointments set out in paragraph 3.8 for the reasons detailed therein.

3 Detail

- 3.1 The proposed comprehensive redevelopment of "**Site 18**" is a consented scheme. It consists of the closure of Salusbury Road Car Park, demolition of the adjoining buildings comprising Keniston Press, Premier House, Cullen House and the Falcon public house and the closure of the spur road with subsequent

redevelopment of approximately 137 new homes of which approximately 39 are for affordable rent for secure tenants of South Kilburn, along with a new public space, 1270 sqm of commercial space, 959 sqm of office space and a new signalled junction at Kilburn Lane.

- 3.2 The redevelopment of Site 18 has been delayed as a result of the site being affected by High Speed Two Ltd (**HS2**) proposal to locate a vent shaft and Auto-Transformer and tunnel route relating to the construction of Phase One of HS2 on Site 18. Recently, following protracted discussions and a Brent Council petition to Government, HS2 has agreed to relocate the vent shaft to another site which does not form part of the South Kilburn Regeneration Programme. As a result, the Council now intends to bring forward Site 18 for redevelopment in accordance with the regeneration master-plan and the planning permission granted on 9 November 2012. Due to the passage of time since consent was obtained the opportunity will be taken to refresh the consented scheme.
- 3.3 Following cabinet approval in January 2016 the Council purchased the Keniston Press site in April 2016. Around the same time Londonewcastle, a private development company who were involved in developing Queens Park Place, acquired The Falcon Public House which forms part of the planning approved development site. The Council also had the opportunity to purchase the Falcon P.H. at this time but declined to do so.
- 3.4 Council officers are currently discussing the possibility of bringing forward this site in a Joint Venture (JV) vehicle in partnership with Londonewcastle, the Landowner of the Falcon P.H, to deliver the proposed development of "Site 18". It is proposed that a further and separate paper will be presented to the Cabinet later this year, for a decision as to whether the Council would wish to enter into any JV with this company should these initial conversations prove fruitful. Regardless of this JV proposal the Council's Estates Regeneration Team are now ready to bring forward the redevelopment of this site, in order to meet the decant and phasing set out within the South Kilburn Regeneration Programme.
- 3.5 The aim is to start on site in 2017 and as part of this work the Council is currently procuring a demolition contractor to bring forward the demolition of the recently acquired Keniston Press building. This site may then be used for a meanwhile purpose whilst the rest of the site is assembled, decanted and eventually demolished prior to construction of the consented scheme.
- 3.6 As the intention is now to progress Site 18, the Council needs to update and develop design proposals. The Council appointed architects, Maccleanor Lavington Architects (**MLA**), in 2012 at a cost of £454,950 + VAT. Whilst MLA developed proposals in relation to Site 18, this work ceased due to HS2's proposals. Officers now recommend that the Council continue and extend MLA's involvement in this project so as to update their existing work. In addition, and given MLA's detailed involvement in the scheme to date, it is proposed that the Council vary and extend the MLA appointment for the next design stages of work to enable the Council to submit a s73/s96a application; this will entail further design work up to RIBA Stage 3+ works and to draw in the Building Information Model (BIM) including TFI's offices and an information officer role. This additional work will cost £225k+VAT.
- 3.7 Officers consider appointing another architectural practice to carry out this design work would not be economically advantageous to the Council and likely

to be technically challenging. At the least it would cause further significant inconvenience and delay to the project as well as possible duplication of costs as any new practice would need to review and understand the consented scheme before being able to consider any appropriate amendments.

3.8 In addition to architects, other consultants were appointed in the early stages of the project such as a Structural Engineer, a Mechanical Engineer/Sustainability Assessor, a Landscape Architect, a Fire Strategy consultant, an Acoustic Engineer and a Rights of Light Consultant. Given the further work required to develop design proposals, it is recommended that the Council reappoint the consultants originally working on the scheme given their historical knowledge of the scheme and the fact they will be able to quickly and cost effectively commence work on the scheme. The estimated values of these appointments is detailed in paragraph 4.1.

3.9 As detailed in paragraph 3.4, officers are currently discussing the possibility of bringing forward this site in a JV vehicle in partnership with Londonewcastle. Should this proposal, which is a separate matter to this report, be eventually approved by Members, it is probable that the consultants appointed and still working on the scheme would be novated to the JV vehicle going forward.

3.10 Total proposed costs to achieve RIBA Stage 3+ are listed below

Fees	£'000s
Architects	150
Information Officer	75
Structural Engineer	145
Mechanical Engineer	100
Landscape Architect	100
Acoustic Engineer	25
Right Lights Consultant	5
Total Spend	600

4 Financial Implications

4.1 This requested expenditure of £600k can be paid for from the existing scheme budget. These costs would have occurred regardless of a JV partner and these costs represent re-approval of existing decisions that were made 4 years ago. This is the reason for the report. There is no additional capital budget requested for this.

4.2 Furthermore it should be possible to recoup this outlay from the eventual capital receipt from the land sale of Site 18, or should the Council enter into a JV with Londonewcastle, from the realised development value profits. Londonewcastle are apprised and aware of these potential costs.

4.3 The financial model for the South Kilburn regeneration programme is intended to be self-financing within the funding envelope generated from on-going disposals, which are ring-fenced to the South Kilburn programme.

5 Legal Implications

- 5.1 The council's contract in respect of architectural services was let in 2012 and despite the delay caused by the High Speed Two (HS2) Limited's proposals to the Site 18, remains effective. As detailed in Recommendation 2.1, the proposal is to extend and vary the MLA contract to update and carry out further works. Regulation 72 of the Public Contracts Regulations 2015 (PCR 2015) details that a contract may only be modified without a new procurement procedure in the circumstances set out in Regulation 72 (1). The reasons for the proposed modification of the contract are set out in paragraph 3.7 above and these reasons and the value of the modification appear to satisfy the circumstances set out in Regulation 72 (1) (b) of the PCR 2015.
- 5.2 Paragraph 3.8 details that Officers wish to reappoint of the consultants originally working on the scheme. The value of the contracts as detailed in paragraph 4.1 is such that all such consultant appointments are classified as Low Value Contracts under the Council's Contract Standing Orders and Financial Regulations. CSO 86(c) provides that no formal tendering procedures apply to Low Value Contracts except that at least three written quotes must be sought and the quotes sought and/or obtained shall be recorded or alternatively the contract is procured through the Online Market Place. As detailed in paragraph 3.8, officers consider that there are good operational and financial reasons not to tender but instead wish to appoint the consultants originally working on the scheme. In the circumstances an exemption from the requirements to tender in accordance with Contracts Standing Orders and Financial Regulations is sought. Cabinet is able to grant such exemption pursuant to CSO 84(a) where there are good operational and/or financial reasons.
- 5.3 Officers are currently discussing the possibility of bringing forward Site 18 in a JV vehicle in partnership with Londonewcastle. No such arrangement may be entered into unless approved by the Chief Finance Officer and a formal agreement covering the arrangements is signed by the parties. Additionally, any such arrangement which includes delegation of powers shall be approved by the Cabinet (or where relevant, Full Council). Paragraph 3.4 indicates officer's intention to present to the Cabinet a further and separate paper later this year, for a decision should initial conversations with Londonewcastle prove fruitful.

6 Equality Implications

- 6.1 South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – Creating Opportunities, Improving Lives (Brent Borough Plan 2013-14). The Regeneration Strategy for Brent 2010-2030 identifies the transformational change of South Kilburn within strategic priority one. The area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. The Council, through its widening participation, seek to find ways of involving and engaging with all local residents and particularly those who the Council finds 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.
- 6.2 While there are no direct equalities implications arising from this report, the work carried out by the design team will have an impact on residents with protected characteristics and therefore consideration must be given to affected groups

during the development of the planning applications. The work of the design team will continue to include proactive consultation and engagement with affected residents with protected characteristics such as disabled people, older residents and minority ethnic groups.

- 6.3 The new homes in South Kilburn are available to all secure tenants currently living in properties due for demolition as part of the South Kilburn regeneration programme within the neighbourhood. A proportion of new homes are designed to be wheelchair adaptable while the allocations process considers the housing needs of secure tenants in respect of issues that maybe derived from individuals' age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. Following the upcoming Needs Assessments carried out by the Estate Regeneration Housing Team the equalities will be relooked at and analysed at that time.
- 6.4 As with all other schemes that are part of the South Kilburn regeneration programme, full consideration must be given to residents and leaseholders with protected characteristics, particularly people with disabilities and / or other types of vulnerabilities due to older age, childcare and/or caring responsibilities, socio-economic status (lone parents and large families). Due to the ethnicity profile of the area, full consideration must also be given to black, Asian and minority ethnic individuals/groups. The Council must also ensure that the options put forward to secure residents and leaseholders, so far as possible, provide reasonable and affordable alternatives that enable them to remain in the area and maintain their family and community ties, as per Article 1 of the First Protocol and Article 8 of the European Convention on Human Rights.

7 Staffing/Accommodation Implications

- 7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.
- 7.2 There are 31 residential units on this site and to date 24 social rented tenants have been relocated to new homes on the estate with 4 remaining to be rehoused by March 2017. There were 3 leaseholders and thus one leaseholder has completed, 1 has agreed terms with the council with one leaseholder remaining to negotiate terms with the Council.

8 Background Papers

Appendix 1 Queens Park/Cullen House - Site 18

9 Contact Officers

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