



**Meeting or Decision
Maker(s):**

Cabinet Member for Family Services and Public Health
Cabinet Member for Finance, Property and Regeneration
Cabinet Member for Economic Development, Education
and Skills

Date:

21 November 2019

Classification:

General Release

Title:

Renovation Works at The Portman Children Centre, 12
Salisbury Street, London NW8 8DE.

Wards Affected:

Church Street Ward

City for All:

The Portman Centre is a combined Nursery School and Children's Centre that provides free part-time nursery education for children aged 3-5 years, together with a range of childcare and play services, healthcare and adult learning.

The Centre also works with other organisations to ensure that young children have the best possible start in life.

The Portman Children's Centre supports young children and families in the Church Street area of Westminster by providing education, care and family support services all within this single building.

The above services will continue to be provided within the newly re-modelled building and these services coupled with the on-going dedication of staff will enable the proposed scheme to contribute to the following Council's City for All policies:

- City that offers excellent local services
- Caring and fairer city
- Healthier and greener city

- City of opportunity
- City that celebrates its communities

Key Decision: Yes

Financial Summary: This report seeks authority from the Decision Makers to approve the expenditure up to the estimated project cost of £2.951m for the re-modelling, alterations and renewal of the existing heating system.
The budget, approved in the Capital Strategy 2019 – 2024, for this project is £2.951m.

The Scheme will be funded through a mix of grant, other income and Council Resources as per the table below:

Funding Source	£m
School Condition Allocation (SCA)	0.724
Early Years Allocation – Council Funding	0.380
Community Infrastructure Levy (CIL)	0.500
Council Funding	1.347
TOTAL	2.951

Report of: Director of Corporate Finance and Property, Finance and Resources Department.

1. Executive Summary

1.1 Re-modelling, alterations and renewal of the existing heating system at The Portman Children Centre, 12 Salisbury Street, London NW8 8DE. It has been apparent for some time that the existing boilers and distribution pipework have reached the end of their lifespan and require complete renewal. The scheme has been listed in the capital programme for two years but not progressed while the logistics and longer-term issues were considered. There may have been an opportunity to provide brand new facilities as part of the wider Church Street regeneration scheme however, no realistic sites were identified. It has therefore been

decided the existing site at Portman will be retained to not only benefit from a new heating and distribution system but also be remodelled into a family hub which is the Council's strategic aim.

- 1.2 The project has a total budget of £2.951m, inclusive of contingency.
- 1.3 The end service users at the Portman Children Centre have to date been successfully decanted to 4 Lilestone Street, which is currently operating and functioning satisfactorily. 4 Lilestone Street is scheduled to be redeveloped as part of the Church Street regeneration programme. It is estimated that the construction and redevelopment work at Portman will commence in November 2019 and be completed in November 2020. We are estimating a full decant to the Portman Children Centre to require a further 3 weeks.
- 1.4 Children Services prepared a Capital Programme Submission Request in May 2018 recommending the authorisation of the estimated project budget of £2.951m inclusive of a contingency of £0.457m representing 18.32% of the project budget (Figures derived from Cost Estimate prepared by Huntley Cartwright 13 August 2018). Full Council Approval was gained in November 2018 confirming funding of £2.951m.
- 1.5 External consultation will take place shortly in the form of a briefing note to the Ward Councillors for the Church Street Ward.

2. Recommendations

- 2.1 That the Cabinet Member for Family Services and Public Health, the Cabinet Member for Finance, Property and Regeneration and the Cabinet Member for Economic Development, Education and Skills agree approval to spend of up to £2.951m for the re-modelling of the building and the renewal of the existing heating system at the Portman Children Centre, 12 Salisbury Street, London, NW8 8DE.

3. Reasons for Decision

- 3.1 The key reasons and rationale for supporting this decision are as follows:

(1) Take the opportunity to remodel and alter the building by creating a fit for purpose family hub achieving the council's objective;

(2) The existing building is in need of Health and Safety Works to ensure the staircase serving the building is compliant from a Building Control and Disability Discrimination Act (DDA) perspective

(3) The current heating system including boilers and distribution pipework is at the end of its lifespan and requires complete renewal.

- 3.2 The Portman Children Centre is one of three sites identified to become a family hub. Now that the building has been vacated by the service end users an opportunity has risen to undertake the heating renewal and remodelling work in one single phase and whilst the building is unoccupied. This will enable the work to be undertaken in the most efficient timescale.
- 3.3 The proposed project will create a larger more welcoming reception area, a new two-storey extension to the rear of the Children Centre creating an outside/inside space. The two-storey extension will essentially increase the area of the nursery on the ground floor and provide additional office accommodation and space for general community use on the first floor.
- 3.4 The proposed works will also comprise re-configuring and re-modelling the internal layout of the building creating a better use of space for the community culminating in a new Family Hub. The work will also include installing a new DDA compliant lift, which will extend to the roof terrace enabling service users with a physical disability to maximise their access to utilising the space.
- 3.5 As stated in item 3.1 the proposed work will include replacing the existing heating system with a far more enhanced system which will produce cost savings on heating bills creating a far more energy efficient building contributing to one of the City for all objectives in creating a greener city.
- 3.6 By undertaking the work included in item's 3.1, 3.3 and 3.4 will mean that the new Family Hub will increase the standard of services that it offers, provide more effective care for families which will create a new Family Hub Service capable of supporting the community in a far more efficient way.

4. Background, including Policy Context

4.1 Services provided:

The nature of the Portman Centre's services are highly important and have a significant role in serving the community. The Centre's services are listed below:

- A nursery School

- NHS Midwifery Service
- Family Support
- Parenting groups and workshops
- Community drop-in group for children up to 5 years old
- Childminder groups
- Adult education classes specific to parents with children.
- Employment drop-in and advice service specific to parents

Housing advice, specific to families

- A toy library
- A multi-sensory room
- A crèche
- Connections to other local services, children centres and family support panel services

5 Financial & Risk Implications

5.1 The funding allocation for this scheme is £2.951m, including contingency, and this is included in the Council’s Capital Strategy and approved by the Council in its November 2018 meeting.

5.2 The scheme is funded through a mixture of grants, other income and the Council’s own resources as highlighted below, in Table 1:

Table 1: Project Costs versus Capital Strategy Funding

Cost item	£m	Funding type	£m
Portman Building Works	1.757	SCA	0.724
Client Direct Costs	0.411	Early Years Council Funding	0.380
Decant Costs	0.326	CIL	0.500
Contingency	0.457	Council Funding	1.347
Total	2.951	Total	2.951

- 5.3 The project has progressed through Gate 1 and is now in the process of going through Gate 2. In the time between Gate 1 and Gate 2, only one major change was made. This was absorbing the client contingency of £0.024m in to the overall project contingency of £0.457m. The contingency represents 15.4% of the overall project cost, and 18.32% of the Design, Decant and Construction Phases.
- 5.4 Following site surveys, the foundation depth required is deeper than anticipated when setting the project budget. The increased works needed for site preparation and excavation of the foundations has used all contingency funds built into the project. Therefore, whilst the project is still expected to remain within budget, there is no further capacity to absorb abnormals or unexpected cost pressures without mitigations.
- 5.5 Any forecast overspends will be mitigated wherever possible. An example of how this can be done is by value engineering the overall project cost. Where unavoidable upwards cost pressures materialise after the application of mitigations, these will be reported to the Director of Corporate Finance and Property immediately they are known, and the appropriate measures and governance processes will be followed to determine if additional resources can, and should, be allocated.
- 5.6 As part of building the CPSR, the service undertook an options analysis around value for money. The rationale for investment is based on the impact doing nothing would have on the Council in the medium to long term. The heating and distribution system has reached functional obsolescence and risked going into a further winter period where the system could fully fail following multiple winters with emergency repair work. Emergency replacements would cost substantially more than a planned tender. The new building facilitates greater physical flexibility to deliver a wide-ranging Family Hub offer than the current configuration will allow for.
- 5.7 The delivery of the Children's Hubs, of which the Portman Centre is one, will continue to improve service quality to residents whilst containing costs within current revenue budgets. The hub model has already delivered MTP savings as part of previous budget setting processes.

Risk Management

- 5.8 The programme and risk management implications are approached from two perspectives, the recognition of the complexity of the programme of works and adopting a pro-active approach to risk and stakeholder management at the initial stages of the project. The overall design and construction risks are regarded as medium.
- 5.9 The lead consultant/architect and the cost consultant due to be appointed will consider the project risks and these will be included in a risk register. The cost consultant's construction and design risk register will be comprehensive and highlight risks specific to the scheme so that these can be managed accordingly.
- 5.10 Complexity of Project: The complexity of the scheme has somewhat been reduced by the fact that the Portman Children Centre has now been fully vacated by the service end users. This means that building works can be completed under one continual phase, eliminate the need to work around existing occupants and ensure that completion can be achieved in an efficient, timely manner. Further measures are in the process of being implemented to further reduce complexity and risk to the proposed scheme and these are highlighted below:
- On the 17th October 2018, conditional planning consent was given to the proposed remodelling and alterations. The time taken to obtain planning approval has now been accounted for. Further planning input will be required by our successful planning consultants to ensure all conditions are met.
 - The Council recently commissioned an Asbestos Refurbishment and Demolition Survey to be carried out and the respective report has been received on the 29 October 2018. The Council will ensure that all necessary Asbestos removal work is undertaken to reduce the risk of complications encountered when works commence on site.
 - WCC's procurement processes inherently include risk and programme management procedures. Initial consultation with procurement colleagues regarding this project have not received adverse comments. The proposed programme of works included appropriate time scales for the procurement of the project. The Council's procurement procedures will be availed of given the value of the service and works. Early soft consultation with the marketplace will take place to achieve satisfactory tender returns from design team consultants and contractors.

6. Legal Implications

6.1 The recommendation in this report is seeking approval of the funding budget in respect of the re-modelling and renewal of the existing heating system at the Portman Children Centre, 12 Salisbury Street, London, NW8 8DE (“the Project”). There are no legal implications with approval sought. However, all contracts procured in relation to the Project must be undertaken in accordance with the council’s Procurement Code (“the Code”), in particular, the Procurement Strategy Thresholds and Approval under section 3.14 and the Contracts Award Threshold and Approval under section 3.18 along with any other relevant parts of the Code.

7. Staffing Implications

7.1 As stated in item 1.3 of this report, staff of the Portman Children Centre including the NHS Midwifery service have been successfully decanted to 4 Lilestone Street. In order for this to take a place, a programme of work was initiated at 4 Lilestone Street in April 2018 to ensure the building was fit for purpose for the incoming staff from the Portman Children Centre. Works at 4 Lilestone Street were successfully completed in August 2018 and the building is now in full operation serving the community. It is regarded that there are no staffing implications.

8. Consultation

8.1 The plans to remodel and alter the Portman Children Centre have been based on extensive consultation with the service users to ensure that the final designs meet their requirements. It is expected that decanting the service end users back to Portman will take place in August 2020.

8.2 The communications strategy for the project is to be initially agreed with the service end users and be implemented accordingly. It is planned that members of the service end users will be invited to regular progress meetings throughout the life cycle of the project to keep them regularly updated on how the scheme is developing.

8.3 Ward Councillors have been consulted and no comments have been received.

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

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Andrew Ioannou (Project Manager)

List of appendices:

Appendix A – Procurement/Project timescale

Appendix B - Proposed designs

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Finance, Property and Regeneration.**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

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

**Renovation Works at The Portman Children Centre, 12 Salisbury Street,
London NW8 8DE.**

Signed

Cabinet Member for Finance, Property and Regeneration.

Date

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:
.....
.....

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 and City Treasurer 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.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Family Services and Public Health.**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:

Date:

NAME:

Councillor Heather Acton

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)

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Cabinet Member for Family Services and Public Health

Date

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For completion by the **Cabinet Member for Economic Development, Education and Skills.**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:

Date:

NAME:

Councillor Timothy Barnes

State nature of interest if any

.....

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London NW8 8DE.**

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Cabinet Member for Economic Development, Education and Skills

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