



City of Westminster

Cabinet Member

Decision Maker:	<i>Councillor Melvyn Caplan</i> <i>Cabinet Member for Finance, Property and Regeneration</i>
Date:	10 July 2020
Classification:	<i>For Publication with Partial exemption – Part B.</i>
Title:	<i>Huguenot House Review – Leicester Square</i>
Ward(s) Affected:	<i>St James's</i>
City for All Summary:	<p>The potential development of Huguenot House has the ability to play a fundamental part in meeting Westminster's City for All commitments.</p> <p>Through the physical re-development, there is an opportunity to deliver a <i>Greener and Cleaner</i> building at the heart of the city.</p> <p>By working with local residents and stakeholders to ensure the project meets their requirements, we can ensure a <i>Vibrant Community</i>.</p>
Key Decisions:	<ol style="list-style-type: none">1. Award a contract for a Multi-Disciplinary Technical Team (MDTT).2. Award a contract for Architectural services.3. Drawdown funds of up to £1.8m from the approved budget.4. Note previous stakeholder consultation responses.5. Agree to the inclusion of one additional development option within a further round of stakeholder consultation.

Financial Summary:

The total gross budget in the capital programme as approved by Full Council 6th March 2019 for this project is £65.5m (including acquisitions).

The project also holds a centrally held contingency of £13.1m, taking the total gross budget up to £78.6m.

Approvals to spend have and will be sought through Cabinet Member and Delegated Authority Reports as and when necessary, depending on the amounts being signed off.

Report of:

Gerald Almeroth, Executive Director of Finance Resources.

Contact Details: galmeroth@westminster.gov.uk

1. Executive Summary

- 1.1. A comprehensive and competitive procurement process has been carried out to select the most appropriate consultancy team to further develop the project. This paper seeks approval to appoint;
 - Architect – Allies & Morrison
 - Multi-Disciplinary Technical Team (MDTT) – K2 Consultancy
- 1.2. Following appointment, this team will be instructed to further develop and enhance the options for the potential redevelopment of Huguenot House
- 1.3. It is requested that £1.8m of the approved overall budget is drawn down in order to progress the project to a preferred way forward.
- 1.4. As an ongoing project, a summary of previous stakeholder consultation responses is provided. The options on which these responses are based will be retained and progressed further, along with one additional option to be developed.
- 1.5. It is proposed that a further round of stakeholder consultation will be carried out once the options have been further advanced.

2. Recommendations

- 2.1. That part B of the report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.2. That the Cabinet Member for Finance, Property, and Regeneration agrees to:
 - 2.2.1. Award and approve the execution of the two contracts;
 - 2.2.1.1. To K2 Consultancy Limited for multi- disciplinary technical services for a contract sum of £2,763,531.75 over a period of 7 years.

- 2.2.1.2. To Allies and Morrison LLP for architectural services, for a contract sum of £2,199,610 over a period of 7 years.
- 2.2.2. Approve the allocation and the drawdown of funds up to £1.8M to allow the appointment of the contracts listed above and development of the project to a preferred way forward.
- 2.2.3. Consider and note the previous consultation responses on the development proposals, as summarised within this paper.
- 2.2.4. Approve that an additional round of stakeholder consultation is carried out, to include existing options, and at least one new additional option.
- 2.2.5. Approve that the Director of Law has authority to finalise and seal the contracts referred to above.

3. Reasons for Decision and Justification

- 3.1. The MDTT and architect will further develop the development options through additional design, technical due- diligence, commercial analysis and professional advice. This will allow for a considered analysis of the preferred way forward for Huguenot House.
- 3.2. The drawdown of funds is required to cover the initial phase of the MDTT and architectural appointment alongside legal, project management and consultation costs.
- 3.3. Consideration of the previous stakeholder consultation is fundamental in formulating the preferred way forward. The options within the previous consultation are retained and therefore a summary of the responses is provided within the appendix to this paper.
- 3.4. Given the proposal to advance the existing options alongside at least one additional proposal, it is required to carry out further stakeholder consultation on all options.

4. Policy Context

- 4.1. The recently published City for All 2020/21 strategy sets the policy context for all decisions within the borough. The three pillars of this strategy are;
 - Greener and Cleaner
 - Vibrant Communities
 - Smart City
- 4.2. The potential development of Huguenot House has the ability to meet these objectives in a number of ways;
 - 4.2.1. Through implementing the highest levels of environmental sustainability in any new development (e.g. target net zero carbon, enhance ecological biodiversity, minimise water consumption etc.) – *Greener and Cleaner*
 - 4.2.2. By encouraging cleaner and more sustainable transport measures, helping to improve the health of occupants and the air quality of central London - *Greener and Cleaner*

- 4.2.3. Improving waste and recycling facilities for existing / future occupants – *Greener and Cleaner*
- 4.2.4. Providing new space for businesses to grow and jobs to be created - *Vibrant Communities*
- 4.2.5. Enhancing the public realm and improving the experience for pedestrians – *Greener and Cleaner*
- 4.2.6. Opportunity to deliver new homes of all tenure – *Vibrant Communities*
- 4.2.7. Engaging fully with all stakeholders to ensure the proposals meet their requirements today and into the future - *Vibrant Communities*

5. Project Update

- 5.1. 2020 has seen the project team carry out a comprehensive procurement process to select a professional team to further develop options for Huguenot House. This has resulted in the recommendation to appoint K2 and Allies & Morrison.
- 5.2. Following appointment of the professional team, a detailed analysis of market conditions will be undertaken in order to provide robust commercial guidance to inform the preferred way forward.
- 5.3. A full communication and consultation strategy is being developed. This will take into consideration the constraints imposed by Covid-19 at this point and into the future.
- 5.4. The preferred way forward will be presented to members based upon commercial and economic analysis, design and technical constraints, risk analysis, stakeholder consultation and legal advice amongst other factors.

6. Financial Implications

- 6.1. The Council holds a budget for Huguenot House which will be refined as options for the asset are progressed. The project has a gross capital budget of £42.9m and a further £22.6m for strategic acquisitions. In addition, the scheme has been allocated a central contingency of £13.1m which can be drawn, subject to Cabinet Member approval.
- 6.2. The July 2017 Cabinet Member Report gave approval to spend £2m of the allocated project budget, of which £1.5m has been spent to date. This report requests further approval to spend £1.8m to appoint a MDTT, architect and additional appointments if required.
- 6.3. The table below sets out the estimated cost, based on prices received following a competitive tender, to progress the project to a stage where a PWF can be recommended. As well as external professional advice it includes allocation for the internal resources required.

6.4. Huguenot House – Estimated Project Expenditure to Preferred Way Forward (PWF)

Huguenot House – Estimated Project Expenditure	
Cost	£'000
Design Development	1,375
WCC Planning	20
WCC Internal Fees	270
Contingency	155
RIBA 1-2 Expenditure to PWF	1,800

6.5. The expenditure to RIBA 2 is a maximum cost; each commission is instructed on a RIBA stage basis allowing for flexibility to terminate a commission at the end of a RIBA Stage. The contract values noted in recommendations 2.1.1.1 and 2.1.1.2 allow for the full cost of the contracts up to RIBA stage 7. This report requests approval up to RIBA stage 2, at which stage the project team will seek further approval or terminate the contracts.

7. Legal Implications

- 7.1. The decisions in this report are being taken under, amongst other legislative provisions, Section (1) of the Localism Act 2011, which confers upon local authorities the power to do anything that individuals may generally do (the general power of competence). The Council also has the power under Section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.
- 7.2. Prior to taking any decisions on the future of Huguenot House, all responses from all consultations will need to be considered (from 2017 onwards). Subject to the recommendations as set out in Section 2 of this report, if the consultation period is extended further to include additional option/s, all consultation responses from this extended period will also need to be reviewed and considered by way of further Cabinet Member report, prior to taking any decision on the Preferred Way Forward and options appraised using consistent criteria. It should be noted that decisions that affect Huguenot House may require the Council to consider a resident's Human Rights under Article 8 of the European Convention – the right to respect for one's private and family life, home and correspondence, if the resident is forced to move against their will.
- 7.3. The Equality Act 2010 requires public authorities to have due regard to the need to eliminate discrimination and advance equality of opportunity. The Council must further take into account its wider Public Sector Equality Duty (PSED) under s.149 of the Equality Act 2010 when making its' decisions. The public sector equality duty (s.149, Equality Act 2010) requires the council, when exercising its functions, to have "due regard" to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act, advance equality of opportunity between those who share a "protected characteristic" and those who do not share that protected characteristic and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (this involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding).

- 7.4. The protected characteristics to which the PSED applies include age as well as the characteristics covered by previous equalities legislation applicable to public authorities (i.e. disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex). In relation to Huguenot House the local authority has identified protected groups of age and disability on whom there is a potential impact caused by a potential move. Should the Council, when assessing its PSED, become aware of any potential problematic impact of its decisions upon those with protected characteristics, the Council is advised to put in place plans to mitigate those impacts.
- 7.5. Under Section 105 of the Housing Act 1985 the Council is required to consult with secure tenants on matters relating to the management, maintenance, improvement or demolition of dwelling-houses let under secure tenancies or the provision of services in connection with those dwelling-houses. The Council must publish details of its consultation arrangements and make them available to members of the public. This report refers to consultation that has taken place and will be ongoing and the Council should continue to consider its duty under Section 105 of the Housing Act 1985. The Council must conscientiously consider all representations made in response to the consultation.
- 7.6. The appointments referred to in 2.1. have been procured under compliant procurement procedures undertaken in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The Procurement Assurance Board recommended and approved such appointments on 7th April 2020.

8. Equalities Impact Assessment (EqIA)

- 8.1. The purpose of the attached EqIA Report, Appendix A2, is to ensure that the Cabinet Member is aware of the effects of any decisions made and considers the actual and potential impacts likely to be experienced by residents and leaseholders of Huguenot House in light of any protected characteristics. It also demonstrates that the Council has considered its Public Sector Equality Duty as part of its decision-making process.

9. Next Steps

- 9.1. The timetable as set out below has been amended to take account of the COVID – 19 emergency and may be subject to further change dependent on emerging circumstances.

Milestone	Target
Completion of procurement and appointment of MDCT	August 2020
Commercial analysis	Early Autumn 2020
Advance options design and appraisal	Autumn/Winter 2020
Consultation period	Winter 2020/2021

10. Ward Councillor Consultation

The Ward Councillors have been consulted and confirmed support for the Report and Project.

11. List of Appendices:

11.1. Appendix A1 – Huguenot House – Consultation Summary

11.2. Appendix A2 – Huguenot House - Equalities Impact Assessment – April 2020

11.3. Appendix B – Commercial Matters – Exempt Not for Publication

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

cnangle@westminster.gov.uk

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: **Councillor Melvyn Caplan**, Cabinet Member for Finance, Property and Regeneration

State nature of interest if any

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(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 Leicester Square Development Review - Huguenot House and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Finance, Property and Corporate Services

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 comments:

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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 Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (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.