



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

# Cabinet

18 August 2020

**Report of:** Councillor Kelham Cooke  
The Leader of the Council



## Elm Street Refurbishment - Contract for Works

This report seeks authority to award a contract of works to Lindum, in order to proceed with the refurbishment of the former St Johns Ambulance Station on Elm Street in Stamford.

### Report Author

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Corporate Priority:	Decision type:	Wards:
<b>Growth</b>	<b>Key</b>	<b>Stamford St Mary's</b>

<b>Reviewed by:</b>	Chris Pike, Asset Manager	4 August 2020
<b>Approved by:</b>	Paul Thomas, Strategic Director for Growth	4 August 2020
<b>Signed off by:</b>	Councillor Kelham Cooke, the Leader of the Council	10 August 2020

### Recommendation (s) to the decision maker (s)

1. It is recommended that Cabinet approves the award of a contract of works to the value of £229,789 for the refurbishment of the former St Johns Ambulance in Stamford to Lindum, utilising the SCAPE framework.

# **1 The Background to the Report**

- 1.1 The Council-owned asset known as the former St Johns Ambulance Station, on Elm Street in Stamford (see Appendix 1), has been vacant for in excess of 5 years. The building is approximately 1,200 square feet in size and is based over two floors. The building is currently in a poor state of repair and conversion would deliver office space to the market, generate an income and help improve the street scene.
- 1.2 A full review of options for the building has been undertaken. This included open market disposal, conversion for residential use and conversion for office use. The office conversion was deemed to be a favourable route and would generate a return, as well as deliver business space to the market. InvestSK have identified that there is a good level of demand for office space between 500 and 5000 square feet in Stamford.
- 1.3 The refurbished building will provide lettable office space for approximately 15 persons including open-plan office space, a kitchenette, and WC facilities (see Appendix 2). The demand for office space in Stamford currently exceeds the supply, and whilst this is a relatively small refurbishment scheme, InvestSK and the appointed marketing agents are confident that this new office provision will be in-demand from new and growing Stamford businesses.
- 1.4 Lindum had previously been appointed to undertake pre-commencement construction activities, procured via a direct award from the Scape Procure Regional Construction Framework, in line with the Council's Contract and Procurement Procedure Rules. An Officer Delegated Decision date the 17<sup>th</sup> February 2020 approved the appointment of Lindum to carry out this pre-commencement work.
- 1.5 Planning permission for the proposed works has been obtained (ref S20/0315) and feasibility works undertaken in preparation for commencement with the options detailed below.

It is proposed that the conversion of the building will be funded from a budget carried forward from the previous financial year.

# **2 Consultation and Feedback Received, Including Overview and Scrutiny**

- 2.1 Consultation on the proposed refurbishment was undertaken through the aforementioned planning application process.

# **3 Available Options Considered**

- 3.1.1 Option 1: To proceed with Lindum via the Scape Procure Regional Construction Framework. This is in accordance with the Council's Contract and Procurement Procedure Rules. Lindum are the highest ranked contractor on the Scape Framework and can be offered a direct award. Due diligence checks on Lindum have been carried out by the framework operator. The appointment can be made within 2 weeks of the decision by Cabinet.
- 3.1.2 Option 2: An open market tender exercise in accordance with the Council's Contract and Procurement Procedure Rules. This process would take a minimum of 16 weeks before the successful contractor would be appointed to commence on site. A new tendering exercise could result in an increased construction cost, compared to the costs quoted under the Framework Agreement.
- 3.1.3 Option 3: To utilise an alternative framework

After consultation with the Council's Procurement Lead, it is advised that no other frameworks are available for small works of this nature, in our region, as an alternative procurement route.

#### **4 Preferred Option**

4.1 It is recommended that Lindum are appointed as a direct award through the SCAPE framework.

#### **5 Reasons for the Recommendation (s)**

5.1 Utilising the SCAPE framework provides confidence that the costs of the conversion have been market-tested.

5.2 The risks of going to market, at this point in time, are that a contractor may not be found and/or that the costs are high because of the impact of Covid on availability of materials and labour.

5.3 The tender exercise would also take considerably longer than a direct award through SCAPE; there is current market demand for office space in Stamford and this needs to be acted on.

#### **6 Financial Implications**

6.1 A budget carry forward request has been included in the 2019/20 outturn report for this project. This report will be presented to the Governance and Audit Committee for approval on 13 August 2020. The property currently has an annual revenue cost of £1,300 per annum; development of the site is anticipated to create gross rental income of £20K per annum providing the Council with an additional source of revenue income.

**Financial Implications reviewed by: Alison Hall-Wright, Head of Finance**

#### **7 Legal and Governance Implications**

7.1 The Council can decide to award the Contract to Lindum under the Scape Framework, meaning that Lindum can commence construction works straight away. The award via the Scape Framework is in accordance with the Council's Contract Procurement Rules and the Public Contract Regulations 2015. Alternatively, the Council can decide to go through an open tender process to appoint a contractor to carry out the works, and this is also compliant with the said Rules and Regulations, however, this will mean the start date for the works will be after the new tender process has been undertaken.

**Legal Implications reviewed by: Shelley Hardy, Legal Services**

#### **8 Equality and Safeguarding Implications**

8.1 None identified

#### **9 Risk and Mitigation**

9.1 Should the works not proceed the Council will remain liable for the annual revenue costs, maintenance and continued officer resource associated with the void building.

#### **10 Community Safety Implications**

10.1 None identified

## 11 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 11.1 All SKDC premises must comply with the Minimum Energy Efficiency Standards (MEES), which came into force on 1<sup>st</sup> April 2018. Building owners may not let or renew a lease on their property if the EPC is F or G rated. These works are required to enable the building to be brought back into use, while increasing the energy efficiency of the premises. Following the construction works, it is anticipated the Property will reach a B/C rating.
- 11.2 The Design and Access Statement submitted with the planning application states a number of design decisions that will help to improve the energy performance of the refurbished building:
- 11.2.1 Natural ventilation, where possible, utilising openings under user control to limit energy consumption and increase controllability.
- 11.2.2 New large ground floor opening windows to maximise natural daylight, views, and potential for natural ventilation; solar control glazing.
- 11.2.3 Fabric first approach to thermal envelope: exceeding building regulations for insulation to minimise energy use.
- 11.2.4 Wall-mounted radiators with local (limited) thermostatic control for simple staff operation.
- 11.2.5 Exposed gable end brickwork to increase thermal absorption and reduce internal radiant temperatures. Combined with manual purge ventilation this will limit summer overheating.

## 12 Other Implications (where significant)

- 12.1 None identified

## 13 Appendices

- 13.1 Appendix 1 – Site Plan
- 13.2 Appendix 2 – Architect Drawings

## 13 Background Papers

- Minutes of Full Council 1<sup>st</sup> March 2019 approving budget: <http://moderngovsvr:8080/documents/g3654/Printed%20minutes%2001st-Mar-2019%2014.00%20Council.pdf?T=1>
- Planning decision notice ref S20/0315: <http://planning.southkesteven.gov.uk/SKDC/S20-0315/1831174.pdf>
- Officer Delegated Decision dated 17<sup>th</sup> February 2020 approving the appointment of Lindum
- Scape Framework Feasibility Report

<b>Report Timeline:</b>	Date of Publication on Forward Plan (if required)	1 July 2020
	Previously Considered by: Not applicable	Not applicable
	Final Decision date	18 August 2020