

CPC MEETING DATE: 07/12/2020 Item 9 - Supplemental Paper

TITLE OF REPORT: BUSINESS CASE FOR SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF PRIMARY CARE SURGERIES AT:

- 1. LAND TO REAR OF 2-28 BELFAST ROAD, N16**
- 2. THE PORTICO, 34 LINSKOTT ROAD, E5**

Key Decision No FCR R.22

Further to the CPC Business case submitted for the CPC meeting on 07.12.2020 the following variations have been made replacing sections of the report;

5.2.9 Deleted

5.3.2 Deleted

8.1.3. A key guiding principle of these two schemes is that they are each self-financing for London Borough of Hackney over an indicative 30 year term, taking into account estimated build cost, annual rent and assuming that LB Hackney would borrow externally to finance construction. The eventual financing route will be a Treasury decision taken at the necessary point in procurement.

Section 6 is to be replaced as follows:

6.0 SUSTAINABILITY ISSUES

The projects are not at the planning stage and only pre-application meetings have been held with the planning team to date. The projects will however meet the planning obligations as set out in the S106 Planning Contributions Planning Document July 2020 (S106 SPC) recognising the delivery of the new social infrastructure they provide.

6.1 Procuring Green

6.1.1 The Primary care facilities when constructed will have a lower environmental impact in their operation than the existing being replaced. These environmental impacts will be managed in accordance with BREEAM requirements and addressed in the design, specification and ITT so that the projects achieve BREEAM Excellent in accordance with the sustainable procurement strategy and S106 SPC.

6.1.2 The construction phase will involve demolition with associated waste produced. Vehicle movements during construction, waste created during construction. In accordance with sustainable procurement strategy to achieve BREEAM Excellent,

an assessment of the available materials on site will be undertaken with consideration to reuse landscape materials such as paving and recovered bricks and other materials and fixtures. The ITT will specify waste generation targets and diversion from landfill for the Principal Contractor and require them to produce their waste management plan as part of their tender submission and their plans to minimise vehicle movements, noise and pollution during construction.

Target:

- Identify materials to be retained Wst 01 for pre-demolition audit
- Achieve minimum of two credits for BREEAM Wst 01 for waste generation & diversion from landfill
- Aspiration to achieve one credit for Fuel usage/travel miles, use of disposable plastics.

6.1.3 The Procurement Plan for the project in accordance with LP31 requires direct engagement with local suppliers, providing the Economic Development Team with a full procurement plan identifying the services and materials that will be sourced for the lifetime of the projects and the location of the suppliers.

6.1.4 The projects are at RIBA Stage 2 so energy solutions are not yet finalised however to achieve BREEAM Excellent it is expected that the heating solution will be provided by either ground or air source heat pumps. The roofs are expected to be green with photovoltaic cells installed. For both projects the doctors were keen to use natural ventilation solutions for cooling where possible although it is an NHS design requirement that the treatment rooms require mechanical ventilation.

6.1.5 In accordance with LP55 the projects Carbon Offset Contribution will be established at planning. If the zero-carbon target can not be met on either development then a payment at £2,850 per tonne of Carbon to be offset will be required.

6.1.6 With respect to Travel and Transport (LP41,42,43 & 44) the, it will not be possible in keeping with the medical use of the developments to deliver completely car free schemes. However parking subject to agreement with the planning team will be limited in accordance with need.

6.2 Procuring for a Better Society

6.2.1 The projects will impact positively on local recruitment and supply chains. Through tendering to regional providers with policies of working with and offering opportunities to local subcontractors and suppliers in accordance with the sustainable procurement strategy the S106 SPC and BREEAM Excellent.

6.2.2 A Employment and skills plan will be agreed as part of the Section 106 Agreement (LP31) this plan is expected to include:

- a) As a minimum 25% local labour (Please note the procurement strategy targets local regional contractors).
- b) One framework apprentice for every £1M of construction contract value or equivalent number if a shared apprenticeship model is offered.

A support fee of £1,500 is also required per apprentice placement.

6.2.3 An employment and training contribution will be sought as part of the Section 106 Agreement in accordance with LP31.

6.3 Procuring Fair Delivery

6.3.1 No fair delivery (equalities impacts) have been identified in PRIMAS. As the Project is delivering two primary care surgeries they are recognised as delivering health care social benefits equally.

6.3.2 The ITT will require bidders as part of the selection process to comply with the Equality Act 2010 and confirm they have no history of breaching any social or labour law obligations.

6.3.3 The ITT will require bidders to commit to paying the London Living Wage to their staff.

6.3.4 The Council will place an obligation on each bidder to either confirm they have or will establish a whistleblowing process.

6.3.5 The ITT will require the bidders to commit to appropriate Covid 19 precautions for their employees in accordance with government guidance at the time.

6.3.6 The ITT will require bidders to provide evidence of compliance with the Modern Slavery Act 2015 where they have a turnover of at least £36M pa.