

PORTFOLIO HOLDER DECISION RECORD SHEET

Name of decision maker: Cllr Andrew Williams

Portfolio: Planning & Regeneration

Date of Portfolio Holder Decision:

Title of Decision: To delegate the contract award decision to appoint a contractor to deliver phase 1 of the Maylands Urban Realm Improvements Works.

Decision made and reasons:

That the decision to award a contract for the appointment of a contractor to deliver phase 1 of the Maylands Urban Realm Improvement Works be delegated to the Assistant Director (Planning, Development & Regeneration) in consultation with the Corporate Director (Housing & Regeneration) and the Portfolio Holder for Planning & Regeneration.

Under normal circumstances for a contract of this value the tendering process would be concluded and a PH report would be produced with a recommendation as to who to award the contract to.

Due to the time constraints that are linked to one of the funding streams of this contract it will not be possible to conclude the tendering process and obtain authority to award this contract via the normal PH reporting process within the funding timeframe that is available. The deadlines on the grant funding from the Local Sustainable Transport Framework (LSTF) means that the procurement process to appoint a contractor to deliver these works needs to be completed by March 2015 to ensure this element can be spent and invoiced.

For this reason Officers are recommending that the decision to award this contract is delegated to the Assistant Director (Planning, Development & Regeneration) in consultation with the Corporate Director Housing & Regeneration and the Portfolio Holder for Planning & Regeneration.

Reports considered:

Officers report – see background report attached

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Corporate Director – Housing & Regeneration
Assistant Director – Planning, Development and Regeneration
Group Manager – Strategic Planning and Regeneration
Group Manager – Commissioning, Procurement and Compliance

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Monitoring Officer comments:

The Council's Commissioning and Procurement Standing Orders only authorise Assistant Directors to award contracts up to a value not exceeding £250,000. The Council's delegation scheme does allow Member executive decisions to be delegated to a specific named officer. The officer decision, when made, will need to be recorded and published in accordance with the Council's rules on officers making executive decisions.

S151 Officer comments:

When letting this contract, the Assistant Director will need to ensure that the cost is contained within the currently approved budget for the project.

If there is a delay in the letting of the contract which results in the loss of LSTF funding, then the project will need to be adapted for delivery within the reduced budget, or a further report brought to Members to seek approval for an increased contribution from the Council.

If the Council loses the LSTF funding and is then required to increase its own contribution, then, based on the Council's borrowing model, the Council will face additional revenue costs of £15k per year for 40 years, totalling £600k.

Implications: If the decision to delegate the award of this contract is not made then the delivery of this project would be delayed which would result in up to £205,000 to be returned to the Department for Transport as the contractor would not be able to be appointed within this financial year. Should the Council not award the contract this could also damage the reputation of the Council as the project would have to be delayed with the milestones for this project made public through the Dacorum Delivery Plan (DDP).

The tight timescales relating to this project which have caused the need for the request for delegated authority has arisen due to an opportunity to secure additional funding which could not be secured until the end of 2014. This has now given challenging but achievable deadlines to ensure that none of the funds are returned, this is detailed in the background report.

Risk: Not making this decision would also result in the loss of funding, as this project is funded through the LSTF program if the programme milestones are not met then this would result in the funding being returned to the Department for Transport.

Financial: The total costs of this project will be approximately £1.5 million. This funding is made up of £975,000 from DBC capital reserves, as

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approved by Cabinet in October 2013, with £205,000 coming from the LSTF, £254,000 from HCC section 106, and £112,000 from DBC S106 funds.

The element of the LSTF funding that is provided by the Department for Transport (£205,000) needs to be invoiced by the end of the financial year to stop the risk of this needing to be returned.

Value for Money:

The decision to award this contract will only be taken following a comprehensive and robust procurement exercise based around detailed cost and quality criteria.

Should the Council not award this contract in the allotted time, it will have a major impact on the delivery of a key project within the Dacorum Development Programme.

The Group Manager, Commissioning, Procurement and Compliance will ensure that a tender report is produced for the Assistant Director, Planning, Development and Regeneration showing the tender process, the evaluation scores for all bidders, the methodology taken during the evaluation process and a recommendation as to who should be awarded the contract.

Options Considered and reasons for rejection:

1. To go through the normal process for appointing the contractor for these works so that delegated authority is not required and the normal process could be adhered to. This option was rejected as it would lead to the loss of the £205,000 of LSTF funding.
2. To undertake works of a lower value to speed up the appointment of a contractor and delivery of works in the area. This option was rejected as it would lead to works that might need to be changed when the other capital amounts agreed for this project are taken forwards.

Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder: 11.12.14

Date Decision Published: 19.12.14

Decision No: PH-039-2014

Date of Expiry of Call-In Period: 28 December 2014

Date any Call-In received or decision implemented:

BACKGROUND

Maylands is located on the north eastern edge of Hemel Hempstead's main residential areas. The Business Park is home to around 600 businesses which employ an estimated

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16,500 people. Guided by the Maylands Master Plan the area is undergoing significant regeneration to try and encourage more businesses to be based at Maylands.

Maylands has good access to the strategic road network with the M1 providing convenient links to the M25, M10 and local destinations such as Luton Airport, Watford and London. It is also served by a local network of A roads linking to Berkhamsted, St Albans, Harpenden and beyond.

The Maylands Master Plan looked at how the area can become the leading location for business in the East of England and made recommendations on how the business park will need to change to meet future challenges.

The vision for Maylands is: “To create an environment where a range of businesses can grow and prosper through the development of Maylands as a sustainable, well connected Green Business Park offering a high standard of accommodation within a pleasant high quality environment, served by a range of conveniently located shops and amenities.”

The diversity of businesses that Maylands accommodates is one of its strengths, but it also contributes to one of its principal weaknesses – one of confused identity, lack of ‘legibility’ (making way-finding around the area difficult) and a mix of uses, some of which are conflicting. Our consultation with property agents has found that the lack of a single identifiable office park, as opposed to individual offices or small clusters of offices that sit within a traditional industrial estate, makes it difficult to attract service sector business to Maylands. To deal with this problem, the Maylands Master Plan takes the lead from existing planning policy – the Dacorum Local Plan designates Maylands Avenue as a primary office location – and divides the Maylands business park into distinct Character Areas. These are intended to provide a differentiation in terms of the kind of business that should be encouraged to locate in various areas.

It is recognised that the overall aspirations and vision for Maylands will be anchored with the Maylands Master Plan and the area specific development briefs. A Design Strategy and associated Improvements Strategy have been created to provide a basis for a design and build tender procurement process to begin. The Design Strategy and Improvement Specifications focuses on:

- Enhancing a wide range of public realm:
 - Streetscape, soft landscaping & hard landscaping
- Undertaking a programme of innovative public realm interventions;
- Encourage legibility and cohesive improvements across Maylands; and
- Engaging with the local business community to increase a sense of pride and ownership.

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In October 2013, the Council approved the Maylands Business Park Design Strategy and Improvement Specification. This is an ambitious approach for the whole of the business park, to be implemented in stages as and when funds are available. The Regeneration service has since been working to assemble a funding package to enable the first stage of works to be maximised.

The Council later approved a construction budget of £1.25M for the Phase 1 works in February of 2014. This funding is made from a variety of sources including from Dacorum Borough Council capital reserves, Section 106 developer contributions and the LSTF)

The Phase 1 works will focus on Priority 1 works along Maylands Avenue which falls within the Face of Maylands Character area.

Category Type 1 Improvements are detailed in the above documents but include:

- 3.0m wide type 1 resin bonded, gravel shared pedestrian cycle surface. (hard landscape treatment type 1)
- New boulevard tree planting (soft landscape treatment type 1)
- New single species ornamental hedge planting (soft landscape treatment type 1)
- New blue grey metal vertical bar railings (boundary treatment type 1)
- Finger post type 1 and new street signage
- New street furniture proposal type 1

Since Cabinet approved the £1.25M works a further funding opportunity arose, through applying to Hertfordshire County Council for S106 monies, to further enhance and de-risk the scheme. This required a CS99 application to be made to the County Council and for it to go through their approval processes before the monies could be secured. The application was made in June 2014 after discussions with the County Council's S106 officer group, with approval being given in October 2014. This additional funding reduced the risk of the project costs exceeding the minimum level required to undertake the scheme. This has led to a delay in the project but has had the benefit of securing the additional funds to enable more work to be carried out in furtherance of the agreed Strategy.

A Project Manager and Cost Manager have been appointed to start preparing the tender documentation for the procurement of a contractor to deliver the works. However, given the deadlines on the grant funding from the LSTF the procurement process to appoint a

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contractor to deliver these works needs to be completed by March 2015 to ensure this element can be spent and invoiced.

This has necessitated request that the decision to award a contract for the appointment of a contractor to deliver phase 1 of the Maylands Urban Realm Improvement Works is delegated to the Assistant Director (Planning, Development & Regeneration) in consultation with the Corporate Director (Housing & Regeneration) and the Portfolio Holder for Planning & Regeneration to allow this process to be accelerated.