

Report to Cabinet
14 April 2021
Report of Executive director of development and city services
Subject The award of contract for the refurbishment of Carrow House

Item

14

KEY DECISION

Purpose

To consider delegating authority to award a contract for the refurbishment of Carrow House.

Recommendation

To delegate authority to award the contract the refurbishment of Carrow House to the executive director of development and city services in consultation with the cabinet member for sustainable and inclusive growth providing it is within the £1.82 million budget available having allowed for all fees and a prudent allocation for contingency.

Corporate and service priorities

The report helps to meet the inclusive economy corporate priority.

Financial implications

The cost of purchasing Carrow House and the subsequent refurbishment works are being met from funding provided by Government through the Towns Deal programme. The total value of funding being provided is £4.19 million of which £1.82 million is set aside for refurbishment works including fees and contingency. The actual initial contract value will therefore be significantly less than the £1.82 million budget

Ward/s: Lakenham

Cabinet member: Councillor Stonard - Sustainable and inclusive growth

Contact officers

Andy Watt, head of city development 01603 989618

Mark Davies, commercial client asset manager 01603 987554

Background documents

None

Report

Background

1. The cabinet considered the Towns Deal at their meeting on 20th January 2020, where the council has been awarded funding subject to satisfactory business cases for eight projects proposed in the council's Town Investment Plan:

Skills and Enterprise Infrastructure

- Digital Hub
- Make Space at the Halls
- Digi-Tech Factory (fast-tracked)
- Advanced Construction and Engineering Centre

Urban Regeneration

- East Norwich Masterplan and Carrow House (fast-tracked)
 - Revolving Fund
 - Public Realm
 - Norwich Branding
2. This report concerns the Carrow House element of the East Norwich Masterplan and Carrow House project.
 3. Norwich has a major opportunity to accelerate the regeneration of East Norwich to create a new high-quality urban quarter. The project will develop a comprehensive Masterplan for this important growth area of the city.
 4. Alongside the development of the Masterplan the council is proposing to repurpose a prominent office building within the regeneration area - Carrow House - to provide circa 3000 sq. metres of lettable floorspace for the professional services and knowledge industry. This refurbishment will help kick-start the revitalisation of the area and is able to be delivered within a year of purchase of the building.
 5. The council has agreed heads of terms for the purchase of Carrow House from Norfolk County Council and it is hoped to exchange contracts by the end of April. Exchange will follow with a long-stop date for completion set at end September.
 6. On completion the council proposed to undertake the following works to provide the proposed new centre for professional services and the knowledge industry:
 7. Refurbishment of the 1960s office block providing 2000m² to be made available on standard commercial lease terms; and
 8. Provision of 1000 m² of refurbished period office space available on a suite by suite basis on flexible easy in easy out lease terms within the historic grade II listed building.

Approach to procurement of a contractor to undertake refurbishment works

9. The council's approach to procuring a contractor to undertake the refurbishment works is similar to its approach to conversion of 22 Hurricane Way as a new depot for Norwich City Services Limited.
10. A number of professional advisers have already been contracted to help the council develop a specification for the refurbishment works and this is being collated by Roche Chartered Surveyors to provide the basis for an invitation to tender. At the same time the council has engaged nplaw to develop an appropriate form of contract that incorporates the Joint Contracts Tribunal Intermediate Building Contract with contractor's design (JCT ICD 2016).
11. Thirdly, with resources stretched in the procurement team due to the insourcing of the Norse Joint Ventures, the council has commissioned Eastern Procurement to provide the necessary procurement advice and support including, for example, contract advertising, advice on tender evaluation, selection of successful tenderer and appointment.
12. Old Carrow House is a building of historical significance and once the Colman family home. Unlike the 1960s part, Old Carrow House, it is to be retained as part of any long term masterplan of the wider site. We have separately applied for Listed Building Consent to deal with Old Carrow House. The proposed repairs and decoration works to be undertaken by a specialist conservation contractor including external works which cannot be undertaken during cold frost months so we are looking to fast track these works between exchange and completion under licence.

Procurement timeline

13. The council intends to commence the refurbishment of Carrow Works as soon as possible to ensure hold costs prior to letting are minimised. The works are estimated to take 6 months to complete.
14. The works will require listed building consent and building control approval, etc. but not planning consent. Work on the former has already commenced. The main determinant of when works can commence will be completion of the purchase or, if it can be agreed, a licence between the two councils to allow commencement of works prior to completion.
15. Currently due to delays by the Vendors NCC we are likely to complete in September therefore the commencement date will be by end September 2021 at the latest but could be sooner with respect to the works under licence. With it possible for contractors to be required reasonably to hold prices for up to 6 months and given that commencement could be sooner than September the council is planning to go out to tender as soon as April if possible for the refurbishment works. The deadline for the submission of tenders is one month from the invitation date.
16. The likely value of the contract exceeds the criteria for a key decision and hence contract award requires a cabinet decision. However, it is possible that works will have needed to commence before the next cabinet in June 2021.
17. For this reason, it is recommended that the decision to award the contract

is delegated to the executive director of development and city services in consultation with the portfolio holder for sustainable and inclusive growth.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	14 th April 2021
Director / Head of service	Head of city development services
Report subject:	The award of contract for the refurbishment of Carrow House
Date assessed:	17 th March 2021

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The procurement process outlined in this report is intended to achieve the best value outcome for the planned refurbishment works
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The council has appointed Eastern Procurement to provide procurement support
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed refurbishment works will deliver high quality office space to meet demand from professional services and the knowledge industry
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed refurbishment will support local jobs growth
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed procurement strategy is intended to ensure that the historic Grade II listed Carrow House building is refurbished to meet conservation objectives
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Refurbishment will extend the life of the premises and maximise the marketability
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

Proceed with procurement to planned timescales to refurbish Carrow House as soon as possible.

Negative

Neutral

Issues