

Quadrant House Update

Strategy & Resources Committee Tuesday, 2 February 2021

Report of: Alison Boote - Executive Head of Communities

Purpose: Decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

- The Council has been awarded £4,915,000 of funding from the Coast to Capital Local Enterprise Partnership
- This is an opportunity for the Council to invest in Caterham town centre and to support economic recovery and sustainability. However, the funding is time limited
- In accordance with the Council Contract Standing Orders under Financial Thresholds, Table 1, Officers require this Committee approval to enter into contract for the works as it exceeds the value of £181,302.00

This report supports the Council's priority of:

- Supporting economic recovery in Tandridge
- Becoming a greener, more sustainable District
- Creating the homes, infrastructure and environment we need

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Recommendation to Committee:

That the Committee gives authority to enter into contract for phase 2 refurbishment works at Quadrant House, on such terms as the Executive Head of Communities, in consultation with Corporate Procurement Board, considers necessary.

Reason for recommendation:

- In order to enter into contract with a main contractor for the improvement works at Quadrant House the Council's Contract Standing Orders require that Officers obtain Committee approval in principle.
 - Design work has taken place at pace, a planning application is under consideration and the tender pack is currently being prepared.
 - Officers would then have the ability to enter into contract with a main contractor at the appropriate time, but without the risk of delays that might arise due to the timing of Committee meetings
 - The funding is coming from Coast 2 Capital Local Enterprise Partnership ('C2C') and is time limited and C2C are seeking outputs (the positive outcomes arising from the funding) to start by or as close to 31st March 2021 as possible.
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Introduction and background

- 1 The Council has secured £4.915m of additional funding from the C2C to spend on improving Quadrant House, progressing Croydon Road public realm proposals and progressing concept design work for a new community space. The project aligns with the Council's priorities of supporting economic recovery and promoting a greener, more sustainable District.
- 2 This Committee has previously considered reports about Quadrant House in June 2019 (shortly after acquisition) and May 2020. In May 2020, the Committee approved for Officers to proceed with the launch of the business hub and to enter into contracts for the refurbishment of the common parts. Both of these objectives have been achieved. The common parts refurbishment is now being referred to as Quadrant phase 1.
- 3 In August 2020, Officers presented a business case to C2C and this also coincided with central Government priorities arising from the Covid 19 pandemic such as economic recovery and environmental sustainability. The business case showed that the Council could use the funding to improve Quadrant House, aid the improvement of Croydon Road, and obtain concept designs for a potential new community space within Quadrant House. The business case set out how the Council could achieve all of this at speed. The Council was awarded the funding.

- 4 This report focuses on the Quadrant House phase 2 refurbishment works and seeks authority to enter into contract to carry out the works. The works are estimated to cost around £4m and consequently are above the £180,000 threshold, and therefore require Committee approval.
- 5 An alternative option to seeking authority now, prior to receiving tender returns and obtaining planning permission, would be to bring a report back to Committee at a later date. However, C2C are keen that the funding is spent as soon as possible, and to avoid any delay and to mitigate the risk of C2C pulling out of the funding agreement, Officers are seeking approval now, so that when the time is right to enter into contracts, they can do so without delay.

6. Quadrant House phase 2 refurbishment

6.1 The phase 2 works include the following key elements:

- Improvement of the thermal performance of the building envelope including added insulation and new windows
- Enhancement of the Croydon Road façade including the introduction of a Living Wall with added biodiversity and microclimate benefits
- A roof terrace at third floor level in the South building
- Enhanced safety and accessibility through introduction of ramped access to Quadrant North entrance, replacement lifts and escape staircases
- Improved appearance through new signage and services integration
- Refurbishment of office suites on 2nd and 3rd floor of South building, to include new LED lighting and a new, centralised heat pump air conditioning system
- Photovoltaic panels on the top floor roof

6.2 Following confirmation of the additional funding Officers have worked to deliver the proposals within the timeframe. The below table shows the project programme.

Milestone	Start date	Completion date
Funding for phase 2 refurb confirmed	August 2020	August 2020
Design team appointed	August 2020	September 2020
RIBA stage 2 design	Sept 2020	Nov 2020
RIBA stage 3 developed design	Nov 2020	Dec 2020
Planning validation and determination	Jan 2021	Mar 2021
RIBA stage 4 technical design	Dec 2020	Jan 2021
Tender documents preparation and issue	Jan 2021	Mar 2021
Analysis of tenders and interviews	Mar 2021	April 2021
Appointment of main contractor	April 2021	May 2021
Contractor lead in and construction	May/June 2021	Dec 2021

Pre-completion marketing of refurbished suites	June 2021	Nov 2021
Post-completion marketing and project completion PR	Dec 2021	Jan 2022

- 6.3 Some elements of the phase 2 refurbishment require planning permission, in particular the green wall and the roof terrace. The planning application for Quadrant Phase 2 was submitted during the first week of January. The reference number for the full application is 2021/56. The reference number for the application for advertisement consent (for the replacement signage) is 2021/31.
- 6.4 The design team are now focusing on preparing documents for the issue of the tender, which will be issued in late February, with responses due back in early April. Due to C2C's timelines, Officers cannot wait for the planning application to be determined before progressing the tender. Failure to progress matters swiftly could risk the Council losing the funding. However, if changes to the scope of works as a result of the determination of the planning application are necessary, this will still be possible, by way of a contract variation. Clearly if planning permission were not forthcoming the contract would not be awarded.
- 6.5 These proposals impact on capital budgets only, and the funding for these capital works is all coming from C2C i.e. there is no impact on Council finances. No additional resource has been provided to the asset team to deliver these proposals.
- 6.6 In order to ensure that the Quadrant House refurbishment is appropriate and economically and environmentally sustainable, the design team has comprised a range of consultants, including but not limited to:
- Architects
 - Project manager
 - Quantity surveyor
 - Mechanical and electrical services consultant
 - Sustainability advisor
 - Lift consultant
 - Structural engineer
 - Office letting agents
 - Property management professional
- 6.7 The office letting agents have been consulted extensively throughout the design process to ensure that the end-product is good and marketable. Clearly there is some uncertainty about the future of the office market in the light of the pandemic and the trend toward more home-working, however there are indications that smaller suites on more flexible terms may be in greatest demand. There are also early indications that office occupiers may seek to downsize/relocate from cities and large towns, such as London and Croydon, to set up smaller regional hubs and take advantage of more competitive rates. This would likely benefit towns such as Caterham.

- 6.8 The funding award was made public in a joint press release in late September. The Ward Councillors, North Tandridge Councillors and the current tenants of Quadrant House have received information about the refurbishment proposals from Officers and been given opportunities to comment on the proposals. The Caterham BID have received regular updates as well.
- 6.9 The planning application includes consultation. It is also worth noting that the idea to create a living wall on the façade of Quadrant House that faces Croydon Road, was an idea that originated from the architects appointed by the Caterham BID to undertake concept design work for improving Croydon Road, and that the BID did undertake a consultation exercise as part of their concept design stage.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications from this report. Due to the Councils financial constraints any costs incurred will need to be contained within the current and future budgets.

The capital programme for 2020/21 and 2021/22 includes the planned expenditure on Quadrant House but the capital expenditure will be funded by external grant from the Coast to Capital Local Enterprise Partnership and not the council's own resources.

It is important that work continues at pace to minimise the risk of grant funding being withdrawn.

Comments of the Head of Legal Services

Under the Council's Contract Standing Orders ('CSO's), approval to enter into contracts for works which exceeds £181,302.00 may only be granted by the relevant Committee.

The Council is contractually committed and therefore any funding received must be used solely for improving Quadrant House, progressing Croydon Road and progressing concept design work for a new library. Failure to do so will result in the funding being returned. The decision to approve the proposed expenditure is expressly reserved to this Committee under its terms of reference.

The nature and estimated value of the contract is such that its procurement is subject to the application of the Public Contract Regulations (2015) as amended. Officers will need to undertake a full procurement exercise to including publication of notices being published on Find a Tender (FTS), the new UK e-notification service, rather than on the Official Journal of the European Union/Tenders Electronic Daily (OJEU/TED). This requirement applies to procurements launched after 11:00pm on 31 December 2020. Legal and policy requirements to advertise on other platforms such as Contracts Finder remain unchanged.

Equality

The proposed refurbishment works will improve accessibility at Quadrant House. In particular the works will include more accessible lifts, more accessible escape stairs and a ramped entrance to Quadrant North. Consequently, the proposals will positively impact any person with visual, hearing and/or mobility impairments.

Climate change

The proposed refurbishment works, which include adding thermal insulation to the building fabric, replacing old windows, providing a centralised heat pump air conditioning system with heat recovery, and upgrading to LED lighting, will significantly improve the environmental sustainability of Quadrant House. Additionally, the living wall and greenery on the roof terrace will contribute to improved air quality and biodiversity in Caterham town centre. Also, the addition of photovoltaic panels on the roof will produce a proportion of the building's energy demands. A sustainability consultant has given detailed advice during the design phase and a holistic approach has been taken. It is calculated that the works have the potential to reduce carbon emissions by up to 61%, equivalent to approximately 123 kg of carbon dioxide per annum.

Appendices

None

Background papers

Tandridge District Council Economic Needs Assessment Update 2017

Caterham Masterplan Supplementary Planning Guidance

Coast to Capital Strategic Economic Plan (Gatwick 360)

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