

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	7 March 2024
<b>Subject:</b>	The Strand Shopping Centre, Bootle – Transformation Programme Phase 1 Contractor Appointment		
<b>Report of:</b>	Executive Director (Place)	<b>Wards Affected:</b>	Linacre / Derby
<b>Portfolio:</b>	Cabinet Members: Regeneration and Skills; and Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report sets out the results of the procurement process conducted during the period December 2023 to February 2024 to appoint a contractor for works on Phase 1 of the Strand Transformation Programme.

The report recommends that the contractor identified as providing the Most Economically Advantageous Tender is now appointed and that the Executive Director of Place is delegated the authority, in consultation with the Portfolio Cabinet Members, to sign the contracts when they are complete.

This report follows a report approved by Cabinet in December 2023, which set out the case for proceeding with delivery of Phase 1 of the planned Bootle Strand Transformation Programme and the new five-year Business Plan for the fiscal years 2023/24 to 2027/28 for the Strand Shopping Centre, reflecting the impacts on operations of proceeding with the programme works.

The report approved in December 2023 included the recommendation that the Executive Director of Place be delegated authority, in consultation with Portfolio Cabinet Members, to proceed with the procurement. That procurement has now been completed under the supervision of the Council's Procurement and Legal Services and with the support of the Programme's appointed Project and Cost Managers, the Development Manager and the specialist construction legal advisers retained to provide legal advice to the Council in relation to all aspects of the Programme.

### Recommendation(s):

It is recommended that Cabinet:

- (1) Approve the appointment of Vinci Construction UK Limited as contractor for the Strand Transformation Programme Phase 1 demolition works and a Pre-construction Services Agreement to develop detailed requirements for the remainder of the approved Phase 1 works.
- (2) Approve the Executive Director for Place, in consultation with the Portfolio

Cabinet Members, to sign the contracts.

**Reasons for the Recommendation(s):**

The procurement has been carried out in full compliance with the Public Contracts Regulations and the Council’s financial procedures and provided a clear and evidenced result in favour of Vinci as the Most Economically Advantageous Tender. The timely appointment of the contractor, and commencement of the works, is critical to realising the objectives and outcomes of Phase 1 of the Strand Transformation Programme, which were approved by Cabinet in December 2023.

**Alternative Options Considered and Rejected:**

Not proceeding with Phase 1 of the Transformation Programme has been considered but discounted as the deterioration to the financial sustainability of the Strand would continue unchecked, which would inevitably lead to it no longer being viable. This would also fail to realise any of the regeneration objectives the Programme is designed to provide as well as require the return of the £20m grant funding award that the Council has secured from central government for Phase 1 of the Programme.

**What will it cost and how will it be financed?**

(A) Revenue Costs

All revenue implications are addressed within the report.

(B) Capital Costs

All capital implications are addressed within the report.

**Implications of the Proposals:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<p><b>Resource Implications (Financial, IT, Staffing and Assets):</b></p> <p>All resource implications are addressed within the report.</p>
<p><b>Legal Implications:</b></p> <p>All legal implications are identified and addressed within the report.</p>
<p><b>Equality Implications:</b></p> <p>The Council’s focus for the Strand and for Bootle town centre remains on social and environmental outcomes, as well as economic and financial outcomes.</p> <p>An Equalities Impact Assessment for Phase 1 of the Strand Transformation Programme was attached at Annex 1 of Appendix 1 of the report approved by Cabinet in December</p>

2023 to proceed with Phase 1 of the Programme.

The selected contractor's tender includes significant commitments to deliver social value as a core output of their work, which commitments will be included in the contract.

**Climate Emergency Implications:**

The recommendations within this report will

Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	No

The implementation of the Transformation Programme will be delivered in line with the Council's strategy and objectives in respect of climate emergency, with both the delivery of construction works and the operation and maintenance of the asset in mind.

The intention is that the repurposing vision will closely align to the Council's strategic objectives in relation to climate emergency, and in the shorter-term operational actions are undertaken to deliver positive environmental outcomes where available.

An initial Environmental Impact Assessment was attached at Annex 2 of Appendix 1 of the report approved by Cabinet in December 2023 to proceed with Phase 1 of the Programme.

**Contribution to the Council's Core Purpose:**

**Protect the most vulnerable:**

The Strand provides essential amenities that are accessible for local people including the most vulnerable, particularly through the partnerships with Community Interest Companies as described above. The Transformation Programme will enable the Strand to continue to operate as an economically sustainable asset securing these essential amenities for the community in the medium and long-terms.

**Facilitate confident and resilient communities:**

The Strand provides essential amenities that are accessible for local people.

A Social Value Report was attached at Annex 3 to Appendix 1 of the report approved by Cabinet in December 2023 to proceed with Phase 1 of the Programme.

**Commission, broker and provide core services:**

Financial returns to the Council, as owner of The Strand, can provide revenue to contribute towards service provision. The centre also offers opportunity to locate

accessible and important services for local residents.
<p><b>Place – leadership and influencer:</b></p> <p>The Strand is a key asset at the heart of Bootle critical to the town’s physical, economic, and social regeneration.</p>
<p><b>Drivers of change and reform:</b></p> <p>Physical infrastructure (retail and other amenities) is a significant contributor to and enabler/catalyst for change.</p>
<p><b>Facilitate sustainable economic prosperity:</b></p> <p>The continued success of The Strand is essential to maintain and increase its significant contribution to the local economy, including in terms of creating local employment and providing essential facilities required to help attract inward investment.</p>
<p><b>Greater income for social investment:</b></p> <p>The proposed Phase 1 scheme includes the provision of opportunities and support for local people to launch and sustain micro enterprise within and around The Strand. The Big Onion provides a strong example of a partner helping deliver positive outcomes in this respect.</p>
<p><b>Cleaner Greener:</b></p> <p>The contract will include provision to ensure the works will be compliant with the Building Regulations and other Planning and Habitat regulations meaning Sefton builds cleaner and greener.</p>

**What consultations have taken place on the proposals and when?**

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7544/24) and Chief Legal and Democratic Officer (LD5644/24) have been consulted and any comments have been incorporated into the report.

The Service Manager for Procurement has been consulted and officers from the Procurement Service have been involved in managing the procurement process.

(B) External Consultations

There have been extensive consultations with local people, businesses and other stakeholders regarding the proposed works as part of the main Programme Stakeholder Engagement, Communications and Consultation programme. Full details of this were included in the report approved by Cabinet in December 2023 to proceed with Phase 1 of the Programme.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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## Annexes and Appendices:

- None

## Background Papers:

- Cabinet Report approved in December 2023 to proceed with Phase 1 of the Transformation Programme:

[Minutes Template \(sefton.gov.uk\)](https://sefton.gov.uk)

## **1.0 Introduction and Background**

- 1.1 In April 2017, Sefton Council acquired The Strand Shopping Centre to secure its future and support its continued role as a cornerstone asset at the heart of Bootle, critical to the town's physical, economic, and social regeneration.
- 1.2 The Council remains fully committed to supporting and securing investment in The Strand for the short, medium, and long terms to enable this regeneration and reverse the decline. The Strand was suffering in the hands of private ownership. The Council aims to respond proactively to the challenges of a changing retail market accelerated and increased by the impacts of COVID-19 and the current economic conditions. The Transformation Programme will help to drive economic, social, and physical regeneration in the town centre, bringing back in to use near derelict areas, creating beautiful public realm spaces, reanimating the town centre to attract more footfall, ultimately bringing in new employers and creating local jobs.
- 1.3 Cabinet has approved proceeding with Phase 1 of the proposed Transformation Programme, utilising: (i) £20m funding for the first 3 elements of the project (Phase 1A-C), which has already been secured from DLUHC; and (ii) funding from the LCR CA for the final element (Phase 1D), pending finalisation of the designs for this last element as well as confirmation of the formal approval of the required funding by the LCR CA.
- 1.4 That December Cabinet report included delegation of authority to the Executive Director Place to procure a contractor to deliver Phase 1A-C of the Programme.
- 1.5 The Phase 1 Programme comprises 4 key elements, as below:
  - Phase 1A: New landscaped public realm alongside the canal that extends and enhances the initial 'meanwhile uses' Salt and Tar facilities.
  - Phase 1B: refurbished space in 'Block A' (the former M&S unit) including: x6 new commercial units facing the new town square along with new 'shell and core' space on the ground floor (Stanley Road level); and new 'shell and core' space in the basement area (Canalside/Washington Parade level). The shell and core space will be flexible for a variety of uses and occupiers.
  - Phase 1C: new landscaped public realm forming a new Town Square where the currently enclosed Mons Square is located, which will integrate with the Canalside and deliver enhanced permeability into the Strand and a beautiful space where the community can come together.
  - Phase 1D: repurposing 'Block B' to provide new 'shell and core' space that will be flexible for a variety of uses and occupiers.



- 1.6 Phase 1A includes the demolition of surplus retail and derelict residential space in The Palatine to remove low performing units that currently make a loss and to open the site up to facilitate new public realm for Place Shaping.



- 1.7 The net budget cost for Phase 1A-C is a total of £20m with £3.1m allocated for demolition and associated enabling works.
- 1.8 A procurement exercise was therefore undertaken during the period December 2023 to February 2024 from which Vinci Construction UK Limited was recommended by the Council's advisers as providing the Most Economically Advantageous Tender. As a result, the Council now needs to proceed with completing the appointment and signing the contract with Vinci.

## **2.0 Procurement Process**

- 2.1 The Council's advisers have managed the procurement process on behalf of the Council and recommended Vinci as the Preferred Bidder to be appointed for the works contract. The Senior Responsible Officer (Assistant Director Place (Regeneration)) and the Executive Director of Place have accepted the recommendation and now wish to proceed to contract.
- 2.2 The procurement approach selected is a 2-stage tender comprising the following:
- Stage 1: an open tender for a fixed price for the demolition works and a Pre-construction Services Agreement to support SMBC, as the developer, to produce the RIBA Stage 3 and RIBA Stage 4 designs for the remainder of the Phase 1 works (remodelling the buildings and the town square within the scope of the Phase 1 site).
  - Stage 2: a direct tender negotiation with the supplier selected at Stage 1 for a fixed price for the remainder of the Phase 1 works, based on the output of the Pre-construction Services work, within the Council's net budget envelope (£20m).
- 2.3 This procurement approach was selected on the following criteria:
- Appropriateness to Project – it is suitable in supporting for the delivery of the project, with an expected capital cost of £15m-£20m.
  - Programme Impact – can complete in a reasonable and achievable length.
  - Resource/Council Input Required – Council resource required would be kept to a minimum and achievable level to complete within the timeframe required.
  - Council fit - the approach supports the requirements of the Council including any business cases produced.
  - Feasibility - the required work is deliverable within the approved funding.
  - Cost Certainty – will provide a clear and robust definition of the project cost, for which the likelihood of change between stages is minimised.
  - Overall Cost – will ensure the overall cost is affordable and value for money.
  - Risk – will keep the risk to the Council to a balanced and manageable level.
- 2.4 Using these criteria it was confirmed that using a public sector procurement framework was the most appropriate method for the Strand Transformation Programme and Procure Partnerships (formally Procure Northwest) were selected as they have been a previously trusted delivery partner for SMBC.
- 2.5 In the Invitation to Tender document submitted to the contractors on the Procure Partnerships framework, the following scoring principles were applied:



Stage	Criteria	Weighting
1	Selection Questionnaire (Part 1, 2 & 3)	Pass Or Fail
2	Award Criteria: Price	35%
	Award Criteria: Quality Submission	55%
	Award Criteria: Social Value	10%
<b>Total</b>		100%

- 2.6 The weighting reflects the Council's desire for a balance between price and quality, with an emphasis in favour of quality and SMBC's commitment to Social Value.
- 2.7 The process for scoring the Quality (55% of the overall score) and Social Value (10% of the overall score) submissions used the following criteria, with the assessment being undertaken by qualified construction professionals from the PM/Cost Manager and Development Manager retained as advisers by the Council:

Rating	Score	Quality Criteria
5	100	Exceeds the service standards - Excellent detail with added value
4	80	Meets all the service standards - Good detail and evidence
3	60	Meets all the service standards - Basic detail provided
2	40	Mostly meets but fails in some of the service standards
1	20	Mostly Fails but meets in some of the service standard
0	0	Completely fails to meet the service standard

- 2.8 The evaluation of the Cost submissions (which account for 35% of the overall score) was segmented as follows, with costs being considered against an initial project budget of £3.1m for demolition and £18m in total for Phase 1A-C:

Cost Scoring Criteria	
Element	Weighting
1. Works Cost	10.00%
2. Prelims	10.00%
3. Overheads & Profits	15.00%
Totals	<u>35%</u>

- 2.9 On the 6th of December, 6 organisations from the framework submitted fully compliant tender returns with 2 of the framework suppliers declining due to resourcing issues:
- 2.10 Following the initial tender assessments, the highest scoring three bidders were to be invited to interview to enable the Council to clarify and reassure themselves about the bidder's proposals.

### **3.0 Tender Evaluation and Results**

- 3.1 To ensure that the tender returns had a robust and rounded review, a series of evaluators and advisors were party to the overall assessments of the submissions. These included:
- 3.2 From SMBC:
- the Assistant Director Place (Regeneration) – overall approval lead
  - The Assistant Director Place (Commercial) – overall moderation support
  - The Service Manager (Regeneration) – social value evaluator and overall moderation support
  - The Strand Programme Manager – moderation support
- 3.3 From the Development Manager: the Development Director – review and recommendation
- 3.4 From the PM/Cost Manager PM, Cost and Social Value experts – evaluate and review
- 3.5 Based on the overall scores, the Development Manager has recommended and the Council has agreed that Vinci should be appointed for the role of Principal Contractor for Phase 1A C of the Strand Transformation Programme.