

DECISION TAKER: Cabinet Member for Housing and Asset Management – Councillor Kelsie Learney

REPORT TITLE: APPROVAL OF QUALITY/COST/SUSTAINABILITY RATIO FOR THE APPOINTMENT OF AN ARCHITECT FOR KINGS WALK

7 FEBRUARY 2022

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WARD(S): TOWN WARDS

PURPOSE

This report provides an update on progress with short term improvements to the ground floor and public realm areas at Kings Walk and specifically the proposal to appoint an architect for works to the Kings Walk building to enliven the area whilst the longer term CWR plans come forward.

RECOMMENDATIONS:

1. That the Cabinet Member for Housing and Asset Management;
 - a. Agrees that the quotations to appoint an architect to consider short term improvements at Kings Walk is evaluated on a criteria of 80% quality, 10% cost, 10% sustainability, and acknowledges that this is an amendment to the councils Contract Procedure Rules (CPR's) (paragraph 29).

IMPLICATIONS:**1 COUNCIL PLAN OUTCOME**

- 1.1 Progress on CWR supports the council plan priorities by working to deliver a vibrant new mixed use development that will be creative and innovative to help reach the net carbon zero targets of 2024 and 2030. The CWR Supplementary Planning Document (SPD) details aims and objectives for a scheme which may be brought forward and a planning and urban design framework which are in alignment with the council plan priorities.
- 1.2 Whilst the overall scheme develops, an opportunity has been identified to enhance the Kings Walk building and surrounding area; and lead towards the creation of a 'creative hub' attracting Artists/Designers/Makers to the parade, bringing vibrancy to the area and increasing footfall in alignment with the wider regeneration proposals. This had been explored following the Kings Walk feasibility study and was brought forward as a proposal in Cabinet Report CAB3271.
- 1.3 The refurbishment of Kings Walk coming forward as a priority, and as a first phase of the wider development proposals, is intended to create a sense of purpose and to kick start transformation and activity in the City centre.

2 FINANCIAL IMPLICATIONS

- 2.1 The CWR project budget for meanwhile works is £385k. £200k was approved in Cabinet Report CAB3281 in March 2021 and an additional £185k in Cabinet Report CAB3303 approved in July 2021 which makes the following opportunities possible. Of the budget of £385k, £3,750 has been spent, with £4,686 committed leaving a balance of £376,564.

Works to Kings Walk

- 2.2 An opportunity has been identified for an architect to carry out the following works:

Description	Budget	Description
1. GF entrances, courtyard and undercroft	£50k	'Greening' of entrances, new signage/graphics, new lighting, substantial re-design of outdoor eating areas adjacent to Middle Brook Street and shopfront improvements
2. Loading Bay, convert to events space	£50k	Convert existing loading bay to outdoor events space
3. Silver Hill frontage improvements	£100k	Upgrade facades and entrances, enable views through to courtyard, new

		graphics to FF windows, possible art spaces ?
4. Multi-storey car park roof	£100k	Activate roofscape as summer events space
5. Secret Garden	£50k	Create a 'pocket park' in the courtyard
6. Architects Fee	Up to £35k	
	Total: £385k (as approved in CAB3281 & CAB3303)	

2.3 By carrying out the works above, Kings Walk and the surrounding area will start the transformation towards the longer term vision for the creative hub and bring much needed and called for visible activity and change to the area

2.4 Once the physical improvements have been carried out, the space can be managed to bring forward activity and greater foot fall to Kings Walk. This will create a sense of optimism and confidence in the local community and work to support the High Street recovery following the COVID 19 pandemic.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 The city council's Contract Procedure Rules set out the procedure by which a contract may be awarded and also ensure that contract appointments are in keeping with the Public Contracts Regulations (PCR) 2015. For contracts valued £10k - £100k, a minimum of three quotations should be sought.

3.2 As the quotation process to appoint an architect to deliver a quality but temporary improvement to Kings Walk has progressed, it has become apparent that the council's standard evaluation model of 60% cost, 40% Quality is not appropriate. Therefore, this report recommends amending the evaluation criteria as set out in the recommendation above.

3.3 The proposed change of the evaluation criteria is fully compliant with the city council's Contract Procedure Rules (paragraph 29). The Cabinet Member is able to make this decision.

4 CONSULTATION AND COMMUNICATION

4.1 An exciting and key element of the CWR development proposals is the provision of a creative hub in and around Kings Walk. The council carried out a feasibility study, conducted by Turner Works and Worthwhile Works, which was completed in August 2020 and formed part of the CWR consultation which received widespread support.

4.2 Feedback from the consultation via CitizenSpace and social media activity carried out during this period shows wide public support for the repurposing of the Kings Walk building. Further details can be found at the Winchester City Council website.

- 4.3 During the period March 2020 to October 2020, a number of stakeholder engagement sessions on elements of the overall CWR project also took place. These sessions included discussing options for Kings Walk. These discussions were fed into the draft CWR development proposals.
- 4.4 A series of meetings with Kings Walk tenants have taken place over the past 6 months has created an air of expectation which the council now needs to fulfil with the appointment of an architect and commencement of the design stage.
- 4.5 Meetings have also taken place with Members to update them on Kings Walk and to help formulate the Brief for the works to the area.

5 ENVIRONMENTAL CONSIDERATIONS

- 5.1 Sustainability is a key focus for the council. WCC declared a climate emergency in June 2019 and the council is now committed to becoming carbon neutral by 2024 and the cabinet has ambition for the wider district to become carbon neutral by 2030.
- 5.2 Specifically, the scheme as envisaged includes the greening of both entrances and the creation of a 'secret garden' in the courtyard adjacent to The Nutshell.
- 5.3 The council has considered the carbon impact of wider re-use of existing structures on the CWR development site, rather than wholesale demolition. For example, the retention and reuse of Kings Walk may potentially have a lower carbon footprint compared with new-build construction as a result of reduced demolition works, reprocessing of waste materials and waste sent to landfill. It also avoids manufacture, transport and new construction. But this should be balanced against creating a carbon neutral building in an existing structure which also has additional challenges. This will form part of the architect's designs moving forward and is a key factor in the decision making process.

6 EQUALITY IMPACT ASSESSEMENT

- 6.1 WCC are promoting Kings Walk improvements to offer space for artist and creative uses. The city council estates and CWR team will ensure that all applications for this space considers the city council's public sector equality duty and ensure that no person or group with an identified characteristic is disadvantaged.
- 6.2 Likewise, as the project progresses, an Equality Impact Assessment will be considered and carried out as appropriate.

7 RISK MANAGEMENT

7.1 The below table of risks has been populated specifically in relation to the proposal to progress Kings Walk:

Risk	Mitigation	Opportunities
<i>Insufficient resourcing in WCC project team. Insufficient capacity and skills in other Council departments</i>	Continue to closely monitor capacity within the project team, Seek external expertise where required, Continue to monitor and adapt the project plan, including resources component, Have clear milestones and priorities for the project team	At the earliest opportunity make other teams aware when their input will be required and for how long, Regular monitoring meetings with HoP and PM
<i>Failing to conduct any works at Kings Walk will result in the continuation of long standing anti-social behaviour within the vicinity.</i>	Liaising with relevant stakeholders including Kings Walk tenants, Police and WCC's Neighbourhood Services/Estates teams to help manage the current situation.	Improving the Kings Walk area is seen as a key stepping stone to help alleviate anti-social behaviour in the area. Designs will be incorporated with this in mind.
<i>Failure to implement an appropriate meanwhile uses strategy to deliver improvements and the enliven area around Kings Walk</i>	Development of an appropriate strategy to bring in occupiers that enliven and enhance the area.	Agree new lettings with appropriate tenants for units that become available at the end of existing tenancies. Develop a strategy that will bring activity and vibrancy to reflect the improvement and change of occupiers.
<i>Delay in appointing architect with appropriate emphasis on quality will put whole project on hold. No signs of progress leading to reputational/political damage to the administration and enabling anti-social behaviour to continue.</i>	Take a report to the Decision Day on February 7 th in order to then be able to evaluate potential architects accordingly.	An appointment can be made soon after the Decision Day on February 7 th if approved.

8 OTHER KEY ISSUES

- 8.1 New lettings at Kings Walk are for 3 years and therefore the meanwhile uses have a finite timescale thus the project team are keen to commence with the design elements of the project.
- 8.2 There are a series of ongoing meetings with tenants, other WCC interested parties and the police concerning the continuing issues with anti-social behaviour. The design and implementation of these works are seen as a cornerstone is helping to lessen the impact of anti-social behaviour at the Kings Walk site.

9 SUPPORTING INFORMATION:

Project Update

- 9.1 The implementation of meanwhile uses was recognised in the SPD, which was adopted in June 2018. In the SPD, 3.12.2 states that, 'in the short-term, meanwhile uses are interim public realm improvements are to be encouraged and supported within the CWR area.' Furthermore, 3.12.1 states, 'ensure the momentum for the regeneration process is maintained through visible changes which signal the beginnings of the mixed use quarter'.
- 9.2 Following this, in Cabinet Report CAB3106, which was approved in November 2018, approved work to complete a business case for a meanwhile use work stream. This was following a meeting of the meanwhile use advisory panel on October 16th 2018.
- 9.3 In the update for cabinet report CAB3124 in January 2019, a brief for a feasibility study had been agreed by the Advisory Panel and bids would be returned and subsequently considered in February 2019.
- 9.4 At the Cabinet meeting for cabinet report CAB3142, the Meanwhile Uses Advisory Panel (March 2019) updated on the feasibility study, with options and recommendations set to set out by early Summer 2019.
- 9.5 The city council appointed Turner Works, in collaboration with Worthwhile Works in May 2020 to undertake a feasibility study to consider whether vacant space in Kings Walk could be brought back into use as flexible workspace to support independent culture and creative enterprise, with an emphasis on providing opportunities for younger people. The study was completed in August 2020 and subsequently formed part of the CWR consultation.
- 9.6 The study indicated that there was sufficient demand to support creation of a creative hub at Kings Walk and the council then explored how this can be achieved in line with the preferred delivery approach for the wider CWR development.

9.7 Following the consultation and as the wider scheme developed, the Strategic Outline Case (Cabinet Report CAB3303), outlined that the preferred method was that a single developer would be procured for the CWR site and that the Council would not bring forward Kings Walk outside of this. This report was approved in July 2021. Therefore, whilst a developer is procured for the CWR area, a meanwhile use brief for works to Kings Walk was produced and the appoint of an architect is sought.

9.8 Anticipated timeline for Kings Walk works:

GF Entrances and Undercroft

Design February 2022 – May 2022

Planning May 2022 – September 2022

Procurement May 2022 – September 2022

Implement October – December 2022

Courtyard Garden

Design February 2022 – May 2022

Planning May 2022 – September 2022

Procurement May 2022 – September 2022

Implement October – December 2022

Loading Bay

Design March 2022 – June 2022

Planning July 2022 – December 2022

Procurement July 2022 – December 2022

Implement January 2023 – March 2023

Frontage

Design March 2022 – June 2022

Planning July 2022 – December 2022

Procurement July 2022 – December 2022

Implement January 2023 – March 2023

- 9.9 The Evaluation Matrix upon which quotations will be evaluated is attached to this report (Appendix A).
- 9.10 With this meanwhile use project being one of the first major steps in the overall CWR scheme, a high-quality scheme is sought as marker for CWR. This is also key ahead of the next stage of the overall CWR scheme as a developer is sought for the wider scheme.
- 9.11 Thus, it would not be appropriate to assign a significant percentage of the evaluation award criteria purely to price as would be standard in a basic procurement exercise. The model proposed has been carefully considered to ensure delivery of the right architect - based on their approach to working with the council and ability to deliver against the Brief.
- 9.12 The opportunity is the subject of a competitive quotation process in line with the councils contract procedure rules, however , the council's standard evaluation model of 60% cost / 40% quality is not deemed to be appropriate to secure the best outcome and reflect the councils objectives for development in this area. Approval is sought for a departure from this to 10% cost to 80% quality to 10% sustainability. This will better focus on the quality elements of the bidders' submissions and ensure that sufficient weight is attached to the quality-focused evaluation criteria. It also incorporates the council priority of sustainability (social, environmental and economic) and the requirement for 10% to be allocated to this area. The architects fee has been specified from the overall budget so there is more emphasis to deliver a high quality scheme.
- 9.13 This report is therefore seeking approval for an 80% quality to 10% cost to 10% sustainability evaluation weighting as a derogation from the Council's Procurement Rules (paragraph 29).

Public and Stakeholder engagement

- 9.14 It is important that the city council communicates well with all stakeholders with an interest in the project. A communications and engagement strategy has been developed with professional advice to ensure that this is well planned and thought through, and people are appropriately involved.
- 9.15 Separate detailed communications and engagement plans, based on the approach agreed within the Strategy, will be produced for each work stream as they come forward this year - including, Kings Walk.

Kings Walk

- 9.16 In 2018 and 2019, the city council acquired land and buildings at Kings Walk, the bus station and Friarsgate Medical centre. The rationale behind this approach was to enable the council to take the lead in bringing forward

regeneration of the area to support the High Street and local businesses and work to build a strong and resilient economy in the city and for the district.

- 9.17 The city council appointed Turner Works, in collaboration with Worthwhile Works in May 2020 to carry out a feasibility study to consider whether vacant space in Kings Walk could be brought back into use as flexible workspace to support independent culture and creative enterprise, with an emphasis on providing opportunities for younger people. The study was completed and the agreed strategy is to focus on the ground floor retail units aligned with the artist and creative quarter.
- 9.18 The CWR Development Proposals were approved at Cabinet on 10th March 2021 (CAB3281) following public consultation and there is genuine interest in the proposals from the development community. Officers were tasked with exploring the options for delivery of the CWR site, the best way to bring forward the Creative Quarter at Kings Walk.

10 OTHER OPTIONS CONSIDERED AND REJECTED

- 10.1 Retaining the evaluation criteria at the council's standard evaluation model of 60% cost / 40% quality would not result in the council being able to achieve the high-quality creative quarter that is desired. By changing the weightings to higher on quality, this will ensure that an architect's excellence is the predominate factor in the evaluation process. A high-quality public realm is one of the key facets of the CWR scheme.
- 10.2 The Council could decide to not conduct any works to Kings Walk and await the appointment of a developer for the CWR scheme. The reason for progressing at pace with the short term works is to bring improvements to the area as quickly as possible to bring a level of expectation and confidence in the local community and wider market. The changes will act as a test for the longer term vision for Kings Walk and start to bring activity to the area to pave the way whilst reducing the decline and working to combat the incidents of antisocial behaviour. The Council has also signed tenants to 3-year leases and has a duty to ensure that the building is well maintained during this period.

The options to do nothing or revisit objectives for the site have therefore been rejected.

BACKGROUND DOCUMENTS:-

Previous Cabinet/Committee Reports or Cabinet Member Decisions:-

CAB3281 Central Winchester Regeneration – Development Proposals and Delivery Strategy

CAB3303 Central Winchester Regeneration - Delivery

CAB3322 Central Winchester Regeneration - Outline Business Case

CAB3271 Central Winchester Regeneration – CWR Development Proposals

Other Background Documents:-

None

APPENDICES:

Appendix A: Kings Walk Architects Evaluation Criteria