



ADVANCED PUBLICATION OF REPORTS

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members
and operational key decision makers.

Once signed all decisions will be published on the Council's
Publication of Decisions List.

1. **FOUR ANTHONY WAY: LEASE FOR BUILDING BLOQS** (Pages 1 - 42)
2. **HIGHWAYS VEHICLE CROSSING AND ASSOCIATED WORKS
CONTRACT 2020-2022 (G/MD 426)** (Pages 43 - 56)
3. **INSTALLATION OF SHARED GROUND LOOP GROUND SOURCE HEAT
PUMP SYSTEM** (Pages 57 - 66)

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MUNICIPAL YEAR 2019/2020 REPORT NO.**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY****PORTFOLIO DECISION OF:**

Cllr Nesil Caliskan, Leader

REPORT OF:Executive Director
Place**Part 1 Report****KD Num: 4955****Subject: Four Anthony Way: Lease for
Building Bloqs****Wards: Upper Edmonton**

Contact officer and telephone number: Paul Gardner Ext. 4754

Email: paul.gardner@enfield.gov.uk**1. EXECUTIVE SUMMARY**

- 1.1 The Council acquired 4 Anthony Way in November 2018, with Building BLOQs as ongoing tenant.
- 1.2 In Feb 2019, the Council authorised entering into an Agreement for Lease with Building BLOQs who will let the neighbouring VOSA building, which is being refurbished and extended as their future home (KD 4796).
- 1.3 While the works are underway, and to cover the period of transition from BLOQs' current workshop to their new home in VOSA, a new lease first needs to be entered into for their current premises.
- 1.4 This report seeks authority to renew an expired lease on the front part of the property, and to grant a new lease on the rear part of the property.
- 1.5 The leases include a rent-free period (until 1st February 2020 12 months on the front, and for a period of 6 months from the start of the lease on the rear) in lieu of the extensive refurbishment work that BLOQs undertake to bring the rear yard and ancillary buildings into a good state of repair.
- 1.6 The full rental terms are set out in Part 2 of this report
- 1.7 STACE, as part of their role as project manager and quantity surveyor for Meridian Water, have verified the value of the schedule of refurbishment works that will be undertaken to the rear part of the demise, and will oversee and verify that works are undertaken to a satisfactory standard.
- 1.8 The rent payable has been confirmed as market rent through a Red Book valuation undertaken by Wilks Head and Eve on 10th December 2019

2. RECOMMENDATIONS

That the Leader:

- 2.1. Delegate authority to the Director of Meridian Water to approve the final version of Heads of Terms to enter into a lease agreement for 4 Anthony Way.
- 2.2. Entrust the authorised legal officer on behalf of the Director of Law and Governance to enter into the leases with Building Bloqs as per the commercial terms set out in the Confidential Briefing Note.

3. BACKGROUND

- 3.1. LBE acquired 4 Anthony Way (**4AW**) on 5th November 2018. The full address is: Unit 4, Cobden Works, Patisserie House, Lee Valley Trading Estate, Edmonton, N18 3QT. The decision to acquire was authorised at Cabinet on 25th July 2018 (KD 4717).
- 3.2. The site was acquired with vacant possession to the rear building and the yard, but with the existing tenant, Building Bloqs (**Bloqs**), still in tenancy in the Main Unit. Historically the rear yard and ancillary buildings were not included in the Building Bloqs demise but were let to third party tenants on informal terms. At the time of acquisition, the Council therefore insisted on securing full vacant possession of this part of the demise which was achieved.
- 3.3. At the time of acquisition, the rear yard and ancillary buildings were in a state of disrepair and due to rubbish and the poor condition of its surface, the yard was unusable. The potential value of the letting the rear part of the demise in its current condition is very low and given its ancillary nature and relatively small size Glenny, our property agent advised that it would be very difficult to secure a new tenant even at low rents. Bloqs expressed an interest in extending its demise to include this neighbouring part of the property, and a proposal has been put forward as set out in this report. The proposal has also been tested against a Red Book valuation as described in Part 2 of this report.
- 3.4. Bloqs is an open workshop providing flexible and affordable access to industrial standard space equipped with specialist machinery for freelance makers, small businesses and designers.

3.5. Bloqs had a lease on the front building of 4AW from 13th July 2012 until 31st January 2019. They wish to renew the lease to provide the organisation with secure accommodation while their new home is being delivered in the neighbouring building through a joint project between the GLA, Enfield Council and Bloqs (see below for details).

3.6. The building schedule is as follows:

	Area sq. m	Area sq. ft
Main Unit (including both front office/shop and main warehouse) <i>Demise of Building Bloqs former lease</i>	901.43	9,703
Rear Building (Garage 2 & 3) "Extension"	332.85	3,582
Garage 1 (at back of main building)	113 m2	1,216 sq. ft
Yard	c. 449 m2	4,836 ft2
Total Site		0.55 acres

Table 1: Building Schedule Property 4 Anthony Way



- 3.7 Bloqs have been working for 3 years to develop and deliver a landmark employment and meanwhile project at Meridian Water, called Meridian Works. On 5th February 2019, the Leader authorised entering into an Agreement for Lease with Bloqs on the VOSA site for 12 years (KD 4796).
- 3.8 Under the agreement, the Council will undertake works to the VOSA building to refurbish it and extend it to provide 35,000 sq. ft of refurbished and new commercial space. Enabling works are expected to start early in 2020; planning permission for the refurbishment project is expected to be received in February 2020, with main works commencing in the spring and lasting between 9 and 12 months.
- 3.9 The Council has made grant funding available to Bloqs to deliver Meridian Works and support Bloqs through the transition.

Proposed Lease

- 3.10 Bloqs have requested that their existing tenancy is extended pending completion of the works at VOSA. Granting a new lease to Bloqs allows the organisation to stay at their existing premises during the refurbishment works and prevents major disruption to the current operation of the business. It was therefore decided not to market 4 Anthony Way but instead to offer a direct off-market renewal of their lease. However, the rental level agreed is market rent as verified through a Valuation undertaken by Wilks Head & Eve (see Confidential Briefing Note below).
- 3.11 It was decided not to let the rear part of the premises separately because, this would be difficult to achieve without significant disruption to the Bloqs' operation. Instead it was decided to extend the Bloqs' demise to include the rear part of the property (albeit this will subject to a separate lease) thereby facilitating Bloqs' operational arrangement by using the rear yard for servicing, deliveries and access and allowing Bloqs to refurbish and bring back into use currently redundant and unusable ancillary buildings.
- 3.12 A Condition Report undertaken by LSH at the time of the acquisition, shows that it would cost the Council c. £100k to refurbish this space and bring it up to lettable condition. (see Alternative Option 4.2).
- 3.13 Heads of Terms have been agreed with Building Bloqs for two parallel leases: one for the front part of the demise; and one for the rear demise. The leases will commence as soon as legal documents can be

agreed (likely to be Feb 2020). Both leases will then have the same termination date and rolling break provisions.

3.14 The main terms for Lease for **Unit 4 Front Building, Anthony Way** are as follows:

- The lease will complete as soon as possible.
- The lease will be granted until to 31st January 2023.
- Mutual break operable at any time from start of lease subject to six months' prior notice.
- Rent-free period will last up until 31st January 2020 in lieu of the work undertaken in bringing the rear yard area and ancillary buildings into a state of repair
- Full rent is payable from 1 February 2020

3.15 The main terms for Lease for **Land/Ancillary Buildings at Rear of Unit 4, Anthony Way** are as follows

- The lease will complete as soon as possible.
- The lease will run up to a set termination date of 31st January 2023
- Mutual break operable at any time from start of lease subject to six months' prior notice.
- 6 month rent-free period in lieu of the work undertaken in bringing the rear yard area and ancillary buildings into a state of repair
- Full rent is payable after the 6 month rent free period expires.

3.16 The 12-month rent free period will be retrospective, covering a period from 1st February 2019 until 31st January 2020. The value of this plus the value of the 6-month rent free period for the rear lease will be the equivalent consideration for the works. The refurbishment works that will be undertaken in lieu of rent have been jointly specified by STACE and Building Bloqs. The schedule of works can be found at Appendix 2. The value of these works exceeds the value of the combined rent-free periods for the two leases. The cost of these works is being directly met by Bloqs and includes labour, materials, machinery, fees and any other associated outlay. The works will deliver a suite of newly refurbished and useable buildings surrounding a rear yard that will be resurfaced. Works also include repair of roofs and renewal of utilities. A quantity surveyor at STACE has reviewed the schedule to verify the value of works. When Bloqs vacate the building and move into their new premises at VOSA, the Council will be able to immediately market the refurbished property as a single ready-to-let property.

3.17 A project manager from STACE will visit the site monthly to sign off works as they are completed. It is anticipated that the works should be

complete by the by early 2020. This fee for this will be met as part of the Meridian Water budget allocated for the delivery of meanwhile uses and preparation of sites for letting (see financial implications on the attached Confidential Briefing Note).

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 *Terminate Building Bloqs lease by serving notice and remarket 4 Anthony Way.*

This is not considered a viable alternative as the Council has a contractual agreement to prepare their new premises at VOSA. It is in the Council's interest to ensure that Building Bloqs are protected in their current premises while contractual obligations are met because they are the future tenant of the VOSA building, and Bloqs are delivering the Meridian Works, and employment and placemaking project at Meridian Water.

4.2 *Let the rear part of the premises separately*

Before 4AW was acquired by the Council in November 2019, there were separate tenants occupying the rear part of the building. However, these tenants were occupying on an informal basis without proper leases in place (unlike Bloqs which did have a proper lease in place). This was an unsatisfactory arrangement for both property management because there were not clearly separated demises in place and for legal reasons as these occupational arrangements were not properly documented. It was for this reason that the Council sought to acquire 4AW with full vacant possession to the rear of the property, which it achieved.

Going forward, the Council wants to put in place a sensible letting structure in place that works from a property management point of view. It is therefore not recommended to let the rear part of the premises separately as this would be both impractical and costly.

In terms of costs, significant investment would be required in the rear yard and ancillary buildings in order to bring them up to a lettable condition and to create a properly separated demise from the front portion of the building, which never previously existed. The Council would have to procure these works, maintain site security while the property is empty, re-market this site and forego potential income during the void period.

In practical terms, Bloqs' business would benefit from using the rear yard for access and vehicular servicing, which is important for delivery of materials, equipment and machinery. From a property management perspective, it is sensible to join the front portion with the back yard and ancillary buildings to make one single demise for all of 4 Antony Way.

Furthermore, the proposal agreed with Bloqs secures the required refurbishment to the yard and ancillary buildings for the Council at no direct cost to the Council. It is also in the interest of the Meridian Works project that Bloqs has some immediate expansion space so that it can begin to grow the business in preparation for moving into VOSA, and thereby begin to deliver against GLA funding outputs.

4.3 *LBE undertakes the works to refurbish the rear of the property and then remarkets the site.*

While this option has the advantage of greater control over standard of the works. The timescale considerations mean that this would not be a recommended option.

It would take up to 8 weeks to procure a contractor (including writing up the brief for works, getting authority to procure, going through procurement requesting competitive tenders, and selecting a contractor). Works could then take up to 6 months, because they are varied and would need to be undertaken in phased way to minimise disruption to Bloqs as neighbouring tenant. Only once works were complete could the site be properly marketed, which would take another 4 weeks. After this 9 month period, we could still grant a lease but it would have to be subject to an immediate rolling break with no term certain. This is because once Building Bloqs vacate (which could be any time from June 2020), the Council need to have the offer to remarket the whole site as one to secure a single tenant for all of 4 Antony Way going forward.

Giving this situation the marketing offer would be weak and difficult to secure a tenant on such terms. It is likely that the Council would have to wait until Bloqs vacated the front of the property and market the whole site properly. Thereby the Council would have had to have paid for the refurbishment (rather than having it undertaken at no cost under the current proposal), and not be able to recover this cost through rental income until such time as Bloqs relocate.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Heads of Terms have been agreed with Building Bloqs that would secure them as tenant in 4 Anthony Way for the period during which their new premises are prepared by the Council at VOSA.
- 5.2 Building Bloqs are paying market rent, the contribution of which overall helps to meet the Meridian Water revenue income target.
- 5.3 By refurbishing the building, Building Bloqs are increasing the value of the property, transforming what is currently an unusable demise into a series of buildings and outdoor space. This will help the Council secure a replacement tenant paying full market rent for the entire premises once Bloqs have relocated into the VOSA building.
- 5.4 The letting is in support of the Meridian Water Place-making pillar: “A Place to Make and Create” because it provides tenure for Bloqs to continue to operate and expand in their existing premises thereby growing the strength and resilience of their maker-space, and contributing to encouraging highly skilled jobs (particularly self-employed) in Meridian Water.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

See Part 2 report

6.2 Legal Implications

MD 18th December 2019

- 6.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.
- 6.2.2 The Council's Property Procedure Rules set out mandatory procedures regarding the acquisition, management and disposal of property assets, must be followed when transacting with another party using property in which the Council has an interest and commit the Council to a rigorous and business-like approach to the management of its property assets.
- 6.2.3 The grant of lease in respect of the premises at 4 Anthony Way is an off-market disposal. The Property Procedure Rules require such disposals to be approved by the relevant Cabinet member. In accordance with those rules, this report contains justification for the disposal as being in the best interest of the Council (see Property Implications below) and written advice, including a market value, from an external registered valuer is appended to this report.

6.2.4 Officers must ensure that there is adequate insurance cover in place over the property, in particular in relation to the works required to be completed by the tenant.

6.2.5 The lease must be in a form approved by Legal Services on behalf of the Council's Director of Law and Governance.

6.2.6 See Part 2 report.

6.3 Property Implications

The Property Procedure Rules (the Rules):

- *Set out mandatory procedures regarding the acquisition, management and disposal of property assets*
- *Must be followed when transacting with another party using property in which the Council has an interest*
- *Commit the Council to a rigorous and business-like approach to the management of its property assets*

It is noted that there are two aspects to the proposal as set out within this report namely a lease renewal of an existing asset currently let to Bloqs and a new lease for an additional yard / garage area which is currently vacant and which hasn't been offered to the market but is adjoining to the property subject to the lease renewal.

Section 14 sets out the requirement governing:

Disposal - Off Market

There may be instances where a disposal by way of open market sale would not achieve the best consideration reasonably obtainable. Examples include (but are not limited to) sales to a tenant, disposal to a development partner, disposal to an adjoining owner.

Such disposals are subject to a report prepared by the Responsible Senior Officer, and approved by the relevant Cabinet member, that includes:

- *Justification for such a disposal as being in the best interest of the Council*
- *Written advice, including a market value, from an external registered valuer.*

It is noted that a Red Book valuation by an external registered valuer has been obtained which confirms that the proposed rent is at a market value

Section 19 sets out the requirements governing:

19. Leased-Out Property

19.1 Requirements of the Local Government Act 1972 s 123 (that except with the specific consent of the Secretary of State) the Council may not dispose of land for a consideration less than the best that can reasonably be obtained other than by way of a short tenancy. A short tenancy is one not exceeding seven years.

19.2 Leased-out property must be advertised in the open market and must comply with the process set out in the Operational Procedures. However, there will be instances where letting a property on the open market would not be in the best interest of the Council. Examples include (but are not limited to) providing premises to an individual or organisation that has been displaced by compulsory purchase. In such cases officers will act with due probity, good governance and transparency.

19.3 No Property Asset (or part) shall be occupied without appropriate legal documentation authorising the occupation.

It is noted that whilst the proposal as set out within this report do not fully comply with the Council's PPR's in terms of ensuring that the vacant yard / garage area was placed on the open market and advertised publicly, the proposals do comply with the PPR section which governs Disposal Off Market in that Regeneration have:

- Provided justification for the disposal as being in the best interest of the Council
- Obtained a red book valuation prepared by a Registered valuer at Wilks Head & Eve dated 10th December 2019, which confirms that the proposed rent, for both the lease renewal and yard / garage area is at a market value

Accordingly, Strategic Property Services fully endorse the proposals as set out within the report

7. KEY RISKS

Risk: Building Bloqs do not vacate 4AW once the Council had completed Landlord works on VOSA

Mitigation: The new lease will include a break clause which can be served at any time from the 18-month anniversary of the lease (i.e. from 31st July 2020. Furthermore, the Lease on the VOSA site is conditional on Bloqs ceding occupation of 4AW.

Risk: Works are not completed to a satisfactory standard so the building is not lettable, and the Council has to undertake works at the end of the lease term.

Mitigation: All works being undertaken are being overseen by STACE, who are also project managing the refurbishment of VOSA on behalf of the Council. STACE are verifying the quality and satisfactory completion of work to a mutually agreed specification.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

Meridian Works of which Building Bloqs is the key delivery partner, is the forefront regeneration project at Meridian Water. This project is a central catalyst for regeneration across the area, helping to make happen an ambitious project to deliver 10,000 homes in Edmonton.

8.2 Sustain strong and healthy communities

8.3 Build our local economy to create a thriving place

This lease supports a local and growing business. The lease is one of a series of steps to facilitate growth for the small entrepreneurial maker business, Building Bloqs. As activity and membership of Building Bloqs maker hub increases, this will strengthen the local economy in this part of Enfield and contribute to this area being a thriving place. This is particularly important given that a lot of the neighbouring space is currently vacant and unoccupied.

9. EQUALITIES IMPACT IMPLICATIONS

There are no quality impact implications for this letting.

10. HEALTH AND SAFETY IMPLICATIONS

The work proposed in this report to refurbish currently redundant and potentially dangerous building on 4 Anthony Way will have the impact of bringing back unusable and unsafe buildings back into profitable use.

BACKGROUND PAPERS

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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MUNICIPAL YEAR 2019/2020 - REPORT NO. PL 19/140 O**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY****OPERATIONAL DECISION OF**

Director of Environment and Operational Services

REPORT OF: Darren Bryant

Contact officer and telephone number:

E mail: Darren.Bryant@enfield.gov.uk

Telephone: 020 8132 0736

Agenda - Part: 1

Item: KD4761

Subject: Highways Vehicle Crossing and Associated Works Contract 2020-2022 (G/MD 426)

Wards: All Wards

Key Decision No: 4761

Cabinet Member consulted:

1. EXECUTIVE SUMMARY

- 1.1 This report details the evaluation exercise for Enfield Council Highways Vehicle Crossing and Associated Works Contract G/MD 426, which was tendered through the London Tenders Portal in October/November 2019.
- 1.2 The Contract period is for 2 years. It is to commence on 17th February 2020, expiring on 16th February 2022, subject to the Council's option to extend for 1 year then another year or part thereof.

2. RECOMMENDATIONS

That the Director of Environment and Operational Services notes and approves;

- 2.1 the award of the Enfield Council Highways Vehicle Crossing and Associated Works Contract G MD 426, to the contractor listed in Part 2 of this report to commence on 17th February 2020 for a two year term, subject to the Council's option to extend for 1 year then another year or part thereof and
- 2.2 the details of the evaluation exercise contained in part 2 of this report.

3. BACKGROUND

- 3.1 The Council has a robust process for residents and businesses to apply for vehicle crossovers and, following approval, the Council will arrange for the successful contractor to construct the crossover at the resident's, businesses' or developer's cost. This ensures that all construction works carried out are compliant with the Council's specifications and that contractual warranties are adhered to. It will also ensure that all traffic regulations, utility company apparatus diversions or alterations and necessary permissions are managed through the national street works noticing systems
- 3.2 The scope of the contract includes the construction of residential and heavy-duty footway crossings and associated works.
- 3.3 The initial shortlisting was carried out via Constructionline (Para 3.7 CPRs) and then the tendering process was conducted using the Council's e-Tendering system.
- 3.4 Tender documents were issued via the London Tenders Portal to the 8 selected companies on 16th October 2019, with a tender return date of 29th October 2019.
- 3.5 During the tender period one company opted out of the tender process.
- 3.6 At the end of the tender period two companies had not responded.
- 3.7 After evaluating the 5 submissions, only 4 bidders were compliant with 1 bidder having not supplied any accounts for assessment of their financial standing or a response for the quality evaluation.
- 3.8 This contract has been tendered and evaluated on the basis of most economically advantageous to the Council. This was based on a 30/70 Quality/Price ratio.
- 3.9 The tender documentation consisted of two parts, namely the completed Technical Questionnaire (Quality Submission) and the Schedule of Rates Submission and Pricing Model (Financial Evaluation).
- 3.10 Representatives from Highway Services evaluated and scored the returned Technical Questionnaires (Quality Submissions).
- 3.11 A financial evaluation model was created taking into account each area of the provision of service.
- 3.12 The criteria for award of the tender was stated under item 1.4 and Section 3 (Evaluation Criteria) in the Instructions for Tendering that were sent out as part of the contract documents prior to the tender period.
- 3.13 Details of the evaluation process are contained in the Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The London Highways Alliance Contract was considered. However, the rates provided are not seen as offering Best Value for the residents and businesses of Enfield.
- 4.2 Highways Civil Engineering Minor Works Contract was procured to deliver the Council's own capital work programmes as well as commissions from other service areas. The schedule of rates does not include specific rates for the construction of vehicle crossovers and therefore cannot be guaranteed to provide the best prices for residents and businesses.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The tender received from the contractor listed in Part 2 of this report is recommended for acceptance as its tender achieved the highest overall combined (financial and quality) evaluation score, in accordance with the tender requirements.

6. COMMENTS OF OTHER DEPARTMENTS

6.1 Financial Implications

See Part 2 Report

6.2 Legal Implications

- 6.2.1 Section 184 of The Highways Act 1980 enable the Council, as a Highway Authority, to construct a vehicular crossover at the applicant's expense. Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council also has a general power of competence in section 1(1) of the Localism Act 2011 which states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation. The contract award proposed within this Report is in accordance with such powers.
- 6.2.2 The value of the proposed contract is below the EU threshold for Works, which means that the Public Contracts Regulations 2015 do not apply. Procurement colleagues have confirmed that the procurement was carried out in accordance with the Council's Contract Procedure Rules ('CPR').
- 6.2.3 The Council must ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.
- 6.2.4 As the value of this contract is over £250,000 it is a Key Decision and the Council must comply with the Key Decision procedure set out in its Constitution.

- 6.2.5 The CPR state that where the Council procures contracts for works with a value of £1m or above (as is the case here), it must require the contractor to provide 'sufficient security', as defined in CPR 1.18. This could be a performance bond or a parent company guarantee (among other options). If such security is not required, the Executive Director of Finance, Resources and Customer Services must approve the award, with the reasons and mitigating measures detailed within this Report.
- 6.2.6 The form of contract must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.
- 6.2.7 If the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply, the Council must be mindful of the requirements regarding exchange of employee liability information, and consultation with affected employees (although the obligations are primarily on the outgoing and incoming contractors, rather than the Council itself).

6.3 Property Implications

None

6.4 Procurement Implications

- 6.4.1 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.4.2 The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
- 6.4.3 All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.
- 6.4.4 The services are expected to monitor and manage the contract effectively to ensure that VFM is maintained and delivered throughout the lifetime of the contract.

7. KEY RISKS

- 7.1 The appointment of a competent contractor specifically to construct vehicle crossings will mitigate any potential challenge from residents regarding the unit rate costs for constructing their vehicle crossing.
- 7.2 Challenge received prior to award - The Contract has been procured and evaluated in accordance with the Council's Procedure Rules. The evaluation criteria was transparent and clear guidance was provided to bidders on how their bids will be evaluated within the contract documentation. Any challenges will be robustly defended and considered by Legal.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Good homes in well-connected neighbourhoods

The delivery of vehicle crossovers through an approved contractor will ensure that our highway assets are adjusted and maintained to the highest quality thereby ensuring well maintained neighbourhoods.

8.2 Sustain strong and healthy communities

The delivery of vehicle crossovers can support independent living by enabling off street parking

8.3 Build our local economy to create a thriving place

Having a contractor to construct vehicle crossovers will ensure residents, businesses and developers benefit from competitive rates. This supports the growth of businesses building stronger communities through employment and will in turn lead to sustainable futures for our residents.

9. EQUALITIES IMPACT IMPLICATIONS

9.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when designing and changing services or budgets so that our decisions do not unduly or disproportionately affect access by some groups more than others.

9.2 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to enter into a contract agreement with the Contractor listed in Part 2 of this report. However it should be noted that projects or work stream deriving from this may be subject to a separate Equalities Impact Assessment. Therefore any projects or work stream will be assessed independently on its need to undertake an EQIA to ensure that the Council meets the Public Sector Duty of the Equality Act 2010.

9.3 Through the tender process the contractor has signed up to the Equality Act 2010, Human Rights Act 1999 and the Employers Equal Opportunities policy all detailed in Section 5 Terms and conditions (Para 72.4.1) of the Contract.

10. PERFORMANCE AND DATA IMPLICATIONS

10.1 The Contractor's performance in delivering the service will have a direct impact on the Council's Vision and Priorities. The Contractor's performance will therefore be continually assessed in the following categories.

Contract Management .

Customer Satisfaction
Operational Performance

- 10.2 Performance monitoring will be a continuous process and Key Performance indicators will be reported monthly at the contract progress meetings.

11. HEALTH AND SAFETY IMPLICATIONS

N/A

12. HUMAN RESOURCES IMPLICATIONS

No TUPE implications arising from existing contract.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 Vehicle crossovers will make it easier to park and use motorised vehicles and are therefore likely to increase in motor-vehicle ownership and usage. Awarding this contract is therefore likely to reduce physical activity, increase air pollution, worsen global warming and increase congestion.

Background Papers

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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MUNICIPAL YEAR 2019/2020 REPORT NO.**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY****OPERATIONAL DECISION OF:**

Executive Director
Place

Agenda – Part: 1**KD Num: 5036**

**Subject: Installation of shared ground
loop ground source heat pump system
and provision of additional dwellings.**

Ward: Southgate.

Contact officer and telephone number: 0208 132 0805

Email: garry.knights@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This project was identified as part of the Better Council Homes Workplan and Budgets 2019/20 (KD 4830) which was approved by Cabinet on 13 February 2019.
- 1.2 The project is included in the 30-year HRA Business Plan, which was detailed in Housing Revenue Account (HRA) Business Plan Budget 2019/20, Rent Setting and Service Charges report (KD 4741) and was approved by Cabinet on 13 February 2019 and Council on 27 February 2019.
- 1.3 Enfield has commissioned an options appraisal to assess the performance of the communal boiler in Pruden Close and replacement options available. This assessment considered how best to maximise the efficiency of the replacement system with the aim of addressing fuel poverty, carbon emissions and improved air quality.
- 1.4 Following the options appraisal exercise a decision to replace existing district oil boiler with ground source heat pumps (GSHP) was taken.
- 1.5 This report recommends the appointment of a specialist GSHP installation company, Kensa Heat Pumps Ltd. via direct call off, utilising the Northumberland

2. RECOMMENDATION

That approval is given to award the GSHP installation contract to Kensa Heat Pumps Ltd.

3. BACKGROUND

- 3.1 Pruden Close comprises 43 flats. The existing type of boiler is district oil boiler, which failed beyond repair approximately five years ago. Since this time the heating and hot water provision to the dwellings has been provided via a hired temporary boiler.
- 3.2 Enfield has commissioned an options appraisal to assess the performance of the communal boiler in Pruden Close and replacement options available. This assessment considered how best to maximise the efficiency of the replacement system with the aim of addressing fuel poverty, carbon emissions and improved air quality.
- 3.3 Following the options appraisal exercise a decision to replace existing district oil boiler with ground source heat pumps (GSHP) was taken.
- 3.4 The installation of ground source heat pumps is a specialist function which is undertaken by a relatively small number of organisations. Enfield has recently successfully delivered a similar project in partnership with Kensa Heat Pumps Ltd. and engaged Kensa via the Northumberland County Council Framework Agreement (Lot 2 Design and Installation of GSHP) to provide a quotation for this scheme.
- 3.5 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 3.6 Due diligence and approval of the Procurement Hub Framework Agreement has been undertaken by the Procurement & Commissioning Hub prior to any procurement
- 3.7 As the contract is over £250k the service must ensure that sufficient security has been considered.
- 3.8 Any call-off from a Framework, including a direct award, must be carried out in line with the relevant framework process and all documentation retained in the E-Tendering Portal.
- 3.9 The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
- 3.10 The procurement and award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
- 3.11 The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

4. ALTERNATIVES OPTIONS CONSIDERED.

The options appraisal considered all viable installation types such as like for like replacement, installation of individual boilers to dwellings, installation of electric heating and hot water systems etc. and determined that a GSHP system was most suitable for the reasons described earlier in this report and below.

5. REASONS FOR RECOMMENDATIONS

- 5.1 This project forms part of planned programme for the modernisation of district boilers within the borough.
- 5.2 The scheme is part of Major Works Capital Programme 2019/20 for which budgetary provision has been made.
- 5.3 In line with the Council's declaration of climate emergency and commitment to make Enfield Council carbon neutral by 2030 – or earlier if possible.
- 5.4 The recommended Contractor can be appointed quickly via a recognised framework agreement and we have carried out due diligence on the framework.
- 5.5 To demonstrate that this proposed award is value for money. We compared with similar projects that was carried out for Enfield Council in the past. The approximate cost of installing the Kensa GSHP, the new hot water cylinder and the new wet central heating system per flat (as well as removing the existing system from each flat) are comparable.
We also appointed a Quantity Surveyor to ensure that Enfield Council there is competitive pricing throughout the project.

6. COMMENTS FROM OTHER DEPARTMENTS.

6.1 Financial Implications

See part 2

The boiler replacement scheme is included in Major Works Capital Programme for 2019-20. These costs will be funded from HRA resources and are included in the HRA 30-year Business Plan.

6.2 Legal Implications

- 6.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.
- 6.2.2 Under Section 111 of the Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions
- 6.2.3 Framework Agreements are an approved form of procurement under the Public Contracts Regulations 2015. Officers have carried out due diligence on the Northumberland County Council Framework Agreement and confirmed that the Council is eligible to use it. Additionally, they have confirmed that a direct award is permissible under the Framework Agreement
- 6.2.4 The award of contract is a Key Decision (as it involves expenditure of over £250,000) and, as such, compliance with the Council's Key Decision process is required

- 6.2.5 Throughout the contract, the Council must ensure value for money in accordance with Best Value Principles under the Local Government Act.1999

6.3 Property Implications

No corporate property implications.

7. KEY RISKS

Financial loss and reputational risk to the Council.
Inconvenience to residents. Delay to works commencing will and is likely to see an increase in the frequency of inefficiencies with the current boiler operation leading to increased costs to the Council and inconvenience to residents.

8 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The installation of new lifts will improve the service to residents living in these 196 Council owned homes.

8.2 Sustain strong and healthy communities

The outcome of these major works will contribute to people's well-being in knowing their properties have improved up to date standards of lift provision.

8.3 Build our local economy to create a thriving place

Improving property standards ensures better quality accommodation which in turn contributes to a more desirable place to live and work.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 Corporate advice has been sought regarding equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to award contracts for major works.

- 9.2 However it should be noted that the any contracts awarded will include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

10. PERFORMANCE AND DATE IMPLICATIONS

- 10.1 The works will provide an improved heating service to residents of Pruden Close. Ensure more efficient use of assets within the HRA.
- 10.2 Neighbourhood Services have been informed of the proposed works. Liaison with residents effected by the works will be undertaken by a Resident Liaison Officer from the Major Works team and the relevant patch Neighbourhood Officer.

- 10.3 Leaseholder Services Team have been advised of the proposed works and initial s.20 consultation undertaken with leaseholders

11. HEALTH AND SAFETY IMPLICATIONS

The proposed works are in line with recommendations from Health and Safety colleagues.

12. HR IMPLICATIONS

None.

13. PUBLIC HEALTH IMPLICATIONS

Fuel poverty negatively affects dietary opportunities and choices. Cold housing negatively affects dexterity and increases the risk of accidents and injuries in the home. Cold housing and fuel poverty not only have direct and immediate impacts on health, but also indirect impacts and a wider effect on well-being and life opportunities. The provision of a reliable boiler will provide warm home for residents, prevent exposure to harmful agents that have profound effects on health, for example mould. Reliable boiler service will help improve living conditions of people with mental health conditions such as depression and dementia, and people who are at increased risk of heart attack, stroke, flu, pneumonia, falls and injuries and hypothermia when temperature drops below 8C. It is further noted that climate change has been described as the greatest threat to Public Health in the 21st century

Background Papers

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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