



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. PROCUREMENT OF A PROPERTY MANAGING AGENT FOR MERIDIAN
WATER (Pages 1 - 14)**

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Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Operational Report

Report of **Programme Director – Meridian Water**

Subject: Part 1 - Procurement of a Property Managing Agent for Meridian Water

Executive Director: Place Department

Wards: Upper Edmonton

Key Decision: 4895

Purpose of Report

1. The purpose of this report is to seek approval to appoint the recommended Property Managing Agent, for the Meridian Water regeneration site to support the team in managing the Council's property assets.

Enfield Council has acquired approximately 89 acres of land in Meridian Water, will be developed over a period of 25-30 years. The Property Managing Agent is being appointed to manage land and properties in Meridian Water for those sites prior to being developed for strategic infrastructure or permanent development.

Meridian Water has now secured its first development partner for the site and has established a phasing plan which sets out the lifespan for many of the Council's assets. The Property Managing Agent will play an important role in helping the Council maintain a revenue stream from its current and future tenants, as well as maintain its assets to high lettable standard.

Further information provided in Appendix 1 (Part 2 report).

Proposal(s)

2. It is recommended that the Executive Director:
 - Approves and authorises the appointment of the recommended Property Managing Agent following an OJEU restricted procurement.
 - Authorises Legal Services to work in partnership with the Procurement & Commissioning Hub and the Meridian Water Team to prepare and complete the contract, together with any supplementary contractual documentation and arrange sealing of the same.

Reason for Proposal(s)

3. These are provided in Appendix 1 (Part 2 report).

Relevance to the Council's Corporate Plan

4. This report relates to the following aspects in the Corporate Plan:

- **Good homes in well-connected neighbourhoods**

To support the business case, the Council must demonstrate the demand for an increased train frequency to stakeholders. The Property Managing Agent will be responsible for managing properties that are current and potential meanwhile use sites. Meanwhile uses will bring hundreds and thousands of visitors to the site a year, a large portion of which will use the Meridian Water station. Meanwhile Uses are strategic to support the developments long term vision of a well-connected community.

- **Sustain strong and healthy communities**

Some of the factors that underpin strong and healthy communities can be categorized as physical and non-physical.

In the short to medium term, the Property Managing Agent will be looking to identify suitable tenants and operators for the Teardrop site that will support the establishment of some of the non-physical factors that promote healthy communities. Some of these factors include; safety by providing a presence to the area and facilities for people to spend time, establish/integrate into local social networks, social inclusion and spatial integration, cultural heritage, a sense of belonging and identity, and well-being.

- **Build our local economy to create a thriving place**

The Council's vision for Meridian Water is to create a vibrant and truly mixed-use environment with 10,000 homes, thousands of new jobs and facilities. The Property Managing Agent will support the careful curation of meanwhile uses that will provide an opportunity for early wins by quickly bringing life and activity to the area before permanent development begins and boost the local economy. The Council's Meanwhile Uses will diversify the cultural and entertainment offer in Enfield and encourage the establishment of a night time economy. Proposed creative uses will have a transformative impact on the local economy by creating job opportunities and career pathways in culture and events management sector. The increased footfall, hundreds of thousands of people a year, will drive up revenues for local businesses such as those with a food and beverage offer.

Background

5. Meridian water, located in the South East of Enfield, is one of London's most exciting regeneration and development opportunities.

The site is covered by light industrial uses and big box retail outlets. The Council has a strong vision for Meridian Water as a vibrant mixed-use environment with up to 10,000 homes, thousands of new jobs and new facilities such as; schools, restaurants, shops and hotel. It will be a successful neighbourhood with a range of high quality, well used and accessible services that meet the varied needs of residents, a thriving part of London, where people choose to live, work and visit.

The Council has acquired 89 acres (36 hectares) of land at Meridian Water since April 2014. It currently owns 73% of all developable land within the red line boundary of the site and the Council has now secured £156m of grant money from the Housing Infrastructure Fund to deliver Strategic Infrastructure Works (SIW) facilitating the development of thousands of homes. SIW will include a central spine road, several bridges, flood alleviation and remediation.

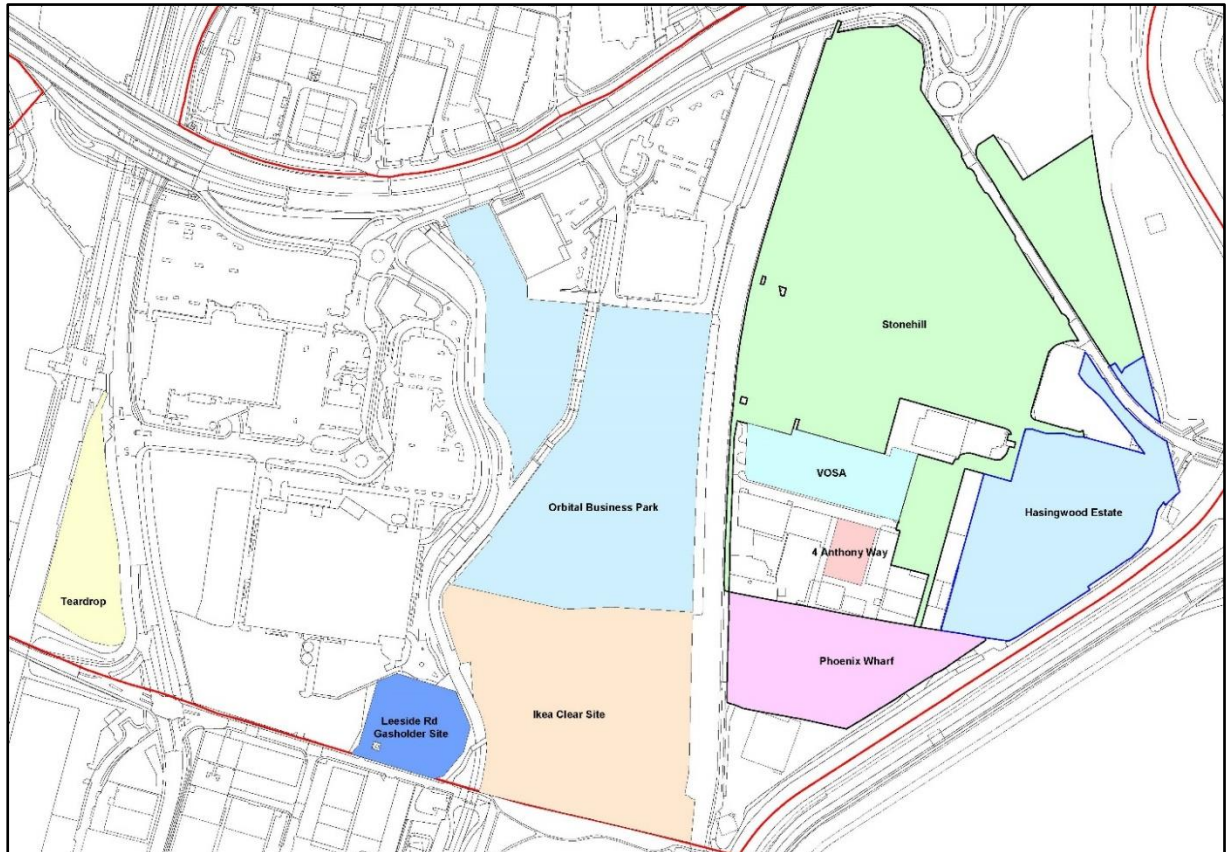
As the project progresses and prior to the site being required for development, the Council will require a property managing agent to assist the Council in managing its Meridian Water property portfolio. The managing agent would effectively market vacant sites and attract businesses that will become a part of the overall Meridian Water vision.

MERIDIAN WATER PROPERTY PORTFOLIO

The Managing agent will take over the asset management responsibilities for all the sites in the Meridian Water property portfolio prior to permanent development, which would include Teardrop/Meridian Way, Leaside Road [Meridian Two], Orbital Business Park, Phoenix Wharf, IKEA Clear, VOSA, Stonehill Estate, Hastingwood Estate, Harbet Road and Anthony Way. The scope of their work would include the following:

- **Core Estate Management Services** (active management of the tenancy schedule and leases, management of repairs and maintenance of the land and buildings)
- **Additional Services** (such as disposals, valuations and other property advice).

As new properties are acquired, the portfolio may be expanded to include the management of these assets.



PROPERTY MANAGEMENT PROCUREMENT

The agent was procured on the basis of a three year contract, with three optional 12 month extensions, allowing longevity in the service and providing flexibility with the contract in case of reduction in Council owned assets from the development of Meridian Water.

With new sites potentially being acquired in the East Bank of the site, as well as Orbital Business Park and IKEA Clear sites likely to be handed over to a Housing Infrastructure Fund (HIF) Contractor in early 2021, the Meridian Water property portfolio is likely to change somewhat over the next three years and highlights the importance of having flexibility built into the contract

There is a strong business case for appointing a managing property agent, due to the fact that as more sites become available for meanwhile use, the Council will require further resource to manage these tenants and strategically market these sites to attract businesses that will fit the Meridian Water vision.

As the proposed contract value exceeds the EU threshold of £181,302 for services, the contract was advertised in OJEU using a restricted procurement process.

The restricted procedure was used due to the high number of suppliers in the market. Accordingly, an OJEU notice was published seeking expressions of interest requiring submission of a Pre-Qualification Standard Selection Questionnaire (SQ), which was then evaluated to determine a short list of the most suitable contractors. Those contractors were subsequently invited to tender for the contract via the London Tenders portal.

This approach was proposed in the Record of Decision (ROD) that was approved by the Programme Director of Meridian Water in July 2019.

EVALUATION

A panel of four Council officers, with suitable experience, assessed the tender submissions and supporting documentation. The bidder's scores were as follows:

Company	Quality Score (40%)	Price Score (60%)	Total Score
Bidder A	24.88%	58.78%	83.66%
Bidder B	32.8%	52.82%	85.62%
Bidder C	30.96%	32.22%	63.18%

Further information is provided in Appendix 1 (Part 2 report).

TRANSITION PHASE

It is anticipated that the transition, from the existing managing agent to the successful bidder taking sole responsibility for managing the Meridian Water property asset portfolio could take up to three months, given the current restrictions associated with Covid-19.

The successful bidder will then be in place and familiar with the properties and tenants, to take on sole responsibility for issuing the next quarter's rent demands and would be suitably prepared to maximise the level of rents being collected, following the current period of disruption and uncertainty in the property sector.

Main Considerations for the Council

- The main considerations for the Council would be to enter into contract with the recommended Property Managing Agent to allow the Council to plan the management of the Meridian Water property portfolio and deliver the associated cost savings. Due to no Council resource being available to deliver this function, there is a requirement for an agent to secure the rental income from all the properties in the current Property Managing Agent's remit on behalf of the Council.

Safeguarding Implications

- There are no direct safeguarding implications from the appointment of a property managing agent.

Public Health Implications

- There are no direct public health implications from the appointment of a property management agency. However, the development of Meridian Water is likely to

significantly contribute to the health of the public through additional housing and the integration of healthy lifestyles throughout its design.

Equalities Impact of the Proposal

9. An equalities impact assessment is not considered to be relevant to the decision to award this contract. However, the letting and management of meanwhile use on Meridian Water does present an opportunity to promote the council's equality aims. The successful bidder was stronger in the area of social value, which embraces the aims of the Public Sector Equality Duty, for instance in the promotion of Opportunities for Small and Medium Enterprises (SMEs) including Voluntary, Community and Social Enterprises (VCSEs) and the successful bidder will be required to demonstrate how they will help the Council meet the Public Sector Equality Duty in the letting and management of meanwhile use on Meridian Water.

Environmental and Climate Change Considerations

10. All the suppliers in this tender were asked to detail their approach to promote energy saving methods for tenants and carbon reduction measures across the Meridian Water property estate. The recommended Property Managing Agent provided the highest scored response in this particular area, as well as overall.

Risks that may arise if the proposed decision and related work is not taken

11. These are provided in the Part 2 report.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

12. These are provided in the Part 2 report.

Financial Implications

13. These are provided in the Part 2 report.

Legal Implications

14. (Provided by MP on 30th April 2020 based on report that was circulated on Thursday 23rd April 2020 timed at 18:59)

The Council has the power under s.1(1) 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.

Under *s.111 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.

The Council has conducted the restricted procurement procedure in accordance with

the Council's Contract Procedure Rules (CPRs) and the Public Contracts Regulations 2015 (PCRs).

The Council should have considered (before procurement commencement) whether additional security should be sought from the successful provider (in accordance with CPR 1.18). For contract values between £250,000 - £1,000,000 sufficient security should be considered. For contracts £1,000,000+ in value, suppliers must be required to provide sufficient security in one of the forms outlined in CRP 1.18. If in the later instance, such security is deemed not to be required then the Executive Director of Finance, Resources and Customer Services must approve such a decision, with reasons and risk mitigation measures set out in the relevant authority report for the contract award.

The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

As this constitutes a Key Decision officers must be mindful of the Council's Key Decision process and follow it accordingly.

All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director – Law & Governance.

Workforce Implications

15. There are no workforce implications, as the appointment of a new Property Managing Agent would maintain the current organisational arrangement, with only the service provider changing.

Property Implications

16. There are no individual property implications covered in this report as it is appointment of a new managing agent. The work of the managing agent will produce individual requirements/ reports in many cases and Strategic Property Services need to be consulted in all cases in order to advise on all individual implications.

Other Implications

17. **Performance and Data Implications.** The recommended Property Managing Agent will be expected to adhere to and meet the standards and outputs as stipulated in the KPIs in the invitation to tender.

Health and Safety Implications. The recommended Property Managing Agent will oversee the health and safety, as well as the fire safety responsibility for the properties that they will be responsible for managing as part of this contract award. They will ensure compliance with the relevant legislation and will have suitable systems and procedures in place, to ensure that the necessary inspections will be carried out.

Options Considered

18. These are provided in Appendix 1 (Part 2 report).

Conclusions

19. It is recommended that the Executive Director – Place Department, approves the appointment of the recommended Property Managing Agent and the associated expenditure as detailed in Appendix 1 (Part 2 report).

The recommended Property Managing Agent provided the best overall bid and contractual certainty would allow the Council to better plan the management of the Meridian Water property portfolio, whilst also delivering significant cost savings.

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Appendices

Appendix 1 - Part 2 report [Confidential]

Background Papers

The following documents have been relied on in the preparation of this report:
None.

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

Document is Restricted

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