

MUNICIPAL YEAR 2013/2014 REPORT NO.

MEETING TITLE AND DATE:

Delegated Authority Report

REPORT OF:

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Agenda – Part: 1

Item:

Subject:

Appointment of an architect-led design team for the Small Housing Sites Rolling Programme.

Wards: All

Key Decision No: 3920

1. EXECUTIVE SUMMARY

- 1.1 The Council has identified a number of smaller scale infill sites in its ownership across the borough which have development potential for new housing.
- 1.2 In September 2014, Cabinet authorised the initiation of the Small Housing Sites (Phase 2) project including a budget to appoint an architect led design team to progress feasibility work up to concept design stage, including consultation. Cabinet also noted that a report will follow in the summer of 2015 with a recommended development strategy for taking the sites forward to delivery. This could include submission of a planning application and either the procurement of a developer partner or building contractor depending on the development strategy.
- 1.3 The architect appointment is flexible to for different development strategies or contract routes that the Council could pursue, and the architects have priced to include all stages of the RIBA Plan of Work. This report only relates to expenditure of the budget to carry out work up to and including Stage 2 from the RIBA Plan of Work 2013.
- 1.4 In addition to the Small Housing Sites (Phase 2) project, Cabinet authorised a budget for architects to be appointed for the Ordnance Road site.

2. RECOMMENDATIONS

- 2.1 That the Council appoints a firm of architects to progress the feasibility stages of the Small Housing Sites Phase 2 project, and additional Phase 1 sites including the Ordnance Road (Kettering Hall and former pub) site.

3. BACKGROUND

- 3.1 The “Small Housing Sites Five Year Programme” report (KD3920) which was approved at Cabinet on 17th September 2014 explained that a significant number of smaller scale development opportunities have been identified on Council owned land held within the Housing Revenue Account.
- 3.2 The Cabinet report explained that in excess of 30 sites had been identified for further feasibility as part of the Small Housing Sites (Phase 2) project. The report explained that the sites predominantly include existing or former garages, un-developed land or land that is considered to be underutilised on housing estates. The report also explained that consideration of opportunities to build on top of existing structures and that in addition, opportunities for smaller scale estate renewal will be explored, where blocks are of approximately 50 units or less, and are not affected by the forthcoming estate renewal programme.
- 3.3 In approving the report, Cabinet authorised the expenditure of a budget to progress architectural design and related services up to concept design stage and consult affected stakeholders on proposals for the SHS P2 project. After a competitive procurement process, this report recommends that the Council appoints an architect firm to progress this work, and seeks authorisation to spend money within this budget for fees up to completion of concept design proposals, inclusive of consultation (Stages 0-2 from the RIBA Plan of Work 2013).
- 3.4 The Invitation to Tender required firms to price for future project stages should the Council decide to take forward any of the sites as part of a development project so that there is greater certainty over fees from the outset. Authorisation for fees for any of the future stages (Stages 3 onwards in the RIBA Plan of Work 2013) will be requested at a later date, when a report will go to Cabinet with a recommended development strategy which may require the Council to borrow money for a Council developed project, or a land disposal (with/without planning), or a combination of both.
- 3.5 In addition to the SHSP2 project, architects priced their tenders to include the Ordnance Road development site. This report recommends that the appointed firm progress feasibility work and concept design options for this site, which will be brought forward into the Phase 1 development.

PROCUREMENT PROCESS

- 3.6 After a consideration of different framework options and an open OJEU process, the Council decided to use the GLA/TfL Architecture Design and Urbanism Panel (ADUP), Lot 2 (Architecture). This decision was

based on an informal expression of interest to gauge which framework was likely to be most competitive. The decision to use this framework was also supported at Strategic Procurement Board back in August.

- 3.7 The ProContract (London Tenders Portal) system was used to invite tenders from all twelve firms on the ADUP. All of the tender documents, including the Invitation to Tender (ITT) which included the background to the project and project brief, as well as all of the red line plans for currently identified sites (30+) were uploaded onto the portal.
- 3.8 The tender set out a clear brief based on stages of the RIBA Plan of Work 2013 and objectives for the project in terms of the project milestones, and also strategic objectives in terms of meeting key Council policy documents. The brief encouraged partnerships between numerous practices to offer architectural diversity and for resourcing purposes. This brief can be revised at the outset of the project to include more detailed requirements, milestones and working practices.
- 3.9 The tenders were evaluated based on a qualitative weighting of 60% and financial weighting of 40%. The ITT made it explicitly clear that the Council would shortlist the highest scoring two firms, or three firms should the percentage scores be within 2% for a decisive interview.
- 3.10 The qualitative evaluation at the tender stage required firms to respond to four questions. The questions tested each firm on the following:
 - Approach to architecture and suitability for the project based on completed precedents.
 - Ability to overcome challenging site issues and constraints, based on completed precedents.
 - Maintaining high quality design principles specification and features under budgetary constraints and achieving optimum quality/cost.
 - Methodology for consultation and ability to win support for proposals from local residents.
- 3.11 The pricing schedule required firms to provide a fixed price for different stages of work, based on the RIBA Plan of Work 2013, and to include a price for both Design & Build and Traditional Contract options should the Council fund the scheme. The pricing schedule includes a mechanism to determine the fees based on the number of homes for which designs are completed for.
- 3.12 Initially, the ITT had requested tenderers to propose a fixed price inclusive of all supplementary consultancy fees throughout all stages. This included the various engineering advice (ME, structural, services, traffic), planning consultancy, environmental and sustainability consultancy (including all site surveys) that would be required to prepare reports for a planning application. However given the unpredictable nature of a multi-site project, at this early stage, it was not only difficult for the architect firms to get certainty over fees based

on some set assumptions, and to predict what would be required for numerous theoretical developments, but it was also considered that the prices would include an extra element of risk, therefore not resulting in best value.

- 3.13 A clarification was issued after the return of the fixed price and all tenderers preferred a more simplistic pricing comparison of architectural fees (inclusive of landscape and consultation) because it ensured a more like for like comparison.
- 3.14 The intention is for the appointed architect firm to work with officers to seek quotes from trusted, quality consultants and suppliers and ensure that they achieve best value, based on the Council's CPR's. This approach will eliminate risk pricing from sub-consultants and achieve better value for money.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not appointing a suitably qualified firm of architects would not enable progression of the Small Housing Sites (Phase 2) project. Different framework options were considered for procurement but it was considered that the GLA ADUP would be the most competitive framework option. Different options for pricing were considered but based on advice from the market, the chosen method, including a revised pricing method has resulted in the Council recommending the highest quality lowest price tenderer for appointment.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The appointment of an architect led design team is necessary to progress the Small Housing Sites (Phase 2) project, as authorised by Cabinet in September 2014.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.2 Financial implications are included in Part 2 of this report.

6.3 Legal Implications

- 6.3.1 The Localism Act 2011 (Commencement No. 3) Order 2012 (SI 2012/411) brought the general power of competence into force for principal local authorities. The general power of competence is set out

in s. 1.1 of the Localism Act 2011 and states that a local authority has power to do anything that individuals generally may do. The proposed appointment of consultants is in accordance with this power.

6.3.2 The Council's Contract Procedure Rules ("CPRs") permit the use of frameworks. In utilising the ADUP Framework ("the Framework") the Council must ensure compliance with the terms of the Framework including the mini competition process to award the contract and the scope of the services provided.

6.3.3 The appointment of sub-consultants when required must be by competition in accordance with the Council's constitution, more particularly the CPRs.

6.3.4 The form of contract with Consultant A must be based upon Schedule 6 of Framework Agreement that forms part of the ADUP Framework, and must be approved by the Assistant Director for Legal Services.

6.4 Property Implications

6.4.1 There are no direct Property Implications from the appointment of architectural consultants to explore concept designs for the small Housing sites. There are however likely to be Property Implications arising from the proposals as they develop, and it is recommended that that the Council's Housing Development & Estate Renewal Team and Strategic Property Services Team work closely together to identify and respond to these.

7. KEY RISKS

7.1 Included in Part 2 of this report.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

8.1 New development proposals will aim to provide higher quality landscaping, public realm and amenity space for existing residents. To mitigate any negative effects from development as far as possible, the Council and the appointed architects will work with affected residents to find effective design solutions.

8.2 Growth and Sustainability

8.2.1 The project aims to achieve high quality architectural and landscape design which can positively contribute to the built environment of

communities. The new homes will achieve a high level of energy efficiency and sustainability.

8.2.2 The Council has taken a quality led approach to appointing architects, and the recommended firm has a track record of winning design awards and creating high quality places. Achieving high quality sustainable development is more likely with a high quality firm of architects.

8.2.3 The project aims to increase housing supply, and to maximise affordable and family housing. The proposed developments will, subject to viability, aim to achieve the tenure mix of the Council's Core Strategy which promotes sustainable and balanced, mixed tenure residential development.

8.3 Strong Communities

8.3.1 The Council will carry out non-statutory consultation for the Small Housing Sites (Phase 2) project to ensure that residents and affected stakeholders support development proposals. Ensuring that development can benefit local communities is key to achieving the Council's corporate objectives, including those identified in the Housing Development Framework.

9 EQUALITIES IMPACT IMPLICATIONS

9.1 **To follow.**

10 PERFORMANCE MANAGEMENT IMPLICATIONS

n/a

11 HEALTH AND SAFETY IMPLICATIONS

11.1 *n/a*

12 HR IMPLICATIONS

n/a

13 PUBLIC HEALTH IMPLICATIONS

n/a