

MUNICIPAL YEAR 2014/2015 REPORT NO.

**PORTFOLIO DECISION OF
Cabinet member for Finance
& Property**

Item:

Agenda – Part:1

REPORT OF:
Director of Finance,
Resources and Customer
Services

**Subject: Letting of a contract for the
provision of printing, bulk mailing
services and envelope and stationery
purchasing and storage.**

All Wards

Key Decision No: 3871

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**Cabinet Member consulted: Andrew
Stafford**

1. EXECUTIVE SUMMARY

- 1.1 The report seeks approval to enter into a contract for the provision of printing and bulk mailing services, and for envelope and stationery purchasing and storage.
- 1.2 The primary service involved will be the Revenues and Benefits Service although other services will be able to use the contract.
- 1.3 The recommendation follows a process in which fifteen companies returned a pre-qualification questionnaire in early 2013. Following an evaluation of these returns, five companies were invited to tender for the contract.
- 1.4 Two companies submitted compliant tenders, and a technical and commercial evaluation was then undertaken.
- 1.5 A recommendation to award the contract was made, but as a result of one of the bidders challenging the basis of the scoring, a decision was made to restart the process from the Invitation to Tender stage. This decision was supported by Legal Services.
- 1.6 As one bidder was late in submitting their bid, this bidder was invited to submit a second bid along with the two compliant bidders. This decision was also supported by Legal Services.
- 1.7 All three companies then submitted tenders in April 2014, but due to the fact that all three bids have required substantial clarification, the evaluation process has taken considerably longer than is usual. External Legal support was engaged to support the clarification process.

2. RECOMMENDATIONS

- 2.1 To enter into a contract with Contractor A for a period from 10th March 2015 to 6th January 2017 which contains the option to extend for 1 year. Therefore, the contract could last until January 2018. This 2 plus 1 year duration is in accordance with the terms of the original procurement. Given the delays in awarding the contract, to award for a period of less than one year would not be commercially attractive. The original intention was for the contract to be co terminus with the expiry of a similar contract let by London Borough of Waltham Forest. This would have provided an opportunity for collaboration, if appropriate, at the commencement of subsequent contracts. Nevertheless, it will still be possible for Enfield to negotiate with Waltham Forest to join with their contract upon the expiry of this contract, which will fall on the anniversary of Waltham Forest's next contract award.

3. BACKGROUND

- 3.1. The current contract for the provision of printing, bulk mailing services and envelope and stationery purchasing and storage expired on 30th September 2013. A DAR was prepared and signed to extend the contract for a further period of seven months to allow for the re-start of the process from the ITT stage as outlined above.
- 3.2. The Tender process was originally started by the preparation of a business case which was presented to the Strategic Procurement board in September 2012, when agreement to proceed with a tendering exercise was given.
- 3.3. A report seeking to proceed with a restricted tendering exercise was subsequently submitted and approved by the Director of Finance Resources and Customer Services on 13th September 2012.
- 3.4. The value of the procurement on current volumes is currently circa £434k p.a, of which mailing postage costs are circa £223k p.a. £1.84 million over the whole life of the contract including extensions. The postage costs are expected to reduce over the life of the contract due to channel shift in favour of email. Nevertheless, a significant number of residents will continue to receive their council tax bills and benefit notifications by post for the foreseeable future.
- 3.5. An OJEU notice was published in October 2012 on the London Tenders Portal. There were a total of 49 hits, which resulted in 15 Companies submitting a pre-qualification questionnaire ('PQQ')
- 3.6. The top scoring five of the PQQ process were invited to submit tender applications based on the Council's specification of requirements by 12 noon on 26th April 2013.

- 3.7. The Council's specification required the prospective suppliers to complete a commercial questionnaire to identify costings of the contract. In view of the importance to the Council finances of the assurance that the service cannot be delayed, particularly at main billing stage, a detailed technical questionnaire was also included.
- 3.8. Two organisations returned the completed tender by the deadline of 12 noon on 26th April.
- 3.9. Due to the challenges received as a result of the evaluation on the bids, the process was restarted from the Invitation to Tender stage as outlined in 1.5 above, where three compliant bidders as the Pre Qualification Questionnaire stage were invited to bid.
- 3.10. Three bids were received prior to the tender deadline of 12.00 noon on 2nd April 2014.
- 3.11. The evaluation of the submitted tenders was weighted as 60% on the technical questionnaire designed to measure the quality of the submission and 40% on price.
- 3.12. Detailed information on the evaluation of the tenders is contained within part 2 of this report.
- 3.13. The tender process was conducted in a fair, transparent, proportionate and non-discriminatory manner.
- 3.14. The Restricted Tender Procedure was properly followed in accordance with the Public Contracts Regulations 2006.
- 3.15. The Council's Contract Procedure Rules have been complied with.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. There are no current frameworks in existence exist for this area
- 4.2. Due to the timing of the contract, collaboration with other Authorities has not been feasible at this stage. The recommended length of this contract has been set to be co terminus with the anniversary of a contract for similar services required by London Borough of Waltham Forest, and therefore there will be the opportunity for collaboration at the expiry of this contract.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Contractor A scored the highest price/quality score and is the preferred supplier.

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

6.1 Financial Implications

Using the tendered prices of the preferred supplier, and estimated volumes, the total cost of the new contract represents a saving of

£43k against the actual costs in 2012/13. The current cost has risen substantially over the life of the contract, due to significant increases in the cost of postage, and this has led to pressure on the associated budgets. The new contract will help redress this, and there are sufficient resources within the current budget to meet the tender prices.

6.2 Legal Implications

- 6.2.1 In exercising its powers under the Housing Benefit Regulations 2006 to make payments of Housing Benefit and powers under the Local Government Finance Act 1992 (and associated regulations) to charge Council Tax, the local authority has power under Section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The provision of Bulk mailing and print services is incidental to the exercise of functions of the Council. The general power of competence in s.1 (1) of the Localism Act 2011 further provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles.
- 6.2.2 The client has confirmed that the Restricted Tender Procedure has been followed in accordance with the Public Contracts Regulations 2006 and the process has been conducted in compliance with the Council's Constitution, in particular Contract Procedure Rules ('CPR's).
- 6.2.3 The resulting Contract is in a form that was included in the original tender documentation.

6.3 Property Implications

There were no property implications identified.

7. KEY RISKS

- 7.1 Revenues and Benefits is a high profile public service. It is of vital importance to the Council's reputation and the Council Finance, that billing is not delayed at the commencement of the financial year.
- 7.2 The appointment of a supplier with a proven track record assists in mitigating this risk.
- 7.3 This initiative provides the opportunity to deliver financial savings not only in the immediate future but also in the longer term.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

Letting a contract by competitive tender should ensure that a high quality service is provided to all residents in the borough.

8.2 Growth and Sustainability

By the utilisation of improved technology, the previous need for a daily courier service has been removed, improving the Council's carbon footprint.

8.3 Strong Communities

Letting a contract by competitive tender should ensure that a high quality service is provided to all residents in the borough.

9. EQUALITIES IMPACT IMPLICATIONS

None identified. Corporate advice has been sought, and it has been decided that it would not be relevant or proportionate to carry out an equality impact assessment/analysis of the award of a contract for the provision of printing/bulk mailing services and envelope and stationery purchasing and storage.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

This is a retendering for services and no new performance management implications have been identified.

11. HEALTH AND SAFETY IMPLICATIONS

This is a retendering for services and no new health and safety implications have been identified.

12. HR IMPLICATIONS

This is a retendering for services and no HR implications have been identified.

13. PUBLIC HEALTH IMPLICATIONS

The utilisation of improved technology has removed the need for a daily courier service to transport documents which are now transferred electronically to the contractor. This has improved the Council's carbon footprint.

Background Papers

These contain exempt information.

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Alan Sitkin, Cabinet Member for Economic Development

REPORT OF:
Director – Regeneration and Environment

Part 1	KD No: 4059
Subject: Community Infrastructure Levy Draft Regulation 123 Infrastructure List	
Wards: All	

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1. EXECUTIVE SUMMARY

- 1.1 This report seeks agreement of the Community Infrastructure Levy (CIL) Draft Regulation 123 Infrastructure List for consultation attached as Annex 1. The Regulation 123 List sets out the projects or types of infrastructure that the Council intends to fund from CIL monies collected.
- 1.2 Developer contributions are currently secured through Section 106 planning agreements. On the introduction of an Enfield CIL, S106 developer contributions will continue to be negotiated but cannot be sought for items of infrastructure identified on the Regulation 123 List.
- 1.3 A draft list must be prepared as part of the evidence to support a local CIL at the CIL Examination. Following Examination, the Regulation 123 List will be finalised by Cabinet in conjunction with the adoption of the CIL Charging Schedule and the S106 SPD.
- 1.4 The Regulation 123 List can be changed at any time, but Government guidance indicates that such changes have to be clearly explained and subject to appropriate local consultation.

2. RECOMMENDATIONS

That the Cabinet Member for Economic Development, in consultation with the Director Regeneration & Environment, approves the CIL Draft Regulation 123 Infrastructure List attached as Annex 1 for public consultation.

3. BACKGROUND

- 3.1 The Community Infrastructure Levy (CIL) is a standard developer charge that local authorities can apply in their area. Monies collected from CIL will help to fund essential infrastructure needed to support planned growth in the Borough such as transport improvements. On 8th October 2014, Council approved the CIL Draft Charging Schedule for a six week public consultation and subsequent submission to the Secretary of State for Examination. This consultation has been extended to the 13th February 2015 to enable all agents and developers working in the borough the opportunity to comment on the proposals for CIL charging.
- 3.2 The Council currently seeks developer contributions via a Section 106 (S106) agreement and the requirements for this are set out in the S106 Supplementary Planning Document adopted in November 2011. It is necessary to revise the current SPD to coincide with the introduction of an Enfield CIL, to take account of changes to national planning policy, particularly guidance relating to contributions on small housing sites and also to ensure transparency for developers to avoid double charging.
- 3.3 From April 2015 the pooling of funds from Section 106 Agreements will be limited to five agreements for an item of infrastructure and CIL will become the main source of funding. A draft revised S106 SPD Report was approved for public consultation at the Council's Local Plan Cabinet Sub Committee on the 15th January 2015.
- 3.4 The CIL Regulation 123 Infrastructure List sets out the projects that the Council intends to fund through the levy. S106 developer contributions cannot be negotiated for items of infrastructure identified on the list. The intention of the list is to provide transparency and prevent developers being charged twice through CIL and s106 for the same item of infrastructure. A draft Regulation 123 list must be prepared for the examination of the CIL Draft Charging Schedule. At Examination the Council will need to set out how developer contributions sought via S106 and CIL will operate together.
- 3.5 Before being finalised the Draft Regulation 123 List must be consulted upon. The Council intends to consult on the list at the same time as the draft S106 SPD.

4. DRAFT CIL REGULATION 123 INFRASTRUCTURE LIST

- 4.1 Annex 1 sets out a draft list of infrastructure projects that the Council intends to fund through the CIL. Projects identified on the list cannot be funded from S106 planning obligations.
- 4.2 The draft Regulation 123 List in Annex 1 proposes that only rail improvements (Angel Road Station) and the Causeway in Meridian Water will be funded from CIL. The Infrastructure Delivery Plan Review 2014

indicates that there is currently a funding shortfall for these items of infrastructure of approximately;

- £6.7m to deliver the Causeway highway infrastructure and,
- £26m to deliver the Angel Road rail station infrastructure.

4.3 Further work is ongoing to establish the costs for improvements to Angel Road station. This consultation if agreed will enable CIL to be used to fund the approved projects. Any shortfall will require borrowing which may be obtained through the Mayor's Growing Places Fund, the Housing Zone designation and/or Public Works Loan Board.

4.4 The contents of the proposed list have also been considered in the context of the requirements for S106 contributions set out in the Proposed Submission version of the Central Leaside Area Action Plan (CLAAP). This document was agreed by the Council at its meeting in November 2014 for publication and submission to the Secretary of State for examination.

4.5 Policy CL17 of the CLAAP sets out the requirements for contributions for infrastructure delivery via S106 Agreements as set out in the Meridian Water Masterplan and particularly:

- Flood defences;
- Waterside public realm improvements;
- New and improved public open space;
- Affordable housing;
- Employment measures, and
- Provision and operation of car clubs.

4.6 The S106 requirements specified in the submission CLAAP and CIL projects identified in the CIL draft Regulation 123 list will ensure that developers are not charged twice for the same item of infrastructure.

4.7 The Council's project specific approach to the inclusion of items on the Regulation 123 List rather than listing a type of infrastructure such as 'health' or 'education' provide flexibility to continue to seek contributions through S106 contributions, albeit subject to pooling restrictions referred to in 3.3 above.

4.8 The draft Regulation 123 List will form part of the evidence to aid the CIL Inspector in the efficient running of the CIL Charging Schedule Examination.

4.9 The Regulation 123 List can be changed at any time, but Government guidance indicates that such changes have to be clearly explained and subject to appropriate local consultation. It is intended that the Regulation 123 List will be reviewed in 2016 once the financing arrangements discussed in 4.3 has been finalised.

5 NEXT STEPS – CONSULTATION, SUBMISSION AND EXAMINATION

- 5.1 Proposed consultations on the draft Regulation 123 List and draft S106 SPD are anticipated to be undertaken in tandem for six weeks commencing February 2015.
- 5.2 Following consultation, the CIL draft Regulation 123 List will be submitted alongside the proposed CIL Draft Charging Schedule for consideration by an independent appointed Inspector.
- 5.3 The CIL Charging Schedule and supporting information including the draft Regulation 123 List is proposed to be submitted to the Secretary of State for examination in March/April 2015. It is anticipated that the CIL Examination will be held in May/June 2015.
- 5.4 Following Examination, the Regulation 123 List will be published by Council.

6. ALTERNATIVE OPTIONS CONSIDERED

None. A draft CIL Regulation 123 List is essential in order to proceed with the CIL submission and examination.

7. REASONS FOR RECOMMENDATIONS

As set out in section 4 above.

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

8.1 Financial Implications

- 8.1.1 The cost of the preparation and consultation on the CIL Draft Regulation 123 List will be funded from within the Local Plan budget.
- 8.1.2 The four year Capital Programme and funding will be presented to Cabinet and full Council in February 2015. Within this programme funding for the Draft Regulation 123 Infrastructure List assumes the use of general resources (including borrowing) and no provision for the application of CIL funding has been taken into account pending this consultation. Once the consultation period has ended detailed financial implications regarding the application of funding to the Approved list of projects will be undertaken and reported as part of the capital monitoring process.
- 8.1.3 A report entitled “Meridian Water – Improving Station Accessibility” is scheduled to be considered by Cabinet in March. Part 2 of this report will set out the proposed expenditure profile including likely CIL contributions.

8.2 Legal Implications

- 8.2.1 The Community Infrastructure Levy was introduced by the Planning Act 2008 and allows Local Authorities to adopt a charging schedule subject to a consultation and examination process. The Community Infrastructure Levy Regulations 2010 (as amended) restrict the use of s.106 contributions from April 2015. The introduction of a Charging Schedule is subject to consultation and Examination in Public. The Council must conscientiously take into account consultation responses.
- 8.2.2 The recommendation in this report accords with the Council's duties and powers.

8.3 Property Implications

- 8.3.1 Property Services made detailed comments on the proposed Draft Charging Schedule rates in the Report which went to Council on the 8th October 2014.
- 8.3.2 It should be recognised that the major identified costs relating to access infrastructure for Meridian Water, as set out in the draft Regulation 123 list, will need to be borne by (mainly) residential development elsewhere in the Borough through the wider application of CIL payments.
- 8.3.3 It is envisaged that other infrastructure can be funded through Section 106 contributions from development in the locality, but obviously the level of these contributions will be determined by individual scheme viability.

9 KEY RISKS

- 9.1 Under the CIL Regulations 2010 (as amended) and government guidance the Council is required to consult on the draft Regulation 123 List.
- 9.2 A draft Regulation 123 List must also be made available for the CIL examination to satisfy the independently appointed examiner that CIL and S106 will not be charged for the same item of infrastructure. Failure to produce a list could lead to delays in adopting the CIL Charging Schedule and opportunities to secure money through CIL for essential items of infrastructure required to deliver the growth proposed within the borough.

10. IMPACT ON COUNCIL PRIORITIES

- 10.1 The CIL Draft Regulation 123 Infrastructure List will support the proposed CIL Charging Schedule and facilitate the Examination and adoption of the document which seeks to achieve fairness for all, growth and sustainability and strong communities. The levy will be instrumental in achieving

sustainable growth in the Borough through pooling CIL contributions and spending CIL monies accrued on the Borough's regeneration infrastructure priorities.

11. EQUALITIES IMPACT IMPLICATIONS

- 11.1 The Draft Planning Obligations SPD and Draft CIL Regulation 123 List will be subject of a joint consultation. An EqlA has been produced to accompany the draft Planning Obligations SPD this incorporates the Draft Regulation 123 List and was agreed by Local Plan Cabinet Sub Committee on the 15th January 2015.
- 11.2 Corporate advice has been sought in regard to equalities and an agreement has been reached that an additional or separate equalities impact assessment is not required for the approval of this report.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

- 12.1 The CIL Draft Regulation 123 Infrastructure List sets out the projects that the Council intends to fund through the levy. It provides clarity and transparency on CIL spends and will ensure that developers are not charged twice through CIL and S106 for the same item of infrastructure.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 A project specific Regulation 123 List enables the Council to continue to negotiate S106 contributions.
- 13.2 The Council's draft S106 Supplementary Planning Document was recently approved by Local Plan Cabinet Sub Committee (15th January 2015) for public consultation. The revised SPD provides clarity on the type and size of developments that need to contribute to a number of programmes important for public health. These include:
- The maintenance and development of green infrastructure, open space and recreation which are vital to maintain and improve health and wellbeing;
 - Crime and community safety which are key issues for public health in Enfield;
 - The provision of good quality healthcare facilities, in conjunction with NHS partners;
 - Sustainable transport and active transport which are important contributors to physical activity through active travel
 - Education facilities which contribute to reducing child poverty by increasing aspiration in our young people,

- Apprenticeships and local labour initiatives which improve the opportunities for local people and reduce the burden of poverty for their families.

Background Papers

None

Annex 1

CIL Draft Regulation 123 Infrastructure List

**ANNEX 1: Community Infrastructure Levy Draft Regulation 123
Infrastructure List**

The table below is a draft list of the type of infrastructure and projects that the Council intends will be partly or wholly funded through the Community Infrastructure Levy.

Table 1: Draft Regulation 123 Infrastructure List

Meridian Water (Rail and Causeway Infrastructure)