

MUNICIPAL YEAR 2015/2016 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

PORTFOLIO DECISION OF:
Cllr Ahmet Oykener, Cabinet
Member for Housing &
Regeneration

REPORT OF:
Ian Davis
Director – Regeneration &
Environment

Agenda – Part: 1	Item:
	Subject: Post Tender Report for Lytchet Way – Decent Homes and Additional Accommodation Wards: Enfield Highway & Southbury Key Decision No: KD3913
	Cabinet Member consulted: Cabinet Member for Housing and Regeneration, Ahmet Oykener

Contact officer and telephone number: Kevin Connolly – 0208 375 8273
Email: kevin.connolly@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award a contract for enveloping works and additional accommodation as part of the Council's Decent Home and Regeneration programme.
- 1.2. This is a Key Decision of the Council and is on the Key Decision List Reference KD3913.
- 1.3. Seven contractors from the Enfield Council Major Works Framework were invited to tender on the basis of single stage selective tender. Five tenders were submitted. The tender offering the lowest price and which complies with the tender quality requirements of the Council is recommended.

2. RECOMMENDATIONS

- 2.1 That the proposed scheme is to be funded from the Housing Capital Programme.
- 2.2 That approval is given to accept the lowest price tender complying with the tender requirements of the Council submitted by Contractor 1 (see Part 2 for details).

3. BACKGROUND

- 3.1. The scheme is part of Enfield's Major Works Programme. The original scheme was selected after examination of the Council's stock condition survey and selected on the basis of chronological priority, type of work and scheme size respectively.
- 3.2. The original scheme consisted of Decent Homes works to both the internal and external elements of the properties on Lytchet Way Estate including renewal of kitchens and bathrooms, window renewals, roof repairs and general repairs to the building fabric. There are 440 properties in the scheme of which 209 are leasehold properties.
- 3.3. The scheme was expanded to include the addition of new accommodation to be built on top of three existing low rise blocks. The construction of the new flats will be funded from the receipts of right to buy sales and will provide 25 additional units.
- 3.4. Consultants, who were appointed under separate approval after competitive tender, have prepared and administered the scheme.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The scheme forms part of the Council's major works programme, which includes for external refurbishment to ensure council property is maintained. It was assessed as a priority on the stock condition survey and therefore no other alternatives have been considered.

5. REASONS FOR RECOMMENDATIONS

- 5.1 All contractors who tendered for this project have fulfilled the Council's criteria for undertaking this type and value of work.
- 5.2 The recommended contractor has submitted the lowest priced tender and has been judged capable of complying with the specification and quality requirements.
- 5.3 The scheme provides for additional accommodation from the right to buy receipts to help towards addressing the current shortfall in housing in the Borough.
- 5.4 This scheme forms part of Enfield Homes' on-going programme to maintain its housing stock and fulfil its landlord obligations.

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

6.1 Financial Implications

6.1.1 The comments of the Director of Finance, Resources & Customer Services are detailed in Part 2 of this Delegate Authority Report. The scheme has been reported as part of both the five year and annual procurement plans.

6.2 Legal Implications

6.2.1 The contents of this report constitute a Key Decision as the recommendation to accept the recommended tender for the works and additional accommodation will lead to capital expenditure exceeding £250,000. This item has been included in the Key Decision List ref. **KD 3913**. Once approved the decision to proceed will be subject to the usual five day call-in period.

6.2.2 The Council has the power to alter, repair or improve its housing stock in accordance with Section 9 of the Housing Act 1985. Under section 20 of the Landlord and Tenant Act 1985, the Council as landlord has the ability to recharge leaseholders for major works via service charges, provided that there has been appropriate consultation pursuant to the Service Charges (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987) The Council further 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 its functions. Additionally the Council is empowered to enter into contracts for the discharge of its legal powers (section 1 Local Government (Contracts) Act 1997). The Council moreover has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles.

6.2.3 Seven contractors were selected from the Enfield Council Housing Framework (KD4044) to tender for the opportunity, on the basis of single stage selective tender. The use of a compliant framework agreement is an exception permitted under Rule 9 to competitive tendering under the council's Contract Procedure rules (see 9.1.1) allowed for in the Contract Procedure Rules. Five tenders were submitted, hence the requirements of the Council's Contract Procedure Rules, rule 7.2, have been met.

6.2.4 Throughout the engagement of the service provider, the Council must comply with its obligations with regard to obtaining best

value under the Local Government (Best Value Principles) Act 1999.

- 6.2.5 Any resultant legal contracts required in association with this matter must be in a form approved by the Assistant Director of Legal Services. The works contract terms are in the form of the JCT Intermediate Contract with Contractor's Design 2011 Edition.
- 6.2.6 Given the proposed contract value for the works, the sealing requirements of the CPR rule 18.3 must be complied with (including attestation by or on behalf of the Assistant Director of Legal Services).
- 6.2.7 Also, in view of the proposed contract value for the works exceeding £250,000, a performance bond will be required on behalf of the Contractor, and must be executed and received before work starts on site (anticipated to be in early December).

6.3 Property Implications

- 6.3.1 The proposed renewal of kitchens and bathrooms forms part of the council's ongoing Decent Homes Programme. The Council's standard residential lease places the obligation on the Council as landlord to undertake the proposed external repairs and enveloping works to preserve the fabric of the buildings. The council may recover a proportionate cost from the leaseholders.
- 6.3.2 The proposed construction of 25 units funded from the receipts of the right to buy sales will increase the property asset value and will provide much needed additional homes for the borough.

6.4 Leaseholder Implications

- 6.4.1 There are 209 leaseholders involved in this contract, within 17 Blocks identified for the proposed works.
- 6.4.2 The Notices of Intention [schedule 3] were served on 11th September 2015
- 6.4.3 The Notices of Estimate are not required to be served during consultation under the frame work agreement.
- 6.4.4 The total cost to leaseholders is estimated at £2M. The average cost per leaseholder is £15,000 the lowest charge per leaseholder is £4,500 and the highest charge is £19,000. Leaseholders have up to three years to spread their payments, from the date of the estimate in accordance with the Councils Financial Assistance Package.

7 KEY RISKS

7.1 The main risks to the scheme are presented in tabular form below together with the corresponding mitigation actions.

- Key: H = High, M = Medium, L = Low

Item	Risk	Impact	Probability	Mitigation	Owner
1	Non Delivery of Project	H	M	Develop project delivery plan, commission consultants and contractor ASAP.	Housing Professional Services (HPS)
2	Quality Issues	H	M	Set benchmark, monitor site meetings through Contract Administrator (CA) & Clerk of Works (COW) reports, measure continuous improvements using KPIs.	HPS PM
3	Cost Overrun	M	L	Rigorous Cost Planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis.	HPS PM
4	Time Overrun	H	M	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	HPS PM
5	Extended Consultation	M	M	Establish key milestones and communication strategy at the outset.	HPS
6	Additional Works Identified	M	M	Detail and agree scope of works, prioritise core DHS works and use contingency	HPS

- 7.2 Suitable steps to be taken to monitor/ensure mitigating actions identified are carried out and of course, for the risk register (including any actions) to be reviewed regularly to ensure the Council remains protected.

8 IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

- 8.1.2 The scheme provides for additional accommodation from the right to buy receipts to help towards addressing the current shortfall in housing in the Borough
- 8.1.3 The proposed works will enhance the fabric and appearance of the Council's properties and provide better facilities to the residents. Undoubtedly, the proposed scheme will assist in meeting the Council's objectives by providing economically successful and socially inclusive communities.

8.2 Growth and Sustainability

- 8.2.1 The new double glazed windows will reduce heat loss and achieve noise reduction. In addition, the improvements will have positive impact on the energy performance of the Council's stock. Products specified and materials used will be sustainable and energy efficient. The contractor and manufacturers are required to have a stringent Environmental Policy in place in accordance with the Framework requirements.
- 8.2.1 All contractors party to the Framework agreement are bound to participate in joint initiatives with the client and each other to establish Employment and Training Contracts so as to secure continuity of employment opportunities, co-ordinated training opportunities and sponsored college placements.
- 8.2.1 The client will employ a training co-ordinator who will work alongside the contractors to ensure the successful completion of training contracts, apprenticeships and any other employment opportunities pursuant to any call off contract. The training co-ordinator is funded by the contractors.

8.3 Strong Communities

- 8.3.1 The project promotes Key Council values and places emphasis on residents' empowerment and participation through involving residents groups in the consultation process from inception to completion. The scheme addresses the Council's objective by involving the public in the decision making process and help them play an active role in their local neighbourhoods.

9 EQUALITY IMPACT IMPLICATIONS

- 9.1 It is not deemed relevant or proportionate to carry out an equality impact assessment/analysis for the approval of the tender that represents the lowest price and complies with the tender requirements of the Council for external repairs as part of the Council's Decent Home Programme.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 The works will benefit 440 properties which will be made decent and others will be prevented from becoming non-decent hence allowing the Council to meet its obligations under the Best Value Performance Indicator (BVPI) namely BVPI 184b and BVPI 74a.

11 HEALTH AND SAFETY IMPLICATIONS

- 11.1 The Health and Safety Policies statement have been submitted by all the consultants as part of the selection of consultants for the Constructionline database.
- 11.2 The project is notifiable to the Health and Safety Executive (HSE) under the Construction (Design and Management) Regulations 2007 (CDM).
- 11.3 A Pre-Tender Health and Safety Plan was submitted with the tender and the Contractor will submit a Pre-Construction Health and Safety Plan once appointed. This will be updated throughout the contract and a Health and Safety File issued upon completion of the works.

12 PUBLIC HEALTH IMPLICATIONS

- 12.1 The proposed project, 'Lytchet Way Estate, External Enveloping and Additional Accommodation', overall, will improve the physical health of the tenants/ residents by reducing fuel poverty, creating warmer homes and improving respiratory health of children and older people; and improve mental health by reducing noise transmission, and enhancing the sense of security related to new fabric.
- 12.2 It is recommended to minimise temporary emission of dust and aerosol during the work, and that tenants/ residents be informed and warned of this. Nonetheless, with good insulation, moisture can build up within the premises if the tenants air their clothes indoors or produce much moisture, and this can increase the reports of moulding.

12.3 To help alleviate condensation and mould, tenanted properties will be provided with trickle vents to new windows and the existing extract ventilation will either be overhauled or renewed. New accommodation will be built in accordance with current Building Regulation standards including suitable ventilation measures.

12.4 Additional Accommodation can in part alleviate the problem of crowded households in Enfield.

13 Background Papers

13.1 Contain exempt information