

## MUNICIPAL YEAR 2015/2016 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**PORTFOLIO DECISION OF:**  
Cabinet Member for Economic Regeneration & Business Development

**REPORT OF:**  
Director – Regeneration & Environment

<b>Agenda – Part: 1</b>	<b>KD Num: 4109</b>
<b>Subject:</b> Award of Contract – Provision of Property Consultancy Services for Meridian Water	
<b>Cabinet Member consulted:</b> Councillor Alan Sitkin	
<b>Wards:</b> Upper Edmonton	

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### 1. EXECUTIVE SUMMARY

- 1.1. The Neighbourhood Regeneration team is seeking suitable professional services to provide strategic advice to the council as it embarks on a joint venture with a master developer.
- 1.2. A procurement process in accordance with the Crown Commercial Service Estates Professional Services Framework (ID: RM928) (the “Framework”) was conducted and Consultant A has been selected as the preferred supplier. The primary reason for their success was the quality and price of their approach to assisting the council as it progresses the appointment of a master developer to deliver Meridian Water.
- 1.3. A Part 2 report sets out additional detail around the selection process and the fees associated with the work.
- 1.4. This report recommends appointment of Consultant A to deliver property consultancy services to the council.

### 2. RECOMMENDATIONS

That the Cabinet Member for Economic Regeneration & Business Development:

- 2.1 agrees the outcome of the procurement process and authorises the appointment and associated fees of Consultant A as the council’s property advisors in respect of a joint venture with a master developer to deliver Meridian Water.
- 2.2. Delegates the finalisation of the call-off contract (and all ancillary documentation) to the Director of Regeneration & Environment.

### **3. BACKGROUND**

- 3.1 Enfield is an outer north London borough, the sixth largest in London, comprising a mixture of urban and suburban neighbourhoods with distinct character areas, contrasting land uses and socio-economic conditions, and with varying levels of transport accessibility.
- 3.2 Enfield's current population of 320,607 and is forecast to grow to 334,700 by 2021. A revised target of 798 new homes per year in the period 2015 to 2025 has been agreed by the Greater London Authority. These homes will be accommodated on a range of sites across the borough but the opportunities to achieve housing delivery at a significant scale and pace are in limited supply.
- 3.3 Meridian Water is a pivotal regeneration scheme, which has the potential to accommodate over 8,000 new homes and 3,000 new jobs by 2030. The Meridian Water Masterplan was adopted in 2013 as *Planning and Urban Design Guidance - Material Consideration*, and provides a framework for the delivery of this new community adopted by the council in July 2013 (Key Decision: 3699).
- 3.4 The council has nearly concluded on the procurement of a master developer for Meridian Water, with a view to entering into a legal agreement with this master developer by Spring 2016. The property consultant team appointed via this procurement process will provide overarching and strategic advice to the council as it progresses the appointment of this master developer.

### **4. TENDER PROCESS AND SCORING**

- 4.1 The team issued an Invitation to Further Competition under the procedure set out in the Crown Commercial Services Estates professional Services Framework Agreement RM928, to secure a suitable partner. This route offered the benefits of liaising with the wider market, whilst also a degree of vetting to ensure that bidders were suitably qualified and financially sound.
- 4.2 A suitably qualified property consultancy to provide the following services which will include but are not guaranteed or limited to:
  1. Working with the council and the council's external legal team, prepare a Business Case for the joint venture partnership whilst developing in tandem outline proposals for the structure of the joint venture and outline heads of terms, supported by a robust procurement approach;
  2. Launching and managing the joint venture partnership which includes negotiating the final form of contract with the preferred bidder, advising the council during the development phase once the partnership becomes operational and ensuring the council achieves best value for money.
  3. In order to ensure we deliver to an accelerated timescale, the council wishes to enter into the final form of contract within a challenging period

of three calendar months from the appointment of preferred bidder (the target date for appointment of the preferred bidder being April 2016).

- 4.3 A full copy of the Invitation to Tender Further Competition brief is provided in the Part 2 report.
- 4.4 The procurement exercise sought responses that covered bidders' approaches to, and experience of, undertaking similar work to that proposed.
- 4.5 Two detailed responses were received from the market and evaluated according to pre-defined criteria - summarised as 70% quality and 30% price. Scores are summarised below.

**Table 1: Summary of Bids Received:**

Bidder	Quality (70% max)	Price (30% max)	Overall
Consultant A	55%	30%	<b>85%</b>
Consultant B	48%	23%	<b>71%</b>

## **5. ALTERNATIVE OPTIONS CONSIDERED**

### **5.1 Do nothing.**

This option was discounted. The council has a clear mandate to deliver development across Meridian Water. To do this, it needs to partner with a master developer who is experienced and capable of developing large pieces of land. The council will require the services of experienced property consultants to ensure the council benefits equitably in a joint venture relationship.

### **5.2 Collaborate with another department or local authority in respect of procurement.**

This project is a discreet piece of work that will be led by the Neighbourhood Regeneration team as opposed to the procurement of a service that could be of use across departments. Cross departmental procurement is therefore not appropriate on this occasion. That said, the Neighbourhood Regeneration team has collaborated with Property Services in devising the procurement approach.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The recommendation to appoint Consultant A to provide property services will enable the negotiation, collaboration and ensure an equitable deal as part of the joint venture with the master developer. The need for external consultants to drive the legal agreement forward is on the proviso that they will accelerate this process, due to their wealth of experience and their track record in negotiation the final form of contract.
- 6.2 Consultant A scored highest in a competitive tendering exercise. A record of the scores is contained in the table above.

6.3 Consultant A has demonstrated with evidence that it met the full requirements set out in the brief.

## **7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

### **7.1 Financial Implications**

7.1.1 Financial implications are contained within the Part two report.

### **7.2 Legal Implications**

7.2.1 In principle, the council has power 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.

7.2.2 The council's constitution, in particular the Contract Procedure Rules ("CPR's") permit the council to call-off from an existing framework as long as the framework terms permit such. The council has procured the services through a further competition process in accordance with the Framework terms with assistance from the Council's Corporate Procurement Service. The Framework requires the resulting call-off contract to be based on the Framework terms and the tendered contract is based on the same.

7.2.3 The council must ensure that the recommended tender provides best value to the council in accordance with its best value obligations under the Local Government Act 1999 and must keep a clear audit train of its decision to award

7.2.4 The resulting call-off contract shall be drafted in accordance with the Framework and shall be in a form approved by the Assistant Director of Legal & Governance Services

### **7.3 Property Implications**

7.3.1 There are no direct property implications associated with the award of a contract for property consultancy services.

## **8. KEY RISKS**

8.1 Master Developer is not selected to deliver Meridian Water by autumn 2018 resulting in delays to the delivery of the Meridian Water Housing Zone Initiative. Mitigation is to procure property consultants via this procurement process to advise the Council on the most swift and robust route to appointing a master developer.

8.2 Appointed consultants provide poor advice resulting in the Council appointing a master developer that does not deliver best value for the Council. Mitigation – multi disciplinary developer partner steering group and governance which

reviews and tests assumptions as part of the procurement process and into delivery.

## **9. IMPACT ON COUNCIL PRIORITIES**

### **9.1 Fairness for All**

The appointment of a property consultant will ensure that the council is in a strong position to negotiate a robust and fair deal with the master developer to ensure that the council maximises its return on the investment being directed to Meridian Water. This will ultimately ensure that the council is in a stronger position to be able to serve the borough better.

### **9.2 Growth and Sustainability**

9.2.1 JLL as part of its commission will be providing an opportunity for young residents to enrol in its 'Changing the Face Property' initiative that is tasked with increasing diversity within the property profession.

9.2.2 In addition, Consultant A will be providing 10 hours of continuing professional development per annum as part of its tenure with the council. This will ensure that council-staff are better equipped to serve the general public in matters relating to the property industry.

### **9.3 Strong Communities**

A new community of no less than 8,000 homes and 3,000 jobs will begin to come forward as the council's joint venture with a master developer is realised. The partnership will seek to ensure that the new community welcomed into the borough brings along benefits that can be share with the existing community. This will entail new infrastructure, job opportunities and an assortment of new housing capable of meeting the needs of existing residents.

## **10. EQUALITY IMPACT IMPLICATIONS**

10.1 The Council will receive the strategic advice and property support it requires to enable the successful procurement of a master developer for Meridian Water. This will result in the delivery of a minimum of 8,000 new homes and 3,000 new jobs by 2030 which will be available to local residents. By employing high quality property consultancy advice, the Council will be able to ensure it is acting in the best interests of its communities.

10.2 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.

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 10.1 The delivery of Meridian Water supports Enfield Council Business plan Objective 2.10 (Improved quality of life for residents through regeneration of priority areas).

## **12. PUBLIC HEALTH IMPLICATIONS**

The development of Meridian Water will make a positive step towards bringing 85Ha of Brownfield land into safe developable land. The services of property consultants will put the council into an advantageous position to ensure that the council's flagship development opportunity takes steps to a joint venture will work to improve the environment, encourage healthy lifestyles, reduce pollution and improve social cohesion.

### **Background Papers**

None.

**MUNICIPAL YEAR 2015/2016 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF:**  
Director – Regeneration  
and Environment

Director – Finance, Resources and  
Customer Services

<b>Agenda – Part: 1</b>	<b>KD Num: 4190</b>
<b>Subject:</b> <b>Security proposals for Morson Road Depot</b>	
<b>Wards: All</b>	

Contact officer and telephone number:

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**1. EXECUTIVE SUMMARY**

- 1.1 This report provides a background of security at Morson Road Depot (MRD) since opening in July 2013.
- 1.2 An independent review and options report has been provided which outlines detailed proposals for improving security to safeguard critical Council assets.
- 1.3 A preferred option is put forward for agreement which delivers a balance between operational daily use and increased level of security. Details provided in the part 2 report.
- 1.4 Funding has been identified for the capital works proposed.

**2. RECOMMENDATION**

- 2.1 To approve implementation of option B as detailed in the Part 2 report.
- 2.2 To approve the change in manned security as detailed in part 2 of this report.
- 2.3 To approve acceptance of tenders to the value of budget agreed within part 2 of the report.

### **3. BACKGROUND**

3.1 Navigant Consulting was engaged by LB Enfield in April 2015 on a competitive quote process to undertake a review of the security arrangements at the Morson Road Depot site and make recommendations on how these could be improved to provide enhanced security for both the Council's staff and assets. In developing recommendations, Navigant worked with the Council's existing Security and CCTV supplier.

3.2 The options put forward by Navigant have been discussed with site users.

#### **3.3 Options appraisal**

3.3.1 The options put forward by the consultant are summarised below but there are some common points to note that apply to all three:

- It is considered essential to provide a secure gated compound to protect the high value RCV assets.
- Space is at a premium and space planning has been undertaken to re-zone the remaining fleet vehicles located on site e.g. by optimising parking space size and layout.
- Installation of PIR motion detectors along the South boundary of the site is recommended to protect from unauthorised access from the adjacent site.
- All staff based on the site should be reminded of the need to adhere to security protocols and site rules.
- That the 10 shipping containers currently on site are checked to ensure that they are still required and essential.

#### **3.4 Options – appendix 1**

3.4.1 Three options have been proposed with an assessment and evaluation of each:

**Option "A" – zoning of staff car park, welfare and management areas.**

Details – see part 2.

**Option "B" – as above with separate zoning of RCV fleet**

Details – see part 2

**Option "C" – as above with separate area for third party users**

Details – see part 2



#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Do nothing, but the risk to the Council from reputational as well as physical damage to critical service assets make this unacceptable.
- 4.2 Proceed with options A or C but these have been discounted as outlined in section 3 due to higher cost or lower than demanded levels of security.
- 4.3 Scale back the CCTV coverage. This would make a slight reduction in cost but this would increase the risk of 'blind spots' on site and increase the risk to critical Council assets.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The preferred option "B" is supported by Morson Road Managers, RCV drivers, CCTV centre and H & S teams.
- 5.2 Secure compound provides double layer or protection to high value assets (most RCVs).
- 5.3 Tracking of all staff movements around the site, with significantly reduced accessibility to unauthorised users.
- 5.4 Access to shared assets (e.g. fuel pumps and vehicle wash maintained to approved external stakeholders without exposing high value assets (RCVs).

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

##### **6.1 Financial Implications**

- 6.1.1 The recommended option for the security proposals at Morson Road Depot is "Option B", and the estimated total cost of the project is £419,950 (Appendix 1).

The total cost of the project will be met from the following funding sources:

<b>Security Proposals for Morson Road Depot (Option "B" Project Cost + Funding Sources)</b>		
	<b>£000s</b>	
<b><u>Total Estimated Project Cost</u></b>	<b><u>420</u></b>	<b><u>Description of Funding Sources</u></b>
<b>2015/2016</b>	100	Waste Operation Capital (ES1056)
	100	Waste Service Capital
	175	R&M Fund (Building Improvement Programme, BIP) Capital
<b><u>2015/2016 Estimated Cost</u></b>	<b><u>375</u></b>	
<b>2016/17</b>	45	R&M Fund (Building Improvement Programme, BIP) Capital
<b><u>2016/2017 Estimated Cost</u></b>	<b><u>45</u></b>	
<b><u>Total of Funding Sources</u></b>	<b><u>420</u></b>	

6.1.2 The redirection of £100k from the Waste Service Capital to Security Proposals for Morson Road Depot will need the approval of the Director of Regeneration and Environment and the Director of Finance Resources and Customer Services, according to the Council's financial regulations and virement procedures.

6.1.3 The increased manned security costs have a revenue impact which will be finalised and communicated/agreed with the Depot users in due course, which will then be recharged/apportioned to clients on rental value allocation basis.

## **6.2 Legal Implications**

6.2.1 The Council were granted a 40 year lease of the premises in 2013 from the landlord, J Murphy & Sons Ltd. Whilst there is no specific obligation in the lease to notify the Landlord it may be considered prudent to do so.

## **6.3 Property Implications**

See above.

## **7. KEY RISKS**

Please see part 2 report.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

The improved security measures will reduce on-going costs to residents from damage to Council high value assets.

### **8.2 Growth and Sustainability**

Securing frontline service provision will support this priority.

### **8.3 Strong Communities**

Secure and consistent service delivery will support this priority.

## **9. EQUALITY IMPACT IMPLICATIONS**

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

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

Improved security will support the achievement of performance targets for frontline services.

## **11. HEALTH AND SAFETY IMPLICATIONS**

None

## **12. PUBLIC HEALTH IMPLICATIONS**

None

## **Background Papers**

