

MUNICIPAL YEAR 2015/2016 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:
Ian Davis - Director Regeneration and Environment

Agenda – Part: 1	KD Num: 3931
Subject: Meridian Water Programme Update	
Wards: Upper Edmonton	

Contact officer and telephone number:
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1. EXECUTIVE SUMMARY

- 1.1 Following Cabinet approval of report no. KD4110 in April 2015, approval was granted for the Council to enter into three contracts, each for a duration of four years, with a multidisciplinary team to supply the Council with design advisory services to enable delivery of the Meridian Water Housing Zone. Contract costs for the years 2015/16 were met from the Meridian Water Capital Programme and capped due to constraints of the Capital Programme.
- 1.2 On 10 February 2016, Cabinet approved report no. KD4229 along with the Budget Report. This increased the Neighbourhood Regeneration Capital Programme for 2016/17 to enable the development of the next stages of Meridian Water in line with the Meridian Water financial model.
- 1.3 The increased Neighbourhood Regeneration Capital Programme includes a projection of future professional fees And this includes the ongoing costs of the multidisciplinary team led by KCA, Arup and OKRA appointed by the Council in 2015 as per KD4110.
- 1.4 The Neighbourhood Regeneration team now seeks approval to draw down additional funding for professional fees approved by Cabinet as per KD4229 to complete the Meridian Water Phase 1 planning application and other services.
- 1.5 A part 2 report has been prepared, which sets out the financial considerations.

2. RECOMMENDATIONS

- 2.1 That the Director of Regeneration and Environment authorise the draw-down from the approved by Cabinet (KD4229) for Neighbourhood Regeneration Capital Programme in relation to professional fees for 2016/17 to instruct and then pay the multidisciplinary team including KCA, OKRA and Arup.
- 2.2 In support of the recommendation it must be noted that this expenditure falls within the total allowance for professional fees set out in the MW financial model and that expenditure will be recovered through the project.

3. BACKGROUND

- 3.1 On 29 April 2015, Cabinet approved report no. KD4110. This noted the outcome of the Council's OJEU procurement of a multidisciplinary team to supply the Council with design advisory services to enable delivery of the Meridian Water Housing Zone. It gave authority to enter into three contracts, each of a duration of four years, with:
 - 3.1.1. Karakusevic Carson Architects (KCA);
 - 3.1.2. Arup;
 - 3.1.3. OKRA Landscape (OKRA).
- 3.2 The cost of these contracts for the year 2015/16 were capped due to budget constraints. KD4110 gave authority for the costs for 2015/16 to be met from the existing Meridian Water Capital Budget. The report noted that an increase to the Neighbourhood Regeneration Capital Programme would be sought in a further Cabinet Report to fund the costs of these contracts from 2016/17 onwards.
- 3.3 On 10 February 2016, Cabinet approved report no. KD4229. This noted the request to increase the Neighbourhood Regeneration Capital Programme (approval was granted within the Budget Report on the same Cabinet Agenda) to enable the development of the next stages of Meridian Water and other schemes. Cabinet also noted the comprehensive financial model developed which illustrates how the Council will receive a return on its investment through land receipts, Housing Zone, CIL and London Regeneration Fund.
- 3.4 The model assumes that the entire cost of the Neighbourhood Regeneration Team will be met by the Meridian Water project on the basis of the key assumption that these costs can be capitalised.
- 3.5 The approval of funding for professional fees from the years 2016/17 includes the ongoing employment of the multidisciplinary team led by KCA, Arup and OKRA appointed by the Council in 2015 as per KD4110.
- 3.6 The Neighbourhood Regeneration team now seeks approval to draw down additional funding for professional fees approved by Cabinet as per KD4229 up to the approved limit agreed by the Strategic Procurement Board for 2016/17.
- 3.8 Investing capital now by leading a planning application for Phase 1 of Meridian Water and other essential enabling projects, like the causeway, supports the Council to both meet Housing Zone timescales for delivery of houses in Meridian Water and to increase the value of the land in its ownership, thereby making the money invested more than worthwhile.
- 3.9 In future years professional fees are expected to drop significantly as the Developer Partner will take on planning responsibilities and the Council will retain the services of KCA, Arup and OKRA to a vastly reduced extent. The ongoing support will allow the Neighbourhood Regeneration team to continue to function as an intelligent and well-resourced partner to oversee the £2.5bn development of Meridian Water.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 **Do nothing.** The Council is not obliged to instruct the consultants appointed in 2015 to perform any particular services other than work previously instructed. Ongoing work undertaken by the multidisciplinary team is, however, critical for the Council to meet its objectives regarding Meridian Water to the required timescales, if at all. Therefore this is not an acceptable course of action.
- 4.2 **Procure a new multidisciplinary team to undertake the same activities.** KCA, OKRA and Arup have been working closely with the Council for the last 10 months in a highly successful partnership. The consultants have significant understanding of the Meridian Water project and the Council's objectives and have built effective working relationships with key stakeholders. Where possible, the Council is entering into negotiations to reduce fees with the multidisciplinary team in recognition of the more efficient ways of working which have been established. It is therefore highly unlikely that the Council will achieve value for money by seeking a new multidisciplinary team. In addition, there would be a significant delay incurred through a new procurement exercise which would render the Council unable to meet its objectives regarding Meridian Water to the required timescales. Therefore this is not an acceptable course of action.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Drawing down from the agreed Neighbourhood Regeneration Capital Programme for professional fees to fund Arup, KCA, and OKRA for the years 2016/17 is necessary to ensure the timely delivery of the Council's objectives regarding Meridian Water.

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

6.1 Financial Implications

Cabinet approved report no. KD4229 provides for sufficient funds to cover off the costs requested. Part two provides more detail.

6.2 Legal Implications

- 6.1.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do subject to the constraints stated in the section. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. In addition, section 111 of the Local Government Act 1972 gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 6.1.2 Section 12 of the Local Government Act 2003 permits the Council to invest for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs.
- 6.1.3 The Council must comply with at all times the requirements of its Constitution and the Contract Procedure Rules (CPRs) in relation to the procurement and

commissioning of suppliers of goods and services and ensure that all works are procured in accordance also with EU and UK procurement regulations.

6.1.4 Any agreements relating to the proposed works that are required to implement the recommendations of this report must be in a written form approved in advance on behalf of the Assistant Director of Legal Services. Throughout the engagement of contractors, the Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.

6.1.5 The recommendations contained within this report are considered to be in accordance with the Council's powers and duties.

6.3 Property Implications

There are no direct property implications.

7. KEY RISKS

7.1 **Procurement challenge.** There is always the risk of challenge when undertaking a procurement process. However, the multidisciplinary team was selected via a transparent Open Procedure which has not yet been challenged and there is no indication that a future challenge is likely.

7.2 **Financial risk.** The Council may not recover its investments into projects. The Meridian Water programme has been subject to a comprehensive financial model noted by Cabinet in Report KD4229. The financial model includes for professional fees from the years 2016/17 onwards. The money recommended for drawdown to fund the multidisciplinary team for the years 2016/17 forms part of the fee allocation in the financial model. In fact, continuing to pay for services from the multidisciplinary team reduces the financial risk as it is a critical factor in meeting the Council's objectives on timescales and increasing the value of the Council's land in Meridian Water.

8. IMPACT ON COUNCIL PRIORITIES

8.1 The work of the Neighbourhood Regeneration team responds positively to all three of the Council's priorities. Growth is promoted by new housing, jobs and training opportunities. Fairness for all is addressed by focussing resources on lifting the prosperity of all areas and bridging the inequality gap. Stronger communities are invariably more stable and cohesive communities; policies that promote this underpin the working of the team.

8.2 The consultant teams are required to engage local suppliers where possible and to allocate a percentage of the total architectural fee to smaller practices enabling smaller firms to participate in this large development project. They are also required to commit to the highest levels of sustainability, including the provision of apprenticeship placements, and to deliver 170 hours of community training over a four year period to enable residents to engage with the emerging proposals and development.

9. EQUALITY IMPACT IMPLICATIONS

9.1 The revised capital programme which was approved by Cabinet on 10 February 2016 was accompanied by an Equalities Impact Assessment. The

overarching aim of the Neighbourhood Regeneration Team is to improve the quality of life for all, within the Council's priority regeneration areas. Individual PEQIAs are prepared for each project, setting out the equalities impacts for individual interventions. The drawdown recommended in this report is a critical enabler for the Neighbourhood Regeneration Team's objectives to be met. In addition, the appointed multidisciplinary team has committed to a design process which reflects diversity and encourages "hard to reach" groups to become engaged. The Council will work with all members of the team to ensure equality impacts assessments are considered and completed as required at all stages of the regeneration process.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Delivery of a comprehensive regeneration scheme at Meridian Water is a corporate priority within the Council's Business Plan for 2012-15. Completion of the Masterplan and the delivery of phased infrastructure improvements and new homes will help to meet Outcome 2.10 of the Business Plan, to improve the quality of life of residents through the regeneration of priority areas and to promote growth and sustainability. The drawdown recommended in this report is a critical enabler for the Meridian Water project.

11. HEALTH AND SAFETY IMPLICATIONS

- 11.1 The London Borough of Enfield is the Client for the project under CDM regulations and must therefore comply with its health and safety obligations in approaching development projects. The design teams appointed have all been assessed for their competency in performing their responsibilities under the contracts for Meridian Water. Karakusevic Carson Architects have been identified as the Principal Designer for the Zone 1 site.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 Regeneration projects present a major opportunity to improve the health of the population. Meridian Water, for which the multidisciplinary team mentioned above is critical, should increase the health of the public through improved housing, economic development and urban planning to facilitate healthy lifestyles.

13. Background Papers

None.

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:
Director – Regeneration & Environment

Agenda – Part: 1	Item: 15/103
Subject: Post Tender Report for Churchbury Lane Major Works External Enveloping and Associated Repairs Wards: Town Ward Key Decision No: KD4171	
Cabinet Member consulted: Cabinet Member for Housing and Regeneration, Ahmet Oykener	

Contact officer and telephone number: Paul Hemmant – 0208 375 8312
Email: paul.hemmant@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award a contract for enveloping works and associated repairs as part of the Council's Housing Capital works programme.
- 1.2. This is a Key Decision of the Council and is on the Key Decision List, reference KD4171.
- 1.3. Seven contractors from the Major Housing Works Framework were invited to tender on the basis of single stage selective tender. Seven 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 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 scheme consisted of major works to both the external elements of the properties and communal areas fifteen separate blocks within the Churchbury Lane area. The works include brickwork and concrete repairs, replacement of windows and doors, recovering of walkways and staircase asphalt finishes, renewal of flat and pitched roof coverings, renewal of rainwater goods and fascias, redecorations, renewal of external lighting door entry phone system and upgrade of landlords IRS system. There are TBC properties in the scheme of which TBC are leasehold properties.
- 3.3. The scope of works that has been identified for inclusion within the scheme will typically include the following elements:

Roof covering replacement, Window and door replacement, Concrete repairs and redecoration of previously decorated external elements and internal communal areas, Upgrade/replacement of door entry systems. Upgrade/Installation of the Communal TV aerial system (IRS System), Asbestos removal works, Fire Precaution works, Balcony walkway coatings and balustrading repairs/replacement, Pram shed refurbishment, Replacement of rain water goods, Communal lighting replacement.
- 3.4. Consultants, who were appointed under separate approval after competitive tender, have prepared and administered tendering of 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 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 Delegated 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 will lead to capital expenditure exceeding £250,000. This item has been included in the Key Decision List reference. KD4171. 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 Major Housing Works Framework to tender for the opportunity, on the basis of single stage selective tender. The use of a compliant framework agreement is permitted under the Council's Contract Procedure

rules. The Client has confirmed that the tender procedure was carried out in accordance with the terms of the Framework.

- 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 Building Contract with Contractor's Design (2011 Edition) as amended by Trowers & Hamblins.
- 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 28th March 2016).

6.3 Property Implications

- 6.3.1 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 As long as the Section 20 Notice procedures have been carried out correctly, the council will be able to recover a proportionate amount of the costs from leaseholders.
- 6.3.3 Undertaking the repairs and improvements should help extend the life of the buildings and reduce annual maintenance costs.

6.4 Leaseholder Implications

- 6.4.1 There are TBC leaseholders involved in this contract, within the Blocks identified for the proposed works.
- 6.4.2 The Notices of Intention [schedule 3] were served on TBC
- 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 £XXXXXXX The average cost per leaseholder is £XXXXXXX the lowest charge per leaseholder is £XXXXXXX and the highest charge is

£XXXXXXX. Resident Leaseholders have a maximum period of 9 years repayment option to spread their payments, with two years interest free, from the date of the invoice 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 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 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.
- 8.2.2 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.
- 8.2.3 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 TBC properties which will be made decent and others will be prevented from becoming non-decent. The performance of the contractor is measured by the implementation of Key Performance Indicators compiled on a monthly basis. These are scored by the Contract Administrator and representatives from the Councils officers.

11 HEALTH AND SAFETY IMPLICATIONS

- 11.1 The Health and Safety Policies statement have been submitted by all the contractors as part of the framework selection and tendering process.
- 11.2 The project is notifiable to the Health and Safety Executive (HSE) under the Construction (Design and Management) Regulations 2015 (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, 'Churchbury Lane, External Enveloping and Associated Works', overall, will improve the physical health of the 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.
- 12.3 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.

13 Background Papers

- 13.1 Contain exempt information

MUNICIPAL YEAR 2015/2016 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

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

REPORT OF:
Director – Regeneration & Environment

Agenda – Part: 1	Item:
Subject: Post Tender Report for Enfield Town – Major Works, External Enveloping and Associated Repairs Wards: Town Key Decision No: KD4173	
Cabinet Member consulted: Cllr Ahmet Oykenler, Cabinet Member for Housing and Housing Regeneration	

Contact officer and telephone number: Alan Headland – 0208 375 8238
Email: alan.headland@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award a contract for enveloping works and associated repairs as part of the Council's Housing Capital works programme.
- 1.2. This is a Key Decision of the Council and is on the Key Decision List, reference KD4173
- 1.3. Seven contractors from the Major Housing 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 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 scheme consisted of major works to both the external elements of the properties and communal areas to blocks within the Enfield Town area which include London Road, Roseneath, Chalkwell Park, Danby Court, Elisabeth Avenue Bycullah Avenue and Linkside. There are 162 properties in the scheme of which 86 are leasehold properties.
- 3.3. The scope of works that has been identified for inclusion within the scheme will typically include the following elements:

Roof covering replacement, Window and door replacement, Concrete repairs and redecoration of previously decorated external elements and internal communal areas, Upgrade/replacement of door entry systems. Upgrade/Installation of the Communal TV aerial system (IRS System), Asbestos removal works, Fire Precaution works, Balcony walkway coatings and balustrading repairs/replacement, Pram shed refurbishment, Replacement of rain water goods, Communal lighting replacement.
- 3.4. Consultants, who were appointed under separate approval after competitive tender, have prepared and administered tendering of 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 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 Delegated 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 will lead to capital expenditure exceeding £250,000. This item has been included in the Key Decision List reference. KD4173. 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 Major Housing Works Framework to tender for the opportunity, on the basis of single stage selective tender. The use of a compliant framework agreement is permitted under the Council's Contract Procedure rules. The Client has confirmed that the tender procedure was carried out in accordance with the terms of the Framework.

- 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 Building Contract with Contractor's Design (2011 Edition) as amended by Trowers & Hamblins.
- 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 April 2016).

6.3 Property Implications

- 6.3.1 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 As long as the Section 20 Notice procedures have been carried out correctly, the council will be able to recover a proportionate amount of the costs from leaseholders.
- 6.3.3 Undertaking the repairs and improvements should help extend the life of the buildings and reduce annual maintenance costs.

6.4 Leaseholder Implications

- 6.4.1 There are 86 leaseholders involved in this contract, within the Blocks identified for the proposed works.
- 6.4.2 The Notices of Intention [schedule 3] were served on 29th October 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 £??????. The average cost per leaseholder is £?????, the lowest charge per leaseholder is £????? and the highest charge is £?????. Resident Leaseholders have a maximum period of 9 years

repayment option to spread their payments, with two years interest free, from the date of the invoice 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 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 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.
- 8.2.2 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.
- 8.2.3 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 to be 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 216 properties which will be made decent and others will be prevented from becoming non-decent. The performance of the contractor is measured by the implementation of Key Performance Indicators compiled on a monthly basis. These are scored by the Contract Administrator and representatives from the Councils officers.

11 HEALTH AND SAFETY IMPLICATIONS

- 11.1 The Health and Safety Policies statement have been submitted by all the contractors as part of the framework selection and tendering process.
- 11.2 The project is notifiable to the Health and Safety Executive (HSE) under the Construction (Design and Management) Regulations 2015 (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, 'Enfield Town, External Enveloping and Associated Works', overall, will improve the physical health of the 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.
- 12.3 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.

13 Background Papers

- 13.1 Contain exempt information

MUNICIPAL YEAR 2015/2016 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

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

REPORT OF:
Director – Regeneration &
Environment

Contact officer and telephone number: Tom Steggles, 020 8375 8278
Email: tom.steggles@enfield.gov.uk

Agenda – Part: 1	KD Num: KD 4207
Subject: Lavender Hill Major Works: External Enveloping and Associated Repairs: Tender Acceptance Report	
Wards: Chase; Highlands	

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award a contract for enveloping works and associated repairs as part of the Council's Housing Capital Programme.
- 1.2. This is a Key Decision of the Council and is on the Key Decision List, reference KD 4207.
- 1.3. All seven contractors on the Major Housing Works Framework were invited to tender on the basis of single stage selective tender. Six tenders were submitted. The tender representing the most economically advantageous tender and which complies with the tender quality requirements of the Council is recommended for acceptance.

2. RECOMMENDATIONS

- 2.1 That the proposed project be funded from the Housing Capital Programme.
- 2.2 That approval be given to accept the most economically advantageous tender complying with the tender requirements of the Council, submitted by Contractor 1 (see Part 2 for details).

3. BACKGROUND

- 3.1. This project forms part of the Council's Housing Capital Programme. The project was selected after examination of the Council's stock condition survey on the basis of chronological priority, type of work and project size.
- 3.2. The project consists of major refurbishment works to the exterior and communal areas of the following six blocks of flats in Chase and Highlands Wards: 2-36 Bedale Road, 6-12B Brigadier Avenue, 42-52 Brigadier Hill, 45-51B Brigadier Hill, 2-80 Wetherby Road and 131-161 Holtwhites Hill. There are 104 properties in the project, of which 42 are leasehold.
- 3.3. The scope of works includes: roof covering replacement; window replacement; concrete and brickwork repairs and redecoration of previously decorated external elements and internal communal areas; upgrade/replacement of door entry systems; upgrade/installation of the communal TV aerial system (IRS system); asbestos removal works; fire precautions works; balcony walkway coatings and balustrading repairs/replacement; replacement of rain water goods; communal lighting replacement.
- 3.4. Consultants, who were appointed under a separate approval granted on 15 December 2014 after competitive tender, have prepared a specification of works and administered the tender process.
- 3.5. Details of the tenders are set out in the Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

This project forms part of the Council's housing capital programme, which includes for external refurbishment to ensure council property is properly maintained. The blocks within the project were assessed as a priority for refurbishment by 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 are on the Council's Major Housing Works Framework and have fulfilled the Council's criteria for undertaking this type and value of work.
- 5.2 The recommended contractor has submitted the most economically advantageous tender and has been judged capable of complying with the specification and quality requirements.
- 5.3 The project forms part of Enfield Council's 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

The comments of the Director of Finance, Resources & Customer Services are detailed in Part 2 of this Delegated Authority Report. The project 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 will lead to capital expenditure exceeding £250,000. This item has been included in the Key Decision List reference KD 4207. 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 recover contributions from leaseholders towards the cost of services, provided that there has been appropriate consultation pursuant to the Service Charges (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987). Subject to compliance with these regulations including ensuring leaseholder consultations are carried out in good time in advance, the Council can seek to recover contributions from the leaseholders towards the cost of the services provided. 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. 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 All seven contractors on the Major Housing Works Framework were invited to tender for the opportunity, on the basis of single stage selective tender. The use of a compliant framework agreement is permitted under the Council's Contract Procedure Rules (CPR). The Client has confirmed that the tender procedure was carried out in accordance with the terms of the Framework.
- 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 Governance and Legal Services. The works contract terms are in the form of the JCT Intermediate Building Contract with Contractor's Design (2011 Edition) as amended by Trowers & Hamlins, solicitors.
- 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 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 April/May 2016).

6.3 Property Implications

- 6.3.1 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 As long as the Section 20 Notice procedures have been carried out correctly, the Council will be able to recover a proportionate amount of the costs from leaseholders (subject to compliance with legal requirements as noted above in paragraph 6.2.2).
- 6.3.3 Undertaking the repairs and improvements should help extend the life of the buildings and reduce annual maintenance costs.

6.4 Leaseholder Implications

- 6.4.1 There are 42 leaseholders involved in this contract within the six blocks identified for the proposed works.
- 6.4.2 The Notices of Intention [Schedule 3] were served on 22 February 2016.
- 6.4.3 Notices of Estimate are not required to be served during consultation under the framework agreement.
- 6.4.4 The total cost to leaseholders is estimated at £615,000. The average cost per leaseholder is £14,000, the lowest charge per leaseholder is £13,000 and the highest charge is £33,000. In accordance with the Council's Financial Assistance Package,

resident leaseholders have a maximum period of nine years repayment option to spread their payments, with two years interest free from the date of the invoice.

7 KEY RISKS

7.1 The main risks to the project are presented in the table below together with their corresponding mitigation actions.

Item	Risk	Impact	Probability	Mitigation	Owner
1	Non Delivery of Project	High	Medium	Develop project delivery plan, commission consultants and contractor ASAP.	Housing Professional Services (HPS)
2	Quality Issues	High	Medium	Set benchmark, monitor site meetings through Contract Administrator & Clerk of Works reports, measure continuous improvements using KPIs.	HPS PM
3	Cost Overrun	Medium	Low	Rigorous cost planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis.	HPS PM
4	Non or-partial recovery from leaseholders	Medium	Low	Adherence to the regulations as regards leaseholder consultation; timely notification and billing of outturn costs	HPS PM
5	Time Overrun	High	Medium	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	HPS PM
6	Extended Consultation	Medium	Medium	Establish key milestones and communication strategy at the outset.	HPS
7	Additional Works Identified	Medium	Medium	Detail and agree scope of works, prioritise core DHS works and use contingency	HPS

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

8 IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The proposed works will enhance the fabric and appearance of the Council's properties and provide better facilities for residents. The project

will assist in meeting the Council's objectives by providing economically successful and socially inclusive communities.

8.2 Growth and Sustainability

8.2.1 New double glazed windows will reduce heat loss and achieve noise reduction. This will have a 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.

8.2.2 All contractors who are party to the Framework agreement are contracted 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.

8.2.3 The client has employed 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

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

9 EQUALITY IMPACT IMPLICATIONS

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 Housing Capital Programme.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

The works will result in 52 properties being made decent and will prevent five further properties from becoming non-decent. The performance of the contractor will be measured by means of Key Performance Indicators, which will be scored periodically by the Contract Administrator and Council officers.

11 HEALTH AND SAFETY IMPLICATIONS

- 11.1 Health and Safety Policy statements have been submitted by all the contractors as part of the framework selection and tendering process.
- 11.2 The project is notifiable to the Health and Safety Executive (HSE) under the Construction (Design and Management) Regulations 2015 (CDM).
- 11.3 A response to the Pre-Tender Health and Safety Plan was submitted with the tender and the Contractor will submit a Construction Phase Plan once appointed. This will be updated throughout the contract and a Health and Safety File will be issued upon completion of the works.

12 PUBLIC HEALTH IMPLICATIONS

- 12.1 The project will improve the physical health of the residents by reducing fuel poverty, creating warmer homes and improving respiratory health; and will improve mental health by reducing external noise transmission and enhancing the sense of security relating to new fabric.
- 12.2 To help alleviate condensation and mould, properties will be provided with trickle vents to new windows and the existing mechanical ventilation systems will be overhauled or renewed.

13 Background Papers

Contain exempt information.

MUNICIPAL YEAR 2015-16 REPORT NO.

Operational Decision

Delegated Authority Report

REPORT OF:

Director of Finance, Resources &
Customer Services

Stephen Addison

020 8739 4097

Stephen.addison@enfield.gov.uk

Agenda - Part: 1	Item:
Subject:	
Waste Collection IT Solution	
Wards: All	
Cabinet Member consulted: N/A	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks authority enter a 3 year contract with the option to renew for a further 2 years through the Local Authority Software Applications Framework.
- 1.2 The proposed web-hosted IT solution / in-cab devices will enable the Waste Collection Service to move away from manual paper processes and to deliver operational efficiencies.
- 1.3 Information regarding the procurement of the services is detailed in section 3 of this Report.

2. RECOMMENDATIONS

That the Director of Finance, Resources and Customer Services:

- 2.1 Authorises the Council to enter into a contract with Bartec Auto ID Ltd for up to 5 years on the terms detailed in paragraph 6.1 of the report.
- 2.2 Agrees that in lieu of unlimited liability normally sought from suppliers, liability is capped at the annual rate payable to the supplier under the contract (125% of Contract Charges payable in the last Contract Year).
- 2.3 To note that the LASA Framework does not permit the variation of contract terms to require the provision of a performance bond to comply with Council's CPR requirements, the mitigation for this risk is set out in paragraph 7.5.

3. BACKGROUND

- 3.1 The Waste IT Phase 2 Project is a continuation of a project originally authorised on 12 March 2014.
- 3.2 Phase 1, the purchase and implementation of route optimisation software has been completed. Phase 2, which this report underpins, is the creation of new ways of working in waste collection using digital in-cab devices to automate responses to resident enquiries and allow crew, route and property level management information to be collected and acted on for the first time. The project involves the procurement of appropriate hardware and software (which this report pertains to), the development of appropriate interfaces to our new incoming CRM and the implementation of new staff practices to make use of the enhanced capability.
- 3.3 Whilst Enfield provides an effective waste collection service to residents and trade customers, opportunities to maximise income, simplify the service and reduce cost are inhibited. This is due to the shortage of management information and technology enablers required to provide reliable, timely and easy to access data. Waste IT Solutions Project Phase 2 will enable service improvement in Waste collection and a more efficient response to resident enquiries
- 3.4 The specific changes in Phase 2 will enable information concerning collections for both residential and trade customers to be automated, saving officer and customer time in having queries resolved. It will reduce customer contact and response time as we will be able to electronically link details of bin non-collections with resident properties for the first time. It will also provide management information concerning the performance of specific routes and crews as well as specific residential issues for the first time.
- 3.5 Following an exercise to document the functional and technical requirements of the Council, contact was made with the suppliers of the Council's waste collection route optimisation software in accordance with the Council's policy of minimising IT suppliers where possible. An evaluation exercise established that this supplier was unable to meet the requirements of the Council.
- 3.6 Accordingly, suppliers were invited to submit proposals / quotations to meet the defined business need in accordance with the Crown Commercial Service Framework Agreement for Local Authority Software Applications (the "Framework"). The three proposals received were evaluated, with two found to be compliant (meeting all of the specified essential criteria). Further evaluation of reference sites was carried out to verify, so far as was reasonably possible, that the suppliers could deliver in practice what was specified in their submissions.
- 3.7 The business case supporting the considerable investment and ongoing revenue expenditure is based on the expected savings relating to fuel and the administrative efficiencies that electronic rather than manual processes are expected to deliver due to reduced customer contact and automated responses. Based on work from consultants PwC, these are estimated to be in the region of £70-130k per annum.

3.8 The Head of Service (Head of Operations, Waste, Recycling and Fleet) has confirmed his view that based on the procurement exercise carried out under the Framework Agreement, the proposal offering from Bartec Autodi ID Ltd, meets the service business requirements and offers the Council best value for the investment being made.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To continue to use the existing manual processes for recording and responding to waste collection issues, however this option will not deliver the service improvements / efficiencies detailed in paragraph 3.
- 4.2 To use the Council's current supplier for waste collection route optimisation software. As detailed in paragraph 3.5 above, this option will not deliver the service improvements / efficiencies detailed in paragraph 3.

5. REASONS FOR RECOMMENDATIONS

Utilising in-cab devices with proven software will deliver operational efficiencies, reducing the reliance on paper systems, this change will improve communication with residents and waste operations managers and minimise human error, thereby improving the extent and reliability of the management information recorded by staff.

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

6.1 Financial Implications

The contract costs over the 5 year term are detailed below:

Year 1 - £141,700 – implementation cost / £31,400 – ongoing cost.

Year 2 - £31,400

Year 3 - £31,400

Year 4 - (Optional) £31,400

Year 5 - (Optional) £31,400

Total 3 Year Contract Value £235,900

Total 5Year Contract Value £298,700

The IT Development Fund has been fully utilised and has been integrated into the Enfield 2017 funding programmes. The project is recognised to be strategically important to the Council's transformation programme. Consequently, the £141,700 of implementation cost will be funded from the Council's Transformation funding or where appropriate the costs will be capitalised.

The annual maintenance cost of £31,400 will be met from the existing ICT revenue resources (FG0227).

These costs do not include the additional costs which will be incurred for the development of the necessary associated web-forms and interfaces to the Council's CRM system which will be the subject of a separate report.

6.2 Legal Implications

- 6.2.1 Section 1 of the Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The services proposed within this Report are incidental to the functions of the Council's departments and will ensure effective support to the Council.
- 6.2.2 The Council must comply with its Contract Procedure Rules ("CPRs"). It has been confirmed that approval from the Strategic Procurement Board has been obtained as has ICT project approval.
- 6.2.3 The Council's Constitution and in particular, the CPRs permit the Council to call-off from an existing framework as long as the framework terms permit such. The Council has procured the services in accordance with the Framework terms.
- 6.2.4 Pursuant to CPR 21 for every contract exceeding £250,000 the Council is required to obtain a performance bond or a parent company guarantee. As at this stage, it is unknown whether the Council shall exercise the option to extend the contract for a further 2 years, it shall be the Director of Finance, Resources & Customer Services' decision in accordance with CPR 21 as to whether a performance bond or a parent company guarantee is required.
- 6.2.5 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.6 All legal agreements arising from the matters described in this report must be approved by the Assistant Director of Legal and Governance Services.
- 6.2.7 As the entire (5 year) contract value exceeds £250,000 this is a Key Decision and the Council must comply with its Key Decision Procedure

7. KEY RISKS

- 7.1 The liability cap of the supplier is set at 125% of the fee payable under the contract, in view of the low contract value and the limited likely impact on the business of any system failure it is recommended that this be accepted. Any system risks identified during the project implementation will be recorded, mitigated and reviewed on an ongoing.
- 7.2 If staff, members and/or residents raise concerns over health & safety, privacy and equalities then there may be difficulties with implementation and/or reputational damage. Initial reviews of the implementation of similar systems elsewhere

indicate that there are no substantive concerns, but impact assessments have been carried out in some areas to address perceptions. INITIAL LIKELIHOOD: 3 (Possible). INITIAL IMPACT: 2 (Minor). RISK RESPONSE: Reduce and Accept. Confirmation of the need and scope for any relevant impact assessments will be sought during the implementation of the project as per Corporate procedures.

- 7.3 If there is a failure to implement the necessary components of the eforms, and the CRM system interfaces THEN the procured solution will be unable to function RESULTING IN a failure to secure the new ways of working. INITIAL LIKELIHOOD: Probable (4). INITIAL IMPACT: 2 (Minor). RISK RESPONSE: Reduce and Accept - Advice will be sought from the Interim State Design Manager and Head of Digital Delivery concerning what actions can be taken to mitigate these risks from within the scope of the project. The Project Manager will liaise with Corporate PMO to ensure that all digital delivery partners are aware of the project requirements and timescales. The Project Manager will monitor progress and the Business Case will be reviewed accordingly.
- 7.4 Appropriate security measures, including the storage of vehicles / devices in the Morson Road Depot will be introduced and reviewed on regular basis to mitigate against the loss of equipment from theft.
- 7.5 To note that the LASA Framework does not permit the variation of contract terms to require the provision of a performance bond to comply with Council's CPR requirements. To mitigate any risk of loss following company failure a credit report was obtained and analysed by Finance, with the company looking in a strong financial position and the Equifax report suggesting they should be able to deal with contracts up to £3,000,000.

8. IMPACT ON COUNCIL PRIORITIES

- 8.1 Fairness for All
N/A
- 8.2 Growth and Sustainability
N/A
- 8.3 Strong Communities
N/A

9. EQUALITY IMPACT IMPLICATIONS

N/A

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Supplier performance will be managed within Corporate IT Supplier Relationship Management Team.

11. HEALTH AND SAFETY IMPLICATIONS

N/A

12. PUBLIC HEALTH IMPLICATIONS

N/A

Background Papers

None