

## MUNICIPAL YEAR 2016/2017

### **ACTION TAKEN UNDER DELEGATED AUTHORITY**

#### **OPERATIONAL DECISION OF:**

Director – Regeneration and  
Environment

#### **REPORT OF:**

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#### **Agenda – Part 1**

**KD Num: 4019**

#### **Subject:**

Channel Island and Beaconsfield Road:  
New Heating Installation and associated  
works: Professional fees

**Wards:** Enfield Lock & Enfield  
Highways

### **1. EXECUTIVE SUMMARY**

- 1.1 Due to the specialist nature of the proposed work, one consultancy firm selected from the Brent Housing Partnership Framework was invited to bid for the provision of multi-disciplinary consultancy services on the basis of direct call off, for the procurement of ground and air source heating and associated works to 8 blocks at Channels Islands and Beaconsfield Road Estates.
- 1.2 This report seeks approval to accept Consultant A's fee bid obtained by direct call off from the Brent Housing Partnership Framework.

### **2. RECOMMENDATIONS**

- 2.1 To note the content of this Report and accept the bid received from Consultant A on the basis that it has satisfactorily demonstrated best value to the Council.
- 2.2 Agree the outcome of the procurement process and authorise the decision to award the Consultancy Services Contract to Consultant A .
- 2.3 To approve use of the Council's Housing Capital Programme Budget 2016-2017 in order to fund the consultancy services contract.

### **3 BACKGROUND**

- 3.1 The consultancy services contract is to be funded from the Council's Housing Capital Programme budget.
- 3.2 Consultant A is required to provide a multi-disciplinary procurement and contract administration service for the delivery of the following works:-
- Air Source Heating (Kettering Road Estate)
  - Ground Source Heating (Beaconsfield Road Estate)
  - Renewal of cladding to Dorset and Keys Houses (Kettering Road)
  - Window and curtain walling renewal – Dorset and Keys Houses
  - Emergency lighting
- 3.3 Consultant A will be expected to undertake duties in accordance with the "General Conditions" and "Tender Particulars" set out in the briefing documents.

The Council have procured this consultant from the Brent Housing Partnership Framework managed by Brent Council. Approval to use this framework was given under a separate Report on the 16<sup>th</sup> June 2016 (Key Decision Number 4254).

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The contract provides for consultancy services to oversee the development of the Channel Island and Beaconsfield, New Heating Installation scheme. This project forms part of the Housing Capital Programme and will benefit from both ECO and RHI funding.

The blocks selected for the works were identified as priorities from stock condition information held by the Council, and as such no other alternatives were considered.

### **5 REASONS FOR RECOMMENDATIONS**

- 5.1 Due to the specialist nature of the project and the Consultants previous experience on a similar project, it is recommended that the contract is awarded to Consultant A. This recommendation is based on their fee bid offering value for money and being in accordance with the Council's guidelines.
- 5.2 Consultant A has previously carried out works for the Council and is considered to be professional and reliable.

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

### **6.1 Financial Implications**

- 6.1.1 The anticipated fee expenditure is based on a percentage fee submitted by the consultant.
- 6.1.2 The overall value of the project is estimated at £9,000,000 and the anticipated fee expenditure (excluding VAT) will be £449,100.
- 6.1.3 A fee of 0.4% of the contract value is also chargeable for use of the Brent Housing Partnership Framework at £36,000.
- 6.1.4 The fees will be funded from the Housing Capital Programme.

### **6.2 Legal Implications**

- 6.2.1 Section 111 of the Local Government Act 1972 ("LGA") 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 and the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. In addition, section 112 of the LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.
- 6.2.2 The Council must ensure that the recommended tender provides best value to the Council in accordance with its best value obligations under its Contract Procedure Rules ("CPRs") and the Local Government Act 1999. The Council must further ensure that a clear audit trail of its decision to award is kept.
- 6.2.3 The formation of all legal documentation required in association with this matter will be carried out in accordance with the Council's CPRs as set out in the Council's Constitution and will be in a form approved by the Assistant Director of Legal & Governance Services.

### **6.3 Property Implications**

- 6.3.1 There are no direct property implications associated with this appointment.

### **6.4 Leaseholder Implications**

- 6.4.1 6.4.1 There is no requirement for leaseholder consultation for the appointment of the consultant unless the contract is for more than 12 months, and the leaseholders' contribution to the work is £100 per accounting year.

### **6.5 Procurement Implications**

- 6.5.1 This contract has been procured in accordance with the Council's Contract Procedure Rules.

## 7 KEY RISKS

7.1 The main risks associated with this appointment are presented below in tabular form with corresponding mitigation actions.

	<b>Risk</b>	<b>Impact</b>	<b>Probability</b>	<b>Mitigation</b>	<b>Owner</b>
<b>1</b>	Non Delivery of Project	<b>H</b>	<b>L</b>	Develop project delivery plan, commission consultants promptly.	Major Works Team
<b>2</b>	Quality Issues	<b>H</b>	<b>M</b>	Set benchmarks, clear targets and milestones. Regular meetings with the consultants..	Project Manager
<b>3</b>	Cost Overrun	<b>M</b>	<b>H</b>	Rigorous Cost Planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis.	Major Works Team
<b>4</b>	Time Overrun	<b>H</b>	<b>M</b>	Monitor programme, monthly progress reports.	Major Works Team
<b>5</b>	Extended Resident Consultation	<b>M</b>	<b>L</b>	Establish key milestones and communication strategy at the outset.	Major Works Team
<b>6</b>	Additional Works Identified	<b>M</b>	<b>M</b>	Detail and agree revised scope of works, Establish and appropriate level of contingency	Major Works Team

7.2 The risk register will be constantly updated throughout the life of the project.

## 8 IMPACT ON COUNCIL PRIORITIES

### 8.1 Fairness for All

On completion, the 8 blocks benefitting from the works will have enhanced and upgraded facilities and will directly benefit the occupiers' quality of life.

### 8.2 Growth and Sustainability

Installing double glazing and improving thermal insulation will help to reduce heat loss and achieve noise reduction.

The new heating installations will reduce the heating charge to residents by approximately 50%.

### **8.3 Strong Communities**

Improving homes enables residents to achieve greater satisfaction and reduce household running costs.

## **9 EQUALITIES IMPACT IMPLICATIONS**

9.1. 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**

10.1 The new heating systems will reduce residents heating bills by approximately 50%.

## **11 HEALTH AND SAFETY IMPLICATIONS**

11.1 A Health and Safety Policy statement has been submitted by the consultant as part of the Framework accreditation process.

## **12 PUBLIC HEALTH IMPLICATIONS**

12.1 The works will improve the physical health of residents by reducing fuel poverty, creating warmer homes and improving respiratory health of children and older people. Additional benefits will accrue by reducing noise transmission.

12.2 Global warming has been described as the greatest threat to health of the 21st century. This work will help to mitigate that threat.

## **13 BACKGROUND PAPERS**

13.1 Contain exempt information.



## MUNICIPAL YEAR 2015/2016 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

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

**Agenda – Part: 1**

**KD Num: KD 4319**

**Subject:** Expenditure of professional fees to progress with planning applications for further Small Housing Sites Phase 2 schemes.

**Wards: All**

Contact officer and telephone number: Nick Fletcher

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### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out justification for further expenditure of professional fees to progress with architectural design, planning and other technical and professional services to enable the Council to expedite delivery timescales for over 100 homes and report to Cabinet with a viable business case for a package of scheme proposals for small sites, targeting starts on site in early 2017.
- 1.2 As recommended in the March 2016 report: "Small Housing Sites Phase 2: Group A Delivery", approved by Cabinet, approval for expenditure of further fees for more detailed design work in advance of Cabinet scheme approval will expedite the delivery of new housing.
- 1.3 All professional fees are capitalised and factored into development appraisals for each scheme and the fees proposed in this report have been or will be competitively procured to ensure best value.
- 1.4 Expenditure of the budget for professional fees in this report is subject to pre-application advice being received to avoid abortive work being undertaken. The Council will continue to undertake public consultation with local stakeholders.

### 2. RECOMMENDATIONS

It is recommended that the Director – Regeneration and Environment;

- 2.1 The total budget of £389,398.00 is committed, and expenditure of this budget is approved to progress with architectural design, planning and other technical professional services to enable the submission of planning applications. Expenditure of this budget on professional fees is subject to pre-application advice being received.

### **3. BACKGROUND**

- 3.1 In September 2014, Cabinet authorised a budget for feasibility work to bring forward new housing developments on underutilised Council owned sites; *'Small Housing Sites: Five Year Programme KD3920'*.
- 3.2 In October 2014, Peter Barber Architects were procured by the Council to provide architectural design work across the RIBA Plan of Work, and a budget was secured for design feasibility work. Peter Barber Architects have now designed a number of schemes, four of which now have planning consent (for 28 homes), and they are working on another twelve schemes for which planning applications are expected to be submitted this year.
- 3.3 For each emerging scheme since the budget for feasibility work was approved, separate project budgets have approved as part of each project business case, so that the Council can spend professional fees for more detailed design stage (for planning submission, and then for pre-tender stages). Part 2 of this report includes a breakdown of approved expenditure for Peter Barber Architects to date.
- 3.4 As recommended in the March 2016 report: "Small Housing Sites Phase 2: Group A Delivery", approved by Cabinet, approval for expenditure of further fees for more detailed design work can expedite delivery.

### **PROPOSED EXPENDITURE OF PROFESSIONAL FEES**

- 3.5 This report seeks a budget for expenditure of professional fees for work that has not yet been approved; this includes architecture, planning consultancy and various technical reports and surveys required for planning. The proposed expenditure of £495,014 of fees broken down in Part 2 of this report will be sufficient for a full planning application for each emerging scheme proposal to be submitted. Collectively it is anticipated that these schemes can deliver between 100-130 new homes.

#### Design fees

- 3.6 Architects will only be instructed to progress RIBA Stage 3 design work when pre-application advice has been received to avoid abortive work being undertaken.
- 3.7 Two different architect practices are currently working for the Council on the Small Housing Sites Phase 2 programme.
- 3.8 Peter Barber Architects have already been competitively procured and appointed to work on up to 30 sites, across all stages of the RIBA Plan of Work and approval of expenditure of their tendered fees within this report will provide sufficient authority to instruct them on further detailed design work. Four of the smaller schemes they are working on now have planning consent



or are being determined, while they are currently progressing with feasibility work for a number of other sites.

- 3.9 Levitt Bernstein Associates have recently been appointed by the Council to work across various housing development projects and they have been instructed to undertake feasibility studies for infill development on two estates.

#### Planning consultancy fees

- 3.10 Fee quotations were received and evaluated for the provision of planning consultancy services. After evaluation, HTA Design have been confirmed as the most competitive firm and details of their fee proposal are included in Part 2 of this report.

#### Pre-planning/Planning surveys and reports

- 3.11 A budget estimate for reports and surveys required for submitting a planning application for each scheme has also been included in Part 2 of the report. There are numerous reports and surveys required depending on the individual site which for example, include;
- topographical survey
  - daylight/sunlight assessment
  - transport assessment and parking surveys
  - flood risk assessment & SuDS strategy
  - arboricultural survey & tree constraints plan
  - ecology assessment
  - energy & sustainability assessment
- 3.12 The Council can achieve economies of scale by procuring these services together across the sites within similar timescales.

#### Financial appraisals

- 3.13 Development appraisals and cash flow analysis will need to be undertaken to demonstrate the financial viability of the next group of schemes. ProVal is being procured and will be used to undertake this work internally. Undertaking the financial appraisal work internally will produce a saving to the Council on consultant fees.

### **NEXT STEPS**

- 3.14 A report will go to Cabinet in late 2016 which will:
- set out a business case, based on financial work for funding new housing schemes which can provide over 100 new homes, funded by the HRA.
  - recommend a procurement strategy for construction of the new homes
  - delegate authority to enable all steps towards completion of new homes as effectively as possible.

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

- 4.1 Previously, a report has gone to Cabinet with a business case for a small housing sites project, based on feasibility studies and high level development appraisals. This has been sufficient to demonstrate that a project is viable; however it requires reporting to Cabinet again once more detailed schemes have been worked up and after pre-application advice/negotiations, fundamental design changes such as the level of accommodation are usually required.
- 4.2 Reporting to Cabinet twice has significant lead-in times and diverts resources from focussing on project delivery, and it also means that abortive financial appraisal work undertaken by consultants has been carried out as the design process is iterative.

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

- 5.1 Approving expenditure of professional fees now will expedite the delivery of new homes on Council owned sites as part of Small Housing Sites Phase 2. This will mean that a single report can be presented to Cabinet with recommendations based on more accurate information and fixed scheme designs. This will streamline the internal governance process, and reduce any abortive work to demonstrate a business case before and after design iterations have been made.
- 5.2 There are expected to be approximately ten planning applications which will propose in excess of 100 new homes across a number of sites as a result of expenditure of these fees.
- 5.3 All of the expenditure on these professional fees will be included within each development appraisal budget for each project or group of schemes, and costs will therefore be capitalised and paid back through capital receipts or revenue generated by new schemes.

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

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

- 6.1.1 There is scope within the current HRA Business Plan to set aside £389,398 in 2016/17 for this purpose, since ongoing annual underspends of more than this sum have been identified at closure of the 2015/16 accounts. Most of the expenditure, however, will be transferred as a cost to the new build schemes that move forward to development, and will be taken into account in assessing scheme viability. This means that the initial outlay costs will be

recouped by the HRA in the future through net rental income streams or sales or part sales of some of the units.

## **6.2 Legal Implications**

- 6.2.1 Section 1 of the Localism Act 2011 provides the Council with the power of general competence, thus giving local authorities power to do anything that individuals may generally do. Section 2 sets out the boundaries of the general power, requiring local authorities to act in accordance with statutory limitations or restrictions.
- 6.2.2 It is noted that a formal tendering exercise has been carried out as required by the Council's Contract Procedure Rules ("CPR's").
- 6.2.3 The award of the contracts for the various services being procured should represent value for money in accordance with the Best Value principles under the Local Government Act 1999.
- 6.2.4 The legal agreements relating to the appointment of consultants should be in a form approved by the Assistant Director (Legal Services and Governance).

## **6.3 Property Implications**

- 6.3.1 There are no direct Property Implications associated with the appointment of professional consultants in relation to the delivery of over 100 homes as part of a scheme for the development of small sites in the borough. As each scheme of development comes forward we will comment as appropriate on any property implications that arise.

## **7. KEY RISKS**

- 7.1 There are no key risks associated with this report. The Council will recoup the costs of fees through income associated with each development.

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

### **8.1 Fairness for All**

- 8.1.1 There is no impact directly through the appointment of consultants. The impact on Council priorities will be covered in Cabinet reports for projects as they come forward.

### **8.2 Growth and Sustainability**

- 8.2.1 There is no impact directly through the appointment of consultants. The impact on Council priorities will be covered in Cabinet reports for projects as they come forward.

### **8.3 Strong Communities**

- 8.3.1 There is no impact directly through the appointment of consultants. The impact on Council priorities will be covered in Cabinet reports for projects as they come forward.

## **9. EQUALITY IMPACT IMPLICATIONS**

- 9.1.1 There is no impact directly through the appointment of consultants. The impact implications will be covered in Cabinet reports for projects as they come forward.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 10.1 There are no public health implications arising from this report.

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

- 11.1 There are no Health & Safety implications arising from this report.

## **12. PUBLIC HEALTH IMPLICATIONS**

- 12.1 There are no public health implications arising from this report.

### **Background Papers**

No Background Papers.

## MUNICIPAL YEAR 2016/2017 REPORT NO.

### **ACTION TO BE TAKEN UNDER DELGATED AUTHORITY:**

### **PORTFOLIO DECISION OF:**

Cabinet Member for  
Finance and Efficiency

**Agenda – Part: 1**

**Item: KD 4245**

**Subject: Provision of Manned Guarding  
and Alarm Response Services**

**Wards: ALL**

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### **1. EXECUTIVE SUMMARY**

- 1.1** The London Borough of Enfield (the “Council”) entered into a contract in February 2011 with Contractor A (“Contract 1”) for the provision of security manned guarding and alarm response which expired on 14 February 2016.
- 1.2** The Council, in 2014, entered into a separate contract (“Contract 2”) with Contractor B for the provision of security services, covering - as an optional element - the provision of security manned guarding and alarm response (the ‘Services’). Contract 2 is due to expire on 30 June 2019, with the option to extend for a further two years.
- 1.3** It is proposed that the Council requests the provision of the Services under Contract 2 going forward. In order to implement this arrangement, a group of staff previously identified and currently employed by Contractor A (to provide the Services under Contract 1), will transfer to Contractor B in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”). The transferring staff have never been employed by the Council.

## **2. RECOMMENDATIONS**

That the Portfolio Member for Finance & Efficiency and the Director of Finance, Resources & Customer Services:

- 2.1** Approve the provision of the Services under Contract 2 with effect from 1 June 2016 until 30 June 2019, plus an extension of two years subject to satisfactory performance, monitored by KPI's.
- 2.2** Note that in order to implement this arrangement, a group of staff previously identified and currently employed by Contractor A (to provide the Services under Contract 1), will transfer to Contractor B, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").
- 2.3** Note that under the terms of Contract 2, the Council is required to pay the London Living Wage (LLW) to the transferring staff, who have not been in receipt of the LLW under Contract 1.

## **3. BACKGROUND**

- 3.1** Contract 1 was awarded in February 2011 after a full tender process supported by the Council's Procurement and Legal Teams, and expired on 1<sup>st</sup> February 2016. Contractor A has been notified by the Council that its Human Resources (HR) representative must liaise with the HR representative of Contractor B, in order to ensure a smooth transfer of employees process.
- 3.2** Contract 2 commenced on 1st April 2014 and was procured by tendering through the Council's London Tenders Portal, with the support of both Procurement and Legal Teams. The Services are included within the scope of services provided under Contract 2 as a 'Non-Core Optional Service Item'.
- 3.3** Both Contractor B and the Council have the option to terminate Contract 2 upon 6 months' written notice.
- 3.4** Please also see 6.4.1 and 6.4.2 below.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

The alternatives considered were:-

- 4.1** Not to provide manned guarding and alarm response. As this option will leave staff, the public and Council sites vulnerable, this option has been rejected.
- 4.2** To undertake a full OJEU tendering process. This option was rejected as an existing, fully tendered, security contract can be used (Contract 2).

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1** Contract 2 (an existing, fully tendered, security contract) is in place and should be used. Manned guarding was captured in the scope of Contract 2 when originally tendered and therefore inclusion of the Services will be a simple change control as per the terms of the contract.
- 5.2** The Council is committed to applying the London Living Wage and the extension of the policy to the security officers has been agreed by the Director of Finance, Resources and Customer Services.

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

### **6.1 Financial Implications**

- 6.1.1** See Part Two Report.

### **6.2 Legal Implications**

- 6.2.1** Section 1 of the Localism Act 2011 empowers the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. In addition, section 111 of the Local Government Act 1972 gives the Council the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations within this Report are in accordance with these powers.
- 6.2.2** A 'Contract Change Control Notice' in a form approved by the Assistant Director of Legal and Governance will need to be executed by Contractor B and the Council.
- 6.3 Property Implications**
- FM is in the Property team and has provided comments within sections 1 – 5 of the Part One report and section 6 of the Part Two report
- 6.4 Procurement Implications**
- 6.4.1** Contract 2 included the potential for manned guarding within the scope of services when originally tendered. The inclusion of this service from June 2016 will require a change control to include the necessary service levels and charges.
- 6.4.2** As a change in service provider TUPE will apply to this change control.

## **7. KEY RISKS**

No significant risks have been identified.

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

### **8.1 Fairness for All**

None

### **8.2 Growth and Sustainability**

None.

### **8.3 Strong Communities**

None

## **9. EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is neither relevant nor proportionate for the approval of this report.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

None

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

The Management of Health and Safety at Work Regulations 1999 require employers to manage health and safety by assessing risk. This means that employers must manage in the same way that they manage any other commercial activity, such as security.

## **12. HR IMPLICATIONS**

This would be a TUPE transfer of a service provision between the two contractors Guarding UK and OCS. Therefore LBE, the client for the service, would not be involved in the arrangements for the transfer of Guarding UK staff to OCS. However, TUPE implications should be addressed in the retendering and contractual arrangements, about which Management should seek advice from Legal Services.



### **13. PUBLIC HEALTH IMPLICATIONS**

Security and the perceptions of safety are public health issues and people will wish to be assured that Local Authority buildings are safe and secure. However, care should be taken in the deployment and use of security so as not to reinforce the perception that the outside is dangerous and needs guarding against. There should be recognition that 'security' can be a double-edged sword – on the one hand reassuring and protecting and on the other implying that there are threats to be protected against and that the other is not to be trusted. Broad consideration should therefore be given to how 'security' is used and the broader impression it conveys.

**Background Papers None**

