

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:

Cllr Ahmet Oykener
Cabinet Member for Housing & Housing Regeneration

REPORT OF:

Executive Director – HHASC

Agenda – Part: 1

KD Num: 4208

Subject: Award Report for Winchmore Hill – Major Works External Enveloping and Associated Repairs

Wards: Bush Hill Park, Grange, Palmers Green and Winchmore Hill

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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 KD4208
- 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).
- 2.3 That approval is given for additional professional fees as outlined in part 2 of this report.

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 Ten separate blocks within The Winchmore Hill area which include Farndale Avenue, Highfield House, Holly Lodge, Hyde Park Avenue 2 Blocks (2 Blocks) Moor Park House, (2 Blocks), Oxford Gardens, Rookby Court, and Village Road There are 147 properties in the scheme of which 78 are leasehold properties.
- 3.3. The scope of works that has been identified for inclusion within the scheme will typically include the following elements:

Pitched and flat Roof covering replacement together with Flat to pitched roof conversions, Window and door 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 Precaution works, Balcony walkway coatings and balustrading repairs/replacement, Pram shed refurbishment, Replacement of rain water goods, Communal lighting replacement.
- 3.4 Appointment of the Consultants was made following a competitive tender through the London Tenders Portal. The original fees for this scheme are covered by a separate Delegated Authority Operational Report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The scheme forms part of the Council's major works programme, which includes 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 Councils' 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

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: KD4208. 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 s.9 Housing Act 1985.
- 6.2.3 The Council must further ensure that leaseholder consultations (pursuant to the Service Charges (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987)) are carried out under s.20 Landlord and Tenant Act 1985 (as amended) prior to the award of the works contract to enable the Council to recover the costs from the leaseholders by way of recharging leaseholders, via service charges.
- 6.2.4 The Council further has power under s.111 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.

- 6.2.5 Additionally, the Council is empowered to enter into contracts for the discharge of its legal powers (s.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.
- 6.2.6 Seven contractors were selected from the Major Housing Works Framework ('Framework') to tender for the opportunity, on the basis of a single stage selective tender.
- 6.2.7 Five tenderers were received as two contractors declined to tender. The use of a compliant framework agreement is permitted under the Council's Contract Procedure Rules ('CPR's').
- 6.2.8 The Council must comply with all requirements of its constitution and CPRs. Throughout the engagement of Contractor A as a service provider, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to award these services to Contractor A in order to demonstrate that best value has been and will continue to be obtained for the Council.
- 6.2.9 A performance bond will be required from Contractor A, as outlined in the ITT, in accordance with CPR 21 and this must be executed and in place before works begin on site. Any resultant contract/ancillary legal documentation (where applicable) required in association with this matter must be in a form approved by the Assistant Director of Legal & Governance 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 and appended to the ITT pack pertaining to the Framework.
- 6.2.10 The contract price falls below the threshold for Public Works Contracts under the Public Contracts Regulations 2015 (PCRs 2015).

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 78 leaseholders involved in this contract, within the 10 Blocks identified for the proposed works.

6.4.2 The Notices of Intention [schedule 3] were served on 10th November 2017.

6.4.3 The Notices of Estimate are not required to be served during consultation under the frame work agreement. The total cost to leaseholders is estimated at £1,468,181.00. The average cost per leaseholder is £18,826.36 the lowest charge per leaseholder is £13,284.85 and the highest charge is £31,058.13. 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

6.5 Procurement Implications

6.5.1 Procurement undertaken via the framework agreement must be in line with framework terms and conditions, the PCR's and the Councils CPR's to ensure that the procurement is compliant.

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
3	Cost Overrun	M	L	Rigorous Cost Planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis	HPS
4	Time Overrun	H	M	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	HPS
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

8.1.1 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. Adherence to the policy will be confirmed by the contractor supplying relevant data sheets for specified materials or alternatives where these are accepted by the Council.

- 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.
- 8.3.2 Residents are notified of the scheme at feasibility stage and asked to make any comments they may wish to have considered at design stage. After this all residents and interested parties are invited to a public meeting to outline the findings of the feasibility report and to outline the proposed works. Following formal consultation with leaseholders all residents as invited to a public meeting with the contractor, prior to work starting on site.
- 8.3.3 Residents and leaseholders are advised via resident's packs, prior to work starting who their key contacts are both by Council staff and the contractor. The same packs provide details of the complaints procedures.
- 8.3.4 As the works progress residents, can attend meetings and receive updates and notifications as required.

8.3.5 On completion residents are asked to attend the final inspection with our Clerk of Works and advise on any outstanding issues. Residents are also provided with operating instructions and details of how to report defects throughout the one year defects liability period under the contract. On expiration of the defect liability period further letters are sent to residents requesting any remedial works arising during this time for action by the Contractor and advising them to report any defects to repairs thereafter.

8.3.6 A combined satisfaction survey is also carried out by the council and contractor. The results are used to inform the post contract review and decisions about using the contractor for the next round of tenders, particularly if their performance has been unsatisfactory.

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.

9.2

The successful appointed contractor is obliged to assist the council in meeting its obligations under the Equalities Act 2010. As part of this process individual requirements are addressed prior to starting on site to identify any adaptation work or specific needs that may be required by residents.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 The works will benefit 147 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, 'Winchmore Hill, 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.

12.2 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.

