

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:

Cllr Ahmet Oykenar
Cabinet Member for Housing &
Housing Regeneration

REPORT OF:

Chief Executive

Agenda – Part: 1

KD Num: 4424

Subject: Post Tender Report for New
Southgate – Major Works External
Enveloping and Associated Repairs

Wards: Southgate Green & Bowes

Contact officer and telephone number: Paul Hemmant – 0208 375 8312
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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 KD4424
- 1.3. Six contractors from the Major Housing Works Framework were invited to tender on the basis of single stage selective tender. Six tenders were submitted. One tenderer subsequently withdrew their tender bid. The lowest submitted priced tender received 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 A (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 Twenty eight separate blocks within The New Southgate area which include Bowes Road (5 blocks), Colebrook Way (2 Blocks, Cross Road, High Road (5 Blocks) Inverforth Road, Limes Close (3 Blocks), Massey Close (3 Blocks), Peverett Close, Seafeld Road (2 Blocks) Tash Place/Whitmore Close, Weld Place and Whitmore Close There are 245 properties in the scheme of which 151 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 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 compliant 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. KD4424. 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.
- 6.2.3 The Council must further ensure that leaseholder consultations (pursuant to the Service Charge (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987) are carried out Under section 20 of the 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 services charges.

- 6.2.4 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.
- 6.2.5 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.
- 6.2.6 Six contractors were selected from The Major Housing Works Framework ('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. ('CPRs')
- 6.2.7 The Council must comply with all requirements of its constitution and CPRs. Throughout the engagement of Contractor A as 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. 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.
- 6.2.8 A performance bond will be required from Contractor A in accordance with CPR 21 and must be executed and in place before works begin on site. Any resultant legal contract/ancillary legal documentation (where applicable) required in association with this matter must be in a form approved by the Director of Law and Governance The works contract terms are in the form of the JCT Intermediate Building Contract with Contractor's Design (2011 Edition) as amended by Trowers & Hamlin's.
- 6.2.9 The contract price falls above the threshold for Public Works Contracts under the Public Contracts Regulations 2015 (PCRs 2015) and therefore full EU procurement procedures apply. In light of this , the Council must ensure that it complies with the EU general principles of equality , transparency , proportionality , non- discrimination and mutual recognition when awarding any contract.

- 6.2.10 All legal agreements arising from the matters described in this Report must be approved by the Director of Law and Governance in advance of contract commencement.

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 151 leaseholders involved in this contract, within the 28 Blocks identified for the proposed works.
- 6.4.2 The Notices of Intention [schedule 3] were served on 28th July 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 £3,213,337.00. The average cost per leaseholder is £21,280.00 the lowest charge per leaseholder is £16,342.00 and the highest charge is £32,127.00. 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

8.1.1 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 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 245 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 Council's 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, 'New Southgate, 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.

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Cabinet Member for Environment

REPORT OF:
Executive Director –
Regeneration & Environment

Agenda – Part:)

KD Num:

**Subject: Broomfield Park Wetland
Proposal with lakes remediation**

**Wards: Southgate Green; Palmers
Green; Winchmore Hill**

Contact officer and telephone number: Graham Campbell 020 8379 4158
Email: graham.campbell@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 It is proposed to improve surface water management within Broomfield Park by creating a series of wetland features that store water during flood events. It is also proposed to restore flow to the existing lakes to revive them ecologically. £80k funding has been secured through The Rivers Trust. A further £25k of funding has been pledged from the Greater London Authority as part of the Greener City Fund Community Grant Scheme. It is also proposed to allocate up to £50k from Enfield's Borough Capital funding for Watercourses projects for 2017/18.
- 1.2 The development of the proposal has received support and active participation from the Friends of Broomfield Park.

2. RECOMMENDATIONS

- 2.1 To approve the works to create the wetlands in Broomfield Park and accept £105k of funding through partnership working with various interested parties and approve allocation of up to £50k from Enfield's Borough Capital funding for Watercourses projects for 2017/18.
- 2.2 To place orders through any existing relevant term contract or to invite and evaluate tenders/quotations and, where suitable tenders/quotations are received, to award contracts for the provision of works / services as appropriate.

3. BACKGROUND

- 3.1 Broomfield Park and the surface water sewers which flow through it sit within the Pymmes Brook catchment. This catchment is characterised as a highly urbanised catchment with a large proportion of impermeable areas generating runoff and hence a rapid or 'flashy' response to rainfall. A measure to manage this risk here was highlighted in the Local Flood Risk Management Strategy (2016) as an opportunity to store flood waters during extreme events and a space to apply natural flood management techniques.
- 3.2 In early 2017 an invitation to bid for funding was announced by the Rivers Trust. The fund is titled "*Replenishing the aquifer and chalk streams in the Thames Basin and South-East England*", it aims to deliver water management projects in the Thames and South-East river basin districts that improve water quality. The funding is supplied by the Coca-Cola Foundation and WWF as a strategic element working towards replenishing aquifer and chalk streams in their areas of operations as part of their global freshwater sustainability priorities.
- 3.3 Broomfield Park wetlands were submitted as a project for this fund, the bid was successful and therefore the scheme is eligible for £80k from this funding. The submission was made jointly by Enfield Council and Thames21 (a local waterway charity).
- 3.4 During summer 2017, Structures & Watercourses carried out a design of the constructed wetland scheme and conducted a public consultation. This has included dedicated events on site, a presence at the Palmers Green Community Festival and posters and drawings around the park. The proposals were widely supported by respondents, and has had the support of the Friends of Broomfield Park who assisted throughout the consultation.
- 3.5 The proposals for the scheme are to divert flow from an existing surface water drain which runs through the park to two newly constructed wetland cells. The approximate total area of the proposed scheme is 3,500m², with the wet area covering approximately 1,500m² and the dry weather depth of water 300mm. A visualisation and concept design is attached. Some of the areas around the scheme will be raised above the current ground level using spoil from the excavation. Other quantities of spoil will be incorporated into the landscape on site within the park. All details are to be included as part of a planning application due to be submitted in early 2018.
- 3.6 The wetland proposal will also add to other distributed flood storage features throughout the catchment, which by reducing flow rates aim to decrease the risk of flooding in the catchment. The precise number of properties that benefit from the wetlands has not been calculated because the hydraulic computer modelling needed to do this would draw a significant proportion of Enfield's contribution to the scheme. In

addition, it would be unlikely to influence the design of the wetlands which is based on the "natural flood management" principles of storing flood water and re connecting floodplains.

- 3.7 In preparation, as well as an advanced feasibility study to inform the design, the scheme has also been reviewed in terms of archaeology, heritage and ecology.
- 3.8 The main outcome from the wetlands consultation phase was that the lakes within the park require attention due to neglect, which has resulted in a blight in the park rather than a positive amenity. Research into the lakes has revealed that a surface water drain which fed the lakes from the main culvert has been dis-connected and currently relies on an overflow from the boating pond whose principle feed is a groundwater abstraction pump. However, the Environment Agency licence only permits a relatively small amount to be abstracted which is barely enough to keep the boating pond topped up and as such does not provide enough flow to prevent the lakes stagnating for most of the year. The EA would not permit the licensed abstraction volume to be increased as this catchment is considered to be over-abstracted already.
- 3.9 As a result of this, options are being considered for the restoration of flow into the lakes, which work in a cascade system, with accompanying treatment through reed-beds planted in dedicated areas of the lakes. An application for funding this element of the scheme was made to the Greater London Authority (GLA) as part of the Greener City Fund and subsequently approved.

4. ALTERNATIVE OPTIONS CONSIDERED

Do nothing: This scheme is part of a series of improvements to reduce risk of flooding to Edmonton and will contribute to peak flow reduction at Broomfield Park. To do nothing will lose an opportunity to attract significant funding to the London Borough of Enfield, to improve the environment and access to Broomfield Park as well as to reduce flood risk to adjacent properties and those downstream. Furthermore, it would mean the loss of an opportunity to comply with one of the actions identified in the Local Flood Risk Management Strategy.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Flood storage benefits from this type of measure which reduce the risk of flooding by reducing flow rates in the Pymmes Brook catchment utilising measures aligned to Natural Flood Management and SuDS.
- 5.2 Improved water quality reaching Pymmes Brook, this source has been tested with results indicating high levels of ammonia and phosphate.

- 5.3 Diverting flow further upstream into the series of lakes would look to achieve extra water quality improvements before the flows reached the newly constructed wetlands as well as improving the through flow into the deteriorating lakes.
- 5.4 Enhancement of the current amenity space by introducing new interesting features (wetlands).
- 5.5 Improved biodiversity in the park by creating different habitats.
- 5.6 Improved public perception and understanding of sustainable drainage and wetlands, and increased interaction with local waterways.

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

6.1 Financial Implications

- 6.1.1 The total cost of the project is £160,000. This is fully funded from existing 17/18 and 18/19 departmental capital budgets and external grants. The table below summaries the position

| <u>Description</u> | <u>Amount</u> <u>(£'000)</u> | <u>Source</u> | <u>Status</u> |
|-------------------------------|---------------------------------|---|---|
| 17/18 Feasibility (inc. fees) | 10 | 17/18 S & W Budget | Approved |
| Constructed Wetland | 110 | Rivers trust restoration grant £80k+ 18/19 S&W Budget-£30K | Budget approved, Grant secured |
| Lake restoration | 40 | Greener City Fund £25k+ 18/19 Parks Budget-£15K | Budget to be transferred from Parks 18/19 Capital approved, Grant secured |
| Total | 160 | | |

* The estimated costs include an amount for contingency

** Staff costs will be funded from existing budgets.

- 6.1.2 Both elements of the proposed projects will be subject to future maintenance costs which will be contained within existing budgets.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.
- 6.2.2 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. The proposals in this report are compliant with the Council's general power.
- 6.2.3 Furthermore, the recommendations in this report will enable the Council to fulfil its statutory duty as a Risk Assessment Management Authority (RMA). The Flood and Water Management Act 2010 requires RMAs to act in a manner that is consistent with the National Flood and Coastal Erosion Risk Management Strategy for England and the Local Flood Risk Management Strategy. The proposals in this report implement the actions identified in the latter.
- 6.2.4 When procuring relevant service providers, the Council must also comply with all requirements of its Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015 ("Regulations"), should the contract value be above the relevant EU Thresholds. The CPRs require a competitive tendering process for all contracts and the Council must ensure that the selection process is fair, transparent, proportionate and non-discriminatory. Each decision taken must be recorded in writing and all documentation supporting the decision must be retained.
- 6.2.5 The Council must at all times also adhere to the Duty of Best Value in accordance with the Local Government Act 1999.
- 6.2.6 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by Legal Services.

6.3 Property Implications

- 6.3.1 As part of the award of a contract for the construction of the scheme, consideration should be given to whether a contractor's compound will be required on site.
- 6.3.2 If a compound is necessary, this should be covered by a temporary licence to authorise the contractor's occupation, setting out the Council's requirements and the contractors liabilities.
- 6.3.3 These liabilities would include making good the land after the removal of the compound.

6.3.4 The requirement to obtain planning permission has been mentioned within section 3 above and no doubt this will cover the question of contractor's vehicle movement and any other site access matters.

7. KEY RISKS

7.1 The key risks to the delivery of the project:

| <u>Risk</u> | <u>Impact</u> | <u>Mitigation</u> |
|--|---|---|
| Relevant permissions from stakeholders are not secured through the planning process for the wetlands | Unable to use funding as specified resulting in loss of opportunity and funding | All relevant pre-application advisory services and consultations sought |
| Costs of the scheme are above those currently estimated | Further funding is required which is not readily available | Early engagement with contractors |
| Water quality of the surface water entering the lakes at the upstream end is of a poor quality | Ecological harm and complaints | Initial diversion measure will be reversible and alterable. The scheme aims to incorporate as many treatment measures as possible in order to improve the overall water quality |
| On-going maintenance measures cannot be completed due to resourcing issues | Completed project falls into disrepair and functionality is impaired | Design implemented based on sustainable features which require minimal maintenance and Health & Safety plan in accordance with Construction Design Management Regulations 2015 (CDM). Allowance from the funding towards sinking fund for future maintenance. Relevant training of parks maintenance operatives in place. |

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

- 8.1.1 The main purposes of the scheme is to address poor water quality and address risk of surface water flooding in the downstream area of the catchment. The aim is to reduce the risk of flooding to as many as is practicably possible, as part of an overall objective to reduce flood risk to all residents and businesses across the borough.
- 8.1.2 The combined proposals will improve the environment of the park for the local residents with an increase in bio-diversity and amenity areas.

8.2 Growth and Sustainability

- 8.2.1 The project manages flood risk and water quality is a sustainable way by using natural processes and diverting flow from an over capacity sewer system. The remediation of the lakes and the creation of an above ground water environment echoing historical water bodies in that area will be an example of an integrated environment.
- 8.2.2 Further improvements and considerations to the general heritage, cultural and ecological environment will be realised.

8.3 Strong Communities

The Friends of Broomfield Park, other local groups and employers in the area will be engaged throughout and beyond the process, with the involvement of local charity Thames 21, all funders and volunteer events and educational opportunities.

9. EQUALITY 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 to access funding for, and approve the proposals for the Broomfield Park Wetland with lakes remediation.
- 9.2 However an EQIA should be undertaken to inform the design and access for the proposed renewed area, and any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.
- 9.3 The project aims to create a sustainable and accessible green space which alleviates flood risk for a number of properties.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The development of the scheme will satisfy actions derived from the Surface Water Management Action Plan (SWMP) and the Local Flood Risk Management Strategy (LFRMS) by alleviating surface water flows to reduce run-off rates (LFRMS objective 4) and protect existing properties from flooding (LFRMS objective 5).

11. HEALTH AND SAFETY IMPLICATIONS

The scheme will be designed in accordance with the Construction Design and Management Regulations 2015, and industry good-practice standards, to be safe for members of the public. For example, open water features are surrounded by vegetated margins and slopes are designed to be shallow to reduce the risk of accidental entry into the water.

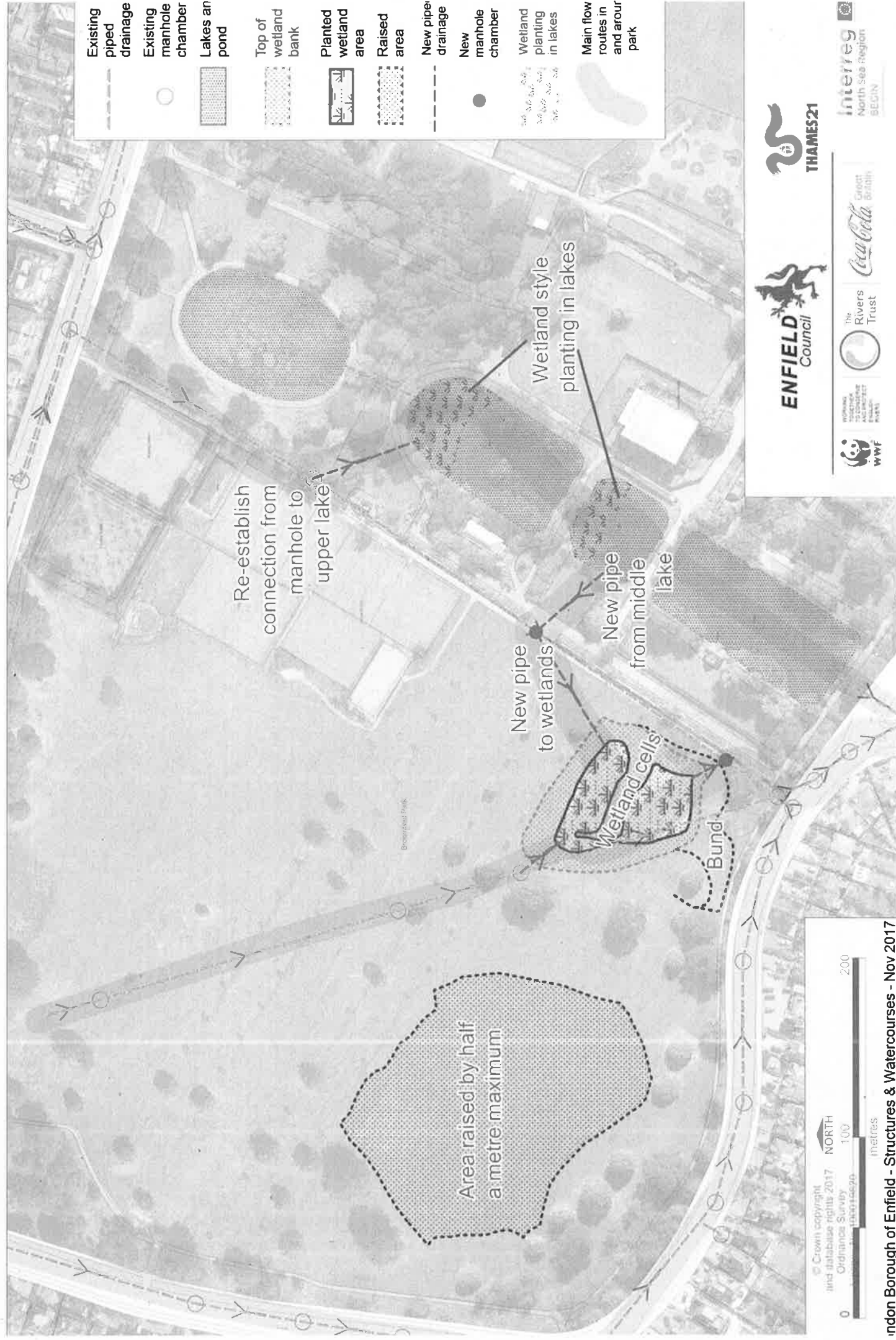
12. PUBLIC HEALTH IMPLICATIONS

These improvements to the environment will reduce risk of flooding, improve the environment and encourage residents to visit the park so increasing the physical activity offer in Enfield.

Background Papers

None

Broomfield Park - Surface Water Management Improvements - Constructed Wetlands and Lake Flow Restoration



MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY:

REPORT OF:

The Assistant Director
of Strategic Property
Services

OPERATIONAL DECISION OF:

The Executive Director of Finance, Resources & Customer Services in
conjunction with the Cabinet member for Finance and Efficiency.

Contact officer and telephone number:

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|--|----------------|
| Agenda – Part: 1 | Item: - |
| Subject: Civic Centre Leasing | |
| Wards: All | |
| Key Decision No: - 4095 | |
| Cabinet Member consulted: - Cllr Lemonides & Sitkin | |

1. EXECUTIVE SUMMARY

- 1.1 This report concerns the leasing of the 5th floor, A Block at the Council's Civic Centre in Enfield Town, EN1.
- 1.2 Approval is required to grant a lease for a 5 year term with five yearly upward only rent reviews.
- 1.3 The tenant is METASWITCH NETWORKS LTD and has chosen Enfield Town as a place to relocate their back office functions from Barnet in preference to other London Boroughs.

2. RECOMMENDATIONS

- 2.1 To approve the grant of a 5 year lease for the 5th floor of the Civic Centre to the METASWITCH NETWORKS LTD as noted in Part two of this report.

3. BACKGROUND

- 3.1 This report concerns the leasing of a floor of the Civic Centre to METASWITCH NETWORKS LTD as part of the Council's on-going commitment to work in a collaborative partnership with organisations that support the whole Borough.

- 3.2** The impact Article 4 Direction (Permitted Development Rights) for the conversion of offices to residential dwellings has meant the supply of office accommodation within Enfield Town has declined drastically to the point that there is a void/null of good quality space in the market.
- 3.3** METASWITCH NETWORKS LTD is based in the UK in Enfield and this short term letting of a floor is to enable them sufficient space whilst their development of their new HQ building at Genotin Road is completed.
- 3.4** The 5th floor space has been recently refurbished to a high standard as part of the 5 year rolling Civic Centre refurbishment programme and includes all new fixtures, fittings, furniture and IT equipment.
- 3.5** The length of the lease, starting in July 2018 is 5 years and the lease is contracted out of the Landlord and Tenant Act 1954. The rent is an all-inclusive market rate comparable with recent lettings in the area. This will include an element of service charge, business rates and rent apportioned and attributed to the floors.
- 3.6** High-level costings provided by Strategic Property Services to the prospective tenant suggest that a shared accommodation option offers the best chance to reduce existing accommodation expenditure in the short term for both parties.
- 3.7** The economic benefits for the wider Enfield Town will be evident in the months to come. Businesses such as cafes, restaurants and retail outlets will benefit from the increase in footfall and trade.
- 3.8** As New Ways of Working (NWW) embeds within Enfield's working practices, demand for the amount of office accommodation we need continues to reduce. Audits of workspace within the Civic Centre, show that our office space remains underutilised despite operating at our current 6:10 desk to staff ratio.
- 3.9** Opportunities for remote and home working continue to increase as our managers use of performance management techniques improves, staff recognise the benefits in relation to their work/life balance and as the IT we supply (including the delivery of the Mobile Working programme) complements our working practices.
- 3.10** The Council are now confident that we can further improve our utilisation of office accommodation by moving to a 5:10 desk to staff ratio throughout the Civic Centre. With this in place and a number of associated office moves, further floors within the Tower could swiftly be readied for occupation for a co-located partner.
- 3.11** The content of this report should justify that the letting is in the best interest of the Council and the Council have obtained best value under consideration of s123 of the Local Government Act 1972.

- 3.12** Subsequently, GVA were instructed to carry out a rental assessment of the floors and level of service charge per square foot to be levied, their advice confirmed the Council's internal valuation was justified and correct.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1** Not to grant a lease will be a missed opportunity for both organisations as it would undoubtedly will lead to greater efficiencies on both sides of the fence and a closer collaborative working approach to solve the Boroughs needs.

5. REASONS FOR RECOMMENDATIONS

- 5.1** It is recommended that the lease for the 5th floor be granted to the Lessee for a term of five years for the reasons stated within the body of this report.

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

6.1 Financial Implications

See Part 2 Report

6.2 Legal Implications

See Part 2 Report

6.3 Property Implications

- 6.3.1** As included within the report.

- 6.3.2** The letting has been undertaken in compliance with the PPR's.

- 6.3.3** The tenant is to be granted a lease outside of the Landlord & Tenant Act (1954) for a term of 5 years with five yearly upward only rent reviews/RPI. The Lease is on a Full Internal Repairing Only basis. Insurance will be collected by way of a rechargeable premium at the end of each year.

- 6.3.4** This means that it is the tenant's responsibility to maintain the internal condition of the Property from structural slab to structural slab over the next 5 years. A full photographic condition survey will be appended to the lease.

- 6.3.5** A full inventory of fixtures, fittings and equipment (FF&E) is included and will be appended to the lease. All responsibility for the malfunction or repair of any equipment the tenant will contact the Council and a like for like replacement will be fitted at cost.

7. KEY RISKS

- 7.1** Not agreeing to the new lease will result in the loss of income to the Council and a beneficial longer term working relationship.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The leasing of the Civic Centre will enable closer working relationships with partners within the Borough, allowing for more strategic delivery that will benefit all residents within the Borough.

8.2 Growth and Sustainability

The letting will increase the lunchtime and evening trade to businesses within Enfield Town adding to growth, much required investment and increase footfall numbers within Enfield Town.

The longer term goal for both the Council and METASWITCH NETWORKS LTD is to provide services that will sustain the viability of business models moving forward. This will add value by utilising cross collaborative techniques and working better together which, in turn will lead to efficiencies for both parties.

8.3 Strong Communities

The letting will enable stronger community relationships as the Civic Centre will become a more central hub for all of the Borough's Service delivery.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1** It is not relevant to carry out an equality impact assessment for this proposal to award the lease as the health body is a public body and they are required to avoid discrimination within their organisation and in their dealing with all members of the community.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Strategic Property Services (SPS) will act as landlord; monitor the lease covenants and performance of the tenant. SPS will also have regular meetings with the tenants and advise them of changes through the Civic Working User Group.

11. HEALTH AND SAFETY IMPLICATIONS

The new tenants will receive an induction together with a welcome pack which will have all the health and safety considerations.

12. PUBLIC HEALTH IMPLICATIONS

Not applicable.

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY:

REPORT OF:

The Assistant Director
of Strategic Property
Services

OPERATIONAL DECISION OF:

The Executive Director of Finance, Resources & Customer Services and
the Cabinet Member for Finance & Efficiency.

Contact officer and telephone number:

Mohammed Lais – 0208 379 4004 email: mohammed.lais@enfield.gov.uk

| | |
|--|----------------|
| Agenda – Part: 1 | Item: - |
| Subject: Civic Centre Leasing | |
| Wards: All | |
| Key Decision No: - 4095 | |
| Cabinet Member consulted: - Cllr Lemonides & Sitkin | |

1. EXECUTIVE SUMMARY

- 1.1 This report concerns the leasing of the 6th floor, A Block at the Council's Civic Centre in Enfield Town, EN1
- 1.2 Approval is required to grant a lease for a 10 year term with five yearly upward only rent reviews.
- 1.3 The tenant is EBSCO and has chosen Enfield Town as a place to relocate their back office functions from Barnet in preference to other London Boroughs and locations.

2. RECOMMENDATIONS

- 2.1 To approve the grant of a 10 year lease for the 6th floor of the Civic Centre to the EBSCO as noted in Part two of this report.

3. BACKGROUND

- 3.1 This report concerns the leasing of a floor of the Civic Centre to EBSCO as part of the Council's on-going commitment to work in a collaborative partnership with organisations that support the whole Borough.

- 3.2** The impact Article 4 Direction (Permitted Development Rights) for the conversion of offices to residential dwellings has meant the supply of office accommodation within Enfield Town has declined drastically to the point that there is a void/null of good quality space in the market.
- 3.3** In February 2017, The Council appointed joint agents Lambert Smith Hampton and GVA to source potential tenants for the 'Tower' off market. The Civic Centre has not been actively marketed and potential tenants have been sourced through the Office Agency.
- 3.4** EBSCO Information Services is a division of EBSCO Industries, Inc., one of the largest privately held and family-owned companies in the United States. EBSCO Industries, Inc. has been in business since 1944. Starting out as a small subscription agency, EBSCO quickly became a pioneer in the library services industry. EBSCO invests in the library business to ensure the long-term growth of products, services and technologies for their customers.
- 3.5** EBSCO has partnered with libraries for more than 70 years by providing quality research content, powerful search technologies and intuitive delivery platforms. The company offers technologies that make workflows easier for all, offer premium content through databases, e-books, journals and magazines, as well as a versatile discovery tools for searching across all library resources. The content and feature-rich technology platforms serve the needs of researchers at all levels, whether they access EBSCO products at academic institutions, schools, public libraries, hospitals, medical institutions, corporations or government institutions.
- 3.6** EBSCO maintains a Dun & Bradstreet financial strength rating of 5A1—the highest awarded — which underscores the importance of the covenant strength as they are a private company. Forbes magazine ranks EBSCO as one of the top 200 largest privately-held companies in the United States.
- 3.7** The 6th floor space has been recently refurbished to a high standard as part of the 5 year rolling Civic Centre refurbishment programme and includes all new fixtures, fittings, furniture and IT equipment.
- 3.8** The length of the lease, starting in May 2018 is 10 years with five yearly rent reviews and the lease is contracted out of the Landlord and Tenant Act 1954. The rent is an all-inclusive market rate comparable with recent lettings in the area. This will include an element of service charge, business rates and rent apportioned and attributed to the floors.
- 3.9** High-level costings provided by Strategic Property Services to the prospective tenant suggest that a shared accommodation option offers the best chance to reduce existing accommodation expenditure in the short term for both parties.
- 3.10** The economic benefits for the wider Enfield Town will be evident in the months to come. Businesses such as cafes, restaurants and retail outlets will benefit from the increase in footfall and trade.

- 3.11** As New Ways of Working (NWW) embeds within Enfield's working practices, demand for the amount of office accommodation we need continues to reduce. Audits of workspace within the Civic Centre, show that our office space remains underutilised despite operating at our current 6:10 desk to staff ratio.
- 3.12** Opportunities for remote and home working continue to increase as our managers use of performance management techniques improves, staff recognise the benefits in relation to their work/life balance and as the IT we supply (including the delivery of the Mobile Working programme) complements our working practices.
- 3.13** The Council are now confident that we can further improve our utilisation of office accommodation by moving to a 5:10 desk to staff ratio throughout the Civic Centre. With this in place and a number of associated office moves, further floors within the Tower could swiftly be readied for occupation for a co-located partner.
- 3.14** The content of this report should justify that the letting is in the best interest of the Council and the Council have obtained best value under consideration of s123 of the Local Government Act 1972.
- 3.15** Subsequently, GVA and Lambert Smith Hampton were instructed to carry out a rental assessment of the floors and level of service charge per square foot to be levied, their advice confirmed the Council's internal valuation was justified and correct.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1** Not to grant a lease will be a missed opportunity for both organisations as it would undoubtedly will lead to greater efficiencies on both sides of the fence and a closer collaborative working approach to solve the Boroughs needs.

5. REASONS FOR RECOMMENDATIONS

- 5.1** It is recommended that the lease for the 6th floors be granted to the Lessee for a term of ten years for the reasons stated within the body of this report.

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

6.1 Financial Implications

See Part 2 Report

6.2 Legal Implications

See Part 2 Report

6.3 Property Implications

6.3.1 As included within the report.

6.3.2 The letting has been undertaken in compliance with the PPR's.

6.3.3 The tenant is to be granted a lease outside of the Landlord & Tenant Act (1954) for a term of 10 years with five yearly upward only rent reviews/RPI. The Lease is on a Full Internal Repairing Only basis. Insurance will be collected by way of a rechargeable premium at the end of each year.

6.3.4 This means that it is the tenant's responsibility to maintain the internal condition of the Property from structural slab to structural slab over the next 10 years. A full photographic condition survey will be appended to the lease.

6.3.5 A full inventory of fixtures, fittings and equipment (FF&E) is included and will be appended to the lease. All responsibility for the malfunction or repair of any equipment the tenant will contact the Council and a like for like replacement will be fitted at cost.

7. KEY RISKS

7.1 Not agreeing to the new lease will result in the loss of income to the Council and a beneficial longer term working relationship.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The leasing of the Civic Centre will enable closer working relationships with partners within the Borough, allowing for more strategic delivery that will benefit all residents within the Borough.

8.2 Growth and Sustainability

The letting will increase the lunchtime and evening trade to businesses within Enfield Town adding to growth, much required investment and increase footfall numbers within Enfield Town.

The longer term goal for both the Council and EBSCO is to provide services that will sustain the viability of business models moving forward. This will add value by utilising cross collaborative techniques and working better together which, in turn will lead to efficiencies for both parties.

8.3 Strong Communities

The letting will enable stronger community relationships as the Civic Centre will become a more central hub for all of the Borough's Service delivery.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1** It is not relevant to carry out an equality impact assessment for this proposal to award the lease as the health body is a public body and they are required to avoid discrimination within their organisation and in their dealing with all members of the community.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Strategic Property Services (SPS) will act as landlord; monitor the lease covenants and performance of the tenant. SPS will also have regular meetings with the tenants and advise them of changes through the Civic Working User Group.

11. HEALTH AND SAFETY IMPLICATIONS

The new tenants will receive an induction together with a welcome pack which will have all the health and safety considerations.

12. PUBLIC HEALTH IMPLICATIONS

Not applicable.

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY:

REPORT OF:

The Assistant Director of
Strategic Property Services

OPERATIONAL DECISION OF:

The Executive Director of Finance, Resources & Customer Services in
conjunction with the Cabinet Member for Finance and Efficiency.

Contact officer and telephone number:

Mohammed Lais – 0208 379 4004 email: mohammed.lais@enfield.gov.uk

Agenda – Part: 1

Item: -

Subject: Civic Centre Leasing

Wards: All

Key Decision No: - 4095

**Cabinet Member consulted: - Cllrs
Lemonides & Sitkin.**

1. EXECUTIVE SUMMARY

- 1.1 This report concerns the leasing of the 7th floor, A Block at the Council's Civic Centre in Enfield Town, EN1.
- 1.2 Approval is required to grant a lease for a 10 year term with five yearly upward only rent reviews.
- 1.3 The tenant is WATES GROUP and has chosen Enfield Town as a place to relocate their back office functions in preference to other London Boroughs.

2. RECOMMENDATIONS

- 2.1 To approve the grant of a 10 year lease for the 7th floor of the Civic Centre to the WATES GROUP as noted in Part two of this report.

3. BACKGROUND

- 3.1 This report concerns the leasing of a floor of the Civic Centre to WATES Group as part of the Council's on-going commitment to work in a collaborative partnership with organisations that support the whole Borough.

- 3.2** The impact Article 4 Direction (Permitted Development Rights) for the conversion of offices to residential dwellings has meant the supply of office accommodation within Enfield Town has declined drastically to the point that there is a void/null of good quality space in the market.
- 3.3** In February 2017, The Council appointed joint agents Lambert Smith Hampton and GVA to source potential tenants for the 'Tower' off market. The Civic Centre has not been actively marketed and potential tenants have been sourced through the Office Agency of each firm.
- 3.4** Wates are one of the largest privately-owned construction, development and property services companies in the UK which started out in 1897. Wates employs over 4,000 people and work with more than 10,000 supply-chain operatives and partners to successfully deliver our projects throughout the UK. The Company is in the fourth generation of family ownership, Wates' professional family shareholders are committed to the future of the business, growing the Wates Group in a sustainable way over the long term, with a view to handing over to the next generation.
- 3.5** Wates are of good covenant strength with turnover exceeding £1.4bn in 2015/16 and showing a 23% rise in operating profits for the year 2017.
- 3.6** The 7th floor space has been recently refurbished to a high standard as part of the 5 year rolling Civic Centre refurbishment programme and includes all new fixtures, fittings, furniture and IT equipment.
- 3.7** The length of the lease is 10 years with five yearly rent reviews and the lease is contracted out of the Landlord and Tenant Act 1954. The rent is an all-inclusive market rate comparable with recent lettings in the area. This will include an element of service charge, business rates and rent apportioned and attributed to the floors.
- 3.8** High-level costings provided by Strategic Property Services to the prospective tenant suggest that a shared accommodation option offers the best chance to reduce existing accommodation expenditure in the short term for both parties.
- 3.9** The economic benefits for the wider Enfield Town will be evident in the months to come. Businesses such as cafes, restaurants and retail outlets will benefit from the increase in footfall and trade.
- 3.10** As New Ways of Working (NWW) embeds within Enfield's working practices, demand for the amount of office accommodation we need continues to reduce. Audits of workspace within the Civic Centre, show that our office space remains underutilised despite operating at our current 6:10 desk to staff ratio.
- 3.11** Opportunities for remote and home working continue to increase as our managers use of performance management techniques improves, staff recognise the benefits in relation to their work/life balance and as the IT we supply (including the delivery of the Mobile Working programme) complements our working practices.

- 3.12** The Council are now confident that we can further improve our utilisation of office accommodation by moving to a 5:10 desk to staff ratio throughout the Civic Centre. With this in place and a number of associated office moves, further floors within the Tower could swiftly be readied for occupation for a co-located partner.
- 3.13** The content of this report should justify that the letting is in the best interest of the Council and the Council have obtained best value under consideration of s123 of the Local Government Act 1972.
- 3.14** Subsequently, GVA and Lambert Smith Hampton were instructed to carry out a rental assessment of the floors and level of service charge per square foot to be levied, their advice confirmed the Council's internal valuation was justified and correct.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1** Not to grant a lease will be a missed opportunity for both organisations as it would undoubtedly will lead to greater efficiencies on both sides of the fence and a closer collaborative working approach to solve the Boroughs needs.

5. REASONS FOR RECOMMENDATIONS

- 5.1** It is recommended that the lease for the 7th floors be granted to the Lessee for a term of ten years for the reasons stated within the body of this report.

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

6.1 Financial Implications

See Part 2 Report

6.2 Legal Implications

See Part 2 Report

6.3 Property Implications

- 6.3.1** As included within the report.
- 6.3.2** The letting has been undertaken in compliance with the PPR's.
- 6.3.3** The tenant is to be granted a lease outside of the Landlord & Tenant Act (1954) for a term of 10 years with five yearly upward only rent reviews/RPI. The Lease is on a Full Internal Repairing Only basis. Insurance will be collected by way of a rechargeable premium at the end of each year.
- 6.3.4** This means that it is the tenant's responsibility to maintain the internal

condition of the Property from structural slab to structural slab over the next 10 years. A full photographic condition survey will be appended to the lease.

- 6.3.5 A full inventory of fixtures, fittings and equipment (FF&E) is included and will be appended to the lease. All responsibility for the malfunction or repair of any equipment the tenant will contact the Council and a like for like replacement will be fitted at cost.

7. KEY RISKS

- 7.1 Not agreeing to the new lease will result in the loss of income to the Council and a beneficial longer term working relationship.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The leasing of the Civic Centre will enable closer working relationships with partners within the Borough, allowing for more strategic delivery that will benefit all residents within the Borough.

8.2 Growth and Sustainability

The letting will increase the lunchtime and evening trade to businesses within Enfield Town adding to growth, much required investment and increase footfall numbers within Enfield Town.

The longer term goal for both the Council and WATES is to provide services that will sustain the viability of business models moving forward. This will add value by utilising cross collaborative techniques and working better together which, in turn will lead to efficiencies for both parties.

8.3 Strong Communities

The letting will enable stronger community relationships as the Civic Centre will become a more central hub for all of the Borough's Service delivery.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 It is not relevant to carry out an equality impact assessment for this proposal to award the lease as the health body is a public body and they are required to avoid discrimination within their organisation and in their dealing with all members of the community.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Strategic Property Services (SPS) will act as landlord; monitor the lease covenants and performance of the tenant. SPS will also have regular meetings with the tenants and advise them of changes through the Civic Working User Group.

11. HEALTH AND SAFETY IMPLICATIONS

The new tenants will receive an induction together with a welcome pack which will have all the health and safety considerations.

12. PUBLIC HEALTH IMPLICATIONS

Not applicable.

MUNICIPAL YEAR 2017/2018 REPORT NO.

PORTFOLIO REPORT OF:

Director of Finance,
Resources and Customer
Services in conjunction
with the Cabinet Member
for Finance and Efficiency

| | |
|--|-----------------|
| Agenda – Part:1 | KD: 4448 |
| Subject: Disposal of Honeysuckle House | |
| Wards:All | |
| Cabinet Member consulted: Cllr Dino Lemonides | |

Contact officer and telephone number: Doug Ashworth x3184

E mail: doug.ashworth@enfield.gov.uk

1. EXECUTIVE SUMMARY

A Report to Cabinet in January 2017 under KD4448 authorised the disposal of the asset listed in this report.

This report seeks approval for the sale of Honeysuckle House on the terms set out in this Report.

This asset is considered either surplus to the Council's operational requirements or otherwise in the Council's best interests to sell. These sales will contribute to improving the Council's budget position and transformation agenda.

2. RECOMMENDATIONS

- 2.1 That approval is given to the disposal of Honeysuckle House on the terms set out in this report.
- 2.2 To delegate authority to the Assistant Director (Strategic Property Services) to negotiate any non -material changes to the terms of sale including.
- 2.3 To delegate authority to the Assistant Director (Strategic Property Services) to dispose of the asset to the underbidder(s) in the event of the preferred bidder withdrawing from the sale subject to satisfying Best Consideration criteria and otherwise in accordance with the Council's Property Procedure Rules

3. BACKGROUND

3.1 The Council set a disposals target of £10m for 2017/18 with sales expected to be achieved from a continuous review of opportunities from previous tranches 1-8 and ongoing work on new opportunities.

3.2 The Cabinet meeting on 18th January 2017 under KD number 4888 approved the disposal of the following Tranche 8 properties, in principle, which have been identified as either surplus to operational requirements or otherwise in the Council's best interests to sell :

1. Honeysuckle House (former care home)

3.3 Honeysuckle House was previously marketed in January 2017 and a bidder was chosen to acquire the property subject to contract, however this purchaser subsequently made the contract conditional and the Council decided to withdraw this property and remarket at a later date.

3.4 Our co-source property consultant partner, GVA began marketing the sites in November. GVA undertook the following marketing campaign on the Council's behalf:

1. Setting up of Data Rooms and e-brochures
2. Advertising in the local press (14th November 2017)
3. Advertising in the Estates Gazette
4. Distributing particulars to GVA's national databases of prospective purchasers.

3.5 Bids were requested on 2 bases, wholly unconditional and conditional on receipt of planning consent.

3.6 The bid deadline date was set for the 1st December 2017 and the Council received a very significant level of interest. The top four bidders for each property were then invited to submit Best and Final offers by noon Wednesday 15th December 2017.

3.7 Each of the bids were then compared and evaluated in a matrix against the following criteria :

- Offer level
- Offer type
- Timescale to completion
- Conditions attached to offer
- Realistic/Unrealistic scheme proposals
- Affordable Housing offer
- Track record
- Funding source

- Approval process
- Nomination rights offered /cost avoidance

3.8 The evaluation process then resulted in the following set of proposals :

3.9 PROPOSALS

Honeysuckle House, Oakthorpe Road, Palmers Green, N13

26 bids were received with 15 unconditional bids, and 11 conditional bids on a subject to planning basis. All these bids were analysed using the evaluation matrix attached at appendix A.

The most economically advantageous offer was received from Bidder A with an unconditional offer with plans to redevelop the site for a residential purposes. Offer details are detailed in the part 2 report.

The rationale for accepting the bid is as follows:

- The bid from Bidder A was the highest wholly unconditional offer.
- In comparison with the highest conditional offer, on a subject to planning basis, it was highly likely that the scheme proposals submitted as part of the bid would have been reduced thereby resulting in a very significant reduction in capital receipt owing to the scheme proposals showing a much higher density of development than would have been permitted by the Local Planning Authority.
- In addition, by applying a Net Present Value factor using the treasury "Green Book" discount rate this would have resulted in a further significant reduction in capital receipt in real terms to take account of the lengthy period it would take to obtain planning consent and potentially planning appeal.
- Completion with Bidder A is not subject to property and building due diligence as required by other parties bidding on a partially unconditional basis.
- The transaction will complete by 31st March 2018.
- Background checks on track record, proof and source of funds were satisfactory.
- A bank valuation is not required to complete transaction.
- No further board approvals required.
- The Bidder will let the property to the Council on a 10 year term (37 x 2 bed units) at Local Housing authority rates, if required,

which represents a significant revenue cost saving to the Council.

Recommendation: To accept the offer from Bidder A

4. ALTERNATIVE OPTIONS CONSIDERED

Retention of property without regular review is clearly not in the Council's business interests. If property is not disposed of, it would cause a reduction in capital spending or increased borrowing. However evaluation of individual cases may result in retention being the better option.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Potential disposal of the properties is recommended as being in the Council's best financial interests balanced against service and community needs.

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

6.1 Financial Implications

- 6.1.1 The proceeds from disposals are one off and can be used to fund the existing capital programme, improve the Council's budget position and contribute towards the transformation agenda in accordance with recent government legislation. The alternative method for funding the programme would be to borrow and the current cost of borrowing is estimated at 3.5% p.a including interest and Minimum Revenue Provision.
- 6.1.2 Eligible costs associated with disposals up to the value of 4% of the receipt, can be offset against the receipt. This expenditure will be closely monitored to ensure that all appropriate costs are offset against the capital receipts.
- 6.1.3 Revenue Budget Implications: The revenue budgets for Honeysuckle House have already been taken as a saving.
- 6.1.4 The offer to the Council to leaseback units at Honeysuckle House would present a significant revenue cost avoidance, should it be taken up.

7. Legal Implications

- 7.2.1 By Section 123 of the Local Government Act 1972 ("S.123 LGA") and/or Section 1 of the Localism Act 2011 the Council has the power to dispose of land in any manner it wishes, subject to certain provisions.
- 7.2.2 The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions.
- 7.2.3 In accordance with the Council's Property Procedure Rules the inclusion of property on the disposals programme requires approval either by the appropriate Cabinet Member or by Cabinet itself.
- 7.2.4 All disposals should be made on a competitive basis, unless justified and approved otherwise, as required by the Property Procedure Rules.
- 7.2.5 Some disposals may be subject to conditions such as the grant of planning permission which will be a pre-requisite to the completion of the disposal and the receipt of the sale proceeds.
- 7.2.6 Contracts for sale will be in a form approved by the Assistant Director Legal Services

8. Property Implications

The Assistant Director Strategic Property Services will confirm that the proposed terms of individual sales comply with statutory duties and the Council's Property Procedure Rules.

9. KEY RISKS

The risk of property disposals not providing the necessary proceeds to fund the approved Capital Programme will be mitigated as far as possible by prudent budget setting and processes for review and monitoring of progress and assessment of market conditions.

The risk of not achieving the £10m capital receipt required by 31st March 2017 is mitigated, wherever possible, by over profiling sales receipts on the assumption that one or more may not complete by the 31st March 2017.

10. IMPACT ON COUNCIL PRIORITIES

10.1 Fairness for All

The sale of property generates capital receipts, which are used to fund spending priorities within the Council, helping protect services essential to those most disadvantaged in the borough.

10.2 Growth and Sustainability

The disposal of property for development attracts inward investment and funding and boosts local economic activity.

10.3 Strong Communities

Capital receipts help fund capital projects that assist the Council in building strong communities.

11. EQUALITIES IMPACT ASSESSMENT

Equality Impact Assessments will be conducted on individual properties where appropriate.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

Rationalisation and more efficient use of property will contribute to improving service delivery to assist in meeting the Council's objectives.

13. PUBLIC HEALTH IMPLICATIONS

Not applicable

14. HEALTH AND SAFETY IMPLICATIONS

There are no Health and Safety Implications arising from the disposal of this property at the current time. Those properties which are currently vacant are being managed by our security contractors and those currently operational have health and safety protocols already in place.

15. HR IMPLICATIONS

None for this report

Background Papers

Contain Exempt information

Appendix A – Evaluation Matrix template

APPENDIX A

