

MUNICIPAL YEAR 2018/2019 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Executive Director
Place

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Agenda – Part: 1

KD Num: 4836

Subject: Ponders End Qube Relocation

Wards: Ponders End

1. EXECUTIVE SUMMARY

- 1.1 Ponders End is identified as a strategic location in the Upper Lee Valley Opportunity area and the North East Enfield Core Strategy 2010 – 2025. The Electric Quarter regeneration scheme is situated south of Queensway and west of Ponders End High Street. Phase A of the scheme has been delivered and Cabinet provided authority on the 12th September 2018 to enter the Lease to deliver Phase B.
- 1.2 On 16th June 2017 the London Borough of Enfield (Ponders End Electric Quarter) Planning and Compulsory Purchase Order 2016 was confirmed by the Secretary of State for Communities and Local Government. The Council executed a General Vesting Declaration on 21st August 2018. On the 10th December 2018 title vested in the Council and vacant possession of all interests within the Order area was secured on 7th January 2019 including interests subject to Notice to Treat (NTT) and Notice to Enter (NTE) with a minor interest in the Order Land.
- 1.3 The Ponders End Community Development Trust currently deliver a range of community services from a council owned modular building known as the Qube located in the Compulsory Purchase Order Area Phase B. It is now necessary to remove the modular building from the development site to enable construction works for Phase B of the scheme to begin.
- 1.4 This report seeks approval to award a contract for construction works to relocate the modular building from the Electric Quarter to Eagle House car park Ponders End EN3 4DN temporarily for a period of 24 months and for project expenditure including related services.

2. RECOMMENDATIONS

- 2.1** Approve the relocation of the Qube to Eagle House car park and note that costs will be allocated from the agreed Electric Quarter capital budget for its removal.
- 2.2** Approve the procurement, appointment and award of the contract to “Contractor A” in accordance with the specification in the Tender report prepared by Stace LLP dated 15th January 2019. Refer to Part 2 (Appendix 1).
- 2.3** Delegate to the Director of Law & Governance authority to prepare, complete and execute the required legal documentation relating to appointment of the contractor in accordance with the Councils Contract Procedure Rules.

3. BACKGROUND

Cabinet of 24th April 2013 (KD3682) gave authority to enter into an Agreement for Lease with the preferred bidder (Lovell Partnerships Limited) and delegated authority to the Executive Director of Regeneration, Leisure and Culture acting in consultation with Executive Director of Finance, Resources and Customer Services. The same Cabinet delegated authority to the Director of Regeneration, Leisure and Culture and the Cabinet Member for Business and Regeneration, in consultation with the Director of Finance, Resources and Customer services to grant a Lease for Phase A and B of the scheme to the development partner following satisfaction of the Conditions of the Agreement for Lease for the delivery of the Electric Quarter.

- 3.2** On 16th June 2017 the London Borough of Enfield (Ponders End Electric Quarter) Planning and Compulsory Purchase Order 2016 was confirmed by the Secretary of State for Communities and Local Government. The Council executed a General Vesting Declaration on 21st August 2018. On the 10th December 2018 title vested in the Council and vacant possession of all interests within the Order area was secured on 7th January 2019 including those interests subject to Notice to Treat (NTT) and Notice to Enter (NTE) with a minor interest in the Order Land.
- 3.3** Phase A is complete and has delivered 61 private sale and affordable units. Cabinet provided authority on the 12th September 2018 to enter the Lease to deliver Phase B (KD4560). Enabling and demolition works have commenced and the construction of Phase B of the scheme will commence on the signing and sealing of the lease imminently.

- 3.4** Land assembly was completed by way of Compulsory Purchase Order General Vesting Declaration, NTE and NTT on the 10th December 2018 and 7th January 2019 respectively. Legal title and vacant possession have been achieved of 100% of the land and property interests required to deliver Phase B of the scheme.
- 3.5** Phase B will deliver; a new Library, 103 housing units, consisting of 52 affordable rent and intermediate units, 750 sq m of community space, 1,349 sq m of commercial and retail space, along with new civic space, access roads, associated parking, and landscaping. This is part of the Council's overall place shaping strategy designed to deliver transformational change for Ponders End and the High Street.
- 3.6** Karakusevic Carson Architects are the Council's retained design advisors and have provided high level architectural support, with the objective of ensuring the overall scheme design meets its original aspirations in terms of new housing, design, cost, quality, and civic amenity a central focus being the creation of a community hub and a revitalised high street.

The Qube – Ponders End High Street

- 3.7** The Qube is situated to the west of the central portion of Ponders End High Street. It benefits from frontage on to the main road within the area required to deliver Phase B of the scheme specifically block B3 and B4 of the development. The location provides direct access for service users from the high street along with designated parking.



Image 1: The Qube – Electric Quarter Ponders End

3.8 Relocation Options Exercise

The Council undertook to review available sites within proximity to the current site suitable for relocation of the Cube. The exercise also considered the deficiencies and risks associated with each site. This included size, accessibility, relocation costs, revenue costs and consideration of the opportunity costs attached to each option. None of the options considered provided value for money and were therefore discounted.

3.9 Planning Application

At the same time as the Relocation Options Exercise was being undertaken it was necessary to put in place contingency plans. The Eagle House car park is a council owned site. Due to the constraints of meeting the developer's construction programme and to provide surety for the PECDT that services could continue during the construction of Phase B a decision was made to submit a planning application to relocate the building to the Eagle House car park.

- 3.10** Planning approval was granted by Decision Notice on 18TH December 2018 (Planning Application reference 18/03966/RE4) for the proposal to relocate a single storey modular building, reconfiguration of the Eagle House car park, and for multipurpose community use.

Tender Submission

- 3.11** The construction works have been procured following a competitive quotation process via the London Tenders Portal in accordance with the Council's CPR's. The form of contract will be a JCT Intermediate Building Contract with Contractor's Design, 2016 Edition where insurance option A is to apply.
- 3.12** The tender has been conducted through a single stage process. The tendering procedure is in accordance with JCT Practice Note 2012, where Alternative 2 is to apply.
- 3.13** A list of five contractors were selected by the project team based on location, turnover, relevant experience, Construction Line status and proven experience working with the client team. Four confirmed agreement to submit a tender in line with the project programme.
- 3.14** A Tender Report has been prepared by the Quantity Surveyor, Stace LLP, who recommended contract award to "Contractor A" on the basis that their tender was the most economically advantageous and programme compliant as detailed in Part 2 of this report. Tenders were evaluated in accordance with the award criteria, and arithmetic or pricing errors were dealt with in accordance with the Tender procedure set out in the Invitation to Tender document.

3.15 Subject to authorisation, the appointment of “Contractor A” will take place on the 8th February 2019.

4. ALTERNATIVE OPTIONS CONSIDERED

Do Nothing

4.1 There is no option to do nothing. The modular building must be relocated to enable the Phase B construction programme to begin and to ensure PECDT can resume service in the Spring of 2019.

Relocation Options

4.2 As detailed elsewhere in the report none of the sites could accommodate a modular building within proximity to Ponders End High Street. On conclusion of the exercise a review of the options and costs was undertaken the outcome of which is the Eagle House Car park option delivers the best value.

5. REASONS FOR RECOMMENDATIONS

5.1 The tender from Contractor “A” is compliant and is the most economically advantageous tender.

5.2 Ponders End Community Development Trust (PECDT) provide a range of voluntary services and play an important role as a key community stakeholder in Ponders End. The modular building is central to their ability to deliver community services. It is important therefore that this resource is retained within the area and that PECDT can use the building to continue to work with the Council to contribute to the economic and social wellbeing of local communities.

5.3 The Qube must be relocated as the site is required to enable the developer to commence construction of Phase B of the scheme. A delay in its removal will result in a delay in the developer’s construction programme to a significant degree.

5.4 The Council will incur costs and will be in breach of its contractual obligations to the developer if the Qube is not removed within the timeframe specified by the Developer. This increases costs for the developer and the Council and will result in a delay to the construction of new homes, commercial units, and community buildings.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

Refer to Part 2.

6.2 Legal Implications

6.2.1 S.111 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.

6.2.2 S.1 Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. This would include the power to enter into contracts for works.

6.2.3 The Council must comply with its Constitution and in particular its Contract Procedure Rules (CPRs). The contract price falls below the relevant EU threshold for works (£4,551,413,148) of the Public Contracts Regulations 2015 (‘Regulations’), therefore, the EU procurement procedures do not apply. Nevertheless, strict compliance with the CPRs must be ensured. It has been confirmed by the Procurement team that the tender exercise conducted is compliant with the requirements contained in the CPR.

6.2.4 Furthermore, in accordance with CPR 19.2.2, the Council must comply with its obligations regarding obtaining best value in accordance with the Local Government (Best Value Principles) Act 1999. It has been confirmed that the most advantageous tender has been chosen, as per recommendation of the Tender Report prepared by the Quantity Surveyor, Stace LLP.

6.2.5 The Council must at all times during the procurement and contract award process, comply with the central EU treaty principles of transparency, equal treatment, non- discrimination, and proportionality, whatever the design of the procurement process chosen even if the overall value of the services to be retendered falls below the relevant EU threshold.

6.2.6 The contract will be in the form of an industry standard JCT Intermediate Building Contract with Contractor’s Design, 2016 Edition with insurance option A. The works contract and all ancillary documentation arising out of it must be approved by Legal Services and sealed in the Legal department on behalf of the Council.

6.2.7 This report constitutes a Key Decision and the Council’s Key Decision process must be followed.

6.3 Property Implications

6.3.1 Property Services have assisted on the potential option sites for the Qube Relocation. Property Services agree that the location of Eagle House Car Park as the best option. Property Services await to be engaged to address terminating the existing lease for the Qube and granting a new lease for PECDT for the Qube's new location in Eagle House Car Park.

7. KEY RISKS

Risk: Contractor Poor Performance

The risk to this contract is related to the possible poor performance of the consultant/contractors.

Mitigation:

This risk is mitigated by robust performance/contract management by the Corporate Construction and Maintenance Team.

Risk: Not accepting the Tender

The risk in not accepting the tender is that the contractor will fail to deliver the relocation of the building. Consequently, the construction programme for Phase B will be delayed significantly, PECDT will be restricted in its ability to deliver valuable community services, the Council will be in breach of its contractual obligations to the developer and incur significant increased costs and reputational damage.

Mitigation:

The implications and ability for the project team to mitigate the risks is limited in the circumstances. All currently available relocation options have been considered, extensive work has been completed. The mitigation options are: **(1)** Revert to the developer to delay the construction programme and begin a new options relocation exercise. **(2)** Remove the modular building and place in storage off site thereby reducing the relocation costs as whole.

Risk: Stakeholder Dissatisfaction

Mitigation:

The PEDCT is being engaged and a long-term strategy is being put in place. The Trust is currently operating from Vincent House. There is the option to provide dedicated space in the new Library Community

Hub and in the preceding years to develop a coherent strategy to build the organisations capacity to deliver services and an income generating strategy that increases sustainability over the long term.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

Enfield Council are committed to delivering affordable homes in well-connected neighbourhoods. The Electric Quarter delivers on this commitment by ensuring the homes will be a mixture of tenures, sizes, and designs providing housing options for all people living and aspiring to live in the borough and through improvements in infrastructure in accordance with the Councils Corporate Strategy.

8.2 Sustain strong and healthy community

The Electric Quarter also contributes to Enfield Council's Corporate plan and place-shaping agenda by improving the built environment and providing places that increase the social and economic resilience and wellbeing of the communities we serve.

8.3 Build our local economy to create a thriving place

Enfield Council is an ambitious Council, committed to creating an enterprising environment for businesses to prosper with world-class digital infrastructure and access to the right skills and networks. The Electric Quarter Phase B contributes to this priority by providing a variety of homes commercial and civic buildings that will attract inward investment to the borough building on the success of a thriving local economy and delivering economic resilience and growth.

9. EQUALITIES IMPACT IMPLICATIONS

The Electric Quarter Ponders End Equalities Impact Assessment (EIA) September 2015 submitted as part of the approved planning application of 26 January 2016 (15/04518/FUL) found that the development scheme has responded positively to delivering a development that will promote equality. The EIA Matrix sets out the positive aspects of the development which are Involvement; Crime, Fear of Crime; An Affordable Home; A Home to Meet Needs; Access to Facilities and Services, Public Transport and Accessibility; The table below also sets out the impact against the nine Protected Characteristics set out in the Equalities Act 2010. Overall the Equalities Impact Assessment proposes development will respond positively to securing a development that promotes equality.

Electric Quarter, Ponders End: Equality Act 2010 Protected Characteristics

Protected Characteristic	Scheme: Electric Quarter	Mitigation
Disability	Positive	Not applicable
Gender	Neutral	None
Age	Neutral	None
Race	Neutral	None
Religion & Belief	Positive	Not applicable
Sexual Orientation	Neutral	None
Gender Re-assignment	Neutral	None
Pregnancy and Maternity	Positive	Not applicable
Marriage and Civil Partnership	Neutral	None

10. PERFORMANCE AND DATA IMPLICATIONS

The Regeneration of Ponders End High Street contributes towards the achievement of:

- Enfield Council Corporate Plan 2019 - 2022
- Core Policy 41 of the Core Strategy
- Shaping Enfield's Future
- North East Enfield Preferred Options Report
- Ponders End Central Planning Brief (approved for adoption)
- 5a of the Sustainable Community Strategy 2007-2017
- 2.10 "Improve the Quality of life for residents through the regeneration of the priority regeneration areas" of the Enfield Council Business Plan.
- London Plan

11. HEALTH AND SAFETY IMPLICATIONS

Refer to Construction Management programme

12. PUBLIC HEALTH IMPLICATIONS

The detailed Planning Application (**15/04518/FUL**) included a **Health Impact Assessment**. It concluded the development will contribute to objectives that have an overall beneficial effect on several determinants of health such as increases in the quality and affordability of housing, supporting active travel, creating a healthy environment and delivering a vibrant neighbourhood. Overall the development has the potential to support the delivery of healthy living benefits and

increased quality of life for several vulnerable groups during the pre- and post-construction phases. These groups include the elderly, disabled, unemployed, young people, and children in poverty.

Background Papers

1. Tender Report Refer to Part 2.
2. Planning Application Reference Number:18/03966/RE4