

**MUNICIPAL YEAR 2018/2019 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF:**

Executive Director  
Place

<b>Agenda – Part: 1</b>	<b>KD Num: 4733</b>
<b>Subject: Award of Call Off Contracts for a Client Representative (Employers Agent) and Clerk of Works services to project manage and monitor quality on New Avenue.</b>	
<b>Wards: Cockfosters</b>	

Contact officer and telephone number: Paul White 020 83798 3933

Email: [paul.white@enfield.gov.uk](mailto:paul.white@enfield.gov.uk)

**1. EXECUTIVE SUMMARY**

- 1.1 This report seeks approval for the award of call off contracts to two consultants to provide Employers Agent and Clerk of Works services associated with the development at New Avenue, Southgate to assist the Council with project management and quality control of the assets being delivered. The term of the contracts will be 7 years.
- 1.2 Following Cabinet approval in July 2017 the Development Agreement for the project was signed in September 2017. The project is progressing, and it is important to get the expertise and resources that can be provided by experienced project management and quality control consultants to help us work in Partnership to deliver New Avenue to the quality, cost and project programme we require.
- 1.3 For reasons of efficient cost control over the long period of the project we sought to achieve a fixed fee for all the services required by tendering via an appropriate established framework with tenderers who have a long track record of dealing with affordable housing being constructed by large developers. This would achieve transparency and the best guaranteed and fixed offer for the Council. The Procurement & Commissioning Hub approved this strategy and the use of the Notting Hill Housing Trust Framework. Officers have subsequently proceeded to carry out a process according to Council procedures and to the processes governing the Notting Hill HT framework to obtain cost and quality responses from the already pre-vetted relevant consultants for both disciplines.

## **2. RECOMMENDATIONS**

- 2.1 That the Award of Call of Contracts to the preferred bidders set out in Part 2 of this Report at the contract price therein set out are approved to enable EA / Client Representative and Clerk of Works services to be delivered in completing the development of New Avenue.
- 2.2 See Part 2 report.

## **3. BACKGROUND**

- 3.1 The New Avenue redevelopment project is being delivered under a Development Agreement with partner private developer Countryside Properties UK Ltd. Planning permission was granted in November 2016 for 408 new homes and a community centre plus a recessed public square and public facilities. This includes 140 affordable homes for the Council. The GLA gave its approval in May 2018. Currently Countryside have completed the site set up, most of the extensive ground works for Phase 1 and have constructed the concrete frames on two of the private blocks with work yet to begin on the affordable blocks.
- 3.2 The project is being delivered in three phases with the granting of vacant possession for the first phase land to the developer in January 2018. Monthly project team meetings are being held between staff from Countryside and the Council
- 3.3 Cabinet in July 2017 approved the development of New Avenue and also agreed to the procurement of professional project management services that include Client Representative (Employers Agent) and Clerk of Works services.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Rather than going out to tender to a framework the Council explored the use of the services provided via CMCT initially because services were required at relatively short notice for due diligence purposes in having the Development Agreement checked over by project management experts prior to its signing to ensure the Council's interests were best protected.
- 4.2 The consultant used was Stace and they provided good advice and showed themselves to be more than competent for the required short term task. However, this is a large contract over seven years and their appointment through this route would be on a timesheet basis.
- 4.3 For reasons of efficient cost control over the long period of the project we sought to achieve a fixed fee for all the services required by tendering competitively via an appropriate, established framework with tenderers who

have a long track record of dealing with affordable housing for similar clients and large developers. This was in order to achieve transparency and testing in the current market for the particular services concerned whilst achieving the best guaranteed offer for the Council and will also reduce internal monitoring of timesheets over a long period.

- 4.2 It is considered that there are no suitable alternatives to competitively tendering and employing recognised and pre-vetted external services experienced at working on large regeneration schemes with large national developers as partners on a fixed fee basis. This approach is obviously supported by the procurement team.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The recommendations are due to the need to monitor costs being expended by Countryside which directly impact land and sales overage receipts and the need to monitor the quality of construction of the assets being developed for the Council.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

Provision has already been made in the Council's 30-Year HRA Business Plan and the budget approved by Cabinet in July 2017.

### **6.2 Legal Implications**

6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

6.2.2 The Council also has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.

6.2.3 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to procure services from an existing legally compliant framework as long as the framework terms permit such and the framework is accessible by the Council.

6.2.4 The Council's Corporate Procurement Service should conduct due diligence on the use of the Framework and must be satisfied the Council may procure these services in accordance with the Framework Agreement. The Call Off must be undertaken strictly in accordance with the terms of the Framework.

6.2.5 The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.

6.2.6 As neither Call Off Contract's value is over £250,000 the individual contracts will need to be signed on behalf of the Council.

### **6.3 Property Implications**

This report relates to the appointment of external consultants to provide construction related services. There is insufficient capacity available from in-house resources to undertake this project specific requirement. The consultants will be providing technical services and should protect the interests of the Council by ensuring that the terms of the development agreement are met by Countryside Properties.

### **6.4 Procurement Implications**

A full procurement process has been run by the Procurement team using the Notting Hill Housing Group framework for both service disciplines. Mini competition process has advertised through the London Tenders Portal according to the Council's Contract Procedure Rules (CPR's).

## **7. KEY RISKS**

The Council is at greater risk if the appointments are not made but once appointed there is a risk of non-performance but this will be dealt with by performance management methods and constructive feedback for the consultants concerned. The framework has a set of KPIs to assist with this.

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

### **8.1 Good homes in well-connected neighbourhoods**

The consultants will be contributing to the construction of new homes which will be built to GLA housing design standards and each affordable unit will be significantly larger than the affordable homes they replace. The homes will be more energy efficient meaning that fuel bills will be lower than for the existing homes. Better distributed green spaces and public realm throughout the development, along with new and improved roads will open up the site improving connectivity.

### **8.2 Sustain strong and healthy communities**

8.2.1 The New Avenue development contributes to this priority by building stronger and sustainable futures for our residents with a range of dwelling sizes and tenures to cater for different needs including 140 affordable homes. The New

Avenue regeneration prioritises the aspirations and needs of residents. All homes will meet the housing needs of residents, including aids and adaptations to enable residents to retain independence and remain within the community.

8.2.2 It provides a low carbon, low pollution community heat network to provide heating, a community centre for social events including a nursery school, an energy efficient built environment which is much better than the existing expensive to maintain and heat homes and a sustainable urban drainage system to manage flood risk in extreme wet weather conditions. It also provides a better quality public realm with an 'eco garden' and green roofs to encourage greater biodiversity.

8.2.3 The new spacious homes and environment will support children with their educational needs.

8.2.4 New community facilities will provide an opportunity for residents to access child care provision, attend community orientated events including health and well-being activities. The community centre will encourage residents to come together and foster strong relationships.

### **8.3 Build our local economy to create a thriving place**

8.3.1 The location of the New Avenue development is equidistance between Southgate and Oakwood underground stations and is well serviced by local bus routes allowing people to easily travel to employment locations. Southgate high street with an array of shops and restaurants is a 15 minute walk away, public parks are even closer.

8.3.2 The New Avenue regeneration will generate employment opportunities during the period of construction. In addition, the new community centre will present possibilities for resident involvement and activities plus a local nursery school.

## **9. EQUALITIES IMPACT IMPLICATIONS**

An equalities assessment has been undertaken on the project to ensure that no groups are unfairly disadvantaged by any of the proposals. The appointments are being made from frameworks for which all parties must comply with strict Equalities & Diversity guidelines.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

The performance of the consultants will be managed according to set framework procedures. The framework has a set of KPIs to assist with this. GDPR guidance will be followed where consultants are dealing with members of the public and sensitive information and is included in the deeds of appointment.

**11. HEALTH AND SAFETY IMPLICATIONS**

The construction works are closely monitored and controlled by the developer in order to meet CDM Regulations. It is also a Considerate Constructors Scheme monitored project. These appointments will help to ensure good performance is maintained.

**12. HR IMPLICATIONS**

There are no HR implications.

**13. PUBLIC HEALTH IMPLICATIONS**

The appointments will be contributing to the success of the project and will help the Council to deliver this highly sustainable and a much needed housing scheme which will improve the lives and living conditions for the new residents a significant number of which are currently in great housing need and currently living in unsuitable conditions.

**Background Papers**

N/A