

## MUNICIPAL YEAR 2019/2020 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### OPERATIONAL DECISION OF:

Director  
Property & Economy

Agenda – Part: 1

KD Num: 5037

**Subject: Beech Barn Farm Replacement of Agricultural Shed – Contract Award**

**Cabinet Member consulted:  
Cllr Mary Maguire Cabinet Member for  
Finance and Procurement**

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### 1. EXECUTIVE SUMMARY

- 1.1 The Corporate Capital Condition Programme (CCCP) 2019/20 Cabinet report dated 17<sup>th</sup> July 2019 approved funding of £1.5m for a programme of capital **condition works to the corporate property portfolio.**
- 1.2 This report seeks approval to award a contract to “Contractor A” for Beech Barn Farm Replacement of Agricultural Shed and approval for scheme expenditure, funded from the CCCP 2019/20.
- 1.3 Under the terms of the tenancy with the present tenant governed by the Agricultural Holdings Act 1986, the Council has a legal obligation to replace Beech Barn Farm Agricultural Shed

### 2. RECOMMENDATIONS

- 2.1 To approve the contract award to “Contractor A” relating to construction works for Beech Barn Farm Replacement of Agricultural Shed as further detailed in Part 2 of this report.
- 2.2 To approve total expenditure relating to construction works for Beech Barn Farm Replacement of Agricultural Shed as detailed in Part 2 of this report.

### **3. BACKGROUND**

- 3.1 An existing agricultural shed on the farm was demolished due to it becoming structurally dilapidated and beyond economic repair.
- 3.2 Planning approval is not required.

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

Various locations within the farm site were investigated to determine the siting of the agricultural shed that would provide the best operational use and cost-effective solution for the project. The cost stated is for the best operational use and cost effectiveness. The design has been value-engineered to ensure the most cost-effective solution.

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

- 5.1 The tender from Contractor "A" is compliant and is the most economically advantageous tender.
- 5.2 The design has been value-engineered to ensure the most cost-effective solution.
- 5.3 Refer to Part 2 for further details.
- 5.4 Under the Under the terms of the tenancy with the present tenant which is governed by the Agricultural Holdings Act 1986, the Council has a has a legal obligation to replace Beech Barn Farm Agricultural Shed as part of the tenancy agreement with the tenant farmer.
- 5.5 Subsequent to the original tenders received as noted in item 4.2.2 of the part 2 report the Consultant Quantity Surveyor Stace LLP were instructed by London Borough of Enfield to approach the lowest tenderer, consistent with clause A30/146 (Negotiations with the Lowest Tenderer), to price a further tender option.

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

#### **6.1 Financial Implications**

- 6.1.1 The expenditure is funded from the Corporate Capital Condition Programme (CCCP) 2019/20. Refer to Part 2 for further details.
- 6.1.2 Property Services have been consulted on this and fully support the construction of a replacement barn.
- 6.1.3 The farm is leased out on an Agricultural Holdings Act lease which places a certain obligation on the Council as Landlord for a range of repairs. The original barn had to be demolished by the Council as a

result of structural failure and to remove Corporate Landlord Liabilities which was part caused by lack of investment and maintenance by the Council as Landlord. The original barn was in regular use up until demolition and it has been necessary for the Council to fund the rental of alternative barn facilities for the tenant farmer in order to meet lease obligations.

- 6.1.4 The replacement barn will enable the Council to meet its repairing liabilities as well as ceasing renting alternative facilities.

## **6.2 Legal Implications**

- 6.2.1 The Council has a responsibility to repair / replace the barn under the terms of the tenancy with the present tenant farmer.

- 6.2.2 Section 111 of the Local Government Act 1972 enables local authorities to do anything, including incurring expenditure, borrowing, which facilitate or are conducive or incidental to the discharge of their functions and the Council also has the power under section 1(1) of the Localism Act 2011 to do anything individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles. The recommendations within this report are in accordance with these that powers.

- 6.2.3 A tender process was undertaken in accordance with CPR 3.7 (Contracts for Construction Works), seeking tenders from 5 pre-approved suppliers, using Constructionline and through the London Tenders Portal, and the Council has conducted the evaluation and award of contract process in a fair, transparent, proportionate and non-discriminatory manner.

- 6.2.4 The Contract Value of this Works contract falls below the threshold for EU Works Contracts under the Public Contracts Regulations 2015 and therefore the full EU procurement procedures do not apply. However, 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.

- 6.2.5 The Council must comply with all requirements of its constitution and CPRs. Throughout the engagement of Contractor A as a supplier, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999. Throughout the engagement of Contractor A as a supplier, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999A, in order to demonstrate that best value has been and will continue to be obtained for the Council.

- 6.2.6 All legal agreements (including all associated documentation) arising from the matters described in this Report must be approved in advance of contract commencement, by the Director of Law and Governance/Legal Services. It is understood that an industry standard JCT Design & Build 2016 is to be the

form of contract as advised by the Surveyors. Contracts whose value exceeds £250,000 are required to be executed under seal and performance security should be considered as the value is under £1 million – CPR 2.18.

### **6.3 Property Implications**

- 6.3.1 Property Services have been consulted on this and fully support the construction of a replacement barn.
- 6.3.2 The farm is leased out on an Agricultural Holdings Act lease which places a certain obligation on the Council as Landlord for a range of repairs.
- 6.3.3 The original barn had to be demolished by the Council as a result of structural failure and to remove Corporate Landlord Liabilities which was part caused by lack of investment and maintenance by the Council as Landlord. The original barn was in regular use up until demolition and it has been necessary for the Council to fund the rental of alternative barn facilities for the tenant farmer in order to meet lease obligations.

## **7. KEY RISKS**

- 7.1 There is a risk that the project will exceed projected timescales for completion. To mitigate this risk, project progress shall be monitored by CMCT. Foreseeable delays will be escalated to enable a timely response. Contractual provisions shall be put in place to help ensure the timely development of this project.
- 7.2 There is a risk that development costs will exceed those projected in this report. Officers will put in place contract and review mechanisms to minimise this risk.
- 7.3 A Project Risk Register is maintained and owned by the Project Board to monitor the above-mentioned risks and escalate accordingly.

## **8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION**

All relevant departments have been consulted and requirements will be complied with.

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

- 9.1 **Good homes in well-connected neighbourhoods** - The Corporate Capital Condition Programme (CCCP) invests in operational buildings based on prioritised condition criteria including the replacement of operational buildings, Beech Barn Farm Agricultural Shed. The aim is to prevent building failure and to ensure services to building users and the public are not interrupted.

**9.2 Sustain strong and healthy communities** - The project contains several environmental improvements which will provide a more efficient and sustainable building.

**9.3 Build our local economy to create a thriving place** - Capital investment to address poor condition reduces the risk that buildings fall into disrepair and improves the environment for building users and visitors.

## **10. EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached for approval of the individual projects comprising the Corporate Capital Condition Programme (CCCP), an equalities impact assessment is neither relevant nor proportionate. However it should be noted that the Council has a duty under the Equality Act 2010 to pay due regard to the needs of the protected characteristic groups. This includes ensuring that all public service provision is widely accessible to all users

## **11. PERFORMANCE AND DATA IMPLICATIONS**

Regular monitoring of the project will ensure value for money is obtained and project effective delivery.

## **12. HEALTH AND SAFETY IMPLICATIONS**

The provision of new buildings and structures and the planning and timely maintenance and repair of these Council buildings and associated assets, is fundamental in reducing risks to occupiers and members of the public.

## **13. PUBLIC HEALTH IMPLICATIONS**

Capital investment to address poor and / or dilapidated building condition improve the environment for staff and visitors. There are no significant public health implications.

### **Background Papers**

None.

