

**MUNICIPAL YEAR 2019/2020 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF:**

Executive Director  
Place

<b>Agenda – Part:</b>	<b>KD Num: 5050</b>
<b>Subject: Repairs capital funding for vehicles</b>	
<b>Wards: All</b>	

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**1. EXECUTIVE SUMMARY**

- 1.1** Enfield Repairs Direct (ERD) as a part of the Housing and Regeneration Directorate is mobilising to directly deliver repairs and maintenance services, by the creation of an insourced repairs service for the tenants and residents of the council's housing estate from the 1st April 2020. With some elements of works being taken early to assist with demobilisation of the existing contracts.
- 1.2** The successful delivery of the repair service requires a mobile team of trade staff capable of completing work on a right first-time approach, this will include the requirement for suitable van stock including materials tools and plant.
- 1.3** There is a requirement for the provision of a fleet of appropriate vehicles.
- 1.4** It is proposed to procure the corporate fleet via an existing vehicle framework. The framework that we will be using is The Procurement partnership (TPPL), NEPO HGV & Specialist Vehicle Procurement Framework which has been used previously for fleet provision.
- 1.5** The estimate capital requirement for the provision of the fleet and the suitable racking, branding etc is £967,000. The HRA will be funding the income for ERD via a schedule of rates-based service level agreement. This is modelled on the existing repairs and maintenance budget of £4.8m. which will be the income for ERD.
- 1.6** The capital will be repaid over a 7-year period which is included in ERD trading financial model funded from the HRA.

## **2. RECOMMENDATIONS**

It is recommended that the Executive Director – Place approves:

- 2.1** The capital allocation of £967,000 plus VAT for the purchase of the ERD fleet. To be financed from the HRA via ERD trading account over a seven-year period.
- 2.2** Notes that the procurement and award of the contract will be by the Executive Director of Place for the fleet via the TPPL call off contract.

## **3. BACKGROUND**

- 3.1** The Council owns 10,500 homes for which it carries full repairing obligations plus a further 5,000 leasehold properties for which it retains de-minimis repairing obligations (common parts, consequential damage from Council dwellings etc).
- 3.2** ERD as a part of the Housing and Regeneration Directorate is mobilising to directly deliver repairs and maintenance services to the tenants and residents of the council's housing estate from the 1st April 2020. With some elements of works being taken early to assist with demobilisation of the existing contracts.
- 3.3** The budget for the service is £4.8m PA. funded from the HRA to front and back office staff, fleet, materials, ICT and specialist sub-contractors. This £4.8m was previously paid to the measured term contractors. The MOT team is separately funded from the HRA. with an additional £500k funding.
- 3.4** There will be a requirement for the provision of a fleet of vehicles for the efficient delivery of the service. Following the analysis of likely future demand, a staffing establishment of 46 trade staff will be required, in addition the existing MOT team will require 7 vehicles. The vehicle provision will therefore be 53. (Appendix 1 details the staffing requirement.)
- 3.5** The potential switch to electric vehicles has been investigated but unfortunately has been dismissed as a viable option. Currently the market is very limited, with Fiat being the only manufacturer looking at potentially being able to offer an electric derivative, however the launch of the new EV model is not due until the later part of 2020.
- 3.6** However, taking this aside, the overriding factor that dismisses this option is payload. Current estimates are that the van (with batteries) will weigh in at around 2800kg on a vehicle with a max gross vehicle weight of 3500kg. A payload of 700kg will not be sufficient for the

racking, tools and materials that the service will need to carry on the vehicle.

- 3.7 The direct purchase of the fleet will allow the depreciation of the cost over a longer period than leasing or contract hire. Appendix 1 details the cost comparison between leasing and purchase over the 7-year period the purchase indicates an overall saving of £720k over the cost of leasing.
- 3.8 The capital requirement for the provision of the fleet and the suitable racking, branding etc is £967,000. This is based on a budget figure of £20k per van, which includes a contingency sum, however the final vehicles mix will be dependent on the exact mix of van types. These are expected to be 10 small and 43 transit type vans.
- 3.9 The capital will be repaid over a 7-year period which is included in the DLO trading financial model.
- 3.10 Fleet operation services will carry out the service and maintenance, tyres replacement vehicle following breakdown driver checks, driver assessments vehicle washing, driver compliance and licence checks road tax, vehicle tracking for which a service level agreement will be put in place at an annual cost of £1279 per vehicle.

**Proposed procurement route**

- 3.11 ERD will use existing third-party framework for the procurement of the fleet. This offers the most benefit for VFM due to the level of competition and economies of scale and the efficiency of the procurement process.
- 3.12 The framework being used is The Procurement Partnership (TPPL), NEPO HGV & Specialist Vehicle Procurement Framework. This framework is being used to procure the existing fleet of council vehicles.

**Table 1 - Identified risks for the procurement**

The table below identifies the risks associated with this award, the likelihood of occurrence and the control in place to mitigate the risks:

Risk	Level	Mitigation
Cost allowed for in the model is not able to be achieved.	Low	Indicative pricing based on market intelligence has been used with a contingency for racking.

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

- a) Do nothing – this is not an option as there is an ongoing repairs and maintenance obligation to maintain the housing stock borough wide. To be compliant under CSO EHR need to enter into a contract for the provision of vehicles.
- b) Develop Enfield framework s/Call off contract- There is a high level of officer time in establishing and ongoing administration of these call off contracts.
- c) Lease the vehicles. It is unlikely to achieve the same level of VFM and best outcomes this is considerably higher cost as detailed in Table 1.

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

- 5.1 The repairs team has formed a mobilisation group to manage the implementation and monthly reporting of the progress will be part of the overall Insourcing project.
- 5.2 The lead time for delivery is 16 weeks.
- 5.3 Delivery of the vehicles will be coordinated and phased to ensure that the service is not impacted and to provide a smooth transition from short term hire with the new vehicles delivered with branding, racking and additional security in place.

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

##### **6.1 Financial Implications**

- 6.1.1 As part of insourcing the housing repairs service there is a requirement to mobilise all the resources required to enable the successful delivery of the repair service. The current repairs budget is £4.8m annually plus £0.5m for the MOT service, the insourced services will be provided within the £5.3m budget. The budget of £5.3m has been included within the HRA business plan.
- 6.1.2 As part of the insourcing of the repairs service all costs have been identified and a budget has been created. These costs are within the £5.3m budget where all cost have been identified and a budget allocated for each line. The depreciation costs for the 53 vehicles are included within the budget.
- 6.1.3 This report is seeking approval for the acquisition of 53 vehicles to support the insourcing of the housing repairs services. The acquisition is estimated to cost £967,000 and will be funded from the repairs fund

within the HRA. There is enough funding within the repairs fund to cover the cost of the vehicles.

**6.1.4** The estimated cost of acquisition is £967,000 which will enable the service to purchase 53 vehicles. These currently consist of 10 small and 43 transit type vans, but the exact mix is subject to change.

**6.1.5** The acquisition of the 53 vehicles will sit outside the £5.3m budget, but the ongoing capital repayments, maintenance, servicing, insurance, tax and other vehicle costs will be funded from the repairs budget. The table below details the estimated costs attached to owning the vehicles, that will be funded from within the repairs budget.

<b>Cost</b>	<b>Basis of Estimate</b>	<b>Amount per vehicle</b>	<b>Total Estimate</b>
Servicing and Maintenance	Estimate of £1,270 provided by fleet services	£1,270	£67,310
Insurance	£720 per vehicle a year	£720	£38,160
Fuel	Based on £80 per vehicle, operational 48 weeks.	£80	£203,520
<b>Total</b>			<b>£308,990</b>

## **6.2 Legal Implications**

**6.2.1** Section 111 of the Local Government Act 1972 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** The Localism Act 2011 provides the Council power to do anything that individuals generally may do provided is not prohibited by legislation and subject to Public Law principles.

**6.2.3** The Council proposes to use an existing Framework Agreement to procure the fleet of vehicles. Framework Agreements are an approved method of procurement under the Public Contracts Regulations 2015. The Council will need to ensure that it complies with the processes for procurement and award as set out in the NEPO HGV & Specialist Vehicle Framework Agreement.

**6.2.4** The Council will need to comply with its Contract Procedure Rules in respect of the award of the contract.

**6.2.5** The award of the contract will be a Key Decision and the Council will need to adhere to its governance processes in respect of Key Decisions.

- 6.2.6 The Council will also need to ensure that it obtains Best Value as set out in Local Government Act 1999.

### **6.3 Property Implications**

- 6.31 Procurement of the vehicles contract to support the Enfield Repairs Direct service must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

- 6.32 A business case must be taken to the Procurement and Commissioning Review Board to approve the procurement. This must be done with the involvement of a Procurement and Commissioning lead officer.

- 6.33 The procurement and award of any contract, including evidence of authority to procure and award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

- 6.34 Any awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

## **7 KEY RISKS**

- 7.1 There is a risk the cost of acquiring the vehicles is greater than £967,000 as these are based on early estimates. The actual costs could be greater. In this instance the mix and number of vehicles purchased will need to be reviewed.

- 7.2 Similarly, there is a risk the costs of servicing, maintaining and the fuel costs are under-estimated, which would put pressure on the HRA Repairs budget. There is contingency within the budget that would help manage higher than expected costs.

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

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

The service will support the wider asset management strategy and resident safety programme in delivering well maintained homes which meet the requirements of our residents, help residents stay in their home and tackle fuel poverty

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

Our service will give us the flexibility to tackle both individual homes and the communities in which residents live. By taking a proactive approach to responsive repairs we will be able to help tackle anti-social behaviours and give residents pride in their communities

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

We will focus on supporting residents into work opportunities within the service and using the local supply chain to support the service

## **9. EQUALITIES IMPACT IMPLICATIONS**

There are no equalities as a result of this procurement

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

The appropriate use of the fleet will be monitored at an operational level and will support the core KPIs for the delivery of the service

## **11. HEALTH AND SAFETY IMPLICATIONS**

This will be mitigated by developing current Health and Safety approach. for other directly employed operative into more specific approaches for this service. LBE will also need to ensure there is enough provision within our insurance policies.

## **12. HR IMPLICATIONS**

The existing corporate driver policies will be utilised to ensure that there is conformity across the council.

Job descriptions and person specifications to reflect that a full driving licence is an essential requirement for the role / post holder.

## **14. PUBLIC HEALTH IMPLICATIONS**

An better repairs and maintenance service will allow us to improve the quality of of homes, especially around proactively dealing with damp and mould, and this will see health benefits for our residents.

Whilst we are not able to procure an electric fleet at this time we will continue to review this over time to reduce the carbon footprint of the service





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**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF:**

Sarah Cary  
Executive Director  
Place

<b>Agenda – Part: 1</b>	<b>KD Num: KD5020</b>
<b>Subject: MW Strategic Infrastructure - Approval to Award Contract Civil Engineering -led Multidisciplinary Technical Services</b>	
<b>Wards: Upper Edmonton</b>	

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<p><b>1. EXECUTIVE SUMMARY</b></p> <p>1.2 Meridian Water Programme Update (KD4033) report sought approval for the Council to assume the role of master developer to optimise the development potential and placemaking opportunities.</p> <p>1.3 This report seeks approval to appoint a civil engineering-led multidisciplinary consultancy team support the site wide delivery of infrastructure works to progress the development of Meridian Water.</p> <p>1.4 On February 2019 a Business Case was presented to the Procurement and Commissioning Board where the procurement of a civil engineering-led multidisciplinary consultancy team through the Homes England Multidisciplinary Framework 2018/S 127-289621 was approved.</p> <p>1.5 Following completion of the procurement process, this report is seeking authority to award the contract to the successful supplier and approve drawdown of associated expenditure.</p>
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<p><b>2. RECOMMENDATIONS</b></p> <p>It is recommended that the Executive Director, Place:</p> <p>2.1 Approves the appointment of Bidder A to provide civil engineering-led multidisciplinary consultancy services for Meridian Water for a 4 year contract (with an option to extend for a further year) through the Homes England Multidisciplinary Framework.</p> <p>2.2 See part 2.</p>
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### **3 BACKGROUND**

#### **3.1 Introduction**

- 3.1.1 Meridian Water Programme Update (KD4033) report sought approval for the Council to assume the role of master developer to optimise the development potential and placemaking opportunities.
- 3.1.2 On 25<sup>th</sup> June the Programme Director – Meridian Water approved to go out to tender for a civil engineering-led multidisciplinary consultancy team to progress the development of Meridian Water.
- 3.1.3 A Business Case was presented to the Procurement and Commissioning Board and it was approved to procure civil engineering-led multidisciplinary consultancy team through the Homes England Multidisciplinary Framework 2018/S 127-289621.
- 3.1.4 The scope of the commission is to provide general civil engineering-led multidisciplinary planning and design support for site wide infrastructure works. The scope to support the delivery of Housing Infrastructure Fund infrastructure works included in this commission. The successful award of HIF fund for £156million worth of infrastructure works was announced by the Chancellor in August 2019 and the fund must be spent by March 2024.
- 3.1.5 This report is seeking authority to award the contract to the successful supplier and approve the associated expenditure.

#### **3.2 Scope of services**

- 3.2.1 The technical advisory services scope includes design and planning support for the delivery of strategic infrastructure and phase delivery at Meridian Water. The key areas that require support include the following categories under the Homes England Framework.

	<b>Homes England Core Services under Multidisciplinary Framework</b>
1	Project and Cost Management
2	Engineering Design
3	Planning
4	Consultation
5	Development Monitoring
6	Technical and Site Investigation

3.2.2 There are four distinct work packages expected through the commission and the tasks are set out as below:

- Develop funding strategies to deliver remaining strategic infrastructure at Meridian Water and provide support on all **funding activities** associated with the delivery of Housing Infrastructure Fund programme.
- Provide civil engineering-led multidisciplinary technical advisory services to support the delivery of all the **strategic infrastructure strategies and projects** at Meridian Water. The disciplines to include (but not limited to) environmental design, geotechnical services, transport planning and sustainability.
- Develop, manage and coordinate a **federated Meridian Water strategic infrastructure masterplan model**. Bring together all the geotechnical data produced to date and formulate a federated model to test the multiple development scenarios.
- Provide **town planning** services to support the delivery of all the strategic infrastructure components as well as the phased development projects at Meridian Water.

3.2.3 The services will require input from experts from various disciplines covering civil-engineers, transport planners, programme managers, EIA specialists (noise, energy, air quality, wind, solar, biodiversity), geotechnicians, data architects, city economists, infrastructure programme managers, HIA advisors, BREEAM assessors (CEEQUAL) , transport modellers, urban designers, highways designers, SUDS specialist, structural engineers, BIM managers, town planners and Site Supervisors

3.2.4 To allow flexibility of scope of services due to the changing nature of wider strategic infrastructure delivery strategy and the HIF funding programme deadlines, the bidders were asked to provide daily rates per service areas and by specialism. To ensure the successful bidder delivers value for the money, periodic reviews will be undertaken to monitor performance to key milestones based on key project stages.

3.2.5 Key Performance Indicators is included in the brief to monitor performance of the bidding team on a quarterly basis. As part of contract management process the review will be undertaken to drive continuous improvement, help reduce costs and mitigate risks.

The appointed team will be assessed against the following key performance indicators:

No.	KPI Heading	KPI Detail
1	<b>Strategic understanding of Council's issues and priorities</b>	<ul style="list-style-type: none"> <li>a. Planning and regeneration interdependencies with strategic infrastructure</li> <li>b. Commercial awareness</li> <li>c. Strategic issues and corporate challenges</li> <li>d. Strategic oversight on all facets of civil engineering workstream</li> <li>e. Awareness of industry trends and insights on sustainability</li> </ul>
2	<b>Coordination across Consultant teams</b>	<ul style="list-style-type: none"> <li>a. Coordinated communication and information transfer</li> <li>b. Project oversight and integration</li> <li>c. Coordinated output</li> <li>d. Consistency</li> </ul>
3	<b>Responsiveness of personnel</b>	<ul style="list-style-type: none"> <li>a. Timely delivery</li> <li>b. Ingenuity</li> <li>c. Problem solving</li> <li>d. Good communication</li> <li>e. Good organisation</li> <li>f. Professionalism</li> </ul>
4	<b>Quality of planning evidence and documents</b>	<ul style="list-style-type: none"> <li>a. Correctness</li> <li>b. Accuracy</li> <li>c. Sufficiency</li> <li>d. Representativeness</li> <li>e. Authority</li> <li>f. Clarity of expression</li> </ul>
5	<b>Technology and data management</b>	<ul style="list-style-type: none"> <li>g. Use of the latest technology</li> <li>h. Proficiency in the use of technology</li> <li>i. Adaptation</li> <li>j. Industry compliance</li> <li>k. Ability to manage, coordinate and align data provided by third party</li> <li>l. Good data governance</li> <li>m. Client empowerment on the use and management of geo-technical data</li> </ul>

### 3.3 Procurement Process and Evaluation

3.3.1 The Procurement and Commissioning Board agreed procurement through the Homes England Framework for Multidisciplinary Technical Services, as it offers a fast, efficient and OJEU compliant route,

removing the need to undertake a costly and time-consuming full OJEU procurement process. Furthermore, the Homes England Framework was approved for use within the Council and offered the wide range of services required as well as a good list of suitable suppliers.

3.3.2 In compliance with the requirements of the Homes England Framework the procurement was run through the Homes England e-Tendering system as a three-stage procurement process:

- 1.) Expression of Interest (*determine interest*)
- 2.) Sifting Brief (*shortlist a maximum of 5 suppliers*)
- 3.) Invitation to Further Competition (*select successful supplier*)

3.3.3 The outcome of each evaluation stages are explained in part 2.

3.3.4 See Part 2 report

3.3.5 See Part 2 report

3.3.6 See Part 2 report

3.3.7 See Part 2 report

#### **3.4 Contract**

See Part 2 report

#### **3.5 Cost and Funding**

See Part 2 report

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

#### **4.1 Do nothing**

Doing nothing would leave the Council without the support needed to for the delivery of strategic infrastructure and phase delivery at Meridian Water delaying provision of much needed affordable homes.

#### **4.2 Re-tender**

The Council received three valid tender responses, which demonstrated a good understanding of the Council's requirements and value for money. Retendering the scope of services is unlikely to lead to better tender responses. Retendering would lead to a delay of the timings of the project, leaving the Council without the support needed for the delivery of strategic infrastructure and phase delivery at Meridian Water.

#### **4.3 Commission under the existing contract**

The existing contracts do not sufficiently cover the scope required for the services outline and expire before HIF delivery date which is March 2024

## **5. REASONS FOR RECOMMENDATIONS**

The successful bidder demonstrated the required expertise and experience to deliver the tasks set out in this report. The procurement used the Home England Framework for Multidisciplinary Services to ensure quality and value for money.

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

### **6.1 Financial Implications**

See Part 2 report

### **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. In addition, 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 Council therefore has sufficient powers to enter into the contract.
- 6.2.2 In awarding the contract, the Council must ensure that it has complied with the Public Contracts Regulations 2015 as well as the requirements of its Constitution including its Contract Procedure Rules in relation to the award of the contract. The Contract Procedure Rules and Public Contracts Regulations 2015 permit the Council to call-off from an existing framework if the framework terms permit. The Home England Framework for Multidisciplinary Services is available for local authorities to use. A three-stage procurement process was conducted in accordance with the framework requirements. This report describes the conduct of that process and the evaluation of bids.
- 6.2.3 The Contract Procedure Rules require that, where the value of the contract is £1,000,000 or more, the contractor must be required to provide sufficient security in the form of a parent company guarantee, performance bond or similar. No such security is being provided in relation to this contract for the reasons set out in paragraph 7.4 of this report. In accordance with the Contract Procedure Rules, the Director of Finance has approved this approach.
- 6.2.4 Officers have agreed that the total liability of the successful bidder under the contract will be limited to £10million in the aggregate per annum. This position has been approved by the Director of Finance.
- 6.2.5 Officers have advised that collateral warranties are not required under the proposed contract (para 7.5). Depending on the nature of the

services provided under the contract, and particularly if there is an element of design, collateral warranties may be sought by third parties (e.g. potential contractors on site, developers and funders). In the event that a collateral warranty is later required by such third parties in respect of the contract proposed in this report, this may result in additional cost being incurred by the Council.

6.2.6 It is proposed that the contract will be funded in part from the proceeds of Housing Infrastructure Fund grant to the Council. On 17th August 2019 the Chancellor of the Exchequer announced the successful award of £156m HIF Grant for Meridian Water which will finance the delivery of strategic infrastructure across the Meridian Water site. The availability of this funding will be subject to the satisfaction by the GLA and the Council of numerous pre- and post-contract conditions and acceptance by the Council of funding terms which are currently being negotiated. Any project activity/expenditure incurred before receiving confirmation that pre-conditions have been met and the HIF grant agreement has been entered into is entirely at the Council's risk. Subject to agreement of terms, the Council will be able to recover any capital expenditure incurred on strategic infrastructure after 28<sup>th</sup> September 2017 provided such expenditure is included in the Council's HIF bid, MHCLG approves the claim and is satisfied with supporting information provided by the Council to evidence such claim.

6.2.7 Throughout the engagement of contractor, the Council must comply with its obligations of obtaining best value, under the Local Government Act 1999. The Council must keep a clear audit trail of its decision to award these services to demonstrate that best value has been, and will continue to be, obtained for the Council.

6.2.8 The value of the proposed contract is greater than £250,000 and therefore the Council must comply with the requirements of its Key Decision procedure prior to award of contract.

6.2.9 All legal agreements in relation to this matter shall be in a form approved by Legal Services on behalf of the Director of Law and Governance.

### **6.3 Property Implications**

The recommendations in this report do not have any property implications.

### **6.4 Procurement Implications**

The tender was a call-off from the Homes England Multidisciplinary Framework 2018/S 127-289621. Due diligence was carried out by the Procurement and Commissioning Hub (P&C Hub) on the Council's ability to use the framework. Other frameworks were also considered but the Homes England Framework was chosen due to the length of the call

off contract allowed under the framework and the range of suppliers. The project was mini-tendered in accordance with the guidelines provided by the Homes England who operate the framework. The tender returns were evaluated by the team, a moderation meeting was held on 27 November 2019 where the scores and final comments were agreed. The P&C Hub were involved in the procurement and the process was carried out fairly and transparently.

The tendered rates were compared with the competitively tendered framework rates and were the same as, or in some cases lower than, the tendered framework rates.

The Contract Procedure Rules require some form of security to be provided for contracts valued at £1,000,000 or over. It is noted that no security is being provided under this contract and that this has been approved by the Director of Finance.

The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

## **7. KEY RISKS**

### **7.1 Housing Infrastructure Funding is not or only partially secured**

MHCLG has announced that the bid for funding has been successful. However, the award of funds will be subject to negotiation of detailed terms and the satisfaction of various pre-contract conditions. The services included in this commission related to the HIF Site Works will initially be covered from the Meridian Water Capital Programme and ultimately refunded from the HIF funding.

**Mitigation:** The Meridian Water Financial Model and Budget report going to Cabinet in October recommends the authorisation by Full Council (in November) for expenditure of the Meridian Water detailed budget for the remainder of 2019-20, 2020-21 and 2021-22 financial years, which includes money to finance the scope of services set out in this report within that budget period. If HIF funding is not or only partially secured, the Council will look to secure GLA funding, private funding and council funding to fund the HIF Works. None of the work undertaken as part of HIF delivery will be abortive and will contribute to strengthening the deliverability of scheme.

### **7.2 The appointed team does not provide value for money**

The successful bidder does not offer value for money.



**Mitigation:** The successful bidder is an established firm with extensive experience delivering the services required. The Council received three tenders back and the successful bidder offered the economically most advantageous bid. As part of contract management process KPI reviews will be undertaken on a quarterly basis to monitor performance and quality of service.

### **7.3 Limitation of liability**

The Call-off instruction will limit total liability of the successful supplier to £10million in the aggregate per annum.

**Mitigation:** The level of financial risk during the lifetime of the contract in case of negligence or poor quality of professional advice and design should not exceed £3 million, which is 50% of contract value of each project to be delivered during the lifecycle of this contract. The £10million liability coverage will be available during the duration of the contract and for up to 12 years post termination of contract.

The Meridian Water Team will carefully manage the risks associated with the delivery of the services required under this appointment. Clear working protocols and instructions will be established and a competent project and contract manager will be allocated to ensure monitoring and quality assurance. The Council reserves the right to terminate the contract based on key performance indicators.

### **7.4 Parent Company Guarantee**

Under the call-off instruction the successful supplier is not required a Parent Company Guarantee (PCG). The requirement was deemed to deter market interest as it is unusual practice for design and planning practices to hold PCG. Requirements for PCGs are standard practice for commissioning contractors liable for losses incurred as a result of the contractor's breach of the building contract and/or insolvency but unusual for contracts related to design and advisory services .

**Mitigation:** All suppliers on the Home England Framework have undergone rigorous financial evaluation. Furthermore, as part of the ITT stage an assessment of economic and financial standing has been carried out to ensure suppliers are financially sound. Services are called off in smaller parts and instructed as when needs are identified, rather than fixed fee instructions in lump sums. Therefore, in case of financial failure of the company, the Council's risk of financial exposure is very low.

### **7.5 Information handover**

Some of the services provided under the contract is required to be handed over from the Council's existing provider including design information and technical modelling data.

**Mitigation:** Systematic handover process had been planned for that follows best practice from industry and the principles of PAS 1192-2. A common data environment (CDE) will be established by the provider to ensure safe and efficient information handover process.

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

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

The recommendation in this report do provide the authority to start procuring a project management consultancy to manage the HIF Site Works. The HIF Site Works will unlock new housing development in Meridian Water.

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

The HIF Site Works include several green spaces linking up with existing green spaces in the Meridian Water area and thereby enhancing the value of the local green infrastructure. These works can contribute to the health and wellbeing of the existing and future communities in the area.

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

The delivery of strategic road and flood alleviation works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy.

## **9. EQUALITIES IMPACT IMPLICATIONS**

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. However, it should be noted that the any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

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

Once the civil-engineering led multidisciplinary consultancy team is appointed the performance will be overseen by Meridian Water Team. Systematic reviews of all relevant aspects of performance and the relationship with the appointed team and will take place on a quarterly basis. The reviews will assess how the appointed team is performing against the key performance indicators (KPIs) identified in the ITT. The

reviews are a forum to drive continuous improvement, help reduce costs and mitigate risks.

## **11. HEALTH AND SAFETY IMPLICATIONS**

The recommendations in this report do not have any health and safety implications.

## **12. PUBLIC HEALTH IMPLICATIONS**

Meridian Water is poorly connected by public transport, walking and cycling and although the site lies adjacent to the North Circular Road and Meridian Way, a strategic north-south route, the central and eastern part of the site have no direct connection to the proposed railway station, the most important piece of new infrastructure. The intervention proposed for the development should address these site constraints and design-in foundations to prioritise walking and cycling. The infrastructure designs should be grounded on an urban structure that improves the environment and to encourage healthy lifestyle. The utilities corridor should also be designed to provide specs for smart technologies, introduce suitable energy infrastructure to help residents save energy bills and improve air quality.

### **Background Papers**

None

