

MUNICIPAL YEAR 2019/2020 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

Part 1 Report

KD Num: 4955

PORTFOLIO DECISION OF:

**Subject: Four Anthony Way: Lease for
Building Bloqs**

Cllr Nesil Caliskan, Leader

REPORT OF:

Executive Director
Place

Wards: Upper Edmonton

Contact officer and telephone number: Paul Gardner Ext. 4754

Email: paul.gardner@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Council acquired 4 Anthony Way in November 2018, with Building BLOQs as ongoing tenant.
- 1.2 In Feb 2019, the Council authorised entering into an Agreement for Lease with Building BLOQs who will let the neighbouring VOSA building, which is being refurbished and extended as their future home (KD 4796).
- 1.3 While the works are underway, and to cover the period of transition from BLOQs' current workshop to their new home in VOSA, a new lease first needs to be entered into for their current premises.
- 1.4 This report seeks authority to renew an expired lease on the front part of the property, and to grant a new lease on the rear part of the property.
- 1.5 The leases include a rent-free period (until 1st February 2020 12 months on the front, and for a period of 6 months from the start of the lease on the rear) in lieu of the extensive refurbishment work that BLOQs undertake to bring the rear yard and ancillary buildings into a good state of repair.
- 1.6 The full rental terms are set out in Part 2 of this report
- 1.7 STACE, as part of their role as project manager and quantity surveyor for Meridian Water, have verified the value of the schedule of refurbishment works that will be undertaken to the rear part of the demise, and will oversee and verify that works are undertaken to a satisfactory standard.
- 1.8 The rent payable has been confirmed as market rent through a Red Book valuation undertaken by Wilks Head and Eve on 10th December 2019

2. RECOMMENDATIONS

That the Leader:

- 2.1. Delegate authority to the Director of Meridian Water to approve the final version of Heads of Terms to enter into a lease agreement for 4 Anthony Way.
- 2.2. Entrust the authorised legal officer on behalf of the Director of Law and Governance to enter into the leases with Building Bloqs as per the commercial terms set out in the Confidential Briefing Note.

3. BACKGROUND

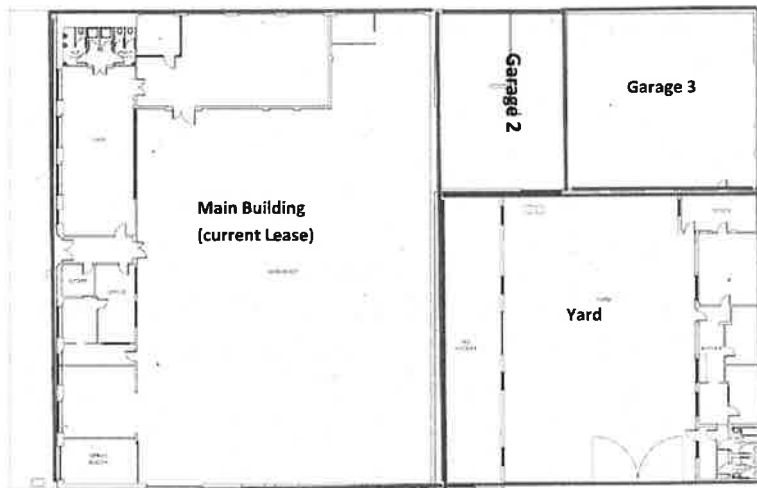
- 3.1. LBE acquired 4 Anthony Way (**4AW**) on 5th November 2018. The full address is: Unit 4, Cobden Works, Patisserie House, Lee Valley Trading Estate, Edmonton, N18 3QT. The decision to acquire was authorised at Cabinet on 25th July 2018 (KD 4717).
- 3.2. The site was acquired with vacant possession to the rear building and the yard, but with the existing tenant, Building Bloqs (**Bloqs**), still in tenancy in the Main Unit. Historically the rear yard and ancillary buildings were not included in the Building Bloqs demise but were let to third party tenants on informal terms. At the time of acquisition, the Council therefore insisted on securing full vacant possession of this part of the demise which was achieved.
- 3.3. At the time of acquisition, the rear yard and ancillary buildings were in a state of disrepair and due to rubbish and the poor condition of its surface, the yard was unusable. The potential value of the letting the rear part of the demise in its current condition is very low and given its ancillary nature and relatively small size Glenny, our property agent advised that it would be very difficult to secure a new tenant even at low rents. Bloqs expressed an interest in extending its demise to include this neighbouring part of the property, and a proposal has been put forward as set out in this report. The proposal has also been tested against a Red Book valuation as described in Part 2 of this report.
- 3.4. Bloqs is an open workshop providing flexible and affordable access to industrial standard space equipped with specialist machinery for freelance makers, small businesses and designers.
- 3.5. Bloqs had a lease on the front building of 4AW from 13th July 2012 until 31st January 2019. They wish to renew the lease to provide the

organisation with secure accommodation while their new home is being delivered in the neighbouring building through a joint project between the GLA, Enfield Council and Bloqs (see below for details).

3.6. The building schedule is as follows:

	Area sq. m	Area sq. ft
Main Unit (including both front office/shop and main warehouse) <i>Demise of Building Bloqs former lease</i>	901.43	9,703
Rear Building (Garage 2 & 3) “Extension”	332.85	3,582
Garage 1 (at back of main building)	113 m2	1,216 sq. ft
Yard	c. 449 m2	4,836 ft2
Total Site		0.55 acres

Table 1: Building Schedule Property 4 Anthony Way



Lambert Smith Hampton

LAND SURVEYORS
INCORPORATED
INCORPORATED
INCORPORATED
INCORPORATED

LONDON BOROUGH OF
ENFIELD

4 ANTHONY WAY
ENFIELD
MIDDLESEX
M20 2JH

FLOOR PLAN
AS EXISTING

DATE: 10/10/2019
SCALE: 1:500
DRAWN BY: [Name]
CHECKED BY: [Name]

Meridian Works and VOSA

- 3.7 Bloqs have been working for 3 years to develop and deliver a landmark employment and meanwhile project at Meridian Water, called Meridian Works. On 5th February 2019, the Leader authorised entering into an Agreement for Lease with Bloqs on the VOSA site for 12 years (KD 4796).
- 3.8 Under the agreement, the Council will undertake works to the VOSA building to refurbish it and extend it to provide 35,000 sq. ft of refurbished and new commercial space. Enabling works are expected to start early in 2020; planning permission for the refurbishment project is expected to be received in February 2020, with main works commencing in the spring and lasting between 9 and 12 months.
- 3.9 The Council has made grant funding available to Bloqs to deliver Meridian Works and support Bloqs through the transition.

Proposed Lease

- 3.10 Bloqs have requested that their existing tenancy is extended pending completion of the works at VOSA. Granting a new lease to Bloqs allows the organisation to stay at their existing premises during the refurbishment works and prevents major disruption to the current operation of the business. It was therefore decided not to market 4 Anthony Way but instead to offer a direct off-market renewal of their lease. However, the rental level agreed is market rent as verified through a Valuation undertaken by Wilks Head & Eve (see Confidential Briefing Note below).
- 3.11 It was decided not to let the rear part of the premises separately because, this would be difficult to achieve without significant disruption to the Bloqs' operation. Instead it was decided to extend the Bloqs' demise to include the rear part of the property (albeit this will subject to a separate lease) thereby facilitating Bloqs' operational arrangement by using the rear yard for servicing, deliveries and access and allowing Bloqs to refurbish and bring back into use currently redundant and unusable ancillary buildings.
- 3.12 A Condition Report undertaken by LSH at the time of the acquisition, shows that it would cost the Council c. £100k to refurbish this space and bring it up to lettable condition. (see Alternative Option 4.2).
- 3.13 Heads of Terms have been agreed with Building Bloqs for two parallel leases: one for the front part of the demise; and one for the rear demise. The leases will commence as soon as legal documents can be agreed (likely to be Feb 2020). Both leases will then have the same termination date and rolling break provisions.

preparation of sites for letting (see financial implications on the attached Confidential Briefing Note).

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 *Terminate Building Bloqs lease by serving notice and remarket 4 Anthony Way.*

This is not considered a viable alternative as the Council has a contractual agreement to prepare their new premises at VOSA. It is in the Council's interest to ensure that Building Bloqs are protected in their current premises while contractual obligations are met because they are the future tenant of the VOSA building, and Bloqs are delivering the Meridian Works, and employment and placemaking project at Meridian Water.

4.2 *Let the rear part of the premises separately*

Before 4AW was acquired by the Council in November 2019, there were separate tenants occupying the rear part of the building. However, these tenants were occupying on an informal basis without proper leases in place (unlike Bloqs which did have a proper lease in place). This was an unsatisfactory arrangement for both property management because there were not clearly separated demises in place and for legal reasons as these occupational arrangements were not properly documented. It was for this reason that the Council sought to acquire 4AW with full vacant possession to the rear of the property, which it achieved.

Going forward, the Council wants to put in place a sensible letting structure in place that works from a property management point of view. It is therefore not recommended to let the rear part of the premises separately as this would be both impractical and costly.

In terms of costs, significant investment would be required in the rear yard and ancillary buildings in order to bring them up to a lettable condition and to create a properly separated demise from the front portion of the building, which never previously existed. The Council would have to procure these works, maintain site security while the property is empty, re-market this site and forego potential income during the void period.

In practical terms, Bloqs' business would benefit from using the rear yard for access and vehicular servicing, which is important for delivery of materials, equipment and machinery. From a property management

3.14 The main terms for Lease for **Unit 4 Front Building, Anthony Way** are as follows:

- The lease will complete as soon as possible.
- The lease will be granted until to 31st January 2023.
- Mutual break operable at any time from start of lease subject to six months' prior notice.
- Rent-free period will last up until 31st January 2020 in lieu of the work undertaken in bringing the rear yard area and ancillary buildings into a state of repair
- Full rent is payable from 1 February 2020

3.15 The main terms for Lease for **Land/Ancillary Buildings at Rear of Unit 4, Anthony Way** are as follows

- The lease will complete as soon as possible.
- The lease will run up to a set termination date of 31st January 2023
- Mutual break operable at any time from start of lease subject to six months' prior notice.
- 6 month rent-free period in lieu of the work undertaken in bringing the rear yard area and ancillary buildings into a state of repair
- Full rent is payable after the 6 month rent free period expires.

3.16 The 12-month rent free period will be retrospective, covering a period from 1st February 2019 until 31st January 2020. The value of this plus the value of the 6-month rent free period for the rear lease will be the equivalent consideration for the works. The refurbishment works that will be undertaken in lieu of rent have been jointly specified by STACE and Building Bloqs. The schedule of works can be found at Appendix 2. The value of these works exceeds the value of the combined rent-free periods for the two leases. The cost of these works is being directly met by Bloqs and includes labour, materials, machinery, fees and any other associated outlay. The works will deliver a suite of newly refurbished and useable buildings surrounding a rear yard that will be resurfaced. Works also include repair of roofs and renewal of utilities. A quantity surveyor at STACE has reviewed the schedule to verify the value of works. When Bloqs vacate the building and move into their new premises at VOSA, the Council will be able to immediately market the refurbished property as a single ready-to-let property.

3.17 A project manager from STACE will visit the site monthly to sign off works as they are completed. It is anticipated that the works should be complete by the by early 2020. This fee for this will be met as part of the Meridian Water budget allocated for the delivery of meanwhile uses and

perspective, it is sensible to join the front portion with the back yard and ancillary buildings to make one single demise for all of 4 Antony Way.

Furthermore, the proposal agreed with Bloqs secures the required refurbishment to the yard and ancillary buildings for the Council at no direct cost to the Council. It is also in the interest of the Meridian Works project that Bloqs has some immediate expansion space so that it can begin to grow the business in preparation for moving into VOSA, and thereby begin to deliver against GLA funding outputs.

4.3 *LBE undertakes the works to refurbish the rear of the property and then remarkets the site.*

While this option has the advantage of greater control over standard of the works. The timescale considerations mean that this would not be a recommended option.

It would take up to 8 weeks to procure a contractor (including writing up the brief for works, getting authority to procure, going through procurement requesting competitive tenders, and selecting a contractor). Works could then take up to 6 months, because they are varied and would need to be undertaken in phased way to minimise disruption to Bloqs as neighbouring tenant. Only once works were complete could the site be properly marketed, which would take another 4 weeks. After this 9 month period, we could still grant a lease but it would have to be subject to an immediate rolling break with no term certain. This is because once Building Bloqs vacate (which could be any time from June 2020), the Council need to have the offer to remarket the whole site as one to secure a single tenant for all of 4 Antony Way going forward.

Giving this situation the marketing offer would be weak and difficult to secure a tenant on such terms. It is likely that the Council would have to wait until Bloqs vacated the front of the property and market the whole site properly. Thereby the Council would have had to have paid for the refurbishment (rather than having it undertaken at no cost under the current proposal), and not be able to recover this cost through rental income until such time as Bloqs relocate.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Heads of Terms have been agreed with Building Bloqs that would secure them as tenant in 4 Anthony Way for the period during which their new premises are prepared by the Council at VOSA.

- 5.2 Building Bloqs are paying market rent, the contribution of which overall helps to meet the Meridian Water revenue income target.
- 5.3 By refurbishing the building, Building Bloqs are increasing the value of the property, transforming what is currently an unusable demise into a series of buildings and outdoor space. This will help the Council secure a replacement tenant paying full market rent for the entire premises once Bloqs have relocated into the VOSA building.
- 5.4 The letting is in support of the Meridian Water Place-making pillar: "A Place to Make and Create" because it provides tenure for Bloqs to continue to operate and expand in their existing premises thereby growing the strength and resilience of their maker-space, and contributing to encouraging highly skilled jobs (particularly self-employed) in Meridian Water.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

See Part 2 report

6.2 Legal Implications

MD 18th December 2019

- 6.2.1 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.
- 6.2.2 The Council's Property Procedure Rules set out mandatory procedures regarding the acquisition, management and disposal of property assets, must be followed when transacting with another party using property in which the Council has an interest and commit the Council to a rigorous and business-like approach to the management of its property assets.
- 6.2.3 The grant of lease in respect of the premises at 4 Anthony Way is an off-market disposal. The Property Procedure Rules require such disposals to be approved by the relevant Cabinet member. In accordance with those rules, this report contains justification for the disposal as being in the best interest of the Council (see Property Implications below) and written advice, including a market value, from an external registered valuer is appended to this report.
- 6.2.4 Officers must ensure that there is adequate insurance cover in place over the property, in particular in relation to the works required to be completed by the tenant.

6.2.5 The lease must be in a form approved by Legal Services on behalf of the Council's Director of Law and Governance.

6.2.6 See Part 2 report.

6.3 Property Implications

The Property Procedure Rules (the Rules):

- *Set out mandatory procedures regarding the acquisition, management and disposal of property assets*
- *Must be followed when transacting with another party using property in which the Council has an interest*
- *Commit the Council to a rigorous and business-like approach to the management of its property assets*

It is noted that there are two aspects to the proposal as set out within this report namely a lease renewal of an existing asset currently let to Bloqs and a new lease for an additional yard / garage area which is currently vacant and which hasn't been offered to the market but is adjoining to the property subject to the lease renewal.

Section 14 sets out the requirement governing:

Disposal - Off Market

There may be instances where a disposal by way of open market sale would not achieve the best consideration reasonably obtainable. Examples include (but are not limited to) sales to a tenant, disposal to a development partner, disposal to an adjoining owner.

Such disposals are subject to a report prepared by the Responsible Senior Officer, and approved by the relevant Cabinet member, that includes:

- *Justification for such a disposal as being in the best interest of the Council*
- *Written advice, including a market value, from an external registered valuer.*

It is noted that a Red Book valuation by an external registered valuer has been obtained which confirms that the proposed rent is at a market value

Section 19 sets out the requirements governing:

19. Leased-Out Property

19.1 Requirements of the Local Government Act 1972 s 123 (that except with the specific consent of the Secretary of State) the Council may not dispose of land for a consideration less than the best that can

reasonably be obtained other than by way of a short tenancy. A short tenancy is one not exceeding seven years.

19.2 Leased-out property must be advertised in the open market and must comply with the process set out in the Operational Procedures. However, there will be instances where letting a property on the open market would not be in the best interest of the Council. Examples include (but are not limited to) providing premises to an individual or organisation that has been displaced by compulsory purchase. In such cases officers will act with due probity, good governance and transparency.

19.3 No Property Asset (or part) shall be occupied without appropriate legal documentation authorising the occupation.

It is noted that whilst the proposal as set out within this report do not fully comply with the Council's PPR's in terms of ensuring that the vacant yard / garage area was placed on the open market and advertised publicly, the proposals do comply with the PPR section which governs Disposal Off Market in that Regeneration have:

- Provided justification for the disposal as being in the best interest of the Council
- Obtained a red book valuation prepared by a Registered valuer at Wilks Head & Eve dated 10th December 2019, which confirms that the proposed rent, for both the lease renewal and yard / garage area is at a market value

Accordingly, Strategic Property Services fully endorse the proposals as set out within the report

7. KEY RISKS

Risk: Building Bloqs do not vacate 4AW once the Council had completed Landlord works on VOSA

Mitigation: The new lease will include a break clause which can be served at any time from the 18-month anniversary of the lease (i.e. from 31st July 2020. Furthermore, the Lease on the VOSA site is conditional on Bloqs ceding occupation of 4AW.

Risk: Works are not completed to a satisfactory standard so the building is not lettable, and the Council has to undertake works at the end of the lease term.

Mitigation: All works being undertaken are being overseen by STACE, who are also project managing the refurbishment of VOSA on behalf of the Council. STACE are verifying the quality and satisfactory completion of work to a mutually agreed specification.

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

8.1 Good homes in well-connected neighbourhoods

Meridian Works of which Building Bloqs is the key delivery partner, is the forefront regeneration project at Meridian Water. This project is a central catalyst for regeneration across the area, helping to make happen an ambitious project to deliver 10,000 homes in Edmonton.

8.2 Sustain strong and healthy communities

Strong Communities result from a mix of local businesses and residents and pioneering new businesses and families. This lease will help support an establish local business of Building Bloqs which has long provided a community hub for the businesses along Anthony Way, as well as their growing membership.

8.3 Build our local economy to create a thriving place

This lease supports a local and growing business. The lease is one of a series of steps to facilitate growth for the small entrepreneurial maker business, Building Bloqs. As activity and membership of Building Bloqs maker hub increases, this will strengthen the local economy in this part of Enfield and contribute to this area being a thriving place. This is particularly important given that a lot of the neighbouring space is currently vacant and unoccupied.

9. EQUALITIES IMPACT IMPLICATIONS

There are no quality impact implications for this letting.

10. HEALTH AND SAFETY IMPLICATIONS

The work proposed in this report to refurbish currently redundant and potentially dangerous building on 4 Anthony Way will have the impact of bringing back unusable and unsafe buildings back into profitable use.

BACKGROUND PAPERS

None



MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Sarah Cary

Executive Director – Place

Agenda – Part: 1

KD Num: 4922

Subject: Bathroom Pod installation and refurbishment works, Brimsdown Estate. Various properties at Brimsdown Avenue and Croft Avenue EN3

Wards: Enfield Highway

Contact officer and telephone number:

Garry Knights:0208 132 0805

Email: garry.knights@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This project was identified as part of the Better Council Homes Workplan and Budgets 2019/20 (KD 4830) which was approved by Cabinet on 13 February 2019.
- 1.2 The project is included in the 30-year HRA Business Plan, which was detailed in Housing Revenue Account (HRA) Business Plan Budget 2019/20, Rent Setting and Service Charges report (KD 4741) and was approved by Cabinet on 13 February 2019 and Council on 27 February 2019.
- 1.3 This report proposes the direct award of a contract through the Procurement Hub Framework, to complete the installation of bathroom pods commenced by another principal contractor, Lakehouse Contracts Ltd. who; subsequently went into administration.

2.1 RECOMMENDATIONS

That approval be given to direct award of the bathroom pod and refurbishment works installation.

3. BACKGROUND

- 3.1 Brimsdown Pods renewal is a bathroom Pod replacement project which was identified through the Councils asset data as poorly performing stock with high levels of repairs. The project involves the renewal of pre-fabricated bathrooms Pods and all associated construction works.
- 3.2 The original contract for the supply of 60 pods and refurbishment works was let to Principal Contractor 'Lakehouse Contracts Ltd.' in October 2017. This contractor subsequently went into administration in January 2019 with works uncompleted on site.
- 3.3 In the interim period, locally based contractors have been used to make the site safe and weather tight where building operations were left uncompleted. These works are currently ongoing and can only be considered temporary in nature until the main contract is let.
- 3.4 It is proposed to award a contract by direct call off via a recognised framework to Allenbuild Ltd. as they were part of the Lakehouse supply chain and are familiar with the detailed requirements of the project, which time critical. This method accelerates the procurement process. The main contractor also shares the same company group as the pod supplier, assisting an early delivery on site.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Consideration was given to the procurement of the works through a competitive tender process.
- 4.2 In terms of procurement options there were two main routes for consideration:
 - i. Use of a suitable consortia framework agreement, with appointment via direct award
 - ii. Unilateral tendering of a bespoke contract utilising either the open or restricted process
- 4.3 Using a framework can save time and money, while still delivering a service specified to local requirements. Contractors are assessed for suitability prior to joining the framework and have signed up to pre-agreed terms and conditions. Standard documentation is also provided as well as support from the framework itself.
- 4.4 Frameworks provide a direct award option which enables Clients to enter into contract with Suppliers using the most expedient route to

market available, whilst remaining compliant with the Public Contract Regulations 2015.

- 4.5 Tendering a contract allows clients to create bespoke documentation designed to fit its requirements. This approach also opens the opportunity to tender to a wider group of bidders.
- 4.6 However, as the project is time critical; a direct call off via a recognised Framework; is recommended.

5. REASONS FOR RECOMMENDATIONS

It is important that works commence at the earliest opportunity due to the residents being left with incomplete works. Term contractors have carried out emergency repairs and health and safety works. However, most residents are left with the original deteriorating pods and incomplete refurbishment works

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 gives a local authority power to do anything (whether 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. The matters outlined in this report are incidental to the functions of the Council's departments and are intended to help ensure an effective service.
- 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, the Contract Procedure Rules ("CPR's") permit the Council to procure services from an existing legally compliant framework if 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 the Call Off Contract's value is over £250,000 this is a Key Decision and the Key Decision procedure should be followed.
- 6.2.7 The Call Off Contract will need to be sealed on behalf of the Council.

6.3 Procurement Implications

- 6.3.1 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.3.2 As the contract is over £250k the service must ensure that sufficient security has been considered.
- 6.3.3 Due diligence and approval of the Procurement Hub Framework Agreement has been undertaken by the Procurement & Commissioning Hub prior to any procurement.
- 6.3.6 Any call-off from a Framework must be carried out in line with the relevant framework process and via the E-Tendering Portal, with all documentation retained.
- 6.3.7 The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
- 6.3.8 The procurement and award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
- 6.3.9 The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

6.4 Property Implications

There are no property implications in connection with this report.

7 KEY RISKS

Risk	Mitigating action	Residual risk High / Medium or Low
Necessary procurement skills for the project	<p>Consultants are providing specialist contract administration and procurement support services</p> <p>The Council's Project Manager has significant procurement experience.</p>	Low
Supplier has necessary skills and qualifications	The proposed Contractor has been fully reviewed by the consultant and is a specialist in pod delivery	Low
Compliance with Public Contracts Regulations 2015	Contract procured via established framework with support from the framework providers who ensure compliance with the framework rules and Public Contract Regulations 2015	Low
Contractual issues	The Councils requirements are built into the contract and bespoke tender documentation	Med
Supplier performance	<p>Clearly defined key performance indicators (KPI's) have been incorporated into the contract.</p> <p>Adequate contract management and administration will be applied and contract monitoring meetings take place at regular intervals.</p>	Low

	Retention clauses have been incorporated into the contract, together with a performance bond	
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8 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

- 8.1 **Good homes in well-connected neighbourhoods**
The programme will improve the quality of existing homes and therefore positively impact on the quality of life for our residents.
- 8.2 **Sustain strong and healthy communities**
Improving the existing homes where people desire to live will help to create and maintain strong sustainable communities.
- 8.3 **Build our local economy to create a thriving place**
Ensuring residents can fully participate in activities within their neighbourhood.

9 EQUALITIES IMPACT IMPLICATIONS

- 9.1 These works have been identified based on the condition of the stock in line with the Decent Homes Standard and are therefore not available to all residents in our properties. It is therefore not deemed necessary to carry out an equality impact assessment/analysis at this time.
- 9.2 We will work closely with individual tenants throughout the project to ensure all relevant individual circumstances are considered during the works.
- 9.3 Any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.
- 9.4 Individual requirements will be addressed prior to starting on site to identify any adaptation work or specific needs that may be required by residents.

10 PERFORMANCE AND DATA IMPLICATIONS

Project specific performance measures (KPI's) will be incorporated into the contract to track progress, satisfaction, quality and financial performance. These will be monitored at monthly progress meetings.

11 HEALTH AND SAFETY IMPLICATIONS

Work is notifiable under CDM and appropriate appointments will be made.

12 PUBLIC HEALTH IMPLICATIONS

The work will contribute towards reducing heating bills, sustaining tenancies, reducing fuel poverty and improving the environment for the residents.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY****Agenda – Part: 1****KD Num: KD5048****Subject:****To award the cash collection contract
from Pay and display machines****OPERATIONAL DECISION OF:**Director of Environment &
Operational Services**Wards: ALL**

Contact officer and telephone number:

Adrian Wise, 020 8379 3560

Email: adrian.wise@enfield.gov.uk**1. EXECUTIVE SUMMARY**

This report seeks approval to award the cash collection contract to the preferred tenderer after using the tender process from the Eastern Shires Purchasing Organisation (ESPO) Framework 32F Cash Collection, Cash and Valuables in Transit Services for a contract period of 3+1+1 years.

2. RECOMMENDATIONS

To approve the award of the Cash Collection Contract to the successful tenderer named in Part 2 of the report.

3. BACKGROUND

- 3.1 Since 2016 Enfield's cash collection from Pay and Display machines has been carried out by a private contractor. Prior to this, the cash collection was carried out by in-house cashiers but the service closed.
- 3.2 The contractor collects, counts and remits cash from the Council's 220 pay and display machines and from a small number of schools that still require cash collections
- 3.3 The Council had entered into an agreement in February 2016 to call off the ESPO Framework Contract - Cash Collection and Cash and Valuables in Transit Services.
- 3.4 Parking Services, Exchequer Services and Procurement managed a mini tender project with the three named companies on the ESPO framework; G4S, BDI Securities and Contract Securities were invited to bid for the contract in the London Area.
- 3.5 TUPE will apply to one member of the staff that currently works for the current contractor
- 3.6 Please see section 3.6 in part 2 of the report

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To remove all pay and display machines and have all customers wanting to pay to park using alternative methods such as paying using their mobile phones. Whilst this option is already available, pay and display cash payments account for 80% of revenue and to remove this would not be popular with the public in the borough.

5. REASONS FOR RECOMMENDATIONS

Please see part 2 of this report

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 This report seeks to award a Cash Collection Contract for on-street and off-street Parking receipts to the successful tenderer. The total cost of the contract will be met from the existing budgets for cash collecting.
- 6.1.2 Please see part 2 of this report

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. Further, the Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals may do provided that it is not prohibited by legislation and subject to Public Law principles. Under Section 45 of the Road Traffic Regulation Act 1984, the Council has the power to make, and collect, charges for parking within its jurisdiction. The proposals in this report are pursuant to these powers and are in compliance with the Council's powers.
- 6.2.2 The value of the proposed contract exceeds the relevant EU threshold for services therefore, a fully compliant process must be carried out in accordance with the Public Contract Regulations 2015 and as per the Council's Contract Procedure Rules (CPRs).
- 6.2.3 The CPRs permit the Council to call-off from an existing Framework if the Framework terms permit, and provided that due diligence has been conducted on the suitability of the framework by the procurement team. It has been confirmed that this has been carried out accordingly.
- 6.2.4 The Council complies with its obligations with regards to obtaining Best Value under the Local Government (Best Value Principles) Act 1999. It is confirmed that this obligation has been complied with when choosing the successful bidder.
- 6.2.5 Due to the value of the contract, this report constitutes a Key Decision, and therefore, the Key Decision procedure has been followed
- 6.2.6 The resultant call off has been prepared in accordance with the ESPO Framework, and has been prepared and agreed by Legal Services. Due to the value of the contract, the contract shall be sealed on behalf of the Council in compliance with the CPRs.

6.3 Property Implications

- 6.3.1 There are no property implications

6.4 Procurement Implications

- 6.4.1 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.4.2 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.
- 6.4.3 All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

- 6.4.4 A mini competition was carried out on the ESPO 32F Framework. Scoring was carried out by stakeholder services, with moderation carried out by P&C Hub.
- 6.4.5 It is expected that the Contract will be managed by the service to ensure that service delivery meets KPI's and that commercially we are only charged what is within the contract. That all monitoring meetings are recorded and information updated to the LTP.
- 6.4.6 That the service undertake a review in good time to ensure that a procurement can be carried out, should the extensions not be taken.

7. KEY RISKS

Risk Category	Comments/Mitigation
Strategic	Risk: If the contract is not put in place the council could be left without cash collection contractor Mitigation: Procurement and Parking will put the new contract in place before the deadline
Operational	Risk: If the contract is not put in place the council could be left without cash collection contractor Mitigation: Procurement and Parking will put the new contract in place before the deadline
Financial	Risk: Company could cease trading Mitigation: The ESPO has carried out financial checks on all companies before they could tender
Reputational	Risk: None identified.
Regulatory	Risk: None identified.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

Pay and display meters are a council asset and if not emptied will shut down and loose the department revenue from the pay and display machines.

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

9.1 Good homes in well-connected neighbourhoods

- 9.1.1 The enforcement of traffic and parking is essential in having neighbourhoods that connect both places to live and work within the borough

9.2 Sustain strong and healthy communities

- 9.2.1 Parking and traffic enforcement is necessary to form part of a wider need to help with health communities. Enforcement takes place:

- Outside of schools to ensure that children are safe

- In cycle lanes to keep them clear for people commuting or carrying out exercise
- To deter pavement parking making pavement accessible for pedestrians

9.3 Build our local economy to create a thriving place

9.3.1 The contractors should, where applicable, employ local people.

9.3.2 The contractor will also be required to pay their staff the London Living Wage in line with the Council's requirements.

10. EQUALITIES IMPACT IMPLICATIONS

An initial screening has been carried out and a full equality impact assessment is not required in this instance. However, the following table summarises the key impacts on the various protected groups.

Age	No specific impacts identified
Disability	No specific impacts identified
Gender reassignment	No specific impacts identified.
Marriage or civil partnership	No specific impacts identified.
Pregnancy and maternity	No specific impacts identified.
Race	No specific impacts identified.
Religion or belief	No specific impacts identified.
Sex	No specific impacts identified.
Social economic	No specific impacts identified.

11. PERFORMANCE AND DATA IMPLICATIONS

None Identified

12. HEALTH AND SAFETY IMPLICATIONS

12.1 All contractors that have been allow to tender have shown they comply with Health and Safety Legislation through the ESPO.

12.2 The winning tenderer has provided the council with a full set of risk assessments and Safe Systems of Work, to demonstrate that collections from machines in Enfield can be completed safely.

12.3 Health and safety measures will be regularly reviewed and audit the contractor performance to ensure that the contractor's work, which forms part of the council undertaking is being conducted in way that is legally compliant.

13. HR IMPLICATIONS

None Identified

14. PUBLIC HEALTH IMPLICATIONS

No direct public health implications from this report.

Background Papers – None