

## MUNICIPAL YEAR 2019/2020 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**Agenda – Part: 1**

**KD Num: 5047**

**Subject: Bury Street West Former Depot  
Site N9 9LA – Appointment of contractor**

### OPERATIONAL DECISION OF:

**Wards: Bush Hill Park**

Executive Director of Place

in consultation with the Cabinet Member for Finance and Procurement, the Director of Housing and Regeneration and the Leader of the Council (Responsible for New Supply).

Contact officer and telephone number: Max Houseago, DD: 0208 148 4381

Email: Max.houseago@enfield.gov.uk

#### 1. EXECUTIVE SUMMARY

2. Cabinet agreed on 16th Oct 2019 (KD4791) the appropriation of the site from the General Fund to the Housing Revenue Account. In addition, it agreed to approve the increase of £20.3m to the HRA capital programme to fund the development and land purchase associated with at least 25 Council Homes and 25 private sale units; with an option to increase proportionally at up to £250,000 per additional unit.

3. Cabinet also agreed to delegate authority to the Executive Director of Place, in consultation with the Cabinet Member for Finance and Procurement, the Director of Housing and Regeneration and the Cabinet Member for Social Housing:

The award of construction work contracts for the demolition and redevelopment of the site, project management and procurement arrangements including operational resourcing, design teams, and appointments for all pre and post contract construction services, and the potential submission of a revised planning application.

4. This report seeks approval of the award of the works contract to a Contractor.

## **2. RECOMMENDATIONS**

- 2.1 Approval for the construction contract award for Bury Street West Former Depot Site to the Contractor named in Part 2 report through the Notting Hill Genesis Framework.
- 2.2 Approval of the remaining scheme expenditure for the project including the Works and all professional & technical costs.
- 2.3 That the Director of Housing and Regeneration has delegated authority to vary the number and tenure mix of the development.

## **3. BACKGROUND**

- 3.1 The provision and growth of good quality, affordable homes are a key priority for the Council as set out in report KD4830 of 13 February 2019. KD4830 confirmed the resolution to deliver additional social and affordable rented homes owned by the Council and Cabinet delegated authority to the Director of Housing and Regeneration in consultation with the Director of Finance to approve third party land and property acquisitions subject to due diligence and valuations.
- 3.2 Following submission of the “Building Council Homes for Londoners” (BCHL) bid to the GLA, the Council were successful in securing c£18.1m of grant. This funding along with RtB receipts and HRA headroom borrowing is planned to deliver 3,500 homes in the next 10 years. £2.5m of this grant funding is allocated to Bury Street West Former Depot Site.
- 3.3 Bury Street West Former Depot Site is a key site to help achieve these affordable homes objectives.
- 3.4 Cabinet agreed on 16th Oct 2019 (KD4791) the following:
- 3.5 Agree to appropriate Bury Street West depot from the General Fund to the Housing Revenue Account at the certified market value of £3.5m plus overage in accordance with the Heads of Terms.
- 3.6 Approve the increase of £20.3m to the HRA capital programme to fund the development and land purchase associated with at least 25 Council Homes and 25 private sale units with an option to increase proportionally at up to £250,000 per additional unit.

- 3.7 Delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Finance and Procurement, the Director of Housing and Regeneration and the Cabinet Member for Social Housing:

The award of construction work contracts for the demolition and redevelopment of the site, project management and procurement arrangements including operational resourcing, design teams, and appointments for all pre and post contract construction services and the potential submission of a revised planning application.

### 3.8 Budget

**Please see part 2 report.**

### 3.9 Start on site / programme

Activity	Date
Cost consultant (Stace) issue latest cost report	04 <sup>th</sup> Feb. 2020
Preferred contractor issue formal contract sum for BSW Works	28 <sup>th</sup> Feb. 2020
Enfield Council formally enter into contract with the preferred contractor	11 <sup>th</sup> Mar. 2020
Preferred Contractor start on site (hoarding, site set up, clearance)	13 <sup>th</sup> Mar. 2020
Expected Practical Completion	27 <sup>th</sup> Sept. 2021

## 4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 **Do nothing** - the Council will not be able to place the works contract for this scheme.
- 4.2 It is vital that these homes are delivered to meet the GLA BCHL programme.
- 4.3 The loss of this opportunity would otherwise provide much needed council homes and reduce pressures on the council house waiting list and temporary accommodation budgets.
- 4.4 **OJEU compliant open tender or mini competition through Framework** – these options were considered however the time taken

to procure a contractor through these routes would be considerable. A start on site by March 2020 would not be achievable and GLA funding could be lost. This would make the scheme unviable and unable to progress.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 A direct award under the framework is being recommended, as a full tender process would exceed the timeframe for GLA's BCHL programme which requires a start on site by 13<sup>th</sup> March 2020.
- 5.2 There is a restricted timeframe to draw down the GLA subsidy, resulting in the risk of losing significant funding toward the delivery of the project, if the recommendation is not approved.
- 5.3 The preferred contractor meets the requirements to deliver a scheme within the timescales, to the highest energy efficiency credentials possible within the budget, and with a track record of successfully delivering similar schemes in London within the price and quality required.
- 5.4 As one of the few councils to declare a climate change emergency, a decision was made to use the development as an opportunity to deliver the best possible energy efficient sustainable development, with low carbon emissions, within the available budget. This will establish Enfield Council's commitment to significantly reducing carbon emissions and delivering sustainable homes. If the project is not progressed these benefits will not be realised.
- 5.5 This proposal contributes to the affordable homes' targets identified in the GLA BCHL programme and meets the 2019/20/21 targets.
- 5.6 The contract price provides good value for money, taking into account the timescales to achieve the drawdown of grant and development programme.
- 5.6 The delivery of the site will provide 50 units, plus the possibility of a further 15 pipeline housing units subject to planning approval.
- 5.7 By entering into construction contract to secure GLA funding this gives the flexibility to negotiate an additional increase in affordable council housing, subject to viability. This will also give the opportunity to review and negotiate the build costs with the appointed contractor.

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

### **6.1 Financial Implications**

Refer to part 2 of this report

### **6.2 Legal Implications**

- 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. A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.
- 6.2.2 Furthermore, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of housing accommodation. Section 9 of the Act empowers the Council to provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them or by acquiring houses, and section 111 of the Local Government Act 1972 gives local authorities the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 6.2.3 The value of the contract exceeds the EU threshold for works, which means that the Public Contracts Regulations 2015 (PCR 2015) apply to the procurement. The use of a framework is a compliant route to award, provided that the procurement process complies with the PCR 2015, the Council's Contract Procedure Rules (CPR), and the terms of the framework itself.
- 6.2.4 As the value of the contract is over £1million, under the Council's CPR the contractor must be required to provide 'sufficient security' as defined in the CPR (including a parent company guarantee or a performance bond).
- 6.2.5 The form of contract must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.
- 6.2.6 The Council must ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.
- 6.2.7 As the value of this contract is over £250,000 it is a Key Decision and

the Council must comply with the Key Decision procedure set out in its Constitution.

- 6.2.8 With reference to Recommendation 2.2, any such variations would need to be submitted for consideration by the local planning authority and depending on the scale of the change, may need a separate application, or variation to existing agreement, in compliance with the Town and Country Planning Act 1990.

### **6.3 Property Implications**

- 6.3.1 Strategic Property Services supports the construction and delivery of the additional housing units.
- 6.3.2 Disposal of market for sale homes element of the development will be in accordance with the property procedure rules and will be at best consideration. The remaining homes will be retained by the Council as a part of the housing stock and for rent.
- 6.3.3 The use of a Design and Build construction contract should enable the transfer of significant levels of risk to the contractor in terms of pricing and design. However, to retain control of the build quality, the Employers Requirements should be sufficiently prescriptive ensuring that, where not, that outputs are robustly defined. This has been achieved by developing the design to RIBA Stage 4a and by ensuring the original LBE design team is appointed by the Contractor.
- 6.3.4 All new or revised asset data arising out of the proposed works must be sent by the Project Manager to Housing Property Services for input onto the Asset Management Data System, APEX, including revised site plans, floor plans, asset information and maintenance regimes.

### **6.4 Procurement Implications**

- 6.4.1 A review of known suitable works framework agreements was undertaken by the Service to identify available agreements to the Council, critiquing each option to narrow down those that can be considered, considering delivery timescales.
- 6.4.2 Due diligence and approval of the Notting Hill Genesis Framework Agreement, the preferred agreement, has been undertaken by the Procurement & Commissioning Hub prior to any procurement.
- 6.4.3 A business case was presented to the Procurement & Commissioning Review Board on 10/09/2019 that reviewed the procurement and

approved.

- 6.4.4 The Call-Off from the Framework must be carried out in line with the relevant framework process and via the Councils E-Tendering Portal, with all documentation retained.
- 6.4.5 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.
- 6.4.6 The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

## **7. KEY RISKS**

- 7.1 There are a number of risks associated with this project, with the Council taking on the role of developer and directly commissioning a contractor through a Design & Build contract, though the JCT form of contract does pass design risk onto the contractor.
- 7.2 The key risks are set out in the Part 2 report.

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

- 8.1 Internal departments have been involved and consulted where relevant.
- 8.2 The building of new homes is a key indicator for the borough and this will continue to be monitored through the appropriate Management teams and Key Performance Indicators.

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

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

This development will increase the supply of affordable homes, creating sustainable growth. The scheme is of high design and quality; and new homes acquired here will increase the supply of good quality affordable homes in a diverse neighbourhood.

### **9.2 Sustain strong and healthy communities**

Developing and sustaining good quality homes in areas where people desire to live will help to create and maintain strong sustainable communities. The development is located next to a park, lawn bowls club, church, and art centre that offers yoga lessons. This will provide a

mixed offer promoting health and wellbeing; and promoting healthy activities and sporting opportunities.

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

The investment will improve, and provide, an enhanced offer to this part of Enfield. The proposal will create a step change in the local community.

## **10. EQUALITIES IMPACT IMPLICATIONS**

10.1 Although there is no requirement to complete an EQIA on the procurement of this contract, we have had due regard to the requirements of the Public Sector Equality Duty

- eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act<sup>[1]</sup>
- advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
- foster good relations between people who share a relevant protected characteristic and those who do not share it

10.2 We are satisfied that the chosen contractor has an equality policy in relation to employment and will help the council meet its equality duties.

10.3 An EQIA will be completed at relevant points in the development of the scheme.

10.4 It should be noted that any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010. Projects or work stream deriving from this may be subject to an Equalities Impact Assessment, therefore the work streams will be reviewed to ensure that the council meets the Public Sector Duty of the Equality Act 2010.

## **11. PUBLIC HEALTH IMPLICATIONS**

11.1 Housing is fundamental to human health as demonstrated by that life expectancy in the homeless is in the order of 30 years less than the national average. Providing good affordable housing will put in place a basic building block of health.

## **Background Papers**

Appendix 1 – BSW Scheme layout and Block Plan

---

<sup>[1]</sup> Equality Act 2010



## Appendix 2 – BSW Accommodation Schedule

DRAFT

## Area Schedule

Unit E03 The Biscuit Factory  
100 Clements Road, London, SE16 4DG  
T: +44 (0)207 566 6500

mail@karakusevic-carson.com

250-KCA-XX-XX-SA-A-0100-ARE

20/12/2019

Type Number		No. Units	Number of Storeys	Unique Unit ID Numbers	Unit Description	GGA (m <sup>2</sup> ) / Floor			GGA (m <sup>2</sup> ) / Unit	Total GGA (m <sup>2</sup> ) / Unit Type	GGA (m <sup>2</sup> ) / Floor			GGA (m <sup>2</sup> ) / Unit	Total GGA (m <sup>2</sup> ) / Unit Type	Site Area (m <sup>2</sup> )
						00	01	02			00	01	02			
Type 1	4BTP	6	3	12, 25, 38, 41, 54, 57, 41.	4BTP Detached House	56.3	34.5	56.3	152.1	912.6	73.2	73.2	73.2	219.6	1317.6	1.86
Type 2	4BTP	1	3	40	4BTP Detached House	67.9	46.9	67.9	182.7	182.7	87.2	87.2	87.2	261.6	261.6	
Type 3	3RSP	5	2	1, 10, 42, 45, 48.	3RSP Detached House	56.3	56.3	-	112.6	563.0	73.2	73.2	-	146.4	732.0	
Type 4	3RSP	14	3	31, 23, 26, 35, 36, 43, 46, 41, 34, 37, 56, 58, 44, 47.	3RSP Semi Detached House (Side Entrance)	38.4	38.4	38.4	115.2	1612.8	50.2	50.2	50.2	150.6	2108.4	
Type 5	3RSP	4	2	3, 9, 4, 4, 10.	3RSP Semi Detached House (Front Entrance)	56.3	56.3	-	112.6	450.4	70.1	70.1	-	140.2	560.8	
Type 6	3RSP	2	2	0, 4, 18.	3RSP Semi Detached House (WALL)	62.3	62.3	-	124.6	249.2	76.6	76.6	-	153.2	306.4	
Type 7	2B4P	1	2	19	2B4P Detached House	40.8	40.8	-	81.6	81.6	54.9	54.9	-	109.8	109.8	
Type 8	2B4P	10	2	3, 5, 7, 14, 16, 4, 2, 6, 8, 13, 15.	2B4P Semi Detached House	40.8	40.8	-	81.6	816.0	52.6	52.6	-	105.2	1052.0	
Type 9	2R3P	4	2	32, 49, 4, 33, 50.	2R3P Semi Detached House	38.4	38.4	-	76.8	307.2	50.2	50.2	-	100.4	401.6	
Type 10	2R3P	2	2	39, 4, 33.	2R3P Semi Detached House (WALL)	50.1	50.1	-	100.2	200.4	64.1	64.1	-	128.2	256.4	
Type 11	2R3P	1	2	31	2R3P Detached House (WALL)	50.1	50.1	-	100.2	100.2	65.9	65.9	-	131.8	131.8	
Totals		50.0				522.7	519.9	162.6	1245.2	5476.1	718.2	718.2	210.6	3647.0	7336.4	

Note: Void above private stairs are included within the Residential GGA.

