

## London Borough of Enfield

### Operational Report

**Report of:** Mark Bradbury, Director of Property & Economy

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**Subject:** Refurbishment Contract Award Edmonton Green Housing Hub

**Cabinet Member:** Councillor Mary Maguire

**Executive Director:** Sarah Cary, Place

**Ward:** All

**Key Decision:** KD 5294

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### Purpose of Report

1. To provide details of the tender process for the refurbishment of the Edmonton Green Housing Hub and to enter into the Delivery Agreement with Willmott Dixon

### Proposal(s)

2. To approve the award of the stage two Delivery Agreement to Willmott Dixon for a total contract value of £2.8m following stage two of the two-stage procurement process relating to the refurbishment of the Edmonton Green Housing Hub

### Reason for Proposal(s)

3. To enable the refurbishment of the Edmonton Green Housing office to enable the implementation of the proposed new ways of working allowing the closure of John Wilkes House.

### Relevance to the Council's Corporate Plan

4. The development of the Housing Hub at Edmonton Green will enable the following objectives of the corporate plan to be met: -
  - Support our staff to adapt to new ways of working as a result of Covid-19 and social distancing restrictions, helping people to work safely and effectively wherever they are.

- Deliver our services from fewer and better equipped buildings that are energy efficient, well maintained, supported with the right technology and in the right locations for the benefit of our communities.
- Our buildings will be welcoming, accessible and inclusive places where residents can access all the support, they need in one place and where our staff feel happy to work.

## **Background**

5. This report follows the Cabinet Decision KD5006 – Corporate Property Investment Programme (CPIP) in March 2020 that delegated authority to the Director of Property & Economy in consultation with the Executive Director of Resources to procure consultants and contractors in accordance with Contract Procedure Rules as necessary to deliver the programme.
6. Enfield Council's Strategic Asset Management Plan (SAMP) 2019-2024 was approved by Cabinet in June 2019. The SAMP describes the Council's approach to management of its assets and provides links to the operational and technical details that underpins the overall strategy. The SAMP provides the framework for decision making across the estate and for individual buildings and shapes the delivery of a resource at the heart of the Council's current and future offer.
7. Cabinet Decision KD5006 approved a £5.200M allocation for 2020/21 and £8.084M allocation for 2021/22 for CPIP. That included £1.600m and £3.287m respectively for CPIP Operational Portfolio Workstream 3 - Edmonton Centre / Housing Hub; giving a scheme budget of £4.887m. The total scheme value based on a contract cost of £2.8m is £3.45m which is £1.437m less than originally estimated.
8. The Director of Property & Economy, acting under delegated powers granted by Cabinet Decision KD5006, approved the Scape Framework as the preferred procurement strategy using a two-stage construction procurement process and further approved the Council entering into a pre-construction services agreement with Wilmott Dixon for the first stage of the two-stage procurement process.
9. This report is to seek approval for the Council to enter into the Delivery Agreement with Willmott Dixon for the second stage under the same Scape Framework Agreement following the completion of the first stage (the pre-construction services stage)."
10. The council entered into a Pre-Contract Service Agreement (PCSA) with Wilmott Dixon via the SCAPE Framework to ensure compliant with both Council and EU procurement regulations. The PCSA agreement allowed the council to finalise the proposed design for Edmonton Green Housing Hub which Wilmott Dixon then took to their supply chain to ensure value for money.

11. The SCAPE framework contract requires Willmott Dixon to use its sub-contractor supply chain to secure value for money for the Council.
12. Following receipt of prices, the council and its consultants has challenged tender prices submitted before finalising the contract value identified within this report.
13. Following satisfactory benchmarking and value engineering exercises the outturn price from the contractor is recommended for acceptance following which the Council will enter into a Delivery Agreement under the SCAPE Framework.

### **Main Considerations for the Council**

14. The proposal allows the Council to meet the objectives of the Build the Change Programme within approved budgets and in accordance with the Council's Contract Procedure Rules Using the Scape framework contract and the PCSA agreement gave the council the ability to withdraw from the process and undertake an alternative procurement methodology if costs were outside the budget envelope.

### **Safeguarding Implications**

15. There are no specific Safeguarding issues related to this report

### **Public Health Implications**

16. There are no specific Public Health issues related to this report

### **Equalities Impact of the Proposal**

17. There are no specific Equalities Impact issues related to this report

### **Risks that may arise if the proposed decision and related work is not taken**

18. Not undertaking the proposed refurbishment of the Housing Hub will mean that it will not be possible to bring the housing management team together to allow continued service improvement in addition will mean that it will not be possible to introduce the new smarter working policy agreed by the council. It will also potentially require the Council to reopen John Wilkes House.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

19. That the value of the works is above the proposed budget envelope and is therefore unaffordable. The proposed mitigation will be to fix the design, control variations and report regularly to Property Board.

### **Financial Implications**

20. The awarding of this contract does not require budget growth or spending approval and can be managed within existing Build the Change budgets earmarked for the Edmonton Green Housing Hub.
21. Council approved the 10 Year capital programme on 2nd March 2021 in KD5210 which included a budget for Build the Change of £41.7m. Of this budget envelope, approval to spend £13.9m on Build the Change was given in KD5006 of the £41.7m capital budget envelope, £4.0 was allocated to the Edmonton Green Hub with £3.6m remaining at the start of 2021/22 and is covered in the amounts approved to spend to date.
22. The contract value of £2.8m is within the earmarked budget for Edmonton Green Housing Hub.
23. The Build the Change Programme is to manage costs within the overall budget envelope of £41.7m. In addition to the award of this contract, there are other costs to deliver the hub. If the total costs differ to the earmarked budget for the hub, the difference will be absorbed by the wider programme budget envelope.

### **Environmental and Climate Change Considerations**

24. The Edmonton Green Housing Hub is being delivered as part of the Build the Change Programme; a Programme of work which supports the Council's aim to become carbon neutral by 2030, as set out in the Climate Action Plan.
25. Bringing Housing staff together on 2<sup>nd</sup> floor of Edmonton Green Library, enables the closure of John Wilkes House. By moving services out of older energy inefficient buildings, the Council is able to reduce its direct carbon emissions by disposing of buildings and making improvements to the energy consumption in the buildings that staff occupy. A separate report details the Building Sector Decarbonisation Fund which will assist in reducing the carbon emissions from the Civic and other council buildings.
26. Furthermore, the Council's new Smarter Ways of Working policy will reduce carbon emissions because staff classified as a 'flexible worker' will work remotely more often which will reduce travel to and from the office.

### **Legal Implications**

27. The Council has the power under s.1(1) Localism Act (2011) to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. Under s.111 Local Government Act (1972) local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions. It is therefore considered that the Council has sufficient powers to implement the proposal in this report.

28. The value of the contract is below the threshold for public works contracts (currently £4,733,252) under the Public Contracts Regulations 2015 (PCR 2015). The Council must however ensure that it complies with the Contract Procedure Rules (CPRs). CPR 14.4 states that Frameworks, where they exist, should be used provided Best Value can be demonstrated and managers are required to retain sufficient evidence to demonstrate compliance. Calling off from Frameworks is further permitted under regulation 33 of the PCR 2015. The contract award must be in accordance with the process set out in the Framework Agreement. The call off process outlined in this report to award the construction contract after satisfactory completion of a pre-construction services stage is in accordance with the Scape Framework call off process.
29. The Council must ensure value for money in accordance with the Local Government Act 1999 and the CPRs. It is advised that evidence of Best Value should be documented in accordance with the CPRs.
30. The contract must be in a form approved by the Director of Law and Governance. Legal advice has been sought throughout in the preparation of the delivery agreement and the delivery agreement is in accordance with the model delivery agreement under the Scape Framework. It is advised that the client department should be mindful of the following:
  - (i) Before any work can commence by a sub-contractor, the Contractor must enter into a contract with the sub-contractor and confirm to the Council's by providing a copy of the Contract Data to the project manager and also procure collateral warranties in favour of the Council from the sub-contractors;
  - (ii) Given that the value of the contract is above £1,000,000, sufficient security must be obtained from the Contractor in the form of a bond or parent company guarantee or one of the forms set out in CPR 7.3.
  - (iii) The Service Department must undertake a risk assessment to ensure that the levels of insurance are adequate seeking advice from the Council's Insurance team.
  - (iv) The contract must be executed under seal to comply with the CPRs.
31. This is a Key Decision and the Key Decision process must be followed.

### **Workforce Implications**

32. There are no specific workforce implications directly relating to this report as it is primarily a contractual award document. The rollout of the Build the Change programme will have significant workforce implications as it is predicated on employees having to work in a very different way from the traditional office-based model.
33. This operational shift will be supported by the new Smart Working Policy which is now being finalised. To ensure the successful transition to this new way of working there will need to be extensive staff engagement at

officer and leadership levels addressing both the operational change and the behavioural / cultural change required.

### **Property Implications**

34. The proposals contained within this report support the Council's Strategic Asset Management Plan (2019 – 2024) approved by Cabinet in June 2019 which set out the management approach to the Council's General Fund operational and commercial investment buildings and is in line with proposed expenditure contained within the Corporate Property Investment Programme.
35. All new or revised asset data arising out of the proposed works must be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM, including revised site plans, floor plans, asset information and maintenance regimes.

### **Procurement Implications**

36. All procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPRs) and the Public Contracts Regulations (PCRs) (2015).
37. The service is proposing on undertaking a "call-off" via the SCAPE Framework Agreement. The Call-Off from the Framework must be carried out in line with the relevant framework process and all retained documentation must be uploaded onto the Councils E-Tendering Portal once completed/awarded.
38. In accordance with the CPRs the Supplier must be required to provide sufficient security. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. As the contract is over £500k the service must ensure that sufficient security has been considered.
39. 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 (LTP) including future management of the contract.
40. In accordance with the Councils CPRs the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the LTP, and that the monitoring requirements are adhered too
41. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

### **Options Considered**

42. To use other procurement strategies however, the SCAPE framework provides the council with a procurement process which allows the council to cease the procurement if the contract value exceed the agreed budget.

## **Conclusions**

43. The proposal allows the Council to meet the objectives of the Build the Change Programme within approved budgets and in accordance with the Council's Contract Procedure Rules.

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## **Appendices**

### **Background Papers**

The following documents have been relied on in the preparation of this report: