



## London Borough of Enfield

<b>Title of Report:</b>	<i>Alma Community Centre award for fit out works</i>
<b>Report to:</b>	<i>Executive Director of Housing, Regeneration and Development</i>
<b>Date of Report</b>	<i>24/07/23</i>
<b>Cabinet Member:</b>	<i>Leader of the Council</i>
<b>Directors:</b>	<i>Sarah Cary, Executive Director Joanne Drew, Director for Housing and Regeneration</i>
<b>Report Author:</b>	<i>Amena Matin (Head of Regeneration and Growth)</i>
<b>Ward(s) affected:</b>	Ponders End
<b>Key Decision Number</b>	<b>KD 5560</b>
<b>Implementation date, if not called in:</b>	16/08/2023
<b>Classification:</b>	Part 1 & 2 (Para 5)
<b>Reason for exemption</b>	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## **Purpose of Report:**

1. As part of the Alma Estate regeneration scheme, Countryside Partnerships (UK) Limited are responsible for delivering a new community centre as part of Phase 2A. The community centre will be Council owned and managed within the Housing Revenue Account (HRA) asset portfolio. The new community centre is targeted to be handed over in September 2023 as “shell and core”, which means the Council is responsible for the works to fit out the interior of the new building to create a functional building. This report seeks approval of the existing budget allocation for expenditure in 2023/2024 and award of contract for the fit out works to Countryside Partnerships.

## **Recommendations**

- I. Approve expenditure against the allocated budget for the fit-out works, up to £1,330,654. This includes cost of the fit out and associated professional fees and works.
- II. Agree the appointment of Countryside Partnerships (UK) Limited to carry out the fit out works under a JCT Design and Build contract.
- III. Delegate authority to the Director of Housing and Regeneration to agree the management and lettings strategy having regard to the Property Procedure Rules and Community Spaces lettings policy, including approving terms for any future lease arrangements on commercially viable terms acceptable to the HRA.

## **Background and Options**

- 2 The principal outcomes of the Alma Estate Regeneration included a comprehensive masterplan, delivering of 1080 homes (comprising 40% affordable housing overall), a medical centre, a youth centre, and a new community hall.
- 3 There are 8 phases in total including sub phases. To date, Phase 1, Phase 2a(i) and Phase 2a(ii) have completed. Phases 2a(iii), phase 2A and phase 4 are currently on site and will complete by the end of 2024 and deliver 369 homes. There are 69 council owned homes for the remaining council tenants on the Alma estate, which will support the decant of Curlew House. To date, 97 Council owned units have been completed and are now occupied.
- 4 The Development Agreement for the redevelopment of the Alma Estate (dated 13 November 2014), Countryside Partnerships (UK) Limited are required to provide the Council with a Shell and Core community facility as part of the social infrastructure pursuant to the estate regeneration.
- 5 The shell and core of the community centre is due to handover to Enfield Council by Autumn 2023. The Council will be required to complete the fit out works prior to use and agree a management strategy for the two halls and adjacent youth centre, which was completed in 2021.

- 6 In 2017, Cabinet approved a budget of £3m for the fit out of the community facilities (youth centre and community halls). There is a budget of £1,330,654 allocated within the approved Alma scheme budget for the fit out works (including professional fees) for the community centre.
- 7 The proposal is to appoint Countryside Partnerships (UK) Limited as a direct award, via a JCT 'design & build' contract. The value of the works contract is below the Procurement threshold above which the Public Contracts Regulations 2015 would have otherwise applied. A direct award route has been approved based on exceptional circumstances as Countryside Partnerships (UK) Limited are completing the shell and core and, are the main contractor on site for delivery of regeneration masterplan. The costs have been independently assessed by Martin Arnold, acting as Employer's Agent, to ensure that value for money is achieved. Taking into consideration the time and cost of procuring a contractor and fluctuating build costs given the economic conditions, the expected cost of delivering the fit-out works is in line with market value, A waiver has been approved on the grounds in paragraph 8 and 9 below.
- 8 The advantages to appointing Countryside Partnerships (UK) Limited to do the fit out works:
  - The risk to Enfield Council would be kept minimal as CPUK would be responsible for delivering the project on time, or else they would in fact delay their own Vacant Possession of the next phase of works.
  - The handover of shell and core is currently scheduled by Autumn 2023, fit out works will then follow. If CPUK are appointed, fit out works could commence sooner due to CPUK already being on site, reduces risk on site of a third-party mobilising.
  - Continuity for the project as there is a working partnership already in place.
- 9 The alternative option would be to go through a full procurement tendering process to select a contractor. This would take approx. 6 months, and in turn delay the fit out works and handover of the functional building. In addition to this, as the shell and core is due to complete by Autumn 23, Countryside Partnerships (UK) Limited will shortly complete works on this phase therefore meaning the building will be left vulnerable.
- 10 Prior to planning submission of the overall masterplan, there was extensive 'community workshops' held with residents as part of stakeholder consultation for the planning process. A focussed session called 'Introducing the new Youth Centre, Community Centre and Shops' was held whereby residents were consulted with regarding the design of the community centre, and the use/s. The fit out will be in line with this design intent.

#### **Preferred Option and Reasons For Preferred Option:**

- 11 The preferred option is to appoint Countryside Partnerships (UK) Limited to carry out the fit out works within the forecast expenditure for £1,330,654 (approved by Cabinet in 2017).

12 Browne Jacobson provided legal advice on the Councils ability to appoint Countryside Partnerships (UK) Limited via a direct appointment against the 'awarding a separate works contract'. In summary, the advice received was that the Council can proceed with this approach. Whilst the value of the contract will be below the Procurement threshold, a waiver will be required to be signed off by LBE Procurement.

### **Relevance to Council Plans and Strategies:**

13 Enfield Council priorities as set out in Enfield Council Plan 2023-2026. The delivery of the community centre is linked to strong, healthy, and safe communities. Thriving children and young people.

14 The new Alma Community Centre will be a multi- purpose community space and acting as a focus point for the local community ensuring that all residents including Children and youth are involved. The new community centre will bring local people together to help them form new relationships and support networks.

15 In addition, the community centre can deliver:

- Offering a local safe base for people to access services providing a holistic approach where people can drop in for a coffee or a training course and can access additional services such as debt advice, mental health support or counselling without stigma
- Developing a range of services that reflect local need and may be delivered by local people, other organisations, or public agencies (e.g. parent and toddler groups, health and wellbeing activities, employment support, childcare, mentoring, volunteering, thinking spaces, advice, and information)
- Providing services for the Community but also led by the community
- Local people involved in making decisions about how services are run and supporting delivery through volunteering
- Co-location/ shared office space making efficient and effective use of resources, hosting partners and access to public services and linking back into community networks and community support

### **Financial Implications:**

#### 16 Summary

This report is proposing to approve spend against the allocated budget for the fit-out works for the Community Centre on the Alma estate, up to the value of £1,330,654.

#### Capital budget impact

The budget of £1.3m for the Community Centre works is included within the Alma project capital budget, this was included within the approved budget agreed in February 2023.

#### Revenue budget impact

Once the community centre works have been completed, it will be let out for community use in line with the lettings policy. These details are to be finalised;

however, the hourly rental rate will be between £22.13 to £36.88 depending on who uses the community hall.

#### Borrowing impact

These costs will be funded from borrowing; however, this is included within the approved limits and won't increase the approved borrowing requirements. The annual borrowing costs are expected to be £76k per annum based on 5.5% borrowing rate.

#### Tax implications

There are potential tax implications related to the fit-out costs of the Alma community centre. The Council will need to lodge an Option to Tax application with HMRC, to ensure the Council remains under the 5% threshold in the annual partial exemption calculation and can recover input tax estimated at £280k. There is potential for the option to tax to be disapplied due to the unique nature of the transaction, however further tax advice will be sought once the option to tax application is made.

#### Risks

There is a risk that the cost of works could increase, this will be mitigated by ensuring the clerk of works manages the works and costs.

### **Legal Implications**

*(The following legal implications have been added by SM on 070623 based on a version of the report emailed on Thu 01/06/2023 16:34):*

17 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. This power encompasses the power to enter into contracts. In addition, 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.

18 It is recommended in the report to approve expenditure against the allocated budget for the fit-out works, up to £1,330,654 and this is to include professional fees and works. The council must agree the actual total contract price for the works contract with Countryside Partnerships (UK) Limited and this must be detailed in the chosen form of contract together with a clear specification, drawings (if required) and all other required technical documentation to ensure that the fit-out works are properly specified and that the council receives exactly what is required from the fit out works. The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.

19 CPR 7.2 deals with requirements for financial security, and specifically:

- If the contract value is between £500k and £1m sufficient security from the Supplier should be considered.
- If the contract value is over £1m the Supplier must be required to provide sufficient security.

20 Forms of sufficient security are set out in CPR 7.3 and are as follows:

- Parent company, ultimate holding company or holding company guarantee where their finances prove acceptable:
- Director's guarantee or personal guarantee where their finances prove acceptable
- Performance Bond, retained funds or cash deposit; or
- Any other security as determined by Financial Management Services and/or Legal Services.

21 In the granting of leases of commercial units, processes are included in the Council's Property Procedure Rules will be followed and the lease will be in a form approved by the Director of Law and Governance.

### **Equalities Implications**

22 An Equality Impact Assessment has been completed and there are no adverse impacts arising from this decision.

### **HR and Workforce Implications**

23 No workforce implications, this is being delivered within existing structures.

### **Environmental and Climate Change Implications**

24 This project will not meet the sustainability requirements of BREEAM 'Excellent', ensuring that the building will be low-energy demand and use healthy and sustainable materials

25 This project will be procured in line with our Sustainable and Ethical Procurement Policy.

### **Public Health Implications**

26 Development of a community centre will help to engender strong and cohesive communities which should encourage self-support and resilience within the community

### **Property Implications**

27 HRA property implications: these are found throughout the body of this report. There are no Corporate property implications.

## **Crime and Disorder Implications**

28 The new community centre will help to reduce the crime and Anti-Social Behaviour in the area as there will be activities held for children and young people.

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## **Appendices**

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## **Background Papers**

**#Departmental reference number, if relevant: HRD2324\_011**