

Report of	Assistant Director of Place and Client Services	Author	Terri Hamilton ☎ 07870 542949
Title	Request to Delegate Authority for the Award(s) of the Contracts for the “Phase 3 Garage Sites” of the “New Council Housing Programme”.		
Wards affected	Rural North, Shrub End, Greenstead.		

1. Executive Summary

- 1.1 The Council agreed (at Cabinet on 30 January 2019) ambitious plans to deliver a “New Council Housing Programme” that delivers 350 extra affordable homes over 5 years. Since that time, several schemes have been explored to deliver new homes through different methodologies. One of these methods is to build new homes on underused garage sites, with different Phases in the 5-year programme. The final properties in the “Phase 2” are nearing completion at Scarfe Way and Buffet Way. “Phase 3” has seen planning permission obtained at 5 sites and the tenders are being released in stages for the construction contracts.
- 1.2 This report seeks delegation to award “design and build” construction contracts for the “Phase 3 Garage Sites”. The first of these, is at Cross Cottages (Boxted) and would be awarded in December 2022 during a Cabinet meeting gap. The further awarding of 3 subsequent contracts across 4 sites at Hedge Drive (Shrub End), Wheeler Close and Veronica Walk / Prospero Close (Greenstead) are also currently within the procurement stage, for the cumulative delivery of 23 new affordable homes in 2023.
- 1.3 These contracts would require approval by Cabinet due to estimated costs, as each of the 4 contracts will be over £500,000. As set out herein, the contracts would now be delegated to the Portfolio Holder for Housing and Communities in order to ensure that they can be awarded in a timely and efficient manner over the winter months so that the construction of these sites would then commence in March and April 2023. All 23 new homes will be ready for families on our housing needs register in 2024.
- 1.4 A similar decision was taken in July 2020 for the award of the construction contracts for the “Phase 2 Garage Sites”.

2. Recommended Decision

- 2.1 To delegate authority to the Portfolio Holder for Housing and Communities, to award the contracts for the construction of new affordable homes as agreed within the “Phase 3 Garage Sites” developments.
- 2.2 To delegate authority to the Assistant Director for Place and Client Services, in consultation with the Portfolio Holder for Housing and Communities, to conclude any subsequent related details related to the legal, financial or other matters of these contracts including handover of the completed properties to the Council.

3. Reason for Recommended Decision

- 3.1 The Council has committed to deliver 350 new affordable homes over 5 years between 2019 and 2024. These contracts deliver part of that commitment and have been progressed with budgets and other agreements previously made to deliver the new homes. The first contract, for Cross Cottages, is in the tender evaluation process and will need to be awarded in December 2022, when there is no Cabinet meeting. Delegated authority to award the contract is therefore given to allow the works to commence in a timely manner, in line with milestones and project delivery objectives previously agreed by the Council, and aligning with the usual seasonal weather.
- 3.2 The design and specification of each of the sites has met the required planning regulations and planning approval has been granted. They have then undergone detailed technical design phases prior to procurement. The contracts deliver much needed affordable homes to an agreed budget that is sustainable within the Housing Revenue Account.

4. Alternative Options

- 4.1 Not to award any contracts to build new affordable homes; but this would cease the projects and be entirely inconsistent with the strategic priorities of the Council.
- 4.2 Not to delegate the powers requested; but this would then need contracts to be individually reported to Cabinet for each contract award, increasing the time and resourcing required, for a procurement process that is already heavily scrutinised and regulated. This would delay the awarding of contracts and in turn delays the delivery of affordable homes

5. Background Information

- 5.1 Colchester Borough Council has ambitious plans to deliver up to 350 new Council owned homes by 2024. Delivery of these homes are led by the Council's Client team, delivering them through a wide range of initiatives and working with its wholly owned company Colchester Amphora Homes Limited (CAHL) and our Arm's Length Management Organisation (ALMO) Colchester Borough Homes (CBH).
- 5.2 All 5 sites (Cross Cottages, Hedge Drive, Wheeler Close and Veronica Walk and Prospero Close) have been progressed with consultation. Subsequently, they all met the necessary planning regulations and the design and specifications have all been given planning approval.
- 5.3 Like our previous Council-led new build homes, these 23 new homes are being built to Future Homes 2025 principles, with renewable heat and energy sources, higher insulation, and cheaper running costs for future tenants. The schemes represent high quality affordable housing, with adequate internal spaces, garden areas, and parking too.
- 5.4 The contracts are being procured in accordance with the Council's Contract Procedures and Procurement Strategy. The table below shows the milestones in regard to the tenders for each site

Milestones	Cross Cottages	Wheeler Close	Veronica Walk / Prospero Close	Hedge Drive
Issue of Tender Package	03/10/2022	21/10/2022	04/11/2022	14/11/2022
Deadline for receipt of tenders	11/11/2022	12/12/2022	16/01/2023	06/01/2023
Tender Analysis	w/c 14/11/2022	w/c 12/12/2022	w/c 16/01/2023	w/c 09/01/2023
Notifications	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in
Award of Contract	December 2022	January 2023	February 2023	February 2023

- 5.5 The above shows that the deadline for tenders for Cross Cottages has just ended, and the bids are now being evaluated. Other contracts will follow shortly after this one and all of the contracts will be “design and build” contracts which will allow the contractor that wins each contract to suggest ways to make minor improvements or cost savings throughout the construction phases (but within the parameters agreed by planning and building control etc).
- 5.6 The preferred contractor is not yet known as the evaluation process has only just commenced. Therefore, Cabinet is asked to delegate authority to the Portfolio for Housing and Communities to enter into a contract so that this can be concluded during December, and work can start on site without delay, prior to the next Cabinet meeting.
- 5.7 The table also shows that the procurement process for the other 3 contracts will conclude towards the beginning of 2023. Cabinet is asked to delegate authority to the Portfolio Holder for Housing and Communities to enter into a contract so that this can be concluded as soon as possible thereafter.
- 5.8 Robust controls and monitoring arrangements will be put in place for these new contracts. Formal monthly monitoring will be maintained by the Council, CAHL and CBH. These measures will include progress against the agreed programme, monitoring of expenditure against agreed budgets and the quality and standard of the build. The Client Team have had these measures throughout the projects to date, and the working groups with CAHL and CBH are well-established now.
- 5.9 All 4 contracts, will be CBC contracts, overseen by the Client Team. CAHL will continue to manage the project on behalf of the Council, whilst during the construction phases CBH will take on the roles of Technical Design and Contract Administrator, which will include managing day to day issues/arrangements of the contract on site as the main point of contact for the contractor. The properties will all be owned by the Council's HRA and will be managed upon completion by CBH as the Council's ALMO (as with our existing affordable housing stock).

6. Equality, Diversity and Human Rights implications

- 6.1 Implications for Equality, Diversity and Human Right will be considered in all contracts awards. However, it is generally thought that investment in the Council's housing stock has overwhelmingly positive implications for tenants and residents of the Borough.

- 6.2 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to:
- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.2 The recommendations will have no disproportionate impact on any protected group. The Equality Impact Assessment for the Council's provision of new affordable housing is [here](#).

7. Strategic Plan References

- 7.1 The Strategic Plan sets out clearly the Council's priorities. The budget process has been designed to ensure that resources are allocated to meet these priorities.
- 7.2 This decision particularly contributes to the following Strategic Plan 2021-2023 priority areas:
- **Responding to the Climate Emergency**
 - Reduce carbon emissions to help achieve a zero-carbon footprint for Council services for 2030
 - Environment and sustainability imbedded in all Council decision making and the adaption and recovery from Covid-19
 - **Tackling the causes of inequality and support our most vulnerable people**
 - Support people to live in healthy homes that meet their needs
 - **Increase the number, quality, and types of homes**
 - Deliver 380 affordable homes
 - Build new Council homes for our residents
 - Ensure all new homes are designed to a high quality across all tenures
 - **Enable economic recovery from Covid 19 ensuring all residents benefit from growth**
 - Ensure our Borough becomes stronger post Covid 19 by supporting businesses to recover, adapt and build resilience
 - Develop opportunities to ensure the new economy is greener, sustainable, and more resilient
 - **Create an environment that attracts inward investment to Colchester help businesses to flourish**
 - Encourage green technologies and innovative solutions to the Climate Emergency
 - Maximise the social value benefits derived from third party contracts
 - Ensure the Councils assets continue to contribute to economic growth and opportunity

8. Consultation

- 8.1 The projects have developed overtime and statutory planning consultations have been carried out as per national planning policy guidance. Over and above the statutory consultation neighbours were written to for all sites detailed and some pre-planning public meetings were held for certain sites.

9. Publicity Considerations

- 9.1 The procurement process will include publicity of the opportunity to tender for these contracts. There will be positive publicity opportunities related to the award of a contract and the future commencement on site.

10. Financial implications

- 10.1 The development sites are being funded via the Housing Revenue Account (HRA). The funding for which has already been approved by Cabinet in January 2019 when the “New Council Housing Programme” was approved, and as part of the 2020/21, 2021/22, 2022/23 (and will be included in the forthcoming 2023/24) Housing Revenue Account budget reports.
- 10.2 The contract(s) tender process will be concluded within a budget that was estimated so that the subsequent 4 contracts will remain within forecast budgets, represent value for money, and the cost of any additional borrowing will be serviced by the rental incomes from new properties created within an acceptable timespan. Cost Floor Rules also apply.
- 10.3 The Council was awarded Investment Partner status by Homes England during the “Phase 2” Garage Sites projects and all HRA new builds can be subsidised by grant funding. Submissions will be made to apply for this in due course as they reach appropriate milestones.

11. Health, Wellbeing and Community Safety Implications

- 11.1 It is broadly expected that communities where these works will take place will be positively affected by the completion of the works. Improved buildings and estates reduce anti-social behaviour and crime, improve health and associated outcomes for residents and communities. Recent medical reports have identified, more than ever, that the quality of housing has a significant impact on the health of residents within those properties.

12. Health and Safety Implications

- 12.1 Contractors bidding for works are expected to demonstrate a strong track record and high level of competence in managing health and safety through the procurement process. Contractors then manage health and safety on site, managed by CBH, although ultimate responsibility remains with the Council as the contracting authority.

13. Risk Management Implications

- 13.1 None expected as a result of this specific decision. All contracts will be managed individually, and risk registers are maintained by CBH.

14. Environmental and Sustainability Implications

- 14.1 All of the schemes will be designed to Future Homes 2025 principles, which includes energy efficiency in the building design and incorporates opportunities for renewable energy sources to heat or power the properties, including heat pumps and solar PV.