

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 31 MARCH 2015

Title:

OCKFORD RIDGE – PROCUREMENT ROUTE THROUGH THE HCA'S DELIVERY PARTNER PANEL AND APPROVAL OF PRE-DEVELOPMENT BUDGET

**[Portfolio Holder: Cllr Stewart Stennett]
[Ward Affected: Godalming Central and Ockford]**

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the specific Paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, namely:-

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

The purpose of this report is to recommend approval for the use of the Homes and Communities Agency Delivery Partner Panel 2 (DPP2) Framework for the Ockford Ridge project phases A – D; and seek approval for a budget allocation for pre-development costs for the 16 new affordable homes at Site D and two show homes on Site C.

How this report relates to the Council's Corporate Priorities:

This report relates to the Council's corporate priority of providing more affordable housing in the Borough for local people in housing need.

Financial Implications:

Funding for these schemes has been earmarked in the Section 106 funding, capital receipts and the Council's New Affordable Homes Reserve.

There are no financial costs tendering through the OJEU route. The Delivery Partner Panel is available for use free of charge by all public sector bodies.

Legal Implications:

The Delivery Partner Panel 2 provides a sound and legally compliant route to procure contractors. There is no need for the Council to undertake additional pre-qualification activities such as checking track record, financial standings, insurances or health and safety records for any of these panels, as these have already been carried out as part of the EU-prescribed tender process for the framework panel.

Background

1. In June 2013, the Council embarked on an ambitious investment project to redevelop and refurbish homes at Ockford Ridge to enhance the estate for the benefit of current and future generations.
2. In August 2014, planning permission was granted for the redevelopment areas at Ockford Ridge, which included detailed consent for the development of 16 new affordable homes in Site D and outline consent for 83 additional affordable homes in Sites A, B and C. Planning permission for two show homes was granted by the Local Planning Authority on 11 March 2015 and these will be the first new build homes to be built at Ockford Ridge.
3. Since the planning permission was granted, Press & Starkey has been acting on behalf of the Council as Employers Agent, prior to formal appointment. CDMC (Construction Design and Management Co-Ordinator), structural and mechanical services engineers, have been selected to join the design team, subject to budget approval.
4. Ridge & Partners are undertaking surveys of tenanted properties not included in the new build phases to establish the works required, such as new damp proofing courses, new heating, new bathrooms and kitchens.
5. Consultation continues with local residents with newsletters and regular meetings with the Community Consultative group. Tenants have been invited to join the project group panel to interview the contractors shortlisted for the show homes.
6. Following the appointment of the build contractor for the show homes, the next stage will be to tender the construction works for the 99 new build homes and the refurbishment of 80 existing homes. The aim is to commence construction in September 2015 on Site D, followed by Sites A – C. The build programme is expected to take approximately four years to complete.

HCA Delivery Partner Panel 2

7. As the value of the works exceeds the threshold of £4.322m set out in accordance with the Public Contracts Regulations 2015, the work has to be tendered following a specific set of rules. Two of the routes available are through the a Council-run tender process or via an existing framework agreement, both of which would need to accord with EU and UK procurement regulations. A number of frameworks have been considered, including the Delivery Partner Panel 2 (DPP2) run by the HCA (Homes and Communities Agency). The framework approach offers Waverley greater flexibility.
8. The HCA presented the DPP2 framework to officers on 23 February 2015 where the process and timings were explained. The benefits of this approach were presented, which include that members of the panel have already been through the full EU- and UK-compliant process, have been fully pre-qualified for relevant experience on housing projects, Health and Safety and financial robustness and are monitored by the HCA.

Pre-development Budget

9. A pre-development budget of £86,825 was agreed by Executive on the 3 December 2013. This budget covered the architects' fees and other surveys required for the planning submission and for quantity surveyors fees to assess the overall costs of refurbishment works. This budget is fully spent.
10. A further budget allocation is required to enable the appointment of the Employers Agent, structural, mechanical and electrical engineers, CDMC and archaeological services, prior to the commencement of construction works. A contingency of 10% has been included to cover additional survey work as required.
11. Pre-development costs for other phases will be sought on a phase by phase basis to enable the increases in costs over the four year period to be taken into account and firm control to be kept of each phase. The table of estimates is shown in (Exempt) Annexe 1.

Construction costs

12. Press & Starkey have indicated that the budget for the complete new build programme is likely to be in the region of £17m.
13. It is estimated that a budget in the region of £500,000 is required for the development of the two show houses and a budget of £2,219,032 is required for Site D, to include the cost of demolition. A contingency of at least 3% is recommended.
14. The tenders for the development of the show homes are expected in March and approval for the selection of the build contractor and the budget allocation will be sought from Executive in June 2015.

Recommendation

It is recommended that approval be given to:

1. proceed with the Homes and Communities Agency (HCA) Delivery Partner Panel 2 framework for the procurement of the Ockford Ridge Project; and
2. allocate £166,000 of the Ockford Ridge capital budget for pre-development costs for the 16 new affordable homes on Site D and two show homes on Site C.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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