

Waverley Borough Council

Report to: Executive

Date: Tuesday 4th July 2023

Ward(s) affected: Farnham Castle

Report of Director: Place

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Report Status: Open

Housing Delivery – Building Contract for Riverside Court

1. Executive Summary

- 1.1 The purpose of this report is to seek formal approval to enter into a contract to undertake remodelling and extension works at Riverside Court, Farnham, to deliver two new one-bedroom flats and associated works.
- 1.2 Members have already considered and approved the delivery of these two homes and associated full project budget at a meeting of Full Council on 13 December 2022.

2. Recommendation to Executive

It is recommended that the Executive approves:

- i. Entering into a contract with the preferred contractor - Fowler Building Contractors Limited – for the delivery of the works.
- ii. Entering into any related contractual documentation (including collateral warranties or agreements) relating to the project; and
- iii. Giving delegated authority to the Strategic Director of Place to enter into the JCT Contract and any associated contracts, in consultation with the Executive Head of Legal and Democratic Service and the Portfolio Holder for Housing (Delivery)

3. Reason for Recommendation:

- 3.1 The Executive and Full Council have previously approved the business case and budget for delivery of two one-bedroom flats at Riverside Court and the recommended authority is required to enter into the contract with a build contractor to facilitate delivery of the new homes.

4. Exemption from publication

- 4.1 No

5. Purpose of Report

- 5.1 To obtain Executive approval to enter into a JCT Contract with a build contractor to facilitate delivery of the two new homes.

6. Strategic Priorities

- 6.1 Affordable housing is central to community well-being. It is consistent with the Council's [Corporate Strategy 2020 – 2025](#), strategic priority to deliver 'good quality housing for all income levels

and age groups' and 'effective strategic planning and development management to meet the needs of our communities.'

- 6.2 This project aims to increase the number of affordable homes available for those that are in housing need and registered on the Council's housing register.

7. Background

- 7.1 Members have already considered the business case and supporting appendices for this scheme and approved the delivery of these two homes and associated full project budget at a meeting of Full Council on 13 December 2022.
- 7.2 Due to changes in the way that the services of the Senior Living Team are delivered, the former staff accommodation is now not used and this space together with two other unused smaller rooms can be remodelled to deliver two new homes within Riverside Court.
- 7.3 The new flats will generate additional rental income for the Council's Housing Revenue Account and provide modern well-designed quality homes for local people to live, in a location easily accessible to the Farnham Town Centre. Planning permission was secured in March 2022 for a single storey extension to facilitate delivery of two M4(3) wheelchair accessible homes.

8. Procurement

- 8.1 Procurement has been undertaken in compliance with the Council's Financial Regulations and Contract Procedure Rules. The Most Economically Advantageous Tender (MEAT) methodology was used to enable consideration of both qualitative and technical aspects of the tender submissions as well as price to reach an award decision. The evaluation of the tenders received was undertaken based on 60% quality and 40% compliant price.
- 8.2 Allen Construction Consultancy is appointed as employer's agent and quantity surveyor for the scheme and assessed the seven tender

returns together with a Development Officer and mediation completed by the Procurement Officer. In their tender report, Allen Construction Consultancy confirmed that they were satisfied that a competitive and Public Contracts Regulations 2015 compliant tender process had taken place and that the current open market had been adequately tested.

- 8.3 Of the seven tenders submitted two were compliant and of the remaining two, Allen Construction Consultancy was satisfied that Fowler Building Contractors Limited had submitted a fully compliant tender, demonstrated high standards in terms of quality and technical ability, offered overall best value for money and was reflective of competitive market rates and that they should be awarded the contract.

9. Consultations

- 9.1 The Portfolio Holders for Housing Operations and Delivery together with members of the Resources Overview and Scrutiny Committee have considered the business case for this scheme prior to its approval by Executive on 29 November 2022 and by Full Council on 13 December 2022.
- 9.2 Residents at Riverside Court have been consulted with informally by the project team and on a formal basis through the planning application process for the single storey extension.

10. Key Risks

- 10.1 If the Executive do not approve the recommendations the Council will be unable to enter into the works contract and therefore the scheme will not be delivered.
- 10.2 Delaying a decision to approve the recommendations will have additional cost implications as the preferred contractor and their sub-contractors are ready to mobilise and start on site subject to contract. A delay in entering into contract would likely mean the contractor would seek to revise their submitted cost to take account of ongoing construction cost increases. It is therefore imperative that

the contract is signed as soon as the relevant authority and delegations in place.

11. Financial Implications

- 11.1 The total budget approved for this development at Full Council on 13 December 2022 was £333,146. However, inflation has increased the build cost element by £30,000 and a virement from the pre-development budget was made in April 2023. This has increased the total scheme budget to £363,146.
- 11.2 The financial viability of the scheme was reviewed when the scheme cost was uplifted by £30k and remained positive with a good NPV and net income to the business plan over the life of the asset.

12. Legal Implications

- 12.1 Procurement of a build contractor has been completed in accordance with the Council's Contract Procedure Rules.
- 12.2 Members have already considered the business case and approved the recommendations made at the meeting of the Council of 13 December 2022 however formal approval is needed to enter into the JCT contract (which has been subject to review by Waverley's internal legal team) with Fowler Building Contractors Limited. Additional delegations permit the entering into of related contractual documentation such as collateral warranties which are a routine part of developments such as this.

13. Human Resource Implications

- 13.1 There are no human resource implications as the recommendations outlined within this report can be delivered within the existing Housing Development team staffing establishment.
- 13.2 The team will continue to liaise with the WBC Senior Living Team throughout the building work and Home Choice and Property Services Teams prior to handover of the new flats.

14. Equality and Diversity Implications

14.1 There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the Council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

15. Climate Change/Sustainability Implications

15.1 The tender evaluation process for the works contract included an assessment of potential contractors' approach to minimise the carbon impact on delivery of the scheme. In particular, a consideration of the approach to addressing their environmental impact, pre-construction activity, build and post construction phases and management of their supply chain.

16. Summary of Options

16.1 The options available to the Council to progress with this site were proposed within the business case and covering report presented to members at Executive in November and Full Council in December 2022.

16.2 With specific reference to this report, the options available are:

- Approve the recommendations: the Executive could decide to approve the recommendations outlined which would enable the signing of the contract with Fowler Building Contractors Limited and progression of the scheme as approved by Full Council in December 2022.
- Not approve the recommendations: The Executive could decide not to endorse the recommendations; however, this would mean that the scheme could not progress to delivery and the Council would have incurred significant abortive costs.

17. Conclusion

17.1 The Executive and Full Council have previously approved the business case and budget for delivery of two one-bedroom flats at Riverside

Court and it is recommended that the Executive approve the recommendations outlined within this report to allow the scheme to progress as envisaged and previously supported by Councillors.

18. Background Papers

- HRA Business Plan Strategic Review Housing Delivery - Executive
29 November 2022
- HRA Business Plan Strategic Review Housing Delivery - Full Council
13 December 2022