



CABINET REPORT

Report Title	Award of Build Contract on Local Authority New Build Scheme
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	10 th February 2010
Key Decision:	Yes
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Housing
Accountable Cabinet Member:	Councillor Sally Beardsworth
Ward(s)	Spencer

1. Purpose

- 1.1 To report on the procurement process for the Build Contract on Woodside Way local authority New Build Scheme

2. Recommendations

- 2.1 To agree that the Director of Housing in Consultation with the Portfolio Holder, be given delegated authority to approve the appointment of the successful tender and agree the final terms of contract.
- 2.2 To agree that the Borough Solicitor in Consultation with the Director of Housing and Portfolio Holder for Housing is given delegated authority to consider, amend if necessary and execute the local authority new build grant agreement with the Homes and Communities Agency.

3. Issues and Choices

3.1 Report Background

- 3.1.1 On the 28th April 2009, the Homes and Communities Agency (HCA) wrote to local authorities inviting them to bid for resources under the Challenge Fund programme. Round 1 deadline was on the 31st July 2009, which the authority submitted a bid for 8 family units at the Woodside Way garage site. On the 9th September 2009, the authority was notified that they had been successful in obtaining £451,913 of HCA grant.
- 3.1.2 Following the successful bid to the HCA and approval of the scheme by Cabinet on the 23rd September, the procurement process was developed. The procurement process has included an Expressions of Interest advert in the Chronicle & Echo to try and appeal to local developers, which was followed by a Pre-Qualification Questionnaire.
- 3.1.3 The next stage of the procurement process is the Invitation to Tender (ITT) stage. The ITT documents were sent out to four organisations on the 12th January, and tender returns are due back on Friday 19th February 2010.

3.2 Issues

3.2.1 Timescales

The timetable of the scheme and the deadlines imposed by the HCA funding means that start on site has to be achieved by March 2010. Therefore there is not much time between award of contract and start on site. If March 2010 start on site can be achieved, new rules by the HCA will ensure that the authority can claim a maximum of 75% of the funding instead of the usual 60%.

3.3 Choices (Options)

- 3.3.1 As highlighted in 3.1.3, four organisations have been sent ITT documents for the award of the build contract. The following organisations will be evaluated on the 19th February and the build contract awarded to the successful tender.
- Ashe Group
 - FHM Construction
 - GAJ Construction
 - R G Carter

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The New Build Scheme fully supports the emerging Housing Strategy 2010-2015 and helps achieve the following priorities:
- Manage Supply and Growth for the future of Northampton; and
 - Deliver well designed, high quality homes, Neighbourhoods and Services

4.2 Resources and Risk

4.2.1 Resources for the scheme were approved on the 23rd September for prudential borrowing (£600,080) and Section 106 Funding (£132,000). The external Grant funding was awarded to the Council on the 9th September (£451,913) by the HCA.

4.2.2 The Build Contract Value is approximately £900,000

4.3 Legal

4.3.1 Initial Consideration of the Grant Agreement has taken place in tandem with the Solicitors for HCA and amendments have been provisionally agreed. Further amendments to the Agreement may be required but it is not envisaged that these amendments will change the Document considerably.

4.3.2 Housing Officers have been advised on the ongoing obligations contained in the Agreement in terms of reporting and financial information disclosure.

4.4 Equality

4.4.1 A full Equality Impact Assessment has already been completed.

4.5 Consultees (Internal and External)

4.5.1 The following have been consulted during the procurement process:

- NBC Legal Team
- NBC Procurement Team
- NBC Finance Team
- Orbit Housing Group as Development Agent
- Davis Langdon as Employers Agent

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Priority 2 – Housing Health and Wellbeing
Priority 4 – Partnerships and Community Engagement

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Cabinet meeting papers 15th July 2009 (Bid for HCA Funding for Council House Building)

5.2 Cabinet meeting papers 23rd September 2009 – Capital Programme (Monitoring Report)

5.3 Equality Impact Assessment

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