



ADUR & WORTHING
COUNCILS

**Record of Officer
Executive Decision**
Ref. No: HofH/010/16-17
Date of Decision: 18 April 2017

If you have any questions about this decision, please contact 01903 221006 or email heather.kingston@adur-worthing.gov.uk.

Record of Decision: Procurement of services of Eastbourne Borough Council (EBC)

Decision taken by: Head of Housing

Declaration: I do not have a disclosable pecuniary interest, or conflict of interest.

Delegated authority:

At 2.7.8 of the Scheme of Delegations, a Director has a delegated authority to undertake all matters in relation to procurement and the letting of contracts (after consulting with the Head of Business & Technical Services and the Solicitor to the Council). The procurement for this contract must have regard to the Councils' Joint Contract Standing Orders and to the Public Contract Regulations 2015.

Paragraph 8.2.1 of the Councils' contract standing orders provides that:

"Where any proposal is envisaged which would require a Contract or Contracts under these Standing Orders, the Director shall be authorised to proceed provided that:

- (a) There is sufficient approved revenue or capital budget to fund the proposed contract throughout its duration; and
- (b) The Procurement team has confirmed that best value has been obtained for those contracts where the value exceeds £5,000
- (d) The Council's legal representative is consulted about:
 - The most suitable form of contract for all finance and operating leases;
 - The most suitable form of contract for any potentially complex arrangement;
 - The most suitable form of contract for all other contracts where the value exceeds £25,000; and
- (e) The key requirements detailed in standing orders are fulfilled."

Decision:

To be taken in conjunction with Officer decision - DforC/009/16-17 - Waiving of Contract Standing Orders (18 April 2017) which proposes that contract standing orders are waived in relation to the procurement of services to project manage the redevelopment of Cecil Norris House, a site/building owned by Adur District Council which forms part of the Adur Housing Revenue Account.

I agree to procure the services of Eastbourne Borough Council (EBC) to provide development agency services to progress a detailed business case up to planning stage for the redevelopment of Cecil Norris House, a site/building owned by Adur District Council forming part of the Adur Housing Revenue Account (HRA). The services required include architecture, Legal and other professional services to redevelop the site.

In particular, this decision authorises the Head of Housing to use delegated powers to progress this engagement so long as EBC

- provide the correct indemnity insurance to progress the scheme
- confirm no intellectual property rights over any scheme design

Key Decision: No

Reason for the Decision: As part of a short-term consultation, Adur District Council have engaged the services of EBC to provide a high level view of the development options available within the HRA.

The power for public bodies to contract with each other is found at s1 of the LA (Goods and Services) Act 1970 but the power is subject to the procurement rules.

The Joint Strategic Committee resolved to delegate decisions relating to the future development at Cecil Norris House (up to and including submission of plans, support and assistance to residents and partnership and contracts in relation to the development) to the Head of Housing, in consultation with the Adur Executive Member for Customer Services. The Executive Member has been fully briefed on this matter and it has been the subject of a further discussion at Adur District Council informal Cabinet.

The next phase of development for Cecil Norris House requires significant investment in project management and development skills which the council does not currently have, hence the requirement to procure these from another source. This decision notice confirms the reasons why it is deemed appropriate to appoint EBC as the Development Agent for this phase of development:

- EBC have successfully delivered development schemes, including award winning mixed tenure schemes, and have models to test HRA scheme financial viability. EBC have built housing using funding streams that include HRA headroom, RTB receipts, specific grants and section 106 monies. They understand the complexities and challenges of in-house local authority development.
- EBC have also provided advice on the potential shape of HRA development pipeline and have helped the Council identify preferred viable options for the Cecil Norris site.
- EBC are able to mobilise quickly and this is a key aspect given the need for housing development within Adur and the length of time that the site has been empty.
- EBC have submitted a proposed fee and pre-planning budget to develop the scheme up to the planning stage. This budget is in line with accepted industry standards and practice.
- EBC understand the practical hurdles that the Council and officers must navigate in order to develop in-house housing schemes for the first time. They can provide valuable skills and knowledge transfer to allow Council staff to learn these skills. Using EBC in this way therefore mitigates the risk involved in the Council directly developing a housing scheme for the first time.

- The Council already has other existing relationships with EBC and in this case, the benefit of existing professional relationships can strengthen the outcomes for this project. The Council will work strategically with EBC to ensure all potential options for redevelopment of this site are explored.

Alternative Options Considered: Open procurement/request for sealed tenders was considered but not proceeded with for the reasons outlined above and in Officer decision - DforC/009/16-17 - Waiving of Contract Standing Orders (18 April 2017).

Other Matters Considered:

Legal Advice and Issues	x	Financial Advice and Issues	x
Sustainability Issues	x	Equality Issues	x
Community Safety Issues	x	Human Rights Issues	x
Reputation	x	Risk Assessment	x
Health and Safety Issues	x		

Consultation:

The Adur Executive Member for Customer Services has been consulted and is in agreement with the approach.

Background Papers:

None

Call-in: The call-in deadline for this decision will be 5:00pm on Tuesday 25 April 2017.

Cally Antill

Signed:

Dated: 18 April 2017

Name: Cally Antill, Head of Housing

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