

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 9TH MARCH 2021
REPORT OF THE CORPORATE DIRECTOR (CORPORATE DIRECTOR – HOUSING
AND COMMUNITIES)

Part I

EXTENSION OF 49 PEARTREE LANE

1 Executive Summary

- 1.1 This report requests waiver of Contract Procedure Rule 14 (h) and approval to make a direct contract award to an incumbent contractor, to enable the quick construction of a single storey side extension to the property at 49 Peartree Lane, Welwyn Garden City.
- 1.2 It is recommended that a direct award is made to a contractor who has recently secured a contract with the council.

2 Recommendation(s)

- 2.1 That pursuant to Contract Procedure Rule 14 (h) (Alternative Procedures in Prescribed Circumstances) Cabinet agrees to waive the requirement to advertise the contract opportunity on the basis that it is desirable on commercial grounds to accept a quotation from a contractor already engaged by the Council on a project; and
- (a) the further services have a connection with the original project; and
- (b) the price is no more than 50% of the original contract sum”.
- 2.2 That, Cabinet approves the direct award of a contract to FSG Property Services Limited for the construction of a single storey side extension and associated works to the property at 49 Peartree Lane.

3 Explanation

- 3.1 49 Peartree Lane is a 6 bedroomed detached house which is now within the Council’s ownership. The property was purchased for use for a project, in collaboration with Herts Young Homeless (HYH) to provide support to young persons who are not quite ready for independent living.
- 3.2 Whilst the freehold title to the property is intended to remain within the Council’s ownership, it is proposed to lease it to Herts Young Homeless (“HYH”). HYH will let accommodation to young persons with low support needs. HYH will provide a live-in scheme coordinator on the site, to provide support to young people with their eventual move on and to help them with achieving their independence.

- 3.3 Placements will be sought directly via HYH and local young persons and/or with a local connection, between the ages of 18-24, shall be selected as being appropriate for the scheme. Residents placed shall already be known to HYH.
- 3.4 It is anticipated that young people will move onto independent accommodation when they leave the project (whether shared housing or a property of their own). HYH provide a period of gap outreach to support during their stay at the home, to ensure they are able to successfully set up their own tenancies, support is also provided with anything else that they need. Although it is not anticipated that support shall be a requirement once they have moved on from the home, HYH would be on hand to assist with any further support requirements if required.
- 3.5 Planning approval is currently being sought for a single storey side extension to 49 Peartree Lane, to provide the additional space required for the live-in support worker accommodation. An Estate Management House in Multiple Occupation application has also been submitted (as this is a requirement, due the property location within the Estate Management Scheme boundary).
- 3.6 Section 14(h) (Alternative Procedures in Prescribed circumstances), allows the following: *Where the Cabinet considers it desirable on commercial grounds to accept a quotation from a contractor already engaged by the Council on a project provided that further services have a connection with the original project and that the price is no more than 50% of the original contract sum.*
- 3.7 FSG is the Council's incumbent contractor for works at the Commons and Ludwick Way sites. The original contract sum for the current project/s FSG have been awarded at (The Commons and Ludwick Way sites) is just over £2 million.
- 3.8 Section 14(h) is deemed to have been met, as 49 Peartree Lane is located within close proximity to The Commons and Ludwick Way sites, the engagement of works are proposed to be carried out at similar programmed times and the price is no more than 50% of the original contract sum.
- 3.9 Perusing this route would enable a quick turnaround of a contractor currently working locally for WHBC, on an adjacent site, the works required to be carried out are of low value and this route would prevent the need for the property to remain void for a long period of time, prior to the commencement of works.

Implications

4 Legal Implication(s)

- 4.1 The recommendations are in accordance with the Council's procurement rules, the Public Contracts Regulations 2015 and the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 (which amend the Public Contracts Regulations 2015, following the UK's withdrawal from the European Union).
- 4.2 A business lease, which is contracted out of Part II of the Landlord and Tenant Act 1954, will be entered into between the Council and HYH. HYH will then grant licences to the young people concerned for the occupation of their rooms. HYH will also grant an assured shorthold tenancy to the live-in coordinator.

- 4.3 HYH's retention of access rights to all of the rooms will mitigate against the risk of individual young people being able to claim tenancy rights by reason of 'exclusive occupation' of their, respective, accommodation at the expiration of the lease.
- 4.4 The original transfer of the property contains a covenant which prevents the property from being used as an HMO. However the covenant is for the benefit of the Council and the property is back in the council's possession.
- 4.5 An agreement for lease will also be entered into with HYH, before the commencement of works to add certainty and provide comfort to the Council that once the works have been completed HYH will enter into the lease and take up occupation of the property.

5 Financial Implication(s)

- 5.1 A cost analysis carried out by a QS indicated that works to be carried out to the property to bring it up to the required lettable and lease standards, were in the region of £70,000.00.
- 5.2 The cost estimate received from FSG provided a comparable fee quotation of £72,120.23, which provides comfort of best value. Works to be carried out include;
- Standard void works.
 - The single storey side extension.
 - Works to bring the property up to HMO standards.
 - Costs for works shall be allocated from the Affordable Housing Programme budget.

6 Risk Management Implications

- 6.1 As with all construction projects there are risks that will be managed between the Contractor and the Council, risks have been detailed below;
- The scheme shall help the Council in meeting its affordable housing programme by meeting provision for housing need.
 - There are a number of young persons in the Borough that would benefit from this initiative.
 - There is a low risk of antisocial behaviour, however this risk is mitigated as there shall be a full time live in support worker permanently located at the property.
 - The licence agreements held by the young persons, provide additional protection, in the event of any antisocial behaviour or other proven breaches to the licence.

- A licence agreement negates the requirement for the lengthy process of applying for possession through the Courts in the event of any breach, as notices can be served and enforced within 28 days.

7 Security and Terrorism Implication(s)

7.1 None directly relating to this report.

8 Procurement Implication(s)

8.1 The recommendation is in accordance with the Contract Procedure Rules and UK Procurement Law.

9 Financial Implication(s)

9.1 The source of funding for works shall be allocated from the Affordable Housing Programme.

10 Climate Change Implication(s)

10.1 The property shall incorporate the following green initiatives;

- Water saving appliances.
- A sheltered bicycle store to the front garden of the property for use by its residents.

11 Human Resources Implication(s)

The scheme shall create one full time employment position for the support worker (the accommodation forms part of the post). This postholder will be employed directly by HYH.

12 Health and Wellbeing Implication(s)

12.1 Decent affordable housing are essential to positive health and well being. The scheme is for clients of low support needs, the project package picks up any health and wellbeing requirements and residents shall be assisted where required as part of the provision of support.

13 Communication and Engagement Implication(s)

- Ward member engagement was carried out prior to the purchase of the property.
- Engagement is continuing with Ward members and senior staff.
- Residents are provided to comment on the applications during the formal planning process.

- It is proposed that an open house shall be arranged once works have been completed to the property, allowing local residents to meet with HYH staff and discuss the scheme.
- A HYH point of contact will be provided to local residents to be used in the event of any further questions or queries.
- The meet event will allow for the showcase of similar move on resident success stories.

14 Link to Corporate Priorities

14.1 The subject of this report is linked to the Council's Corporate Priority 'Our Housing and specifically to the objective of 'meeting housing need'.

15 Equality and Diversity

15.1 An EqIA was completed for this report which indicated an overall neutral impact to the procurement route. However the overall project has a positive impact based on age, as it is an increase in the supported housing options for young people locally.

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Appendices to be listed