

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 6 FEBRUARY 2023
REPORT OF THE ASSISTANT DIRECTOR (REGENERATION & ECONOMIC
DEVELOPMENT)

AWARD OF CONTRACT FOR LUDWICK GREEN SITE

1 Executive Summary

- 1.1 The Council is delivering an affordable housing programme to provide new social housing throughout the Borough. This report relates to the redevelopment of an existing disused residential block to deliver 14 new homes at Ludwick Green. The scheme is an important part of the Affordable Housing Programme, and delegated authority is sought to appoint a contractor and move forward with the site as a priority.

2 Recommendation(s)

- 2.1 That Cabinet agrees to delegate the award of the contract for Ludwick Green to the Executive Member for Housing in consultation with the Executive Director (Place) and the Executive Director (Finance and Transformation).

3 Explanation

- 3.1 Ludwick Green in Welwyn Garden City is a former residential block owned by the Council, which was decanted three years ago due to structural damage and was deemed not fit for purpose. The Ludwick Green redevelopment scheme involves the demolition of an existing disused residential block and the development of 14 new homes for social rent. Subject to receipt of an acceptable tender, it is an important project to deliver as part of the wider affordable housing programme.
- 3.2 The site has been attracting anti-social behaviour and has been stripped of materials. The development team have secured the site and have instructed Morgan Sindall to further secure all openings to the building with Sitex security screens as a priority. There is fly tipping on site and work is ongoing to clear the site periodically as the site sits in a residential area. This illustrates the urgent need to prioritise the redevelopment scheme and move quickly to deliver the new homes.
- 3.3 Planning permission has already been granted for redevelopment of the site at Ludwick Green, which means that there is less risk between moving from appointment of a contractor to starting on site.
- 3.4 The housing development team are aiming to work with the successful bidder to start on site at the earliest opportunity for the site specific reasons outlined above. It is therefore proposed that authority to award the contract is delegated to the Executive Member for Housing in consultation with the Executive Director (Place)

and the Executive Director (Finance and Transformation), as set out in recommendation 2.1.

- 3.5 A further strategy for additional pipeline sites will be considered at a later date and reviewed as part of the wider Affordable Homes programme.

Implications

4. Legal Implications

- 4.1 The procurement route followed is in accordance with the council's Contract Procedure Rules. In the event that a contract is awarded, in due course, a formal written contract will be completed between the council and the successful contractor using the JCT Design and Build form of contract with the council's bespoke amendments.

5. Financial Implication(s)

- 5.1 There are no financial risks at present, the Council has mitigated against the risk to the potential increased build costs with a review and updates of our own cost plans and budgets have been set and agreed internally. Further delays to this project could lead to increased build costs as construction cost inflation, whilst showing signs of slowing, is still having an impact.
- 5.2 Furthermore, the budget for the programme is monitored through the normal budgetary control reports, which are reported to Cabinet on a quarterly basis. The current budget for the programme has been facilitated for in the 22/23 and 23/24 budgets (Subject to Council approval).
- 5.3 Once the tender process has been completed, the cost of the proposed winning bid will be assessed against the budget and financial implications will be set out in the member decision notice. Should the tender price be above budget this will be managed in line with the financial regulations, and the contract would not be awarded until budgets are in place.

6. Risk Management Implications

- 6.1 As with all construction related projects there are risks that will need to be managed by the Contractor and the Council.
- 6.2 The AHP has a risk management strategy in place which includes a Strategic Risk Register and an operational risk register associated with every project. The Steering Group and Project Group monitor the risk registers and associated controls and mitigation plans.
- 6.3 A detailed breakdown of site-specific risks will be reviewed once the tender process has been completed.

7. Security & Terrorism Implication(s)

- 7.1 There are no security or terrorism implications with the recommendations in this report.

8. Procurement Implication(s)

8.1 The recommendation is in accordance with the Public Contracts Regulations 2015 and the contract procedure rules.

9 Climate Change Implication(s)

9.1 The delivery of new affordable homes provides mechanisms for a range of products and initiatives that help reduce carbon emissions and tackle fuel poverty. New homes are built to high standards that help address climate change concerns, including CO2, water and waste reduction; use of local labour and transport and modern methods of construction all consider the green footprint.

10. Human Resources Implication(s)

10.1 There are no direct implications arising from this report.

11. Health and Wellbeing Implication(s)

11.1 Good quality affordable homes have a positive impact on health and well being.

12. Communication and Engagement Implication(s)

12.1 There is a communication strategy linked to the AHP

13. Link to Corporate Priorities

13.1 The recommendation contributes to our priority 'Quality homes through managed growth', as well as more specifically our commitment to Deliver more affordable homes to meet local housing need.

14. Equalities and Diversity

14.1 An Equalities Impact Assessment was not completed because this report does not propose changes to existing service related policies or the development of new service related policies.

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