

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-003-2021/22
Date of Meeting: 14 June 2021

Portfolio: Housing Services – Councillor H Whitbread

Subject: Council House Building Programme Framework Agreement

Responsible Officer: Rochelle Hoyte (01992 562054)
Service Manager - Development

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

That members are asked to agree that EFDC become members and use the National Framework, as an additional framework to ensure all projects can demonstrate best value for money, quality and where contractors judged on merit.

Executive Summary:

EFDC entered into a framework agreement back in October 2018, this agreement was administered by the managing director of Camerons Consultancy. The framework agreement consists of one employer's agent (EA), one architect and 4 contractors. Over the last few years only two contractors have tendered for proposals put forward.

In order to ensure that we are instructing the right consultants and contractors for the varying complexity of some of our development schemes, it is vital that we are able to tender outside of the current framework agreement.

Furthermore, our current limited framework does not always provide appropriate opportunities to carryout due diligence in terms of cost and quality. This is because the framework is limited to a low number of contractors.

Reasons for Proposed Decision:

The council house build programme is growing and in order to meet the targets set out as a part of the business plan and local plan, we need flexibility within our tendering process to ensure best value across the programme.

Other Options for Action:

There are no other options for action.

Report

Officers contacted Camerons Consultancy to discuss the terms of the framework agreement of which we are party to. It was confirmed that the schedule of amendments for FAC-1 states that clause 5.7 is not used and therefore, there is no exclusivity granted and EFDC has no obligation to use the agreement. As such EFDC can obtain membership for other frameworks.

As an organisation we have declared a climate emergency, as such we have committed to being carbon neutral by 2030 and have been exploring our options for this which include building to passivhaus standards. In order to implement this we need to be open to modern methods of construction (MMC). In line with our carbon neutral approach, we need to be able to work with consultants and contractors with the relevant experience in these areas to ensure we achieve our goals for the district. Such schemes such as passivhaus house are expensive and to achieve best value and gain efficiencies, officers need to work with contractors who have specialisms in these areas.

Previous council house building projects have raised some challenges particularly in relation to our architects, sub-contractors and costs. Officers have met with our employers agent and it has been agreed that the sub-contractors used in previous phases in relation to drainage, foundations and structural works will not be used as a part of the works carried out in phase 5 and beyond. However, accessing the national Framework Partnership will give us further opportunity to drive up standards and increase efficiencies.

We are confident that this change will have a positive impact on our sites going forward, ensuring that we are able to deliver our schemes on time and in budget. This is because previous delays and overspends occurred when drainage and structural drawing changes have had to be made, causing delays to progress on site and the need to increase budget provision. Using the National Framework Partnership, will give us the flexibility and access to a wider choice of contractors enabling officers to appoint a range of specialists which include clerk of works, EAs, contractors, architects, MMC, valuers, Fire safety specialists which have specific experience in Council House Building.

Conclusion

Officers are committed to ensuring that we deliver schemes that firstly meet the needs of our residents but also achieve our service business goals, which include delivering on time, in budget and providing the highest quality units. To deliver this we will need to be flexible in our approach to working with consultants and contractors going forward.

Using the National Framework Partnership is based on access fees which are calculated on the total cost of the development contract sum. As such these fees will be incorporated in our early feasibility studies to ensure affordability and good value.

Financial Reporting

Financial costs for joining are based on the development contract sum.

Resource Implications:

None applicable

Legal and Governance Implications:

Checks carried out on our current framework based on legal implications of tendering outside of the Alliance Framework agreement, have proved that there are none.

Safer, Cleaner and Greener Implications:

The continued delivery of the council house development programme will help address the climate emergency acknowledged by EFDC and commitment to being carbon neutral by 2030,

reducing the impact of our homes on the environment, while reducing energy costs for residents.

Consultation Undertaken:

Interdepartmental involvement has and will continue to be engaged.

Background Papers:

None applicable

Risk Management:

The Risks associated with the delivery of the current programme are identified within the Executive Report attached.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in consideration of this report. The equality information is provided as an Appendix to this report.