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<b>Decision Maker:</b>	<b>EXECUTIVE</b>
<b>Date:</b>	<b>For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee on Wednesday 19 June 2024</b>
<b>Decision Type:</b>	Non-Urgent                      Executive                      Key
<b>Title:</b>	<b>PROCEEDING TO PROCUREMENT: MANORFIELDS TRANSITIONAL ACCOMMODATION</b>
<b>Contact Officer:</b>	Oliver Punter, Regeneration Project Manager, 020 3364 6816, oliver.punter@bromley.gov.uk  Alicia Egan, Head of Regeneration, 020 8313 4559, alicia.egan@bromley.gov.uk
<b>Chief Officer:</b>	Director of Housing, Planning, Property and Regeneration
<b>Ward:</b>	Orpington

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1. Reason for decision/report and options

- 1.1. Following Executive approval of both the Housing Delivery Update Report (report no: HPR2023/051) in September 2023 and the Local Authority Housing Fund (report no: HPR2024/013) in April 2024, Executive are now asked to approve the recommendations contained within this report in order to proceed to procurement and begin construction works on the Orpington Manorfields site for the purposes of providing Transitional Accommodation. Members should note these recommendations will only be acted upon if there is a successful outcome to the LAHF.

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2. **RECOMMENDATION(S)**

2.1 **The Renewal, Recreation and Housing PDS Committee is asked to note the contents of this report and make any comments available to the Council's Executive.**

2.2 **The Council's Executive is recommended to:**

- 1) **Subject to the successful confirmation of the Local Authority Housing Fund grant, approve proceeding to procurement via a two-stage tender for a principal contractor to deliver pre-construction works, as set out in this report, before proceeding to deliver the capital works subject to the final costs remaining within the budget identified in the April 2024 report (HPR2024/013); and,**

- 2) **Delegate authority to award the contract for works to the Director for Housing, Planning, Property and Regeneration, subject to agreement with the Portfolio Holder for Renewal, Recreation and Housing, the Assistant Director: Governance and Contracts, the Director of Corporate Services and Governance and the Director of Finance.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Manorfields Temporary Accommodation (TA) supports up to 62 families/individuals each day, providing shelter for those that do not have permanent living accommodation. These families and individuals currently share 1 kitchen and 2-3 bathrooms between 8-10 rooms. Through utilising a DLUHC LAFH grant the Manorfields regeneration project aims to give each of the TA residents a form of independence through improved transitional accommodation as they await their new home, as detailed within 3.9 – 3.11 and section 13.
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### Transformation Policy

1. Policy Status: Existing Policy
  2. Making Bromley Even Better Priority:
    - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
    - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence, and making choices.
    - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
  - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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### Financial

1. Cost of proposal: Estimated cost up to £4.313m in grant funding, plus £888k from existing OPR capital budget.
  2. Ongoing costs: Non-Recurring Cost.
  3. Budget head/performance centre: N/A
  4. Total current budget for this head: N/A
  5. Source of funding: DLUHC LAHF grant and OPR capital budget.
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### Personnel

1. Number of staff (*current and additional*): from existing staff until grant funding is received.
  2. If from existing staff resources, number of staff hours: n/a
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### Legal

1. Legal Requirement: Statutory Requirement: Local Authorities such as LBB have a statutory duty to provide accommodation for homeless households and are obliged to secure TA for that household.
  2. Call-in: Applicable: Executive decision.
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### Procurement

1. Summary of Procurement Implications: A two stage tender will be undertaken in compliance with the Public Contract Regulations 2015, but if the tender timetable is delayed, the tender will need to be undertaken in compliance with the Procurement Act 2023.
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### Property

1. Summary of Property Implications: £888k of funding from the existing OPR Capital Budget to be allocated to this project.
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### Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: The primary purpose of this regeneration project is to improve the health, safety, educational attainment, employability, and mental wellbeing of those in Temporary Accommodation at Manorfields.
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### Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
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### Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Improved independence and facilities will have a positive impact on the health and wellbeing of TA residents.
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### Customer Impact

1. Estimated number of users or customers (*current and projected*): Manorfields was inhabited by 60 people in March 2024 and has a maximum occupancy of 118 persons (92 beds) across 68 habitable rooms. The redevelopment of Manorfields is projected to have 91 habitable rooms within 40 units offering 94 bed spaces, with each unit having their own bathroom and kitchen. The current options from the feasibility study would triple the number of large family units at Manorfields (40% of units), building on the Council's commitment to supporting family units.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors support the recommendations.

## **1. BACKGROUND**

- 3.1. In April 2024 (Report No HPR2024/013) the Executive approved the use of Local Authority Housing Funding (LAHF) towards an investment in the current Temporary Accommodation (TA) facility in Orpington, known as Manorfields. Amongst other workstreams, the Council has applied to the Department of Levelling up, Housing and Communities (DLUHC) for funding provided by the LAHF to create Transitional Accommodation at Manorfields. Transitional Accommodation has the same legal definition as Temporary Accommodation, but provides a higher quality setting, noting that residents are likely to be living there longer than the usual temporary period. The Council was expected to know the outcome of the funding application by 8 May, however, DLUHC have confirmed they are delayed in notifying Councils of the result of their applications. Therefore, whilst the Executive have already approved the addition of Manorfields to the Capital Programme at an estimated budget of £5.2m, officers are taking prudent measures to secure the governance arrangements to allow progressing works should the funding application be successful.
- 3.2. This report sets out recommendations to proceed to procurement and subsequently award the contract for works, subject to a successful LAHF funding application and the works being within budget. Members should note these recommendations are subject to the grant funding being awarded, and should the funding not be secured or the works exceed the budget, officers will bring back a report with further options to Executive for the Manorfields site.

## **PROPOSED WORKS**

- 3.3. As set out in April 2024 (report No HPR 2024/013), the total value of the works to move Manorfields to a Transitional Accommodation development is expected to be circa £5.21m. As agreed by the Executive in April, this will be funded from £888k from the Council Operational Property Repair (OPR) Programme Capital Budget and £4.313m from the LAHF. The cost of match funding this grant is less than if the site was merely repaired and retained.
- 3.4. The existing building is comprised of 62 units, split by: single; parent & child; and larger family accommodation. The current proposals would deliver between 40 and 42 units, but would result in an increase to actual habitable room space and bed provision. Officers have worked with colleagues in housing on the feasibility scheme for the site to ensure the new formatted layout will meet with current and expected future demand of TA needs.
- 3.5. In March 2024, Manorfields had 60 residents, but has a maximum occupancy of 118 persons (92 beds) across 68 habitable rooms. The redevelopment of Manorfields is projected to have 91 habitable rooms within 40 units offering 94 bed spaces, with each unit having their own bathroom and kitchen, helping to create contained spaces that are more appropriate for longer term stays. The current preferred option from the feasibility works would triple the number of large family units at Manorfields (40% of units), allowing the Council to house more families in Council owned accommodation and reducing its expense on hotel accommodation. The self-contained units, proposed for Manorfields, would allow the opportunity for many families to create a more homely environment while they transition into permanent living accommodation. The proposed works would improve the quality of life for residents, not only by providing access to private bathrooms and kitchens, but also by providing access to communal spaces that allow them to excel, such as: children's play area, a book lending space, a computer space, an improved green space and a more welcoming reception.

## **PROGRAMME OF WORKS**

- 3.6. Given the extensive pressures on housing, it would not be possible to undertake the works on site via a full decant, and a phased approach to the works is required. This will extend the

programme by circa 4 months, resulting in a proposed 14 month programme. Members should note that if the LAHF funding application is successful, there is a requirement to commence the works by January 2025, and complete before March 2026.

3.7. The below outlines the current indicative timeline for the programme:

**Action and estimated Timescale**

January - March 2024	Feasibility work undertaken to test the potential for refurbishment, including structural, mechanical, and electrical surveys.
June/July 2024	Subject to grant award - Project team to be set up, procurement of consultants to be undertaken to deliver project management, employer’s agent and quantity surveying services, as well as technical advisory services.
July 2024	Tender for works
September 2024	Award of contract for works
September to December 2024	Enabling Works and Pre Construction Services Agreement
January 2025	Mobilisation for main works – phased works to be agreed.
March 2026	Works to be completed and handed over to managing agent

**PROCUREMENT STRATEGY**

- 3.8. It is recommended that the Manorfields Regeneration project will be procured via a Two Stage Design & Build process from RIBA Stage 2. It is proposed to follow an open tender route, initially seeking quotes for the pre-construction services agreement (PCSA). The proposed evaluation ratio for the tender is the standard Council 60:40 (finance: quality). However, quality will be protected by utilising a selection questionnaire and quality questions to ensure that only appropriately qualified and experienced bidders are in consideration. It is also proposed to waive the performance bond requirement for the pre-construction element only, following consultation with the relevant Officers as per the Contract Procedure Rules’.
- 3.9. A two Stage Design & Build from RIBA Stage 2 would mean that LBB tenders the project on the basis of the feasibility study carried out, with a pricing schedule and programme prepared by LBB and a separately appointed consultancy team delivering project management, quantity surveying, employer’s agent and technical advice services. The successful contractor is then engaged under a pre-construction services agreement (PCSA).
- 3.10. By procuring through a Two-stage tender it enables LBB to mitigate design risk and to benefit from the practical expertise that a contractor can bring to make the designs more efficient and buildable. At the end of the PCSA stage LBB will have the option to continue with the same contractor or to exercise the contractual break in order to competitively tender the main works, or halt the project, depending on the budget position. As part of this process the directly

appointed quantity surveyor will scrutinise the contractor pricing documents and advise LBB on clarifications and areas where costs should be challenged.

3.11. LBB will work with the separately appointed technical advisors to develop the contractor tender documents and to develop clear Employers Requirements to ensure that expectations are met.

3.12. To support the delivery and provision of redeveloping Manorfields, members of the Executive are asked to approve proceeding to procurement via a two-stage tender on an open basis, for a principal contractor to deliver pre-construction works, covering RIBA stages 2-4. This principal contractor would then proceed to deliver the capital works for RIBA stages 5-7 subject to their final costs remaining within the budget.

3.13. Given the pace that will be required to meet the grant funding requirements, it is recommended that Members approve delegation of the award of contract for works to the Director or Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal Recreation and Housing and relevant senior Officers. This delegation request is made on the assumption that tenders for works are received within budget. Should this not be the position, a further report will be presented to Members.

#### 3.14. Procurement Timetable

26 <sup>th</sup> June 2024	Receive authority to proceed to procurement by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee (subject to a successful LAHF funding outcome)
June 2024	Project Manager (PM), Employers Agent (EA) and Quantity Surveyor (QS) awarded the contract
June – July 2024	Officers and supporting consultants to prepare tender documents for two-stage tender.
July – September 2024	Council to tender for the Pre-Construction Services Agreement (PCSA) stage via a two stage open tender process.
4 Weeks from Approval to proceed (August 2024)	End of bidder clarification period two weeks prior to close of tender.
5 - 6 Weeks from Approval to proceed (August 2024)	Six week Tender period closes for PCSA tender.
7 Weeks from Approval to proceed (August – September)	Analysis of Tenders and clarifications to bidders and interviews if required.

8 Weeks from Approval to proceed (September)	Evaluation of Tenders – Officers to score quotes based on quality questions and evaluation split.
9-10 Weeks from Approval to proceed (September)	Consensus – Officers review scores given to ensure consensus on an agreed score for each quality question.
Late September 2024	Council to award the PCSA contract.
November 2024	Submit planning submission if required.
December 2024	Review PCSA and proposed CSA for stage two of the tender.
January 2025	Award main contract subject to budget and value for money requirements being met.
January 2025	Mobilisation for main works
March 2026	Works to be completed and handed over to managing agent

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1. Manorfields has and will continue to house multiple vulnerable adults and children. The Manorfields Regeneration will enable independent living through access to a private bathroom and kitchen. This will protect those that may be at risk or a risk to others within shared facilities. Children will have access to a common play area, updated green space, and a book lending area.
- 4.2. Improved security will help ensure that those within TA at Manorfields are safe. This will reduce potential stressors for occupants.

#### **5. TRANSFORMATION/POLICY IMPLICATIONS**

- 5.1. The Manorfields Regeneration contribute to the Corporate Strategy to Make Bromley Even Better. It will meet the following objectives.
- 1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
  - 2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence, and making choices.
  - 3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
  - 4) For residents to live responsibly and prosper in a safe, clean, and green environment great for today and a sustainable future.
  - 5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.



## **6. FINANCIAL IMPLICATIONS**

- 6.1. This report recommends, subject to the successful confirmation of the Local Authority Housing Fund (LAHF) grant, that Executive approves proceeding to procurement for a principal contractor to deliver the capital works for the repair and refurbishment of Manorfields, subject to the final costs remaining within the approved budget. The value of the construction works has been estimated at £3.8m. This report also notes that a requirement for a bond for the pre-construction works has been waived.
- 6.2. The report to Executive in April 2024 (HPR2024/013) approved the addition of Manorfields to the Capital Programme at a value of £5.2m, funded by LAHF grant of £4,313k and existing OPR capital programme budget of £888k.
- 6.3. The refurbished site will comprise between 40 and 42 units, compared to the existing provision of 62 units, but would result in an increase to actual habitable room space and bed provision. As the site would still be used for temporary accommodation post-refurbishment, the Local Housing Allowance (LHA) payable to residents would remain capped at 90% of January 2011 LHA rates per Government policy. However, officers estimate that although the refurbished site would comprise a fewer number of units, because those units would be larger and entirely self-contained, the rental income would be approximately £40k higher per annum than at present.
- 6.4. It should be noted that the Housing Delivery Update report to Executive in September 2023 (report HPR2023/051) approved, subject to further viability assessment, the acceptance of GLA grant to fund the development of affordable homes on the Manorfields site. This report included details of an indicative development appraisal for the site, which showed that it could potentially deliver 46 social housing units, at a capital cost of £19,500k (funded through £8,004k of GLA grant and £11,496k of external borrowing). This would result in a net initial cost per annum of £527k (including savings on temporary accommodation) and a negative net present value over 40 years of £10,314k. Report HPR2024/013 in April 2024 subsequently recommended the refurbishment of Manorfields for use as temporary accommodation, part-funded by £4,313k of LAHF grant per paragraph 6.2.

## **7. PERSONNEL IMPLICATIONS**

- 7.1. Two Senior Project Managers will be required to support the development of several programmes, which included Manorfields Redevelopment (Report No. HPR2024/013). These Senior Project Managers will be funded from the revenue funding provided by LAHF, and the capital funding of the schemes themselves. The existing regeneration team will be managing these works until the Council is notified of the outcome of the LAH funding.

## **8. LEGAL IMPLICATIONS**

- 8.1. This report seeks authority, subject to the successful confirmation of the Local Authority Housing Fund grant, to approve proceeding to procurement via a two-stage tender for a principal contractor to deliver pre-construction works, before proceeding to deliver further capital works (subject to the final costs remaining within the budget identified), with the authority to award the contract being delegated. Authority has been sought to waive the requirement for a performance bond for the pre-construction works.
- 8.2. The Housing Act 1996, Part 7 (as amended) sets out the Council's statutory homelessness duties, including the duty to provide temporary accommodation for certain classes of people and in certain circumstances. Under the Local Government Act 1972, the Council has the power to acquire land for the purposes of its functions and to dispose of such land. The Council has the

implied legal power to provide, maintain and improve its buildings and land. The Council also has various statutory powers to provide, maintain and improve housing in particular under the Housing Act 1985. In addition, the Council has the general power of competence to do anything an individual could do under section 1 of the Localism Act 2011. Further, the Council has a legal power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. These powers enable the Council to provide and commission contracts for works such as those set out in this report.

- 8.3. Under the Public Contracts Regulations 2015 the procurement of a works contract is categorised as a public contract within the meaning of the Regulations. However, the value of the construction works has been estimated at £3.8m which is currently under the threshold for works contracts. The Council would therefore not be required to comply with the full requirements of the Regulations only those set out in Part 4 of the Regulations. The Council would also need to comply with the requirements of its own Contract Procedure Rules and general procurement principles of equal treatment and transparency having regard to the subject matter and context of the contract.
- 8.4. As noted in the Procurement implications should the procurement be delayed, the Procurement Act 2023 will come into force on 28th October 2024 and the Council would need to comply with its provisions for any procurement commenced thereafter.
- 8.5. It is suggested that a two-stage tendering procedure is undertaken where after having received the services and agreed the open-book costs under PCSA, the Council and the contractor may, under the second stage enter into the works contract to build and deliver the project. Consideration would need to be given to the terms and conditions of the PCSA and in particular, ensure that should the Council not proceed with the same contractor for the second stage that the deliverables from the first stage in terms of design could be utilised in full by the Council.
- 8.6. Approval has been obtained through officers, so the requirement for a Bond is waived for the first stage of the works, due to the nature of the pre-construction works being commissioned. The service will however seek a performance bond for the second stage main works in line with the requirements of the Council's Contract Procedure Rules.
- 8.7. The Council will also need to be mindful of any terms requiring to be met in relation to the Local Authority Housing Fund grant should the application be successful as such grants usually contain conditions relating to public procurement and the Subsidy Control Act 2022. Legal advice should be sought at the relevant time.

## **9. PROCUREMENT IMPLICATIONS**

- 9.1 This report seeks to proceed to procure for the Manorfields Redevelopment works, using an Open process.
- 9.2 This is a Works contract and the value of this procurement falls below the thresholds set out in Part 2 of the Public Contracts Regulations 2015, so is only subject to Part 4 of the Regulations.
- 9.3 As per 8.2.1 of the Council's Contract Procedure Rules, this procurement must make use of public advertisement, and therefore must also be advertised on Contracts Finder.
- 9.4 The procurement must comply with PCR 2015 principles of transparency and equal treatment. Any time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate.

- 9.5 Should the procurement be delayed beyond the October 2024, this procurement must comply with the Procurement Act 2023 and comply with the principles as set out in the act.
- 9.5 The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the Approval of the Executive following the Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 9.6 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 9.7 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## **10. PROPERTY IMPLICATIONS**

- 10.1. It is noted that £888k from the OPR Capital Budget is contributing towards the cost of these works.
- 10.2. The Facilities Management Team should be kept informed of the Programme and any changes in the plans for the building to manage Maintenance and Compliance programmes.

## **11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS**

- 11.1. The primary purpose of this regeneration is to deliver against The London Borough of Bromley's Housing Strategy, to improve the health, safety, educational attainment, employability, and mental wellbeing of those in Temporary Accommodation at Manorfields. This redevelopment will act as a transitional home for the occupants, which will enable independent living and improve the opportunities for both current and future generations.
- 11.2 Dependent upon the recommendation from the construction contractor, the boilers on site may be replaced.

## **12. IMPACT ON THE LOCAL ECONOMY**

- 12.1. The impact will come from increased opportunity. For young adults this will come in the form of access to revision and workspaces... For adults this will come in the form of a computer space for job applications or mobile working and improved green spaces to support mental health. The additional private and communal facilities aim to increase levels of employment and facilitate self-study/learning. In addition, the site will provide much needed temporary accommodation reducing the Council's spend on expensive nightly paid accommodation.

## **13. IMPACT ON HEALTH AND WELLBEING**

- 13.1. The impact of the regeneration of Manorfields TA will be positive for local residents, occupants and their families through access to additional communal and private facilities.
- 13.2. Providing access to private facilities such as a bathroom and kitchen will be impactful for occupants. Notable benefits include protecting vulnerable adults that may be at risk within shared facilities, a reduced potential for disagreements within current shared facilities, young children will be able to go to the toilet in their own dwelling, reducing the strain on parents.

13.3. Improved access to green space while offering enhanced communal spaces such as a soft play area, small library and computer space for job applications and homework, will have a positive impact on all TA occupants. These additions consider the TA focus of supporting vulnerable women and families, as they wait for a permanent housing solution.

#### **14. CUSTOMER IMPACT**

14.1. While Manorfields may temporarily close during construction in phases, the benefits of the enhanced facilities will far outweigh the inconvenience. Regenerating this site will provide opportunities to all those that occupy the dwellings. Providing transitional accommodation, which recognises that people are in longer term temporary accommodation will support the housing shortage the Council is facing as well as reduce expensive nightly paid accommodation.

#### **15. WARD COUNCILLOR VIEWS**

15.1 Ward Cllrs have been kept up to date with the recommendations, Cllr Botting has confirmed she approved of the recommendations in this report.

<b>Non-Applicable Headings:</b>	
Background Documents: (Access via Contact Officer)	Local Authority Housing Fund: Report No. HPR2024/013