

**CABINET**  
**1 FEBRUARY 2018**

**CONTRACT AWARD FOR DEVELOPMENT OF AFFORDABLE HOUSING AT SITE NEAR OAKFIELDS, BURLESCOMBE**

**Cabinet Member(s):** Councillor Ray Stanley, Cabinet Member for Housing & Property  
**Responsible Officer:** Andrew Jarrett, Director of Finance, Assets and Resources

**Reason for Report:** To agree the award of a contract to provide for development of 6 affordable housing units at a site near Oakfields, Burlescome.

**RECOMMENDATION:** that the Cabinet agree to award the contract to 3 Rivers Developments based on the current budget provided.

**Relationship to Corporate Plan:** One of the Council's key Corporate Plan priorities is the delivery of affordable housing numbers.

**Financial Implications:** A sum of £800k is included in the 2017/18 capital programme for the delivery of 6 affordable housing units at Oakfields, Burlescombe and £210k of funding has been committed by the Homes and Communities Agency (HCA) if work is started by the 31 March 2018. As previously advised, Section 5.1 of the Council's Financial Regulations makes allowance for a contract waiver process to be agreed if the formal process/timeline would result in additional cost to a project.

**Legal Implications:** The Council must comply with procurement laws and its own financial regulations. Compliance with EU procurement law is a requirement of the funding agreement with the HCA. The report outlines the process which will be followed. Additional advice on legal implications can be given if necessary and will also form part of the future report on contract award.

**Risk Assessment:** See Legal Implications. If the Council is unable to start on site by a given date in March 2018, it risks losing the HCA funding.

**Equality Impact Assessment:** None arising from this report, which is to be noted. The impacts will be reassessed for the contract award report.

## 1.0 Introduction

1.1 To remind members the Cabinet considered a report on this scheme at its meeting on the 4/1/18. The Council has an award of funding from the Homes and Communities Agency (HCA) to put towards the development of 6 affordable dwellings on a site at Burlescombe. The amount of the funding is £210,000. The HCA has stated that work needs to start on site before 31 March 2018 – and this needs to be a meaningful and material start. The risk of not making a start by that date is that the funding will no longer be made available. Therefore, time has always been of the essence with this project.

- 1.2 In the way of an update, planning permission has now been granted, the option agreement is being finalised and a contract waiver form has been agreed.
- 1.3 The main issue now is the award of the contract in order to enable 3 Rivers Developments to undertake all the prerequisite due diligence, including the discharge of planning conditions to enable a start on site in order not to lose the HCA funding.

## **2.0 Award of Contract**

- 2.1 The Council's Housing Revenue Account has been looking to deliver 6 affordable housing 2 and 3 bed units at a site in Burlescombe for some time.
- 2.2 3 Rivers Developments are now concluding a design and build tender to see the site developed and will be receiving tenders up to the 29 January 2018. The outcome of this process will be reported to Cabinet at its meeting and as long as a tender price is no more than the £800k budget provided, subject to agreed tolerances in the Financial Regulations, a contract will be awarded to 3 Rivers Developments.

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**Circulation of the Report:** Leadership Team, Cabinet Member for Housing & Property and all Cabinet Members

### **List of Background Papers:**

Committee report and Minute 21(d) Planning Committee 14 June 2017

Committee Report and Minute 46, Planning Committee 9 August 2017

Cabinet Report 4 January 2018