

**CONSTRUCTION TENDER OF MAELFA AND ST MELLONS  
OLDER PERSON HOUSING SCHEMES**

**HOUSING AND COMMUNITIES (COUNCILLOR LYNDA THORNE)  
AGENDA ITEM: 10**

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***The Appendices to this report are not for publication as they contain exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A to the Local Government Act 1972***

**Reason for this Report**

1. To approve the Council tendering for the St Mellons and Maelfa Older Person Housing schemes and to seek the delegation to the Corporate Director People & Communities to oversee the procurement process including approving the tender packs, evaluation criteria and concluding the appointments.

**Background**

2. The Council has a target of delivering 1,000 new council homes by March 2022. These projects form an integral part of this delivery target and will deliver older person flats to care-ready standards as well as communal space.
3. The projected development costs for both these projects are above £5million and therefore a Cabinet approval is required to enable us to tender for and appoint contractors.
4. A Cabinet report outlining the strategy for delivering the target of 1,000 new council homes by 2022 was approved by Cabinet in May 2019, both the St. Mellons scheme and the Maelfa schemes were identified within the report as development projects to take forward.
5. The St Mellons project is a redevelopment of the former community centre. This will provide 60 new older person accessible flats (49 x 1b2p and 11 x 2b3p). There will also be communal space in the form of lounges, laundry, refuse, staff offices and 2 x guest bedrooms.
6. The Maelfa project is a new extension to the existing tower block and will provide 41 older person accessible flats (38x 1b2p and 3 x 2b3p) as well as on-site staff provision of offices/store, scooter and cycle storage, refuse storage, a communal activity room and a roof garden. A new

glazed link and roof garden will connect the new build with the existing tower building.

## Issues

7. The land for both projects is already owned and controlled by Cardiff Council. The Housing Development team have appointed design teams on both projects and detailed planning applications for both are being submitted week commencing 9th December. We anticipate planning approvals on both in February 2020.
8. It is likely given the estimated amount of the tender that a large number of bidders are likely to be interested in participating. The estimated contract values are also in excess of the EU Thresholds meaning that the tender will need to be published in OJEU, thus also attracting further interest.
9. We therefore propose to tender these projects as a two-stage process; firstly to issue a Pre-Qualification Questionnaire (PQQ) to ascertain economic and financial standing and technical or professional ability. A shortlisted number of tenderers (likely 5) will then be invited to an Invitation to Tender (ITT).
10. It is envisaged that both projects will be 18 – 20month construction period.
11. The construction contracts will be JCT (Design and Build). We have a suite of JCT and ancillary documents already formed through other tenders issued.
12. **Costs** – we have employed an independent cost consultant, Strong's Partnership, who have provided estimated costs for the works. These are provided in Appendix 1 and 2. On top of the construction costs there will be professional fees covering Employers Agent and Clerk of Works. The Total scheme costs are taken into account when reviewing financial viability.
13. **Socially Responsible Procurement** – given the value of the works, we envisage that both schemes will yield significant Targeted Recruitment and Training (TR&T) and community benefits. It is standard to require that one apprentice placement is generated per £1million of spend but we will use both projects to look for additional added value for paid and unpaid work placements, linking where possible with our 'Into Work' scheme. We will also look for ways to involve the community as the construction phases progress through workshops, drop-in sessions and working with local schools.

## Local Member consultation

14. The Local Ward Members have been consulted through the scheme design & planning processes and are supportive of the schemes.

## **Reason for Recommendations**

15. To approve the issuing of tenders for the St Mellons and Maelfa Older Person schemes and for the Corporate Director to have delegated authority to approve the tender packs, evaluation criteria and concluding the appointments.

## **Financial Implications**

16. Funding is available in the Council's Capital programme for the Housing Revenue Account for the development of new affordable housing to be paid for by additional borrowing. Any new developments should be considered as part of governance processes outline in the HRA 30 year business plan. This will need to be reviewed periodically, including the update of existing commitments, pressures and forecasts of rental income to ensure affordability of capital expenditure commitments remain affordable, prudent and sustainable in the long term as well as the short term.

## **Legal Implications**

17. The recommendations within this report, put simply, seek approval of the proposed procurement of the Maelfa and St Mellon's Older Persons Housing Schemes. The estimated values of the proposed Works are above the EU threshold for Works contracts and therefore the full rigour of the Public Contracts Regulations 2015 ("PCR's") shall apply. Legal Services are instructed the Directorate intends to carry out a competitive tender in compliance with the PCR's to award two Works Contracts. Detailed legal advice should be sought on the proposed procurement and the drafting of the terms and conditions.
18. In considering the recommendations contained within the report regard should be had, amongst other matters, to:

## **Equalities Impact Assessment/public duties:**

19. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties) – the Public Sector Equality Duties (PSED). These duties require the Council to have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of 'protected characteristics'. The 'Protected characteristics' are: • Age • Gender reassignment • Sex • Race – including ethnic or national origin, colour or nationality • Disability • Pregnancy and maternity • Marriage and civil partnership • Sexual orientation • Religion or belief – including lack of belief.
20. Consideration should be given to the requirements to carry out Equality Impact Assessments ('EIA') so that the decision maker may understand the potential impacts of the proposals in terms of equality. This will assist the decision maker to ensure that it is making proportionate and rational decisions having due regard to the public sector equality duty.

21. Where a decision is likely to result in a detrimental impact on any group sharing a Protected Characteristic, consideration must be given to possible ways to mitigate the harm. If the harm cannot be avoided, the decision maker must balance the detrimental impact against the strength of the legitimate public need to pursue the recommended approach. The decision maker must be satisfied that having regard to all the relevant circumstances and the PSED, the proposals can be justified, and that all reasonable efforts have been made to mitigate the harm.

### **Well Being of Future Generations (Wales) Act 2015:**

22. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
23. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2019-22. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
24. The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
  - Look to the long term
  - Focus on prevention by understanding the root causes of problems
  - Deliver an integrated approach to achieving the 7 national well-being goals
  - Work in collaboration with others to find shared sustainable solutions
  - Involve people from all sections of the community in the decisions which affect them
25. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below:<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>
26. The decision maker should also have regard when making its decision to the Council's wider obligations the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards

27. As well as the obligations as set out above, the Directorate must also be satisfied that the proposal represents best value.
28. The decision maker must be satisfied that the proposal is within the Policy and Budget Framework, if it is not then the matter must be referred to the Council. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Council Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances

### **HR Implications**

19. There are no HR implications for this report.

### **RECOMMENDATIONS**

Cabinet is recommended to:

1. approve the procurement process to appoint contactors for the Maelfa and St. Mellon's new build older persons scheme.
2. delegate authority to the Corporate Director People & Communities (in consultation with the Corporate Director Resources) to undertake all aspects of the procurement process for both schemes including determining tender criteria, approving the tender packs, evaluating criteria and concluding the appointments.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Sarah McGill</b>
	17 January 2020

*The following confidential appendices are attached:*

- Appendix 1 – St Mellons Cost Plan
- Appendix 2 – Maelfa Cost Plan