

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	12 <sup>th</sup> December 2018
<b>Report Title</b>	Queenborough & Rushenden HIF Process
<b>Cabinet Member</b>	Cllr Mike Cosgrove, Cabinet Member for Regeneration
<b>SMT Lead</b>	Emma Wiggins, Director of Regeneration
<b>Head of Service</b>	Charlotte Hudson, Head of Housing & Economy Services
<b>Lead Officer</b>	Debbie Townrow, Economic Development Officer
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To provide delegated authority to the Director for Regeneration and the Chief Financial Officer in consultation with the Cabinet Member for Regeneration and the Cabinet Member for Finance &amp; Performance to enter into the Homes England Grant Determination Agreement to provide £3.5million HIF funding to support the Queenborough &amp; Rushenden regeneration scheme and staff resources allocated to administer the funds in line with requirements.</li> <li>2. To provide delegated authority to the Director for Regeneration and the Chief Financial Officer, in consultation with the Cabinet Member for Regeneration and the Cabinet Member for Finance &amp; Performance to make a direct award to a consultant on the Homes England framework to produce the tender specification documents and manage the procurement of the contractors required to deliver the works included within the HIF spend profile plus the subsequent contract delivery project management.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 Housing Infrastructure Funding of £3.5 million has been secured from Homes England to assist the delivery of the infrastructure improvements required to enable Phase 4 of the Queenborough and Rushenden regeneration scheme to be developed.
- 1.2 This report seeks to gain approval for entering into the Grant Determination Agreement (GDA) with Homes England to enable Swale to receive the funds and allocate staff resources to administer the funds in line with the GDA's requirements.

- 1.3 This report also seeks to gain delegated authority to enable a consultant to be appointed from Homes England's multi-disciplinary framework to produce the tender specification documentation and manage the procurement process to appoint the contractors required to deliver the works detailed in the HIF spend profile, plus the subsequent contract delivery project management.

## **2 Background**

- 2.1 In 2017, Swale Borough Council made a bid of £3.5 million to the Housing Infrastructure Fund (HIF) Marginal Viability funding for the Queenborough and Rushenden Regeneration scheme. The HIF scheme was designed to provide grant funding for new infrastructure that unlocks the ability to provide new homes in the areas of greatest housing demand. For the Queenborough & Rushenden scheme, this money will pay for:
- land raising works to bring the development area for phase 4 out of the flood zone;
  - site clearance and land remediation works required to enable development to commence.
- 2.2 On 26<sup>th</sup> September 2018, we received a formal offer letter and the associated Assurance Framework from Homes England for this funding, which details the key terms which forms the basis of the GDA to be signed between ourselves and Homes England.
- 2.3 Officers have carried out due diligence on the information received to date and will do so with the GDA once received. Mid-Kent Legal Services have indicated that the contents of the document appear to be acceptable, at this stage.
- 2.4 The works set out in the HIF spend profile are similar to works previously carried out on earlier phases of the Queenborough and Rushenden scheme, procured by Homes England. Due to the timescales associated with the award and subsequent use of the funding, it is proposed that we utilise Homes England's multi-disciplinary framework to make a direct award to a consultant to produce the tender specification documents and manage the procurement process to appoint the contractors required to deliver the works included within the HIF spend profile. This consultant will then also provide project management for the contract delivery stage for these works, providing the technical expertise required for works of this nature.
- 2.5 The framework documents and proposed contracts utilised by Homes England have been reviewed by Procurement and Legal and are acceptable to Swale and meet our requirements. The contract will be fixed price and will include an absolute requirement for the works to be completed by March 2021 in order to mitigate the risk of not delivering in line with the requirements of the funding.
- 2.6 It is anticipated that the GDA will be signed up to by end of December 2018, the consultant to procure the contractors will be appointed during Q4 2018/19 with

the physical works commencing Q2 2019/20 and completed by end of Q4 2020/21. Once the GDA has been signed, Homes England will appoint a Relationship Manager to work with officers to establish a monitoring and payment schedule. In broad terms, it is expected that monitoring will take place on a quarterly basis.

### **3 Proposals**

- 3.1 It is proposed that the Homes England HIF Grant Determination Agreement for the provision of £3.5 million to support the Queenborough & Rushenden regeneration scheme be entered into and staff resources allocated to administer the funds in line with the requirements.
- 3.2 It is proposed that Swale utilise Homes England's multi-disciplinary framework to make a direct award to a consultant on the Homes England framework to produce the tender specification documents, manage the procurement process to appoint the contractors required to deliver the works included within the HIF spend profile and then project manage the contract delivery of the works. This provides Swale with the technical expertise required to deliver this element of the spend profile.

### **4 Alternative Options**

- 4.1 The alternative option would be to not enter into the funding agreement. This option is not considered as a suitable alternative as without the funding, the overall viability of the Queenborough and Rushenden scheme is impacted. This will lead to potentially significant delays in bringing forward further phases and on phase 4 of the project in particular.
- 4.2 The alternative option for the awarding of the contracts would be to carry out our own procurement exercise. This option is not considered as a suitable alternative as the timescales associated with the HIF spend profile do not allow sufficient time to complete this process. We would therefore not meet the requirements of the funding agreement.

### **5 Consultation Undertaken or Proposed**

- 5.1 Internal consultation has taken place with relevant colleagues in Legal, Procurement, Finance and Senior Management Team. There has also been ongoing dialogue with Homes England.
- 5.2 Legal and Procurement colleagues will be required to approve all process and documentation prior to any agreements being signed or contracts issued.

## 6 Implications

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The Queenborough and Rushenden Regeneration scheme is a key element of Priority Theme One: A Borough To Be Proud Of and contributes to the delivery of major regeneration projects in the Borough to improve the appearance and facilities of our towns and villages.
Financial, Resource and Property	Failing to secure this grant funding investment would elongate the development timescales and delay the delivery of homes, in particular within phase 4 of the scheme.
Legal, Statutory and Procurement	Both Legal and Procurement have indicated that the proposals and all associated documents provided to date are acceptable. On receipt of further documentation, they will again be subject to review by colleague from the relevant service areas.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	Failing to secure this grant funding would put the future of the Queenborough and Rushenden Regeneration scheme at risk of failure through elongating the development timescales.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	All regulatory and legislative requirements associated with privacy and data protection are accounted for and met by utilising the council's procurement portal, Pro-Contract.

## 7 Appendices

None.

## 8 Background Papers

None.