

<b>Report to</b>	Cabinet
<b>Date of report</b>	15 <sup>th</sup> March 2022
<b>Lead Member / Officer</b>	Councillor Tony Thomas Lead Member for Housing & Communities  Councillor Julian Thompson-Hill Lead Member for Finance, Performance & Strategic Assets
<b>Report author</b>	Mark Dixon
<b>Title</b>	Renovation of terraced houses at 2-16 Aquarium Street Rhyl - Contract Award

## **1. What is the report about?**

1.1 This report summarises the process undertaken during the procurement exercise and recommends the award of a contract to appoint a Principal Contractor to renovate the terraced houses at 2-16 Aquarium Street in Rhyl.

## **2. What is the reason for making this report?**

2.1 A Cabinet decision is required to enable Anthony Dever Construction Limited to be awarded the contract for the renovation of the terraced houses at 2-16 Aquarium Street in Rhyl.

## **3. What are the Recommendations?**

3.1 That Cabinet approve the award of a Contract to Anthony Dever Construction Limited as per the Contract Award Recommendation Report in Appendix 1.

3.2 That Cabinet confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 2) as part of its consideration.

## **4. Report details**

- 4.1. Further to the Cabinet decision of 26<sup>th</sup> March 2019, Denbighshire County Council wishes to appoint a Contractor to renovate the terraced houses at 2-16 Aquarium Street in Rhyl.
- 4.2. A contract notice with an estimated value of £2,148,143.80 was published on the Sell2Wales procurement portal on 10<sup>th</sup> December 2021 with a deadline for submission of 19<sup>th</sup> January 2022. Following representations from a number of tenderers this deadline was extended to 21<sup>st</sup> January 2022.
- 4.3. Four tender submissions were received.
- 4.4. Following an evaluation exercise using a scoring methodology with a weighting of 70% for price and 30% for quality, a preferred contractor has been selected. Further details can be found in the draft Contract Award Recommendation Report in Appendix 1.

## **5. How does the decision contribute to the Corporate Priorities?**

- 5.1. The Council's Corporate Plan includes a priority to ensure that everyone is supported to live in homes that meet their needs. Theme 2 of the Housing & Homelessness Strategy adopted by the County Council at its meeting on 8th December 2020 concerns creating a supply of affordable homes and includes an outcome to improve the supply of affordable housing of all types and tenures across the County. This decision will contribute towards the delivery of the Corporate Plan and Housing & Homelessness Strategy by enabling the construction of affordable homes for Intermediate Rent.
- 5.2. The proposed development will contribute towards the delivery of the Climate & Ecological Change Strategy adopted by the County Council on 23<sup>rd</sup> February 2021 by undertaking major refurbishments of existing Council buildings to be low carbon in operation. This will be achieved by the use of air source heat pumps in the development.

## **6. What will it cost and how will it affect other services?**

- 6.1. The total estimated cost submitted by the successful tenderer was £2,641,828.05. This is within the budget for the project in the Housing Stock Business Plan.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

7.1. The main conclusions of the assessment are that it will have a positive impact on all of the well-being goals through the provision of new homes suitable for people with protected characteristics which are situated in a location which will enable them to access services on foot or by cycling and which will reduce fuel poverty amongst residents as a consequence of their energy efficiency; it will have a positive impact on the economy by contributing towards the vitality of Rhyl town centre; it will increase community cohesiveness by improving derelict properties which have previously attracted anti-social behaviour; and it will have a positive impact upon biodiversity by enabling habitat improvements in an urban area of Rhyl..

## **8. What consultations have been carried out with Scrutiny and others?**

8.1. The Procurement team in the Council's Legal, HR & Democratic Services department have been involved throughout the tendering exercise.

8.2. Rhyl Member Area Group endorsed the principle of renovating the properties to provide affordable homes at its meeting on 19<sup>th</sup> March 2018.

## **9. Chief Finance Officer Statement**

9.1. The contract to renovate the terraced houses at 2-16 Aquarium Street in Rhyl will be funded from the Housing Revenue Account and is built into the Housing Stock Business Plan assumptions. The development of the properties will contribute to the council's corporate plan objectives in respect of provision of affordable housing. The recommendations are supported.

## **10. What risks are there and is there anything we can do to reduce them?**

10.1 The risk of not taking the decision as recommended is that the scheme would have to be delivered either through the complete redevelopment of the properties by the Council or by transferring ownership to another party. In either case, it would take longer to deliver much needed affordable family homes as new consents are sought with the likelihood that the development would cost more due to construction sector inflation. Furthermore, if the ownership of the properties was transferred to another

party, their subsequent letting and management may not be in line with the aims of the West Rhyl Regeneration Strategy to bring more economically active residents into the ward and achieve a more balanced mix of housing tenures.

10.2 The remaining risks in delivering the scheme are unforeseen works, the contractor going into liquidation, expenditure control, quality and specification, site health and safety, and delays due to Covid-19. These have already been mitigated by inviting tenders for the delivery of a scheme for which a technical design has already been completed and undertaking financial checks on tenderers, and will continue to be mitigated through the on-going management of the contract by the Council's Design & Construction team.

## **11. Power to make the decision?**

11.1 Section 9 of the Local Housing Act 1985 gives local housing authorities the power to provide housing accommodation by erecting houses, or converting buildings into houses, or by acquiring houses