

As agreed at Scrutiny on 24<sup>th</sup> June, we can now give you a position statement and update on the Bowling Green scheme in Newtown. Powys County Council received notification that Begbies Traynor had been appointed as administrators for the construction firm Jistcourt on Thursday 27<sup>th</sup> June. The firm had won the contract to build 26 new flats on the Bowling Green site. The site has been secured and made safe.

Following a review of available procurement options, I can confirm that the Council's preferred route to market is a full retender of the scheme, to include Pre-Qualification Questionnaire (PQQ) and Invitation to Tender (ITT). We encourage local construction firms to tender for the work and if any have any queries over the process to please get in touch.

The estimated delay to the project is approximately six months to appoint a principal contractor and a further three months mobilisation for the contractor to commence on site.

Questions have been raised around the procurement process, which for the Bowling Green site in Newtown involved an assessment of the contractors experience, and suitability. This assessment included a requirement to demonstrate Constructionline Level 2 Silver registration, which incorporates a contractors financial ability and established track record for successfully delivering contracts to the anticipated value of the contract being awarded.

In addition to this, and prior to award of the contract, an assessment of Jistcourt's finances was undertaken by the Council as final due diligence.

Due to the contractual requirement for the principal contractor to put in a performance bond of 10% of the value of the total contracted works, and their failure to do so, the Council has made no payments to Jistcourt South Wales Ltd on this scheme. The expenditure figures that have been quoted (£695,000) are the costs incurred to get to this stage of the development process, and are not payments made to Jistcourt.

It has been confirmed by Welsh Government that the Innovative Housing Grant awarded to this scheme is secure and not at risk.

The Council continually reviews its processes for financial and tender analysis, particularly since the collapse of Dawnus and Jistcourt. Updated financial analysis based on a Pass/Fail basis is now being used. With ongoing concerns affecting the UK construction industry, the Council will continue to monitor the situation and how it assesses the suitability of companies to bid for Council contracts.