

Appendix 1 – Gateway 5 Reports for Errol Court, 27 Harvey House and 43 Finsbury Road

GATEWAY 5 REPORT
PRACTICAL COMPLETION UPDATE REPORT
MEETING DATE: 27th June 2023

SCHEME NAME, ADDRESS INCLUDING POSTCODE & WARD

27 HARVEY HOUSE, N8 7PU. HORNSEY, WARD

Project Manager: Samantha Jones
Senior Project Manager: Jack Goulde



PURPOSE OF REPORT

This report provides a Gateway 5 update, in line with the Council's Housing Delivery Approval Process regarding the final account practical completion of the scheme, inclusive of the defects period.

New Homes Board is asked to note:

- This scheme, 27 Harvey House N8, has reached GW5 and is now Practically Completed and Handed Over
- This scheme is part of the Council's Housing Delivery Programme and the costs have been contained within the HRA business plan.

New Homes Board is asked to recommend:

- That, given this scheme has reached GW5, the key details of this report are reported to Cabinet for noting as part of a wider Housing Delivery Programme update within the coming months (as required by the Housing Delivery Development Procedures).
- That, as part of the above-mentioned report, New Homes Board recommend that Cabinet retroactively approve the overspend of £38,857 incurred over and above the original Total Scheme Cost noted by Cabinet.

1. SUMMARY

In February 2020, 27 Harvey House was granted planning consent, to convert the commercial retail unit into one residential home for two persons at social rent, HGY/2019/3273.

Cabinet, on 16 June 2020, approved the proposal to develop the scheme to deliver a 1 bedroom 2 person home on this site. Cabinet also approved the appropriation of the land from the General Fund to the HRA in the Hornsey ward.

2. CONTEXT

The purpose of the delivery of this 1-bedroom home is to increase the Council's housing stock, provide a new affordable home, and help to address the significant housing demand in the borough. At the time the scheme was developed, the delivery target was to start the construction of 1000 new homes for council rent by the end of March 2023.

The contractor started on site in October 2020 and achieved practical completion in June 2021. The end of the defects liability period (DLP) was 18th June 2022.

3. SCHEME DESCRIPTION

On 16 June 2020, Cabinet gave approval to appropriate the land from commercial use within the General Fund to the Housing Revenue Account for housing use. The appropriation was to facilitate the development of one residential home, to house 2 persons, as a conversion from its previous use as a derelict commercial unit.

4. DESIGN ISSUES

To achieve the Council's net zero target and because of the change of use from commercial to residential, there were a few design amendments needed to upgrade the existing build, such as.

- The installation of floor, wall and ceiling installation to achieve u-values and carbon reduction targets.
- The gas boiler was changed to an air source heat pump to future proof the building.
- Housing management identified a kitchen cooker extractor fan needed to be installed.

5. SCHEME COSTS

The overspend of £38,857 goes beyond the approved contingency sum. This is due to an overspend on the Works required to align the property with the Council's renewable energy targets and was necessary to upgrade the property to achieve a reduction in carbon emissions. These works included:

- Design and installation of an air source heat pump.
- Insulation to the walls and ceiling to support improved SAP calculations.
- Breaking of existing floor to allow for increased thickness of insulation.
- Installation of a revised floor specification to achieve improved SAP calculations.

Delays on site and the COVID – 19 lockdown, increased the on-site overheads and preliminary costs and there were, in addition, some further on-costs relating to building control, Administration & Development (A&D) costs, legal fees and architectural costs. These all adversely impacted on the overall budget.

The final account for this scheme has now been settled and there are no other foreseeable costs to be incurred.

Due to the condition of the property at the date of its appropriation in to the HRA no payment was considered due to the General Fund. Subsequently a protocol has been developed by strategic property in liaison with housing and finance colleagues for the formal valuation of appropriation of GF stock in to the HRA and is coming for review to New Homes Board in June 23.

6. LETTINGS

The Council took handover of 27 Harvey House on the 18 June 2021, and the property was let at social rent. There was a short delay post-handover before the tenant was able to move in the property as additional works were required to install a cooker extract, undertaken by the Council's in house contractor. This delayed the issuing of the building control certificate pending the Works being completed. Building control issued the certificate on the 9 August 2021, and the tenants moved in on the 16 August 2021.

7. PRACTICAL COMPLETION

Practical completion was signed off on 18 June 2021 and the end of defects liability period (DLP) expired on 18 June 2022, (signed and dated by the Employer's Agent).

At the post defect liability period, a separate instruction was issued to the contractor to return to erect the signage display which would allow the person delivering post to find flat 27. This was at no cost to the project.

8. HANDOVER

The contractor was reluctant to carry out additional works identified by housing management. When the Council took handover on the 18 June 2021, this was with a caveat that the outstanding works (re. the extractor fan) would be completed by the Council.

9. DEFECTS

The Defects Liability Period (DLP) expired on the 18 June 2022.

Three defects were raised during the DLP. The defects recorded included a window not closing, heating not working and a leak from pipe works. All defects were remedied during the defect's liability period.

10. CUSTOMER SATISFACTION

The customer satisfaction survey was good, in terms of how happy they are with the property. However, the tenant did raise the following concerns relating to having no doorbell fitted or sign posted displayed at the main entrance door, impacting on their post being delivered. These are picked up in the lessons learnt section.

In response to this feedback, a doorbell was installed and a notice providing directions to the property for post deliveries was erected in January 2023.

11. PROGRAMME

Table 2 – Project Programme

Programme	Targeted	Actual
Planning	February 2020	February 2020
Start on Site	October 2020	October 2020
PC Granted	July 2021	June 2021
End of Defects Period	June 2022	June 2022
Gateway 5	May 2023	June 2023
Project Close	May 2023	June 2023

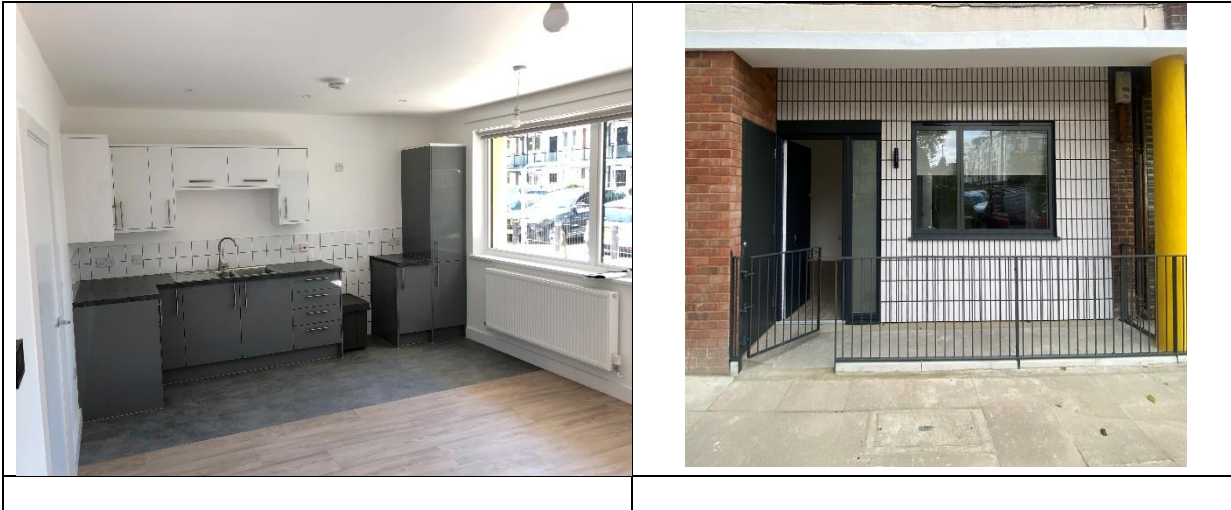
12. LESSONS LEARNT

Lessons learnt were explained in the Gateway 4 report, detailing the scenarios at handover. Below are matters that impacted on the resident post-completion.

- This scheme was a conversion from a commercial unit and this resulted in a challenge with registering the energy meter with the energy supplier. In future commercial conversions the Council will liaise with the energy supplier before the resident moves into their property to ensure any meters are registered as domestic meters. This action will mitigate against issues that can occur with energy billing.
- The resident had an issue with post not arriving. For future similar conversion properties the Council will ensure suitable postal signage is erected and sign-posted from the main entrance door.
- After the end of the defects liability period the tenant's heating stopped working, so the Council's housing team provided temporary heating until they could identify a contractor who had the expertise to repair the heating. The delay for arranging the remedial works impacted on the tenant's wellbeing as it was during a wintery, snowy period. The mechanical engineering team now have a main contractor on board with expertise in managing and repairing air source heat pump systems. This should prevent similar issues in the future.
- This project was one of the first direct delivery schemes undertaken by the team. Since that time the project and cashflow reporting procedures have improved, significantly diminishing the potential risk for an overspend. All variations are noted and have to be approved in a change control register maintained by Project Managers and any project spend is robustly recorded in monthly highlight reports.

- For finance monitoring purposes, programme mitigations have been put in place to flag-up forecast overspends and continue to monitor spend after projects reach GW4. The programme variance report is now reviewed at each monthly project review meeting for all schemes at construction stage.

Photographs of the completed scheme



GATEWAY 5 REPORT
PRACTICAL COMPLETION UPDATE REPORT
MEETING DATE: 27 June 2023

SCHEME NAME, ADDRESS INCLUDING POSTCODE & WARD

43 FINSBURY ROAD, N22 8PA. BOUNDS GREEN WARD

Project Manager: Samantha Jones
Senior Project Manager: Jack Goulde



PURPOSE OF REPORT

This report provides a Gateway 5 update, in line with the Council's Housing Delivery Approval Process regarding the final account practical completion of the scheme, inclusive of the defects period.

New Homes board is asked to note:

- This scheme, 43 Finsbury Road N22, has reached GW5 and is now practically completed and handed over.
- This scheme is part of the Council's Housing Delivery Programme and the costs have been contained within the HRA business plan.

New Homes Board is asked to recommend:

- That, given this scheme has reached GW5, the key details of this report are reported to Cabinet for noting as part of a wider Housing Delivery Programme update within the coming months (as required by the Housing Delivery Development Procedures).
- That, as part of the above-mentioned report, New Homes Board recommend that Cabinet retroactively approve the overspend of £29,013 incurred over and above the original Total Scheme Cost noted by Cabinet.

1. SUMMARY

In February 2020, 43 Finsbury Road was granted planning consent, to convert the commercial retail unit into a 2b 4p residential house to be let at social rent. The planning permission reference is HGY/2019/3281.

Cabinet, on 16 June 2020, approved the proposal to develop the scheme, to deliver a 2b 4p house on this site. Cabinet also approved the appropriation of the land from the General Fund to the HRA in the Bounds Green ward.

2. CONTEXT

The purpose of the delivery of this 2-bed, two-storey, end of terrace Victorian house (historically used as a retail unit) is to increase the Council's housing stock, provide a new affordable home, and help to address the significant housing demand in the borough. At time the scheme was developed, the delivery target was to start the construction of 1000 new homes for council rent by the end of March 2023.

The contractor started on site in October 2020 and achieved practical completion in June 2021. The end of the defects liability period (DLP) was 18th June 2022.

3. SCHEME DESCRIPTION

On 16 June 2020, Cabinet gave approval to appropriate the land from commercial use within the General Fund to Housing Revenue Account for housing use. The appropriation was to facilitate the development of the two-bed, four-person residential home, as a conversion from the previous use as a derelict commercial unit.

4. DESIGN ISSUES

To achieve the Council's net zero target and because of the change of use from commercial to residential, there were a few design and construction changes required to upgrade the existing build, such as:

- Unforeseen structural movement was identified impacting on the adjoining neighbour.
- Issues were encountered on site regarding the fire stopping present in the roof space meeting that of the adjoining owner, which transpired not to be building regulations compliant. This resulted in an additional cost in order to make the necessary uplift to the specification.

- The adjoining neighbour, 45 Finsbury Road, had removed their chimney breast. This required the removal of the chimney breast at 43 Finsbury Road to ensure the conversion was compliant with building regulations.
- Drainage works and re-design due to the discovery of an unidentified underground drainage chamber.
- The specification was altered to ensure the floor and ceiling insulation could achieve suitable u-values and met the sustainability requirements.
- The proposed third bedroom was omitted due to the discovery of the unidentified drainage chamber. The cost of re-design, delays and structural amendments required to accommodate the presence of this chamber was more than the value of the 3rd bedroom, so this bedroom was omitted. This omission led to some minor re-design in the kitchen/diner and landscaping to the rear garden, providing a more spacious kitchen and garden.

5. EXPENDITURE

The overspend of £29,013 goes beyond the approved contingency sum. This arose from the design issues listed at section 4 above.

Delays on site and the COVID – 19 lock-down, increased the on-site overheads and prelims and there were, in addition, some further additional on-costs relating to building control, Administration & Development, legal and architectural costs. These all adversely impacted on the scheme costs.

The final account for this scheme has now been settled and there are no other foreseeable costs to be incurred.

Due to the condition of the property at the date of its appropriation in to the HRA no payment was considered due to the General Fund. Subsequently a protocol has been developed by strategic property in liaison with housing and finance colleagues for the formal valuation of appropriation of GF stock in to the HRA and is coming for review to New Homes Board in June 23.

6. LETTINGS

This property was let at social rent. A family accepted an offer on the property and moved in in August 2021.

7. PRACTICAL COMPLETION

Practical completion was signed off on 18 June 2021 and the end of defects liability period (DLP) expired on 18 June 2022, (signed and dated by the EA).

After the defects liability period, a separate instruction was issued to the contractor to return to repair the large crack to the stair landing to ensure there was no health and safety risk to the tenants.

8. HANDOVER

Four weeks prior to handover a demonstration was provided for the Mechanical & Electrical team. Testing and commissioning of the services began and snagging was carried out. A viewing was also arranged for the prospective tenant to inspect the property.

9. DEFECTS

The Defects Liability Period (DLP) expired on the 18 June 2022.

Two defects were raised during the DLP. The defects recorded included the heating not working and a leak from wash hand basin. All defects were remedied during the defects liability period.

10. CUSTOMER SATISFACTION

During the PM's site visit after the end of the defects period, the resident pointed out a major gap to the stair landing that posed a health and safety risk to the family. The resident also pointed out various hairline cracks through the property – these were not deemed to require rectification.

Arrangements were made to repair the major gap to the stairs landing as detailed in section 8. The works were carried out by the main contractor in January 2023.

The customer satisfaction survey was not responded to by the resident, and it is therefore difficult to determine their satisfaction with the new home.

Despite numerous attempts to engage with the resident, there has been no response.

11. PROGRAMME

Table 3 – Project Programme

Programme	Targeted	Actual
Planning	February 2020	February 2020
Start on Site	October 2020	October 2020
PC Granted	July 2021	June 2021
End of Defects Period	June 2022	June 2022
Gateway 5	May 2023	June 2023
Project Close	May 2023	June 2023

12. PROJECTS LESSONS LEARNT – COSTS

- This project was one of the first direct delivery schemes undertaken by the housing delivery team. Since that time the reporting procedures have improved significantly flagging the potential risk for an overspend, as all spend is robustly recorded in the monthly highlight report and a change control register maintained by project managers to record approvals for any contract variations required.
- Further programme mitigations have been put in place to flag-up forecast overspends and monitor spend for when projects reach GW4. All projects are now presented at a monthly project review meeting. This provides a robust check and balance in monitoring costs.
- As the housing delivery team has acquired more direct delivery knowledge and experience it has a library of cost information from which to draw to prevent

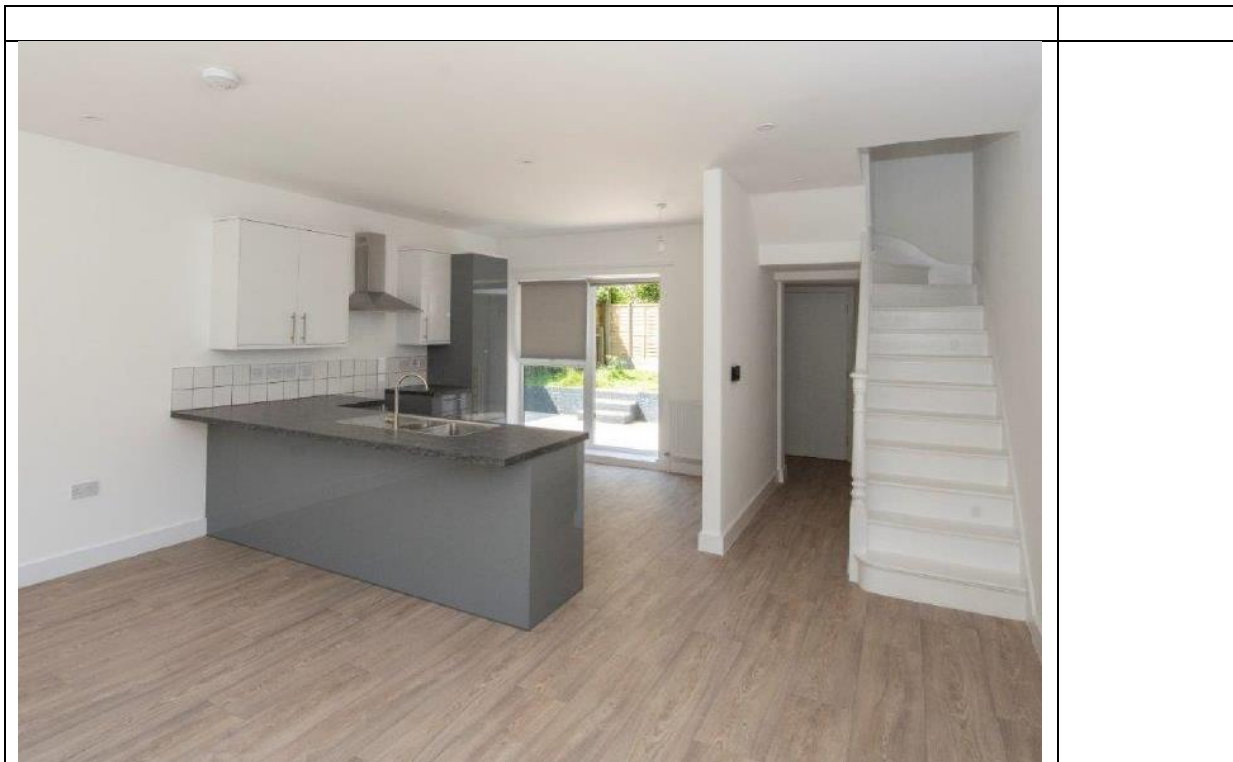
unnecessary cost overruns that may previously have occurred by inaccurate forecasting of PC sums by Employer's Agents and Contractors

- The Works identified in 4. above were the cause of the overspend however for future schemes, the Council's standard Employers Requirements are clearer regarding the requirements for passivhaus standards and any associated renewable energy works to enable the contractor to price more accurately at the tender stage. This approach will mitigate the risk of overspending.
- The New Homes Board has now been convened and meets with sufficient regularity to ensure that continuous, formal cost reporting is undertaken as part of an approvals procedure which flows through to Placemaking and Housing Board and Cabinet where relevant and appropriate.

PROJECTS LESSONS LEARNT – RESIDENTS

- The GW5 review flagged a need to update the Council's website to ensure tenants are directed to the online portal in the first instance to log their repair or defect. The website diverted customers to call the customer contact centre. This has been picked up as part of a new and improved approach to managing defects and aftercare.

Photographs of the completed scheme





GATEWAY 5 REPORT
PRACTICAL COMPLETION UPDATE REPORT
MEETING DATE: 28 February 2023

SCHEME NAME, ADDRESS INCLUDING POSTCODE & WARD

BLOCKS E, F AND G ERROL COURT, 4 ROWLAND ROAD, LONDON N17 7FA-WHITE HART LANE WARD

Project Manager: Yvonne Robinson
Senior Project Manager: Bruno Bridge



PURPOSE OF REPORT

This report provides a Gateway 5 update, in line with the Council's Housing Delivery Approval Process regarding the final account practical completion of the scheme, inclusive of the defects period.

Housing Board is asked to note:

- This scheme Errol Court (Blocks E, F and G), 4 Rowland Road N17 7FA, has reached GW5 and is now complete from a housing development perspective.

Housing Board is asked to recommend:

- That this scheme has reached GW5, and the key details of this report, are reported to Cabinet for noting as part of a wider Housing Delivery Programme update within the coming months (as required by the Housing Delivery Development Procedures).

Housing Board is asked to note:

- This scheme is part of the Council's Housing Delivery Programme and the costs have been contained within the HRA business plan.

1. SUMMARY

In July 2016, Tottenham Hotspur Football Club was granted outline planning approval for a residential led mixed used development which would deliver 144 new homes, of which 29 would be affordable and accompanying commercial, retail, and employment space for 500 White Hart Lane (HGY/2016/0828) aka Errol Court.

Cabinet, on 12 September 2017, gave delegated authority to develop the scheme and approved the acquisition of 29 homes on this land in White Hart Lane ward. Fairview Homes Ltd was the developer on this scheme and is the freeholder of the land.

CONTEXT

The purpose of the acquisition, aside from increasing the council's housing stock, was to make these homes available to Love Lane residents who are being rehoused from the High Road West regeneration scheme. This enabled the Council to meet its commitments to maximise the Love Lane residents' rehousing options, allow resident leaseholders to purchase an affordable property within the area, and help address the significant housing demand in the borough.

The developer Fairview Homes Ltd started on site in September 2018 and achieved practical completion in March 2021. The end of defects liability period (DLP) ended on 23 March 2022.

2. SCHEME DESCRIPTION

On 12 September 2017, Cabinet gave delegated authority to the Director of Regeneration and the s151 Officer, after consultation with the Cabinet Member for Housing, Regeneration and Planning to the acquisition of 29 affordable homes under the S106 agreement dated 30 November 2016.

3. DESIGN ISSUES

During the scheme delivery, there were few changes, except for a guard to protect communal heating pipes and minor changes to a kitchen layout to accommodate a fridge.

4. LETTINGS

The Council took handover of these homes from March 2021 (Block E shared ownership and F social rented on 15 March 2021 and Block G social rented on 23 March 2021). A total of 23 tenants moved into Errol Court including four residents from Love Lane, and one from Broadwater Farm. Two households from Love Lane required adaptations to the bathrooms in their new homes. This delayed their move by 3 months.

Fairview Homes Ltd delayed the handover of the keys until they received their final payment, which they were entitled to do under the terms of the contract.

5. SALES

A RICS red book valuation was carried by McDowall's Surveyors LTD on behalf of Cast Media Group and Haringey Council in providing evidence of best value for disposal for the shared ownership homes. Each leaseholder purchased a percentage shared of their new home following an affordability assessment.

6. PRACTICAL COMPLETION

Practical completion was signed off on 26 February 2021 for Block E and on 12 March 2021 for Blocks F&G. However, the keys were not released until 23 March 2021, and we agreed a date of 23 March 2022 for end of defects liability period (DLP).

7. HANDOVER

Fairview Homes LTD delayed the handover of the keys to the new homes. They would not release the keys to the council for residents to move into their homes because final payments had not reached Fairview Homes LTD bank account by the practical completion 23 March 2021, although the Council had made this payment in good time.

8. DEFECTS

The Defects Liability Period (DLP) has now expired, and we have made a deduction from the retention monies owed to cover the cost of outstanding defect remediation works. The above reduction was negotiated with Fairview Homes Ltd and the Employer's Agent (Charles Ramsden) on this scheme. The costs were based on daywork rates.

94 defects were raised during the DLP with Fairview Homes Ltd. The defects recorded ranged from fire doors with faulty closers, hairline cracks to plaster, and leaking pipes in the kitchen & bathrooms in some flats.

As of the end of the DLP 84 of these defects had been closed out and ten remained outstanding, as Fairview claimed these were not defects. A deduction from the total retention monies has been agreed between the developer and our Employer's Agent, paid to Haringey's repairs team to complete the remediation work for the ten defects that remained.

9. CUSTOMER SATISFACTION

Only 14% of residents responded to the customer satisfaction survey. Generally those that responded were satisfied with their new homes, and some noted issues with defects.

10. PROGRAMME

Table 5 – Project Programme

Programme	Targeted	Actual
Planning	July 2016	November 2016
Start on Site	September 2018	September 2018
PC Granted	March 2021	March 2021
End of Defects Period	March 2022	March 2022
Gateway 5	February 2023	February 2023
Project Close	March 2023	March 2023

11. LESSONS LEARNT

This project review flagged a need to have a dedicated aftercare resource in housing to support the diagnosis of defects. Due to existing lack of capacity in the Housing Repairs team (formerly Homes for Haringey) the Housing Development team has now worked with colleagues to develop an in house technical and aftercare team. A new dedicated email address has also been set up to report any defects and these are being monitored by the new team. A need for training on the customer contact centre to help improve accurate diagnosis of repairs and defects was also identified. This is being addressed by the new Aftercare Team.

Photographs of the completed scheme

