

Report for: Cabinet 19 January 2021

Title: Noel Park Pods replacement and major works project (Tenanted Properties)

Report authorised by: David Joyce, Director of Housing, Regeneration and Planning

Lead Officer: Lee Whitby, Interim Director of Asset Management, Homes for Haringey

Ward(s) affected: Noel Park

Report for Key/
Non Key Decision: Key decision

1 Describe the issue under consideration

- 1.1 This report requests Cabinet approval for the award of a contract to Engie Regeneration Limited, to carry out external major works on Noel Park estate. The project is to be delivered in two phases. Phase 1 will be made up of 47 tenanted dwellings in Farrant Avenue, Morley Avenue, Moselle Avenue and 70 purpose built flats comprising tenants only on Gladstone Avenue. This phase includes buildings containing two purpose built flats where they are both occupied by Council tenants. Phase 2 will include 126 purpose built dwellings on Gladstone Avenue which are occupied by both tenants and leaseholders, a separate report will be presented to cabinet for approval of phase 2. Phase 1 will be for the sum of £11,331,675 and once completed, will bring the buildings solely occupied by Council tenants on the estate up to the Decent Homes Standard.
- 1.2 This report sets out a recommendation to approve the award of Phase 1. Further approval will be required for Phase 2, subject to completion of statutory leasehold consultation.
- 1.3 The report also requests Cabinet approval for the issue of a letter of intent to Engie Regeneration Limited This will be for an amount up to, but not exceeding £1,133,167.50. This represents 10% of the contract sum.
- 1.4 It is further recommended that Cabinet approves the professional fees of £855,541.46 which represents 7.55% of the contract sum.

2 Cabinet Member Introduction

- 2.1 Haringey Council is committed to ensuring that all council homes are at or above the Decent Homes standard. We know that a safe, warm and secure home is the foundation stone of a healthy, happy life.
- 2.2 When they were first put in place, the “pods” added to the rear of hundreds of homes on the Noel Park estate marked a clear improvement in the quality of the space that residents lived in. Over the years, however, whilst the pods have served their residents well, it has become clear that they have been in place beyond their natural lives.
- 2.3 Council residents living on the Noel Park estate have waited patiently for their homes to be brought up to a decent standard. Indeed, there is an argument that the renovation of the Noel Park Pods has sat in the pile marked “Too difficult to deal with” for far too long. Twice in the past decade, the council considered its options. I am proud that this administration is now ready to take decisive action.
- 2.4 This report sets out the proposed works that will improve the housing condition of the homes that have not yet benefited from the Decent Homes programme on the Noel Park Estate. The proposed works include the replacement of the bathrooms, kitchens, windows and roofs, it also includes rewiring and safety works within the homes. The works will benefit all the residents living in the affected properties on the estate. Their homes will also comply with current fire and building regulations. The overall project will contribute to achieving the Borough Plan objectives for housing, by making the homes decent, improving safety in the homes and increasing resident satisfaction.
- 2.5 I am aware that there has been a level of controversy attached to this project, but we simply cannot delay addressing these difficult decisions any further. Consequently, the Council has decided to move forward with the renovation in two distinct phases.
- 2.6 The work identified within this report constitutes phase one, involving renovations to the Council properties identified on the estate in buildings solely housing Council tenants. In the next few months, we will bring forward proposals to improve the condition of properties owned by leaseholders and in buildings containing both leaseholder owned and council owned homes.
- 2.7 Once all the work is completed, more than 240 Haringey households will be living in transformed homes, a significant achievement in challenging times.

3 Recommendations

- 3.1 Pursuant to the Council’s Contract Standing Order (CSO) 9.07.1 (d), for Cabinet to approve the award of contract for Phase 1 of the works on the Noel Park Estate to Engie Regeneration Limited for the replacement of bathroom pod extensions including bathroom suites and associated works, construction of kitchen extensions, renewal of kitchens, roof replacement and repairs, window and door replacement, rewiring, boiler replacement and central

heating installation works, fire protection works, brickwork and concrete repairs and external decoration to tenanted properties on the Noel Park Estate. This will be for the sum of £11,331,675. Phase 1 will include houses and purpose built flats occupied by tenants only.

- 3.2 Pursuant to the Council's Contract Standing Order (CSO) 9.07.3, for Cabinet to approve the issue of a letter of intent for an amount of up to, but not exceeding, £1,133,167.50. This represents 10% of the contract sum.
- 3.3 For Cabinet to approve the total professional fees of £855,541.46, which represents 7.55% of the contract sum.
- 3.4 For Cabinet to note the total project cost of £12,187,216

4 Reasons for decision

- 4.1 Homes for Haringey requires Cabinet approval to award the contract for the replacement of bathroom pod extensions including bathroom suites and associated works, construction of kitchen extensions, renewal of kitchens, roof replacement and repairs, window and door replacement, rewiring, boiler replacement and central heating installation works, fire protection works, brickwork and concrete repairs and external decoration. This will enable the essential safety works to commence and for properties to be brought up to the Decent Homes Standard. This is following a tender process undertaken with Haringey Council's Procurement team via the London Construction Programme (LCP) framework and processes.
- 4.2 The tender process was carried out in accordance with the framework requirements that incorporate price and quality, when evaluating tenders, we review based on 60% quality and 40% price. Engie Regeneration Limited scored the highest in relation to these criteria in the associated Lot 3 (NH3) Housing, Lot 3 enables 8 contractors to review and submit tender proposals ensuring we have value for money across the market place.

5. Alternative options considered

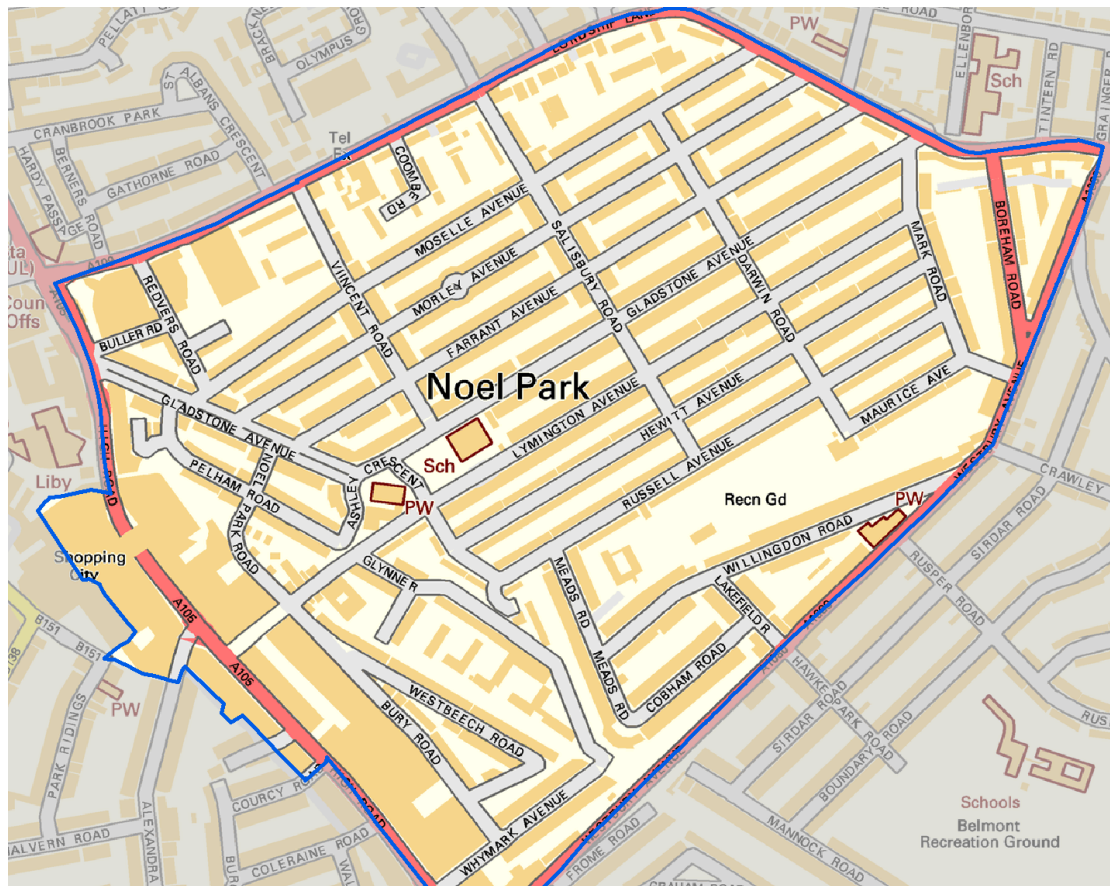
- 5.1 An alternative option would be for Homes for Haringey to use third party industry frameworks or an OJEU compliant tender process to deliver the construction works on Noel Park Estate. Homes for Haringey sought support and advice from Haringey's Strategic Procurement team and determined the London Construction Programme Major Works LCP framework as being the optimum route to the market. This was due to the LCP framework being leasehold compliant, value for money and offering speed of access to quality-checked contractors.

- 5.2 The Council undertook an analysis in February 2020 to compare the costs of a permanent modular built extension against a traditional brick-built extension.

This is the primary alternative to the use of a modular solution. It demonstrates that excluding decant costs, it would cost an additional £7,308 per property to install a traditional brick-built extension as opposed to a modular construction. The choice of a traditional brick-built construction would also result in further increases in cost due to the extended time required to build a traditional brick-built extension. Resident leaseholders would potentially face additional costs as a need to vacate their property during the works due to the temporary removal of essential facilities, the bathroom could potentially be decommissioned for circa 3 months. Non-resident leaseholders may also incur loss of rental income as they would likely be required to vacate rented properties during the period of the works. Decanting residents, while necessary in some cases, does also cause disruption to the lives of the residents, especially those with school age children.

- 5.3 The pods are now beyond the end of their useful life. If the Council does not undertake the proposed works it will not be able to deliver the planned capital investment works to bring these properties up to the Decent Homes Standard, in accordance with the Asset Management Strategy 2020-25.
- 5.4 By delivering this project in two phases, we are able to start the works on the solely tenanted dwellings, while keeping our committed consultation with the affected leaseholders. Homes for Haringey will proceed with Phase 1 where the buildings are occupied by only Council tenants, whilst preparing Phase 2.
- 5.5 To maintain best value from each resource required to deliver this project, phase 2 will come for decision at a later date. If Phase 2 is agreed and awarded to Engie, the mobilisation works undertaken during phase 1 can be utilised preventing additional associated costs.

6 Background information



- 6.1 The Noel Park estate was built at the turn of the 20th century and comprises a mix of terraced houses and purpose built flats. There are also some post-war infill blocks and houses. The vast majority of the estate falls within a conservation area; some of which is subject to an Article 4 Directive which is a higher level of planning protection. There are currently 1,183 dwellings; 181 of which are leasehold. Included in the stock are 242 properties that have a rear bathroom extension, erected in the 1970s, known as a pod, which are now well beyond their useful life. Prevalent defects of the pods include structural movement, dampness and the presence of asbestos in the wall panels.
- 6.2 In 2015 Homes for Haringey was commissioned to carry out a detailed options appraisal on Noel Park estate to look at the complex internal layout of many of the historic buildings and the poor condition of the pods to bring the homes up to the Decent Homes Standard.
- 6.3 The options appraisal concluded that the estate required significant investment over the next five years to bring homes up to the Decent Homes Standard, address the issues with the pod properties and convert homes to improve space and layout.
- 6.4 In 2015 Decent Homes funding enabled Homes for Haringey to launch the phase of improvement on Noel Park estate. As a result of this we were able to carry out a range of internal and external improvement to homes on the

estate. Improvements included new windows, doors, roofs kitchens, bathrooms, central heating systems and rewiring. This work was completed in December 2016.

- 6.5 A second phase of external works only, started in October 2016 and completed in July 2017. External works were targeted as residents identified window renewal as a priority.
- 6.6 Work on the third phase started in August 2017, which included all outstanding internal and external improvement works, which completed in July 2019.
- 6.7 In April 2018, Ridge and Partners were appointed to provide a consultancy service to manage the delivery of the major works programme for five years. They were commissioned to review existing options appraisal and surveys in relation to the Pod dwellings and to explore design options for their replacement.
- 6.8 Following the review, Ridge put forward a recommendation for the Pods to be replaced using modular construction. This is a process in which a building is constructed in a factory setting, under controlled conditions using materials and design to the same standards as traditional buildings.
- 6.9 The new extensions are to be installed by a crane into their required location within a single day, same method used in the 1970s. Respite facilities will be made available for residents use on that day. During the period of the other works, most tenants and leaseholders will remain living in their dwellings, with the exception of 47 tenanted dwellings in Farrant Avenue, Morley Avenue and Moselle Avenue, where the extensions are being designed to include extra space to deal with issues of undersized kitchens. These properties have very small kitchens that cannot be made decent without inclusion of an extension. It is anticipated that these residents will need to be temporarily rehoused for a period of up to three weeks. Homes for Haringey will be carrying out one to one consultation with the residents in these homes to identify individual needs. Homes for Haringey are working with their Tenancy Management services and the contractor to agree the decant process for residents.
- 6.10 There are 14 first floor dwellings on the estate that do not have a bathroom pod. For these properties, it is proposed to add a new bathroom extension to improve the layout of the kitchen space to comply with the Decent Homes Standard.
- 6.11 In addition to the Pod replacement works, the project includes roof works, window and doors replacement, redecoration and external repairs to the properties. Tenanted dwellings will also benefit from kitchen replacement, rewiring, boiler and central heating works.

- 6.12 A two stage Design and Build tendering process was recommended for this project, because it allowed the contractor to work closely with the design team to develop the proposed works for this project. At stage one, the contractor was appointed on a fixed price to develop the design of the project, based on an outline scope of works. Following their appointment, the contractor is responsible for developing the design to reach an agreed cost to deliver the works at stage two. This form of tendering is typically applied to complex projects, such as Noel Park Pods. This is because it encourages collaborative working with the contractor from the early stages of a project and allows the Council to benefit from the contractor's knowledge and experience in design and construction.
- 6.13 The first stage of the tendering process was approved on the 14 August 2019. We invited 6 contractors to review and submit tenders for the Noel Park major works programme. We received 2 completed tenders to undertake the design and build project to install new modular extensions to the properties in in Farrant Avenue, Morley Avenue, Moselle Avenue and Gladstone Avenue. Following a review of the tenders, Engie was awarded the design phase for this project. Following the submission of Engie's design proposal, further cost analysis was carried out to ensure that value for would be maintained across the project. This report is seeking approval to proceed with stage two, the construction phase of this project, which is proposed to be delivered in two phases, known as Phase 1 and Phase 2. Phase 1 which this report relates to will include buildings that are only occupied by Council residents and Phase 2 (which will be the subject of a separate report) will be inclusive of buildings occupied by leaseholders or both Council residents and leaseholders.
- 6.14 Phase 1 will be made up of 47 tenanted dwellings in Farrant Avenue, Morley Avenue, Moselle Avenue and 70 purpose built flats comprising tenants only on Gladstone Avenue. Phase 2 will include 126 purposed built dwellings on Gladstone Avenue which are occupied by both tenants and leaseholders.
- 6.15 The project details for Phase 1 are as follows:

Number of dwellings in project	117 dwellings
Anticipated start on site	February 2021
Anticipated completion	April 2022
Contractor	Engie Regeneration Limited

- 6.16 The project under construction will be managed by Ridge and Partners and Homes for Haringey.

7. Consultation

- 7.1 Residents and key stakeholders, including Ward Members have been consulted about these works. Regular newsletters have been issued to residents to update them on progress and the proposed programme of works.
- 7.2 Residents were invited to attend a 'meet-the-contractor' event on 14 November 2019. The event was well attended by residents. Staff from Homes for Haringey's Tenancy Management and Leasehold Services Teams also attended the event to answer any questions. A follow up newsletter was sent to all residents after the event, including those who were unable to attend.
- 7.3 Homes for Haringey invited residents to attend a further consultation meeting on the 18 March 2020, but unfortunately was cancelled in line with COVID-19 guidelines.
- 7.4 As face to face residents' meetings are currently not recommended, as an alternative a series of virtual residents' meetings took place on the 4, 5 and 6 August 2020. A detailed presentation was delivered at the meetings, where the proposed designs, resident choices, the project timetable and the next course of action were discussed.
- 7.5 A project brochure and newsletter were subsequently sent to all residents, including those who were unable to take part in the virtual meetings. These provided details of the proposed designs, project update as well as key questions and answers raised at the meetings.
- 7.6 In addition to the above, Homes for Haringey carried out formal consultation with Council tenants affected by the works under Section 105 of the Housing Act 1985. The consultation period began on 30 October 2020 and responses were requested by the end of the period on 26 November 2020.
- 7.7 164 Council tenants were sent the Section 105 questionnaire and 15 Council tenants responded, but 1 was returned blank and 1 was partially completed. Of the 14 responses were received, 11 were in favour of the proposed works and 1 was not. There were 2 responses where it was not possible to confirm if they were in favour or not in favour of the proposed works. 5 Residents expressed the urgency of the works and identified disappointment with the delay of delivering this programme. 2 Residents identified their support with the proposed works. 1 Resident showed frustration by commenting with the following "Stop the tick box exercise and do something useful!!!"
- 7.8 Engagement will continue with residents by telephone conference calls, one to one consultation, (where required) and by regular newsletters.

8 Leasehold implications

- 8.1 As a result of applications made under the Right to Buy legislation, there are 76 leaseholders living in the buildings affected by the works on the Noel Park Estate. It is proposed to include the works to these homes in Phase 2 of this project.
- 8.2 Due to the high level of investment required for this project, the Council is carrying out further engagement with leaseholders to ensure that appropriate support is provided.
- 8.3 By delaying the approval of the leaseholder works to a second phase, this will give the Council a longer time period to conduct further consultation with leaseholders.
- 8.4 In addition, at December Cabinet the Council put forward proposed enhanced payment terms for leaseholders, which are now being consulted on. This will offer further additional options for Noel Park leaseholders.

9 Conservation areas

- 9.1 The properties in this project are within The Noel Park Conservation Area. Planning Policy Framework (NPPF) 2012 requirements. Section 12 of the NPPF 'Conserving and enhancing the historic environment' directs local planning authorities to identify and assess the particular significance of any heritage asset that may be affected by a proposal (including proposals which may affect the setting of that heritage asset). The Project Team is in consultation with Planning and Building Control as part of the formal application and approval process.

10 Contribution to strategic outcomes

- 10.1 This project will help to achieve the Borough Plan Outcome 3: 'We will work together to drive up the quality of housing for everyone'. This will include contributing to delivering the following objectives: -
- Improve the quality of Haringey's Council housing, including by ensuring that a minimum of 95% of homes meet the Decent Homes Standard by 2022.
 - Improve residents' satisfaction with the service they receive from Homes for Haringey to be in the top quartile for London (78%) by 2022.
 - Ensure safety in housing of all tenures across the borough, responding to any new regulations as they emerge.

Statutory Officers comments (Chief Finance Officer (including procurement), Monitoring Officer, Equalities)

11 Finance

- 11.1 This project is included in Existing Stock Investment Programme for 2020/21. The Existing Stock Investment Programme budget was approved by full council in February 2020.
- 11.2 The cost of this project, including professional fees, is estimated at £12.19m and projected to be spent as shown below

Financial year	Works	Fees	Total
Up to 31/03/2021	£0.85m	£0.22m	£1.07m
2021/2022	£8.26m	£0.56m	£8.81m
2022/2023	£2.23m	£0.08m	£2.31m
Total	£11.33m	£0.86m	£12.19m

- 11.3 The projected expenditures of £1.07m in 2020/21 will be met from the existing stock investment programme 2020/21 budget.
- 11.4 The remaining projected expenditure of £11.12m is covered in the existing capital works programme 2020/21-25 MTFS.
- 11.5 The named contractor was selected following a 2stage tender process and evaluation process based on price (40%) and quality (60%).
- 11.6 No contribution to the cost of the project is expected from leaseholders in this phase as no leasehold property is affected.

12 Procurement

- 12.1 Strategic Procurement agree to the award procured through the LCP Major Works Framework in compliance to the Council's Contract Standing Order (CSO) 9.07.1 (d). This will be for the sum of £11,331,675.

13 Legal

- 13.1 The interim Monitoring Officer has been consulted in the preparation of the report.
- 13.2 Pursuant to Contract Standing Order 9.07.1(d) contracts valued at £500,000 or more may only be awarded by Cabinet.
- 13.3 Consultation with secure tenants in accordance with the Council's published arrangements (the "Arrangements") is required under s105 of the Housing Act 1985.
- 13.4 The Arrangements include:
- Provision of sufficient information to understand the proposals
 - In writing by providing an Information Pack (including the Arrangements)
 - By a dedicated webpage on the Haringey website

- By holding at least one meeting
 - Arrangements for comment by providing:
 - A feedback form
 - An email address
 - A postal address
 - A telephone number
 - Publishing a date by when secure tenants should make their views known
- 13.5 Before making a final decision Cabinet must consider and take conscientious account of representations made in accordance with the Arrangements.
- 13.7 Details of consultation in compliance with these arrangements and of the outcome of the consultation are set out at section 7 above.
- 13.8 The contract which this report relates to has been procured through the LCP Major Works Framework in compliance with procurement legislation.
- 13.9 The interim Monitoring Officer sees no legal reasons preventing Cabinet from approving the recommendations in the report.

14 Equality

- 14.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: -
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
 - Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - Foster good relations between people who share those characteristics and people who do not.
- 14.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/fait, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 14.3 The decision will primarily impact residents living in properties managed by Homes for Haringey, a significant number of whom share the protected characteristics. It is notable that BAME people and disabled people are overrepresented relative to the population of Haringey There is no indication that this decision will result in any foreseeable negative impacts on any individual or group that shares the protected characteristics. To the extent that the decision may enable properties to be brought up to the Decent Homes Standard it can be expected to have a positive impact in relation to the Council's public sector equality duty.

- 14.4 As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur and may have a disproportionate negative impact on any groups who share the protected characteristics.

15 Use of Appendices

- 15.1 Appendix A: Part A exempt information.

16 Local Government (Access to Information) Act 1985

- 16.1 Asset Management Strategy 2018-23
<https://www.homesforharingey.org/repairs-and-maintenance/major-works>
- 16.2 In February 2018 Cabinet agreed to appoint Ridge and Partners LLP as multi-disciplinary professional consultants.
Award of contract for multi-disciplinary professional services
<http://www.minutes.haringey.gov.uk/documents/s99594/>