

Report for: **Cabinet 13 July 2021**  
Title: **Ashley Road depot: Design works contract award. Appointment of Lead Designer.**  
Report  
Authorised by **David Joyce, Director of Housing, Regeneration and Planning**  
Lead Officer: **Robbie Erbmman, Assistant Director for Housing**  
Ward(s) affected: **Tottenham Hale.**  
Report key  
Decision: **Key Decision**

## **1. Describe the Issues under Consideration**

- 1.1. This report seeks Cabinet approval for the extension of the appointment of a Lead Designer to take forward the Ashley Road Depot Project to deliver c. 298 new homes. The report is required as the contract sum is in excess of Delegated Authority approval and will require Cabinet approval.
- 1.2. Specifically Cabinet approval is sought for: -
  - Extension of Appointment of a Lead Designer for Royal Institute of Architects (RIBA) Work Stage 3.
  - Delegated Authority to be given to the Director of Housing, Planning and Regeneration to agree any further extension of the appointment for RIBA Work Stage 4.
- 1.3. Details of proposed fees received from all bidders have been provided in Appendix 1, which is exempt from publication due to the commercially sensitive nature of this information.

## **2. Cabinet Member Introduction**

This decision will allow for further progress in the Council's direct-delivery housing development programme: appointing architects to progress designs for new homes on the site of the Ashley Road depot. Architects will be tasked with producing detailed designs for a carbon neutral development that enhances the whole area. Any development brought forward on the site will be carried out with full engagement with residents and local stakeholders and in the context of the Council's wider ambitions for placemaking in the Tottenham Hale area.

## **3. Recommendation**

3.1. It is recommended that Cabinet:

- 3.1.1. Approve the extension of appointment of a Lead Designer for RIBA Stage 3 at a cost of £ 730,373.
- 3.1.2. That Cabinet Approval is delegated to Director of Housing, Planning and Regeneration, in consultation with the Cabinet Member for House-Building, Place-Making and Development, to agree any further extension of the appointment of the Lead Designer for RIBA Stage 4 up to a cost of £ 637,684.

#### **4. Reasons for decisions**

- 4.1. Based upon the tender returns, officers have approved the first stage of design and the appointment of a cost consultant. However, to achieve planning we will need to instruct works and costs that require Cabinet approval. Without Cabinet approval to appoint RIBA Work Stage 3 we cannot develop the scheme design to submission for Planning Permission.
- 4.2. The site will be empty from January 2022 and there is a strong desire to achieve a start on site as soon as possible following that date. Given the potential number of homes that can be built, this scheme is a great opportunity for the Council to demonstrate its ability to deliver genuinely affordable homes. We have also been allocated £8,600,000 grant funding by the GLA, and bid for a further £6,300,000, which we expect to be allocated. The drawing down of grant will require the Council to achieve a material start on site no later than March 2023.
- 4.3. In addition, we are seeking Delegated Authority to appoint further design work to maintain progress, ensure design quality and de-risk the works tender to assist with securing a more competitive build price. For example, we may wish to design some elements to a greater level than is required for planning to ensure that the tender package protects the design quality and prevents crude value engineering by the contractor. Plus, it may help to accelerate the delivery of the new homes, since the work can be carried out during the planning decision period. While the scheme is in its initial design stages, we cannot be certain of the best approach to these details, and therefore Delegated Authority is sought to allow a flexible approach.

#### **5. Alternative options considered.**

- 5.1. This supplier of lead designer services was procured via a competitive tender through the Dynamic Purchasing System (DPS), which is the recommended route for a contract of this value. An alternative option would have been to appoint directly, but this option was rejected due to the value of the estimated contract. Given the scale of costs, procuring competitively gave us an opportunity to demonstrate best value and procure from a wide selection of potential suppliers.
- 5.2. The procurement combined a number of services including Architecture, Landscape Architecture, Engineering and Planning Consultancy. These services could have been separated and tendered separately. However, this would have posed significant risks of delay and a lack of clear accountability. By combining these services within one appointment we can mitigate these risks and are able to appoint a team with a track record of working together who can start immediately.

#### **6. Background information**

- 6.1. The Ashley Road Depot Scheme is a core housing delivery project within the Tottenham Hale Regeneration Area. The scheme offers an opportunity to develop around 298 homes, improved local public realm and complement the proposed improvements to the adjacent Down Lane Park. It also offers an opportunity through its location to improve local connections, which will better integrate neighbouring homes and green spaces with the new district centre, and the jobs and social infrastructure this will provide. The site is Council land currently held in the General Fund and leased by the Council to Veolia for use as an operational waste management depot. The waste management function on site is due to be relocated to a new site at Marsh Lane N17 by January 2022.
- 6.2. A Report was approved by Council Housing Delivery Board in 2020 to take forward the scheme within the approved budget and £6.2m was earmarked to progress the scheme

to pre-contract stage. The intention is to progress the scheme, and that it would be considered for a Gateway 3 Cabinet approval prior to entering a construction contract.

- 6.3. A capacity study has been undertaken and that demonstrated that a scheme of 298 homes can potentially be achieved. The proposed scheme mix currently forecasts that 60% of the habitable rooms will be at council rent.
- 6.4. The potential scheme offers a significant opportunity to provide much needed larger family homes for the Borough with 65% (97) of the council rent homes comprising at least 3 bedrooms. In addition, the scheme may provide a nursery, and will connect into the local District Energy Network. The brief aims to provide a carbon neutral scheme based upon "Passivhaus" principles, supporting the Borough's sustainability objectives.
- 6.5. As outlined above, the Gateway 1 approval to design the scheme was given in 2020. Following that approval, we have undertaken a compliant procurement exercise for a contract of this scale. The final selection criteria were based upon an assessment scored 60% on quality and 40% on price. Officers have reviewed the proposed tenderer and are satisfied that they can meet the requirements of the brief. Prices were offered by all parties for all stages of the design service from start to practical completion.
- 6.6. Based upon the price offered the first stage of design (RIBA Work Stage 2) can be approved by officers. We have now instructed this stage which will confirm the brief and complete the basic design concepts including massing, heights, review against planning policy and generally give the overall layout of the scheme.
- 6.7. However, to submit for planning permission and work up detailed layouts of the scheme, individual flat layouts, coordinate services, specialist reports (e.g., Daylight and Sunlight) we will need to appoint to completion of RIBA Work Stage 3.
- 6.8. Typically, the works contractor would take forward the detailed design from RIBA stage 3. However, for this scheme, we may wish to appoint the Lead Designer for RIBA Work Stage 4. While the scheme is in its initial design stages, we cannot be certain of the best approach to these details, and therefore delegated authority is sought to allow a flexible approach.
- 6.9. As outlined above a budget was approved to obtain Planning Permission. Appendix 1 shows the tenders returned. Based upon the tenders we are within the overall approved pre contract budget and the overall scheme viability enhanced.

## **7. Contribution of Strategic Outcomes**

- 7.1. The recommendations in this report will support the delivery of the Housing Priority in the new Borough Plan, which sets out in its first outcome that "We will work together to deliver the new homes Haringey needs, especially new affordable homes". Within this outcome, the Borough Plan sets the aim to "Ensure that new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the borough, prioritising new social rented homes".
- 7.2. In particular, the recommendations in this report are explicitly about delivering the aim "to deliver 1,000 new council homes at council rents by 2022". The proposals in this report contribute directly to the strategic outcomes on new housing supply that are at the core of the aims of the Council as expressed in the Borough Plan.

## **8. Legal**

- 8.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.2. The Council wishes to extend the contract of the lead designer to include RIBA Stage 3. Because of the value of the contract will now be over £500,000, approval must be by way of Cabinet decision. The Cabinet has power to approve the extension under CSO 10.02.1.
- 8.3. The Cabinet also has power to delegate any further extension of this contract to the Director of Housing, Regeneration and Planning (see Cabinet Procedure Rule 1.4 (b)).
- 8.4. The award of this contract is a Key Decision and, as such, needs to comply with the Council's governance process in respect of Key Decisions including publication in the Forward Plan (see CSO 3.01 (d)).
- 8.5. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

## 9. Procurement

- 9.1. Strategic Procurement have run the procurement process in line with the Public Contract Regulations and the authorities CSO's.
- 9.2. The opportunity was advertised via the Council's Dynamic Purchasing System (Architectural services category) and 3 Tenders were received. The marking criteria was based upon 60 % quality and 40 % price.
- 9.3. Returns were evaluated and the results are set out in the table below: -

Assessment	Bidder 1	Bidder 2	Levitt Bernstein
Cost Score	40 %	14.7 %	20.6 %
Quality Score	24 %	36 %	46.8 %
Total tender evaluation score	64%	50.7 %	67.4%

- 9.4. The procurement was run through the authorities DPS (Architectural services category).
- 9.5. Strategic Procurement recommends the approval of the extension of the appointment of a Lead Designer for RIBA Stage 3 for Ashley Road Depot site.

## 10. Finance

- 10.1. This report seeks cabinet approval of contract to the named contractor for the sum of £730,373, to deliver architect and engineering services (Lead Designer) to the scheme known as Ashley Road Depot.
- 10.2. The contractor was chosen based on 60/40 quality/cost assessment.
- 10.3. The cost of this contract, including that set in the delegation, will be contained within the budget set aside for the delivery of this project up to RIBA stage 4.
- 10.4. This is in line with the overall HRA new homes delivery budget as approved by Cabinet in February 2021.

## **11. Equality**

11.1. 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.

11.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. The decision is to appoint a Leader Designer for the Ashley Rd Depot (ARD) project. There are no specific equalities implications arising from this specific decision. It is noted that the appointment is designed to support the Council in its delivery of its Housing strategic objective, including to supply more council homes at council rents, which is likely to have an overall positive equalities impact for those with protected characteristics.

11.3. 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 that may have a disproportionate negative impact on any groups who share the protected characteristics.

### **Use of appendices**

Appendix 1 – Tender returns and comparison to budget.

### **Local Government (Access to Information) Act 1985**

Appendix 1 is NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that they contain information relating to the financial or business affairs of any person (including the authority holding that information).