

DECISION REPORT

Report for: Anna Blandford, Head of Housing Development, Housing, Regeneration and Planning Directorate

Item number: N/A

Title: Award of a contract under Contract Standing Order (CSO) 9.07.1c to Knight Frank to provide Sales and Marketing Advise in regard to the Ashley Rd Project.

Report authorised by: Bruno Bridge Housing, Senior Housing Project Manager.

Lead Officer: Mark Stallard, Housing Development Navigator-

Ward(s) affected: Tottenham Hale

Report for Key/Non-Key Decision: Non-Key Decision

1. Describe the issue under consideration.

- 1.1 This report seeks approval to appoint Knight Frank to provide Sales and Marketing Advise in regard to the Ashley Rd Project, following a competitive procurement process.

2. Recommendations

- 2.1. It is recommended that:

The Head of Housing Development approves the award of a contract to Knight Frank as allowed under CSO 9.07.1c (Bid Acceptance and Contract Award) in the sum of £36,000 + VAT to provide Sales and Marketing Advise in regard to the Ashley Rd Project, following a competitive procurement process.

3. Reasons for decision

- 3.1. We are now taking forward the redevelopment of the Ashley Road Depot site, currently occupied by Veolia. A capacity study has identified that the site could deliver c 298 including new homes including c 149 Homes for sale. To ensure the sales homes are in line with the market and to optimise returns we require detailed expert advice. This report sets out tender process, results and recommends a way forward.

4. Alternative options considered.

- 4.1 We could proceed without this advice. The scheme relies upon creating over £ 65 M of sales cross subsidy so there would be a considerable risk of not maximising the cross subsidy without advice. Given that we had only one valid return we could retender but given the tight design programme this advice is required urgently. Delays in receiving the advice by retendering will mean we run the risk of not maximising returns. Knight Frank are a recognized supplier of this service and have provide advice in the past in regard to this scheme.

5. Background

- 5.1 A Report was approved by Officers in 2020 to take forward the scheme with a pre-contract budget of £ 6,000,000 approved to achieve Planning Permission. The intention is to progress the scheme, and that it would be considered for a Gateway 3 Cabinet approval prior to entering into a construction contract.

We have appointed Lead Designers and are now working up the design. As part of that process we need to clarify and confirm the brief for the proposed 149 Sales Homes. Relevant suppliers were identified and contacted to confirm interest. A tender package was prepared and issued via the Haringey Procurement and Contract System (HPCS) in June 2021. The proposed service comprised 3 elements.

- Initial market and site Analysis
- Architects Brief and Design Stage Advise
- Valuation and Viability Support (Nb not Red Book Valuation)

The Tender set out a base line requirement but also requested fees for further iterations of some services. Tenders were invited from:-

- Savills
- Red Loft
- Knight Frank

The tender expiry date was the 16th of June and only one valid tender was returned. Red Loft did not engage, and Savills were not able to submit before the deadline. Savills have inquired if their bid could be considered even though they acknowledge it was not submitted on time. Knight Franks pricing for the tender is as below:-

	Service 1 - Initial Market and Site analysis	Service 2- Brief and Design Stage	Service 3 - Valuation and Viability Support (x 3)	Total
Red Loft	Did not Tender	Did not Tender	Did not Tender	
Savills	Did Not submit in time	Did Not submit in time	Did Not submit in time	
Knight Frank	11,000	10,000	9,000	30,000

While Savills did not submit a compliant tender on time, they have e mailed their price which is significantly higher than the Knight Franks. Savills price offer was £ 49,000.

These costs can be contained within the overall budget approved.

Knight Frank can provide the service required and have submitted a competitive price in line with the current market.

6. Contribution to strategic outcomes

- 6.1 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”*.
- 6.2 In particular, the recommendations in this report are explicitly about 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, which are at the core of the aims of the Council, as expressed in the Borough Plan.

7. Use of Appendices

n/a

8. Background papers

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9. Local Government (Access to Information) Act 1985

n/a