

Report for: Cabinet Member Signing – 18 March 2022

Title: Station Road Supported Accommodation – Award of Construction Contract

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

Lead Officer: Graham Sheret, Project Manager

Ward(s) affected: Bounds Green, Noel Park, Woodside

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 To request approval for an award of a contract for the provision of modular accommodation at 141 – 147 Station Road, and to approve issuance of Letter of Intent, pursuant to contract standing order 9.04 (Dynamic Purchasing Systems) and CSO 16.02 (contracts awarded by Cabinet Member).
- 1.2 To request approval of the project budget as set out in the exempt section of the report.
- 1.3 To request appropriation of the Station Road site from the General Fund (GF) to the Housing Revenue Account (HRA).

2. Cabinet Member Introduction

- 2.1 As this report is being presented to Cabinet Member for House Building, Place-Making, and Development for a decision, Cabinet Member introduction is not required.

3. Recommendations

For the Cabinet Member for House Building, Place-Making, and Development:

- 3.1 Pursuant to Contract Standing Order 16.02, to approve an award of contract to Contractor A as detailed in the exempt section of this report.
- 3.2 To approve a client construction contingency as outlined in the exempt section of this report strictly managed under change control governance arrangements at the discretion of the Director Housing, Regeneration and Planning. Regular updates on any expenditure of the contingency can be provided to the Cabinet Member on request.
- 3.3 To approve the issuance of a letter of intent for up to 10% of the contract value.
- 3.4 To approve the total project cost as set out in the exempt section of this report.

3.5 To approve the appropriation of the land at Station Road (shown edged red on the boundary plan attached at Appendix 2) from general fund purposes to housing purposes under Section 19 of the Housing Act 1985.

4. Reasons for decision

4.1 Addressing homelessness is a priority for Haringey, as indicated in the 2019-2023 Borough Plan.

4.2 Besides building more council rent homes for local residents, the council is also seeking to increase the amount of move-on, supported accommodation within the borough, to help people transition from homelessness into independence. Since March 2020, Haringey have moved more than 350 people on from emergency accommodation and hotels into settled accommodation.

4.3 The COVID-19 pandemic has shown that it is possible to significantly minimise (or even eliminate) street homelessness given sufficient political will. The “Everyone In” approach has been a great success in protecting some of our most vulnerable residents. Single-night figures of the number of people rough sleeping in Haringey are at a record low. However, this requires a concerted effort to maintain.

4.4 By focusing on the development of move-on accommodation for some of Haringey's most vulnerable and excluded residents we are both addressing their individual needs as well as trying to address the balance of provision across emergency, supported and independent living in the borough. To us, it is critical that individuals can see that longer term stable accommodation is an achievable reality for them and that hotel and hostel living can provide a platform to settled accommodation. As well as this we are committed to improving health, housing and employment outcomes for individual residents through the provision of strengths-based practice and trauma-informed care at the frontline, so that the journey away from rough sleeping is personalised, sustained and leads to equal and fulfilling lives

4.5 The proposed site for temporary high-quality accommodation at Station Road, in the centre of the borough, is an important part of this plan and will help to make a real difference to its residents' lives, providing the base for the final stage in the residents transition back to independent living and the next stage in the journey sometimes started at the new development at Ermine Road in the east of the borough. It will also lead to improvements to the local environment for all residents through site clearance new green landscaping and improved street frontage.

4.6 Planning approval will be required for the project. Preparing and submitting the planning application is one of the contractor's duties. There will be a break-clause in the contract to allow termination of the contract should planning permission fail to be granted.

4.7 This construction award report requests a decision on the procurement of Contractor A to undertake the following works:

- Site clearance including demolition of existing buildings.

- Landscaping works including boundary treatments, bin and cycle stores and CCTV.
- Manufacture, delivery and installation of 29 modular units (27 one-bedroom flats, one office and one café).
- New replacement café to suit the new site layout
- Provision of new utilities and removal of old
- Making all statutory applications and gaining approvals
- Liaison with Network Rail
- Provision of FFE

5. Alternative options considered

- 5.1 Two other sites were evaluated for suitability to provide 25+ single person modular homes. These were Stoneleigh Road Car Park B and above Westerfield Road Car Park.
- 5.2 Stoneleigh Road was discounted as it was thought that the surrounding area may not be suitable for people who previously may have had dependency issues.
- 5.3 Building above Westerfield Road Car Park, which is located next to Seven Sisters Overground rail station, was discounted as it transpired that agreements had been established to provide small retail units on the car park and it was thought that the co-location of residential and retail units was unsuitable for both types of property.
- 5.4 As the Station Road site is safeguarded for Crossrail 2 'traditional' construction was not considered to be appropriate as there is the risk that the site would be used by Crossrail 2 resulting in any new development having to be demolished. The use of Modular accommodation is considered to be more appropriate given its ability to be moved to other sites and re-used. This allows the site to be developed, with subsequent improvements to the local environment, ahead of any decision being made with regard to the safeguarding of the site for Crossrail 2.

6. Background Information

- 6.1 Addressing homelessness is a top priority for the London Borough of Haringey as outlined in points 4.2 – 4.4.
- 6.2 The provision of supported move on accommodation is part of this priority. Station Road offers the opportunity to provide temporary (2-year tenancies) accommodation to residents who are on the final stage of their journey back to full independent living.
- 6.3 It is envisaged that Station Road, in the centre of the borough will be a complimentary supported accommodation service to the development at Ermine Road in the east of the borough, with residents at the end of their journey back to independent living receiving 2-3 hours of support per week to assist them in their search for work, training or education and provide training on money management and understanding responsibilities as tenants. Although an office will be provided on the site it is anticipated that none of the residents will have a requirement for 24/7 support but there will be an on-call number should there be any emergencies. This is a lower level of support to that

provided at Ermine Road which focuses on the residents mental and physical wellbeing following periods of experiencing street homelessness in the recent past.

- 6.4 Currently the site for the development is in the General Fund (GF) with the project being funded from the Housing Revenue Account (HRA). As a result the site will be appropriated into the HRA as HRA money cannot be used to benefit a GF asset. This site has an estimated valuation of £335,000. An independent valuation is taking place and a financial adjustment will be made in the accounts accordingly once completed. The letter of intent and contract will not be issued prior to the valuation being completed.
- 6.5 The use of modular accommodation at Station Road was considered a suitable way of addressing this need as the site is safeguarded for Crossrail 2 which prevents the development of 'permanent' accommodation and the use of modular accommodation allows it to be re-located should the safeguarding be removed and another use for the site developed.
- 6.6 The site is opposite Wood Green Common Conservation Area. Currently the Station Road site contains a variety of buildings the majority of which are unoccupied and in a dilapidated state, with the southern end of the site used as an overflow car park for Heartlands School. The presence of the unoccupied buildings has 'encouraged' the site to be used for anti-social behaviour such as drug taking. The new properties are arranged to provide a street frontage which will provide passive supervision of the public realm which is currently not present along this section of Station Road. The properties will have a front garden along Station Road and a communal garden area to the rear of the properties. Lockable bike storage will also be provided. With the exception of the new café which is single storey the properties will be arranged in 2 and 3 storey blocks with the 3 storey blocks being located further down the slope towards Heartlands School in order that the development does not 'overwhelm' the closest adjoining properties of Alexandra Palace train station and the Starting Gate pub by having a roof line lower than these properties. Meetings with the urban design officer and conservation officer within the Planning Team have occurred to try and ensure that the development will be in keeping with the surrounding area and improve the current situation.
- 6.7 The site is next to Alexandra Palace train station and rail lines. As a consequence the works will be subject to a Network Rail Basic Asset Protection Agreement (BAPA) which may impose conditions on the methods of working that may impact on cost and programme. The location of the site next to Network Rail land may impose restrictions that will lead to alterations in the site layout from the one issued as part of the tender pack or the winning contractor's proposals and could result in additional works not envisaged at the time of tender.
- 6.8 The project has been awarded £2.64m from the GLA's Rough Sleeper Accommodation Programme (RSAP). To qualify for payment the on-site works need to commence and complete in 2022/23. The programme allows for compliance with this requirement.
- 6.9 The homes comply with GLA space standards, are low carbon and feature Sustainable technologies. The technologies include the use of Photovoltaic panels, high levels of insulation, low energy appliances, triple glazing, high levels of air tightness, water saving

taps and showers, designs to allow maximum daylighting and overall net zero carbon. The accommodation is high quality with a 'guaranteed' minimum life of 60 years which means that mortgage financing can be raised against the properties.

- 6.10 A competitive tender was issued through the Haringey Dynamic Purchasing System (DPS) – Minor Works Modern Methods of Construction category. Tenders were received on the 1st December 2021. The tender evaluation criteria was based on 60% quality, with a requirement to achieve a score of 36 i.e. 60%, and 40% price basis and the evaluation was conducted by an independent evaluation panel. No arithmetical errors were found during the clarification process with the outturn confirmed as detailed in the exempt report.
- 6.11 Details of the evaluation of all tender returns are set out in the Part B of this report. The assessment concludes with a recommendation to award a construction contract to Contractor A.
- 6.12 The Quantity Surveyor for this project is satisfied with the pricing offered by Contractor A against the pre-tender estimate (PTE). A detailed analysis of the tender returns against the PTE is provided within the tender analysis report and summarised in Part B.
- 6.13 The total projected cost for the works is set out in Part B of this report.
- 6.14 Extensive consultation with local residents and stakeholders has occurred to-date. This has included 3 virtual public engagement meeting held on the 18th and 24th August and 14th September, 2 meetings with Heartlands School on 17th August and 30th September, a briefing to Ward Councillors, meetings with the café owner, placing details of the project on the Commonplace website, and posting details of the project to 750 households. A residents' forum, comprising of 12 residents, has also been established to try and integrate some of the residents' views into the design of the development where possible.
- 6.15 This report seeks approval to appropriate the Station Road site (outlined in red in the plan attached at Appendix 2), for housing purposes pursuant to Section 19 of the Housing Act 1985.
- 6.16 The site is held within the General Fund and is currently managed by the commercial portfolio and is 'owned' by Children's Services.
- 6.17 The appropriation of the land and the subsequent development will enable the Council to improve the existing environment and provide homes for people on the final stage of their journey from homelessness to independent living.

7. Contribution to Strategic Outcomes

- 7.1 This project proposal supports outcomes as outlined in the Borough Plan 2019-23. All projects commissioned by Officers of the Council are expected to align with this plan and will be reflected in key capital project documentation such as project briefs, design briefs, business cases, project initiation documents (PID) and award reports. The

relevant Borough Outcome for this project is: **Housing** – (1) we will work together to deliver the new homes that Haringey needs, especially new affordable homes. (2) we will work together to prevent people from becoming homeless and to reduce existing homelessness. (3) we will work together to drive up the quality of housing for everyone.

7.2 As the homes are highly insulated and use sustainable technologies this supports the Borough's carbon reduction and climate change ambition.

8. Statutory Officers comments (Director of Finance, Procurement, Head of Legal and Governance, Equalities).

8.1 Finance

8.1.1 This contract is for the development of 29 modular build units, comprising of 27 one beds, 1 office and a café for a sum of £5.21m.

8.1.2 This project will be funded from the HRA, subsidised by GLA rough sleepers' accommodation grant of £2.64m.

8.1.3 The remaining balance will be contained within the HRA new build capital programme budget.

8.1.4 Appropriation of land from GF to HRA represents an accounting adjustment, rather than a cash transfer.

8.1.5 It is estimated that the land value for the appropriation will not be greater than £0.34m - subject to third party valuation.

8.1.6 The appropriation works by reducing the historical General Fund debt position by appropriation value and increasing the historical HRA debt position by the same.

8.1.7 Further finance comments are contained in exempt report.

8.2 Procurement

8.2.1 Procurement note the content of the report. The procurement was conducted via the authorities DPS utilising the Modern Methods of Construction category.

8.2.2 Two bids were received, of which 1 was compliant. The procurement has been run in line with the authorities' contract standing orders and the Public Contract Regulations.

8.2.3 Procurement supports the recommendations made in the report.

8.3 Legal

8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

- 8.3.2 The works are above the threshold (currently £5,336,937.00 for works contracts) whereby the procurement is governed by the Public Contracts Regulations 2015 (the Regulations). Procurement via use of a Dynamic Purchasing System (DPS) is an approved procedure under Regulation 34 of the Regulations. It is also provided for under CSO 9.04 (dynamic purchasing systems).
- 8.3.3 The award of this contract is a Key Decision and, as such, needs to comply with the Council's governance processes in respect of Key Decisions including publication in the Forward Plan.
- 8.3.4 Ordinarily, the award of a contract over £500,000 would be approved by Cabinet (CSO 9.07.1 (d)). However, in between meetings of the Cabinet, the Leader may allocate the decision to the Cabinet Member with the relevant portfolio. The Cabinet Member with the relevant portfolio has power under CSO 16.02 to approve the award of this contract. The Cabinet Member also has power to approve a letter of intent.
- 8.3.5 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for House Building, Place-Making and Development from approving the recommendations in this report.

Appropriation for Housing Purposes

- 8.3.6 The Council is seeking to appropriate the site from the General Fund for housing purposes. The Council can do so under Section 19 (1) of the Housing Act 1985. The legislation allows the Council as a local housing authority to appropriate for housing purposes any land for the time being vested in them and at their disposal. This appropriation is necessary as the new build units will be funded by the Housing Revenue Account and therefore must be held in the HRA. Under section 9 of the Housing Act 1985 the Council may provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them for the purposes of part II of the Housing Act 1985

8.4 Equality

- 8.4.1 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.

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 apply to the first part of the duty.

- 8.4.2 The proposed decision is to award the contract for the provision of supported move on accommodation for homeless people in modular accommodation at Station Road. This is expected to benefit rough sleepers in the borough, many of whom share one or more protected characteristic.
- 8.4.3 The primary beneficiaries of the decision are individuals with experiencing homeless with multiple and complex needs. The decision represents a measure to meet the needs of this group where they differ from the needs of others, and therefore advances equality of opportunity. Among whom those from Black and Asian Minority and LGBTQ+ communities are overrepresented and possess the protected characteristics of race and sexual orientation.
- 8.5.6 As an organisation carrying out a public function on behalf of a public body, the Contractor A will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the major works does not result in any preventable or disproportionate inequality.

9 Use of Appendices

- 9.1 Appendix 1 – Part B exempt information
9.2 Appendix 2 – Red Line Drawing

10 Local Government (Access to Information) Act 1995

- 10.1 List of background documents:

This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972): Information relating to financial or business affairs of any particular person (including the statutory holding that information).