

**Report for:** Cabinet Member Signing – 25 July 2024  
Cabinet Member for Placemaking and the Local Economy

**Item number:** 7

**Title:** Broadwater Farm – Northolt Strip-Out Contract

**Report authorised by :** David Joyce – Director of Placemaking & Housing.

**Lead Officer:** David Sherrington, Director of Broadwater Farm

**Ward(s) affected:** West Green

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

## **1. Describe the issue under consideration**

- 1.1. In line with Contract Standing Order (CSO) 16.02, this report seeks approval from the Cabinet Member for Placemaking and the Local Economy to award a contract to Tenderer A in the sum of £725,345.00 for the strip-out of the Northolt tower block on the Broadwater Farm Estate.

The works are designed to derisk the future demolition of the block by removing asbestos, electrical and water services, decommissioning the passenger lifts, removing all fixtures and fittings, and coordinating the removal of other services with statutory bodies such as UKPN and Thames Water. By undertaking these works now, the Council will remove all risk items when handing over the building to the demolition contractor.

## **2. Cabinet Member Introduction**

- 2.1 Not applicable – Cabinet Member Signing

## **3. Recommendations**

**It is recommended that:**

**Cabinet Member for Placemaking and the Local Economy:**

- 3.1 In line with Contract Standing Order (CSO) 16.02, approve the award of contract to Tenderer A (as set out in Appendix A), to a total value of £725,345.00.

- 3.2 Delegate authority to the Director of Broadwater Farm Estate, in consultation with the Director of Finance, to authorise and expend sums as set out within the exempt part of this report.
- 3.3 Delegate authority to the Director of Broadwater Farm Estate in consultation with the Director of Finance, to extend the contract period from July 2026 to December 2026 if required due to unforeseen works and other relevant reasons to extend the contract.
- 3.4 The Cabinet Member for Placemaking and the Local Economy approves issuance of a letter of intent up to the value of £100,000.00 prior to issuing a formal contract. The Letter of Intent will enable the contractor to place an order with their supply chain to enable the programme to be met.

#### **4. Reasons for decision**

- 4.1 The regeneration of the Broadwater Farm Estate will see the construction of 294 new homes across the estate. Once demolished, the Northolt block and surrounding areas will see a total of 68 new homes constructed on the site.

The development of the Northolt site will commence May 2028 and complete June 2031. To ensure the block is demolished and the site cleared and ready for hand over to the appointed new homes contractor - the Council needs to ensure that all risks associated with the block and surrounding areas are removed. Therefore, it is suggested that the demolition is carried out in 2 phases i.e., an initial strip-out phase to remove asbestos and services provided by statutory authorities. The second phase which allow for the physical dismantling of the block.

- 4.2 Awarding a contract to Tenderer A in the sum of £725,345.00 for phase one of the demolition programme, will protect the Council against financial and programme risks.

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

- 5.1 Do nothing is not an option as the strip-out works to Northolt is essential to remove asbestos and terminate all existing mechanical and electrical services to enable the block to be demolished. The works will also remove risks associated with carrying out these works at a later stage, and the financial and programme impact this could have on the project.
- 5.2 The option to include the strip-out works as part of the second phase demolition was considered, however discussions with several main contractors directed the project team to conclude that developing a standalone strip out programme is the best option for delivering the project.

Reasons include; demolition contractors would rather a project which has been de-risked and free from asbestos and mechanical and electrical services. Cost control on a de-risked project would be easier to manage, and programme

predictability for the client and contractor is more favourable when a demolition project has been stripped and cleared prior to starting the demolition works.

- 5.3 It should also be noted that lessons have been learnt from the demolition of Tangmere, where the project was not de-risked. The failure to de-risk the project resulted in additional works for the removal of asbestos and pigeon guano. There were also the impact of cable diversion and other works with UKPN – all of which resulted in additional costs and time pressures on the project. This forced a review on how best to manage the demolition of Northolt, thus the development of standalone strip-out programme.

## **6. Background information**

- 6.1 Northolt is a nineteen-storey housing block constructed in the early 1970s using a Large Panel System (LPS) method of construction. Following a detailed structural survey, it was found that the building was not compliant with safety regulations.
- 6.2 The building failed key strength tests and was at risk of disproportionate collapse in the event of a gas explosion and would require significant strengthening work or replacement.
- 6.3 It was agreed that the preferred option would be to demolish the building and replace it with new council homes.
- 6.4 Following discussions with Ridge and Partners and their team of structural engineers, it was agreed that the best approach to demolishing the block would be to develop a two-phase programme of works. Phase one would be a soft strip to include asbestos removal, clearance of furniture and other items from the vacant units, decommissioning of the passenger lifts, removal of mechanical and electrical components, and the general clearance of the internal parts of the block.
- 6.5 This approach to the project was not only recommended by Ridge and Partners but came as a result of speaking with several demolition contractors who agreed that the project would be more attractive to the market if it was cleared and presented as a shell i.e., the only works required would be the deconstruction of the block.
- 6.6 The project team also learnt lessons from a current demolition programme on the estate. Tangmere was a six-storey block that was tendered as a single project without an initial strip-out programme. Although the project suffered delays outside the main scope of works, the effect of not removing asbestos, pigeon guano, and clearing the vacant units, had an impact on the programme. Therefore, it was decided that the demolition of Northolt should incorporate a standalone programme of works to derisk the project.

## **Tender Process & Selection of Contractor**

- 6.7 Ridge and Partners LLP were appointed via Haringey’s Multi-Disciplinary Professional Services Framework to undertake Project Management, Cost Consultancy and Principal Designer services, to support the procurement of a contractor to undertake the strip-out works.
- 6.8 Ridge & Partners LLP undertook initial market testing and cost analysis to obtain a pre-tender estimate for the works. The estimated cost, including preliminaries, overheads was estimated at £1.2m.
- 6.9 Following completion of the design process, a specification of works and tender documents were written. Open tenders were invited by Haringey Council from contractors using the Dynamic Purchasing System (DPS) on 14 March 2024.
- 6.10 Tenders were issued based on 30% quality and 70% cost. Social Value accounted for 10% of the quality.
- 6.11 The quality assessment included an assessment of the tenderers’ technical ability, experience of similar projects and their general approach to the project.
- 6.12 Tenders were received from 5 bidders on 03 May 2024. Ridge and Partners carried out the financial assessment, and Haringey – with support from Ridge and Partners carried out an assessment of the quality submissions.
- 6.13 Clarifications were issued during the tender period, and these covered matters such as requesting an extension of time for the tender returns, providing clarity on items related to the scope of works, and directing bidders to the use of the social value portal.
- 6.14 During the financial assessment, Ridge and Partners noted that some bidders failed to carry forward some of their cost build-ups. These were equalised and formed the final assessment of the cost submissions.
- 6.15 During the quality review, one of the bidders failed to achieve the minimum quality score of 15%. This resulted in their bid being non-compliant, and they were therefore eliminated from the process.
- 6.16 Ridge and Partners submitted their tender report on 28 June 24. The result of the tender review is set out in the table below.

Tenderer	Cost (%)	Quality (%)	Total Score
A	70.0%	20.0%	90.0%
B	65.0%	20.6%	85.6%
C	55.0%	20.0%	75.0%
D	36.0%	21.4%	57.4%
E		13.4%	Non-Compliant Bid

- 6.17 It is therefore recommended that Tenderer A is awarded the contract in the sum of £725,345.00 to carry out the strip-out works to the Northolt block on the Broadwater Farm Estate.

## Project Spend Profile

- 6.18 The projected spend profile is shown in the following table. The project will be funded from the Broadwater Farm New Homes Programme. Funding will accommodate all works executed on the project from 24/25 to 26/27 as shown in the table below.

Description	Year 1 (24/25) £'000	Year 2 (25/26) £'000	Year 3 (26/27) £'000
BWF Northolt Strip-Out Programme	£495.2	£212	£18.15

## 7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'

- 7.1 The strip-out works will prepare the Northolt block for demolition. On completion of the demolition and site clearance, the new homes programme will deliver a total of 68 new homes on the site. Therefore, this project will contribute to the core principles of the Corporate Delivery Plan i.e., a borough where everyone has a safe, sustainable, stable and affordable home.

## 8. Carbon and Climate Change

- 8.1 Comments on carbon reduction is not considered necessary for this report, as the works will be carried on a tower block where all the units are unoccupied.

## 9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

### 9.1 Finance

The report recommends the award of a contract to Tenderer A in the sum of £725,345.00 for the strip-out of the Northolt tower block on the Broadwater Farm Estate.

The works are designed to derisk the future demolition of the block by removing asbestos, electrical and water services, decommissioning the passenger lifts, removing all fixtures and fittings, and coordinating the removal of other services with statutory bodies such and UKPN and Thames Water

The projected spend profile is shown in paragraph 6.18. The project will be funded from the Broadwater Farm New Homes Programme.

Additional finance comments are contained in the exempt report.

### 9.2 Procurement

9.2.1 Strategic Procurement (SP) note that this report relates to the approval to award a contract to Tenderer A to strip-out of the Northolt tower block on the Broadwater Farm Estate

SP note that a competitive tender was launched via the LCP's DPS for Minor Works. The adopted procurement is in line with Contract Standing Order (CSO) 9.04.1(b) and Regulation 34 of the Public Contracts Regulations.

The Tenderers' bid submissions were evaluated in accordance with the scoring methodology contained within the published Invitation to tender document.

Bid evaluation was based on price and quality and the preferred bidder's submission demonstrates value for money.

SP support the recommendation to approve the award in accordance with CSO 9.07.1(d) and 16.02

### **9.3 The Assistant Director of Legal & Governance (Monitoring Officer)**

9.3.1 The Assistant Director of Legal and Governance has been consulted in the preparation of this report.

9.3.2 The Council has conducted a procurement exercise using the Council's LCP Dynamic Processing System (DPS) for Minor Works. Use of a DPS is an approved tender process under the Public Contracts Regulations 2015 (Reg 34) and is also provided for in the Council's CSO (CSO 9.04.1 (b)).

9.3.3 The award of the contract is a Key Decision and, as such, falls to be approved by Cabinet under CSO 9.07.1 (d) (contracts valued at £500,000 or more). In between meetings of the Cabinet, the Leader may take any such decision or delegate to the Cabinet Member with the relevant portfolio (CSO 16.02).

9.3.4 The Assistant Director of Legal and Governance confirms that there is no legal reason preventing the Cabinet Member with the relevant portfolio from approving the recommendations in this report.

### **9.4 Equality**

9.4.1 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 applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The decision is regarding the award of a contract for the strip-out of the vacant block known as Northolt, to prepare the block for future demolition. These works are essential to ensure the block can be demolished to make way for the construction of 68 new homes on the Broadwater Farm Estate.

Having reviewed the Council's Equality Impact Assessment (EQIA) guidance, the need for an EQIA is not considered necessary as the proposed works will be carried out to vacant units and will therefore not have a negative impact on protected groups, or people who are socio-economically disadvantaged.

## **10. Use of Appendices**

Exempt Report – **Appendix A**