

Report for: Cabinet 15 July 2025

Item number: 14

Title: Noel Park Project

Report

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Ward(s) affected: Noel Park

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 This report is to seek approval to vary the contract with Equans Regeneration Ltd (formerly Engie Regeneration Ltd) by increasing the Noel Park project budget from £21.46m to £32.2m, an increase of £10.7m and also to increase the professional fees budget from £847,000 to £1,270,500 being an increase of £423,500 to enable the completion of essential Health & Safety and Decent Homes works to properties within Noel Park and the completion of the project in accordance with CSOs 18.03.3 and 2.01(d).

2. Cabinet Member Introduction

- 2.1 We want fairer housing across our borough – safe, warm, comfortable, affordable homes for all. We have a major retrofitting and refurbishment plan for council homes across Haringey.
- 2.2 In the Noel Park conversation area, we're retrofitting hundreds of homes. 103 have already been finished on Farrant Ave, Morley Ave and Moselle Ave with another 131 on Gladstone Ave now getting underway.
- 2.3 New roofs, windows, doors and other key upgrades are being made to keep homes warm and dry – and to cut the cost of heating them for our residents. Affordable homes shouldn't just have genuinely affordable council rents; they should be affordable to run – these works will help to bring energy bills down.
- 2.4 We're also fixing up the interiors at the same time in Noel Park, putting in new kitchens and bathrooms – bringing homes up to the Decent Homes standard. This is just one project in our wider mission to get 100% of council homes in Haringey to Decent Homes standard by 2028.

3. Recommendations

That Cabinet:

3.1 Approve a variation of the contract with Equans Regeneration Ltd (formerly Engie Regeneration Ltd) by an increasing the Noel Park project budget from £21.46m to £32.2m, an increase of £10.7m; and also approve an increase in the professional fees budget from £847,000 to £1,270,500, an increase of £423,500, to enable the completion of essential Health & Safety and Decent Homes as part of Noel Park project, with funding allocated from the existing Cabinet approved HRA capital investment programme budget.

4. Reasons for decision

- 4.1 Cabinet approved the award of a contract to Engie (now Equans Regeneration Ltd) to carry out major works on the Noel Park estate following a full procurement process. On completion of the procurement the Council, through Homes for Haringey, decided to split the project into two Phases:

Phase 1 - 103 tenanted dwellings located on Farrant Avenue, Morley Avenue, Moselle Avenue and on Gladstone Avenue and.

Phase 2 - 131 homes on Gladstone Avenue which are occupied by both tenants and leaseholders

- 4.2 Phase 1 of the Noel Park project was practically completed at the end of May 2025, with works to 103 properties having been completed. Phase 2 works have commenced on 88 properties and PODs have been installed in 14 properties. However, works have been suspended pending the approval of additional funding by Cabinet to allow the completion of the project.
- 4.3 Current spend to date for the completion of Phase 1 and works completed to date on Phase 2 is £ 20,263,308, excluding professional fees, against Cabinet approved budget of £21.46 million. An increased project budget is required to enable the completion of essential health & safety and decent homes works and the completion of the project. The increased professional fees are based on the increased scope of the project and additional activities including party wall notices.

Forecast Financial Outturn

Noel Park	Current Cabinet Approved Project Budget	Spend to Date	Forecast Outturn
Total	£ 21,458,116	£ 20,263,307.74*	£32,200,000*

* Not including professional fees

- 4.4 This increased budget is required due to:

- i) significant enhancement to the original scope of works due to the condition of these period properties and their Pods, which were significantly beyond their designed life span and presenting significant health & safety risks, due to previous under investment, and the need to ensure these homes meet and maintain the Decent Homes standard and comply with statutory and regulatory requirements. In addition, as Noel Park is a conservation area works to the properties require different and often complex construction methods and materials from those originally specified.
- ii) the increase in costs due to the extension of time as a result of the impact of the COVID pandemic on the original procurement, contract award and planning process; Brexit and the global material shortages and the subsequent inflation in global material costs and UK labour rates.

4.5 The increased budget will enable the completion of all essential health & safety works to all in scope properties; for the Council tenanted properties to be brought up to the Decent Homes Standard and the overall completion of the project. The enhanced scope of works includes:

External Works	Internal Works
<ul style="list-style-type: none"> • Rear Pod extension replacement and associated works • External fabric repairs – external brickwork, pointing, window cills, guttering replacement. • External decoration. • Concrete repairs. • Roof replacement. • Window replacement. • External garden staircase replacement. • Front Entrance Door replacement. 	<ul style="list-style-type: none"> • Bathroom replacement • Kitchen replacement • Rewiring of the property • Boiler replacement • Central heating installation works • Fire protection works. • Asbestos removal.

Programme Delivery

4.6 The completion of Noel Project Phase 2 works will be undertaken operating under a contract with a defined scope of works, delivery programme, and contract sum. A period of remobilisation will be undertaken to prepare for the works to recommence, and this will include detailed planning for each individual property and significant resident engagement to prepare residents for the extensive works being undertaken in their homes. In order to ensure Value for Money and effective and efficient project delivery a robust governance and contract management approach has been implemented which includes:

- Monitoring of project progress through the Housing Capital Board.
- A dedicated project team with a dedicated Senior Project Manager, Resident Liaison Officer, a dedicated Equans site project team and dedicate Ridge team to provide assurance and support the administration of contract.

- An extensive verification of all previous and future claims submitted by the contractor by Ridge, our appointed multi-disciplinary consultant, to ensure payment claims are in line with terms of the contract and are reasonable and evidence based.
- Regular analysis of key project risks so that these can be closely monitored and risk mitigation strategies put in place.
- Regular joint Lessons Learnt reviews to identify areas for improvement and ensuring lessons are learnt and weekly reviews of residents' complaints, customer feedback and completed customer satisfaction questionnaire.
- Enhanced communication activities and initiatives aimed at improving the resident experience
- Identifying opportunities for improving the critical path for delivery such as agreeing a reduced lead time with LB Haringey Highways Road closures which are required when Pods are craned into place.

4.7 The funding for the additional project budget including the additional professional fees, will be through the HRA Capital Programme Budget approved by Cabinet as part of the HRA Business Plan.

4.8 The need for additional cost to complete these essential works have been anticipated for some time and factored into Asset Management's major works budget spend plans for 2025/26 and 2026/27. This will be no impact on the ability to achieve 100% decency by 2028 and budgets for 2025/26 and 2026/27 have been allocated accordingly.

5.0 Alternative options considered

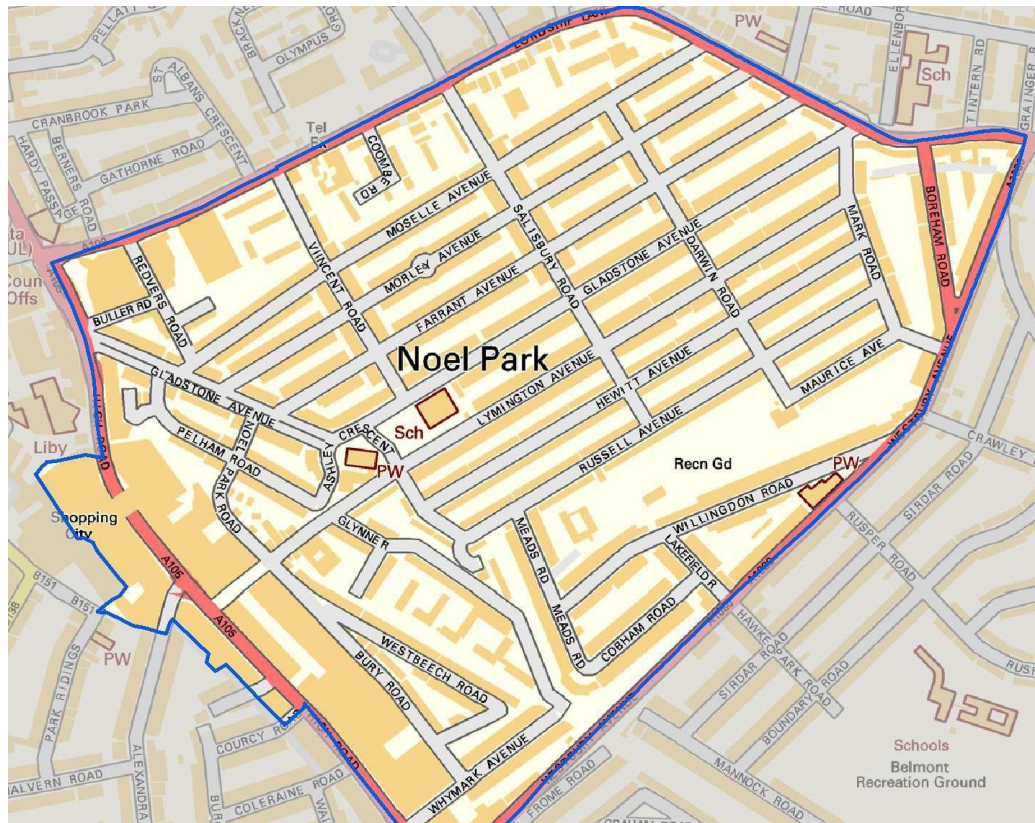
Option 1 - Halt Project & Reprocure

This option would involve the completion of all works in progress, the suspension of any new works and the procurement of a new contractor to complete the works. This option was discounted due to: timescales required to reprocure the works and obtain new planning permission; the impact on residents (tenants and leaseholders) due to the delay; the potential for increased costs given that a new contractor would be taking over partially completed works; increasing material and labour costs; and potential contractual disputes. In addition, there are likely to be potential claims and significant reputational damage.

Option 2 - Close Down Project

Completion of all Works in Progress. No new Works Orders Issued. Decent Homes & Essential Works added to future programmes. Evaluation of Options for Remaining PODs. This option has been discounted due to the following issues: failure to resolve significant health & safety issues, achieve Decent homes targets; essential works would be delayed and the impact on residents.

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. Included in the stock are 242 properties that have a rear bathroom extension, erected in the 1970s. These rear extensions (known as pods) are now well beyond their useful life. Prevalent defects of the pods include structural movement, dampness, condensation and black mould and the presence of asbestos in the wall panels. The life of the pods has expired, and essential holding repairs are being undertaken to keep them wind and watertight and free from Health and Safety risks, whilst awaiting replacement.

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. Subsequently investment works were undertaken to a number of properties and included a range of internal and external improvements to homes on the estate including new windows, doors, roofs, kitchens, bathrooms, central heating systems and rewiring. This work was completed in December 2016.

- 6.3 A subsequent review was undertaken to establish the options for the replacement of the existing Pods with the recommended option, for the Pods to be replaced using modular construction where a 'building' is constructed in a factory setting, under controlled conditions to the same standards as traditional buildings. In addition to the Pod replacement works, the review identified the need for external and internal works to the properties.
- 6.4 To procure the works a two stage Design and Build tendering process was undertaken to allow the contractor to work closely with the design team to develop the proposed works. This procurement was undertaken with Haringey Council's Procurement team via the London Construction Programme (LCP) framework and processes. The first stage of the tendering process was approved in August 2019. 6 contractors were invited to submit tenders and Engie's (now Equans) were appointed to deliver the design proposal and the construction phase of this project,
- 6.5 Following the appointment of Engie (now Equans) the decision was taken by Homes for Haringey to split the project into two phases. Phase 1 includes buildings that are only occupied by Council Tenants and Phase 2 will be inclusive of buildings occupied by both leaseholders and council tenants.
- 6.6 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 demonstrated that excluding decanting costs, there would be a higher cost to install a traditional brick-built extension as opposed to modular extensions. The choice of traditional brick-built construction would also increase the related costs for all properties as the decant period could be circa 3 months, due to the requirement to decommission the bathrooms.
- 6.7 In July 2021 Cabinet approved the contract award by Homes for Haringey for Phase 1 & Phase 2 of the project which included the replacement of bathroom pod extensions and internal and external works to enable essential safety works to commence and for properties to be brought up to the Decent Homes Standard. The contract was awarded to Engie (now Equans) with a value of £21,458,116.

Works within a Conservation Area & Planning Approval

- 6.8 The properties in this project are within The Noel Park Conservation Area, Planning Policy Framework 2012 requirements. Section 12 of the PPF '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. As part of the planning application process a heritage consultant was appointed by Haringey Council to assist in the development of a planning application that fully meets conservation guidelines. The Heritage Consultant provided a Heritage Impact Assessment in support of the Noel Park planning applications and this provided an assessment of the design, and the materials used for the major improvement works. LBH Planners were particularly interested in the new windows

and doors to ensure sympathy with the existing, roofing works and proposed external fabric repairs.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes’?

7.1 Haringey has developed the Corporate Delivery Plan 2024-2026 which sets out a series of outcomes that the Council is working towards achieving. This includes responding to the borough’s housing needs. The plan covers 8 Themes. The key aspects of the Corporate Delivery Plan 2024-2026 are reflected in the delivery of the Noel Park project:

- resident experience and enabling success
- responding to the climate emergency
- children and young people
- adults, health, and welfare
- homes for the future
- safer Haringey
- culturally rich borough
- place and economy.

7.2 Carbon and Climate Change

7.2.1 A key objective of the Housing Asset Management strategy is to ensure all Council owned homes have a minimum of an EPC B by 2035 in support of the council climate emergency action plan. The scope of works included within the Noel Park project supports this objective.

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

8.1 Finance

The original contract sum is £21.46m; this excludes the sum for professional fees. This report recommends a variation of the contract sum by an additional £10.7m, bringing the total contract cost to £32.2m.

The original professional fee associated with this contract is £0.85m. This report recommends an additional professional fee of £0.42m, bringing the total professional fees to £1.27m.

This represents an additional total project spend of £11.12m. This sum has been provided for in the recently approved capital works programme budget/MTFS.

However, this means that other existing homes requiring maintenance and improvement works is either being deprived of funding to the tune of £16.4m or additional sum borrowed to fund such works – which will also attract revenue cost in the form of interest on borrowing.

It should be noted that a total sum of £26.10m has been spent on Noel Park over a period of 9 years and £22.18m related to Noel Park project.

There is a risk of cost escalation if this contract is not properly managed and monitored.

8.2 Procurement

Strategic Procurement (SP) note that this report relates to the approval to vary the approved spend with Equans Regeneration Limited to enable the completion of essential Health & Safety and Decent Homes works to properties within Noel Park.

This variation is therefore essential for the completion of these works.

The proposed variation is in line with Regulation 72(b)(ii) of the Public Contracts Regulations (PCR 2015).

SP support the recommendation to approve the variation in accordance with CSO 18.03.1 & 18.03.3 & 2.01(d).

8.3 Legal

8.3.1 The Director of Legal and Governance (Monitoring Officer) was consulted in the preparation of this report.

8.3.2 Pursuant to the provisions of the Council's CSOs 18.03.3 and 2.01(d), Cabinet may approve the variation of a contract where the value of the variation is £500,000 or more and the variation sought in the report is more than £500,000 and as such Cabinet has power to approve the recommendation sought in paragraph 3.1 of the report.

8.3.3 The variation sought is also allowed under Regulation 72(b)(ii) of the Public Contracts Regulations 2015 the applicable Regulation when the contract was procured.

8.3.4 The Director of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the approval of the recommendation in the report.

Equality

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 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.

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

This decision relates to works as part of the delivery of the Council's Asset Management Strategy for its housing stock and how we will implement the strategy across the Council's housing portfolio.

The Asset Management Strategy aims to improve the quality of housing for Council tenants and leaseholder in Haringey. Residents from Black, Asian and minority ethnic backgrounds, older people, disabled people, women and low-income households are over-represented among current Council tenants. These groups are therefore likely to benefit from the delivery of the Asset Management Strategy. The current cost of living crisis is causing increased levels of fuel poverty and disproportionately impacts those from a low socio-economic background. The measures set out in the Asset Management Strategy to improve energy efficiency and effectively tackle damp, and mould should have a particularly positive effect on those from a low socio-economic background and represent a means of preventing and mitigating future inequalities.

As an organisation carrying out a public function on behalf of a public body, the Contractor 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.

8. Use of Appendices

Appendix A – Cabinet Paper –Noel Park Pods Replacement and Major Works Project Phase 2 (Leasehold and Tenanted Blocks on Gladstone Avenue – July 2021

9. Local Government (Access to Information Act) 1985