

Notice of KEY Executive Decision

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| Subject Heading: | Contract for the demolition of Waterloo and Queen Street |
| Cabinet Member: | Councillor Damian White Leader of the Council |
| SLT Lead: | Neil Stubbings – Director of Regeneration Programmes |
| Report Author and contact details: | Maria Faheem Regeneration Maria.faheem@Havering.gov.uk |
| Policy context: | Havering Housing Strategy 2014-2017 National Planning Policy Framework 2012 Draft London Plan 2017 Emerging Havering Local Plan 2017 HRA Business Plan 2017-2047 Romford Housing Zone - Overarching Borough Agreement with the GLA Havering Local Development Framework and Romford Area Action Plan 2008 Romford Development Framework 2015 |
| Financial summary: | This report seeks approval to enter in to contract for the demolition of properties at Waterloo and Queen Street (the Waterloo Estate) in Romford at a cost of up to £8 million. |

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| | This estate forms part of the 12 Estates regeneration programme. |
| Reason decision is Key | Expenditure of £8 million |
| Date notice given of intended decision: | |
| Relevant OSC: | Towns and Communities |
| Is it an urgent decision? | N/A |
| Is this decision exempt from being called-in? | No |

The subject matter of this report deals with the following Council Objectives

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|-------------------------------|-------------------------------------|
| Communities making Havering | <input checked="" type="checkbox"/> |
| Places making Havering | <input checked="" type="checkbox"/> |
| Opportunities making Havering | <input type="checkbox"/> |
| Connections making Havering | <input type="checkbox"/> |

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Approve

Following Cabinet approval of the Havering and Wates Joint Venture Business Plan and Budget 2020 – 2021 on 12 February 2020, it is requested that the Director of Regeneration Programmes, in consultation with the Director of Legal and Governance, approves entering into a contract (an Early Works Agreement) with Havering and Wates JVLLP to carry out the demolition of the Waterloo Estate, subject to approval of the demolition application on the terms of this report.

AUTHORITY UNDER WHICH DECISION IS MADE

Pursuant to the meeting of 12 February 2020 the Cabinet approved the budget of up to £8million for the demolition of the Waterloo Estate and agreed for the Director of Regeneration in consultation with the Director of Legal and Governance to enter into contract with Havering and Wates JVLLP to carry out the demolition of the Waterloo Estate, subject to approval of the demolition application.

STATEMENT OF THE REASONS FOR THE DECISION

Background

Early Demolition of Waterloo and Queen Street

Since September 2017, the rehousing and buyback programme has been targeted at delivering vacant possession of the sites in Phase One of the Regeneration Programme. To date, 100% of properties in Phase One have been vacated by secure Council Tenants or are being purchased by Local Authority.

It is anticipated that Waterloo and Queen Street will be entirely vacant by the end of August 2020.

An application for demolition consent has been submitted and has been validated.

The demolition will consist of enabling works to facilitate the new development and will consist of the asbestos removal of and demolition of the existing low rise apartment blocks. The works will incorporate site clearance and re-forming levels in preparation of the new development. There is provision for the disconnection of existing services to the site and diversions where applicable.

Up to four months will be required to facilitate service disconnections, asbestos removal etc. Demolition is expected to take up to 76 weeks.

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Key dates for demolition-

- September to October 2020 Hoarding will be erected
- December 2020 Asbestos removal will commence
- January 2021 William Pike House demolition will commence
- Mid-February 2021 – Highways work to commence
- August 2021- Thomas England House demolition will commence
- February 2022 Demolition to be completed

A logistics plan, cost analysis and method statement have been prepared by the proposed contractor, Wates Construction Ltd (WCL) and is attached as Appendix 1 Exempt.

Exception to the Competitive Requirements

This Decision seeks authority, for Havering to enter into contract with Havering and Wates JVLLP for the demolition of the Waterloo and Queen Street estate.

Under the terms of the existing Development and Member's Agreement for HWR, demolition and construction was to be carried out by WCL. In preparation for this, WCL has already carried out soil investigations at WQS on behalf of the HWR.

WCL have provided an offer to the JVLLP based upon a fix price lump sum contract with the substantive portion of works proposed to be carried out by the specialist demolition contractor, Erith. The JV's employers agent IKON has attested to Eriths offering the best value compliant tender and is in accordance with the rates provided at the November 2017 bid stage for the wider portfolio of sites. Overheads and profits are at 5.5% as per the bid stage submission.

It is advised by the JV Employers Agent IKON that a client contingency of circa 5% for this project to be set aside. A certain level of risk remains in the scope of asbestos removal, adequacy of provisional sums and ground contamination.

In accordance with their own procurement strategy and competitive tender process WCL has sought to employ a local contractor to carry out the specialist demolition works.

In response to the invitation to submit final tenders for specialist works, four estimates were received by the JV from subcontractors for demolition and partial enabling works at WQS. These were £3.246m, £3.241m, £3.395m and 3.390million. WCL consider the proposed contractor robust and credible. They have demonstrated the necessary understanding and expertise required to execute the demolition and enabling works and considered the best submission in respect of quality. Their priced return also provides the best value out of the compliant bids.

On the basis of the evaluation process it is recommended that the LLP appoints WCL to deliver the demolition and enabling works for £7,779,859.00. This should include the subcontract appointment of Erith to the sum of £2, 40,960.00 with the remaining works

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taking the form of Provisional Sums for potential instruction to Erith, provisional sums for consultant services, provisional sums for works by statutory undertakers and Wates Construction Ltd.'s preliminaries.

Despite Covid -19 and the related matters of the first development the JV is working to the Business Plan approved by Cabinet in February 2020 as it relates to Waterloo and Queen Street. It is anticipated that any adverse impact linked to the COVID-19 outbreak will be short term, and is unlikely to impact on sites which are earmarked for completion beyond the next two years. The next Business plan refresh is scheduled for November 2020.

OTHER OPTIONS CONSIDERED AND REJECTED

The procurement of an alternative contractor to carry out demolition work on Phase One of the Regeneration Programme would be a breach of the Development and Member's Agreement which the Council entered into. This would have legal and financial ramifications for the Council and stall the 12 Site Regeneration Programme.

If the buildings were left vacant and in situ until the JV was ready to start on site, the Council would be responsible for ensuring security of the vacant sites. Associated with this are unrecoverable costs and a residual risk of fire damage, antisocial behaviour and criminal damage. Demolition outside of the Development and Member's Agreement will remove the risks associated with vacant buildings and reduce the potential costs associated with securing a vacant site.

Two options for demolition have been considered for the Waterloo and Queen Street Estate – single-phase demolition and multi-phase demolition. Evaluation of both options determined that single phase demolition would best meet the Council's regeneration objectives by delivering:

- £5m savings in comparison to the phased option
- Reduced security and estate management costs.
- Reduced disruption to surrounding residents and businesses.

To facilitate the demolition of the Waterloo Estate the Council will enter into an early works agreement with the JV, and fund the demolition to the cost of up to £8million. A summary of the Early Works Agreement is set out in Exempt Appendix 2.]

PRE-DECISION CONSULTATION

In consultation with Cabinet have in principle approved the contract and corresponding budget for the demolition of the Waterloo Estate as part of the budget setting report and Wates business plan on 12th February 2020.

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NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name:

Designation:

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval for Havering to enter into contract to with Wates JVLLP to carry out the demolition of the Waterloo Estate, subject to approval of the demolition application. In accordance with the Council's Contract Standing Orders CSO 14, the Cabinet have agreed to waive the competition requirements to enable this direct award.

The procurement of an alternative contractor to carry out demolition work on Phase One of the Regeneration Programme would breach the Development and Member's Agreement which the Council entered into with Wates Residential. This would have legal and financial ramifications for the Council and stall the 12 Site Regeneration Programme.

The Council has entered into the joint venture LLP with Wates pursuant to a number of powers including the Housing Act 1985, the Housing and Regeneration Act 2008, the Local Government Act 1972 and the general power of competence in section 1 Localism Act 2011. The general power of competence will enable the Council to enter into the contract required with the JV LLP to carry out demolition works at the Waterloo Estate.

The key terms of the contract to be entered into are detailed in the exempt Appendix 2

FINANCIAL IMPLICATIONS AND RISKS

If the recommendation that the LLP appoints WCL to deliver the demolition and enabling works is agreed, the works will cost a total of £7,779,859.00. There is capital budget of £7.8m available in the HRA to cover these demolition costs.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

None.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS 9. EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The public sector equality duty under section 149 of the Equality Act 2010 ("PSED") requires the Council when exercising its functions to have due regard to:

the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

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the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between those who have protected characteristics and those who do not. ‘

Protected characteristics’ include: gender, race and disability, sexual orientation, age, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

The wider implications associated with the project are addressed in the January 2018 Cabinet report - 12 HRA Sites JV Procurement – Entering into a Limited Liability Partnership. Consequently all matters associated as a result of entering this agreement are addressed.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

None.

BACKGROUND PAPERS

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Appendices-
Appendix -1 Exempt
Appendix- 2 Exempt

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____