

Cabinet – 24 March 2022

Questions from the Public

1 Cliff Phillips to Councillor Simon Carter (Portfolio Holder for Housing):

After a personal investigation of these building companies, I have found that both have a very poor track record re, all google reviews over the past year and high court judgements against the other company.

I have already sent documents to the relevant Officer about these companies. Their response was "contractors must be approved", The question of similarities of price was answered "Contractors are unaware of what other tenders for the works. It is for this reason that there will be variations in the costs provided. "I am unable to comment on why these are so similar."

Why then would either of these submitted tenders be considered to be acceptable when being virtually and suspiciously identical?

2 Cliff Phillips to Councillor Simon Carter (Portfolio Holder for Housing):

From what information I've been able to gather, the Major Works on Rundles, The Hides and The Hornbeams completed in the last few years was of a similar extent to the proposed works, tenders of large variations were submitted by companies that have not been invited to quote for the work at Five Acres. The estimated cost to the individual leaseholders was up to a third of the current estimate of works on Five Acres.

Therefore would ask for the tenders to be resubmitted to ensure competitive and reputable companies?

3 Janet and Keith Jackman to Councillor Simon Carter (Portfolio Holder for Housing):

How can you pick a tender for five acres works this evening when there are so many unhappy leaseholders who have sent their concerns to the relevant Officer about the tenders for the works? It is not acceptable to have only two tenders to choose from.

I do not feel confident that we have been given a fair price due to only 2 tenders, and very worried that they don't have past good reviews. We are very concerned by Harlow Council with allowing works of this magnitude to go ahead with only two formal tenders received as it does not make sense or good business practice.

Additionally, we have noticed that you are using different contractors for sites all the time.

4 Janet and Keith Jackman to Councillor Simon Carter (Portfolio Holder for Housing):

I think with what's going on in the world with Covid, war, high bills etc. That major work should come to a stop at the moment. It's not fair on people.

Can the works not be done over a long period so we haven't got £30,000 bill to pay at once. If the council maintained their buildings, we wouldn't have such a high bill. Maybe then the cost of the preliminary would not be so costly & bring our bill down. Maybe they would not need huts & phone lines etc. These contractors could go to work like any other company's workers do.

Will this be considered by Harlow Council? It is ruining people's lives & the councils don't care as they can use taxpayers' money for their tenants. We feel that we are being ripped off by these contractors & something needs to be done to protect us, leaseholders. The government needs to step in because this is happening in all councils across the country and we will not stop fighting as a group.

5 Aysegul Sahin Williams to Councillor Simon Carter (Portfolio Holder for Housing):

I'm really concerned because my job isn't safe and I don't have any money to pay for this. How can you expect us to pay for this work all of a sudden, if I knew about the potentially high costs years/months in advance then I could have at least tried to save something. I feel completely let down by Harlow Council.

Could there be more done to try and receive further tenders from contractors to try and reduce the cost?

6 Sally Jones to Councillor Simon Carter (Portfolio Holder for Housing):

Where is the condition survey for the roof, windows and cladding as we have not received this yet?

7 Sally Jones to Councillor Simon Carter (Portfolio Holder for Housing):

As we understand it according to our lease they will build up our service charges in a separate fund to gain interest over time. We would like to know if this has been done and if this can contribute to any major works? If not then what will these service charges be used for?

Reply from Councillor Simon Carter (Portfolio Holder for Housing) to questions 1-7:

Thank you to all four of the questioners for these questions. Because they are linked I am providing one composite answer, which is available in hard copy. There is also a copy of the report coming to this committee tonight which provides more information. Each questioner may also ask a supplementary question in response to this answer.

I understand and appreciate that major works can be a financial burden to Leaseholders, and you have been provided with detailed answers to these questions. I and my Housing colleagues will continue to respond to any further questions you may have with information and support in addition to the further consultation that will occur after the awarding of the contract.

The Council, as the landlord for the block, is responsible for keeping the maintenance to an acceptable standard with an obligation to ensure the structure and fabric are kept in good order. The works listed for these blocks have been identified as required in order to meet these obligations to ensure its building components remain safe and serviceable. The project also improves the energy efficiency and reduces ongoing maintenance costs. It is, however, understood by their very nature these works can be disruptive. Every effort has been taken to minimise disruption by packing these works together. Evidence suggests this approach is more cost effective, lowering the potential costs to Leaseholders such as only one use of scaffolding, as outlined in their lease.

Consultation with those Leaseholders within the block has and is being undertaken through the formal processes. Leaseholders are invited at various stages of the consultation process to express their views in an environment of openness and transparency, to ensure works are fair and reasonable.

I note the question regarding a potential “sinking” fund for these works. Approximately 20 years ago, all Leaseholders were written to, with the option of establishing a “sinking” fund as part of service charges or to pay for major works as and when, required. The response from the Leaseholders was to pay major works invoices as and when required.

The contract award report tonight outlines the procurement process the Council has undertaken, and its approach. For information, a minimum of two contractors are required to provide estimates for the works, aligned to the legal requirements. Seven companies were invited to tender, as described in tonight’s report.

All tenders are appropriately evaluated, carrying out intensive checks to ensure that tenders meet the Council’s requirements which include quality and insurances, as well as financial and economic standing. You will note from the contract award

tonight, both quality and price are evaluated separately to ensure a balanced award of any contract, with quality evaluated first.

It is usual practice for Leaseholders to be informed of the winning contractor and also to receive a breakdown of the works specification and background information, including surveys. This is the next stage of the consultation process and the information will be sent out in the post. A meeting will also be arranged for leaseholders to review and inspect the tender documents and associated information.

In addition, it is also usual practice for evening meetings to be arranged with council officers and relevant contractors who will be doing the work. Leaseholders will have the right to challenge either the cost (including fees) or scope of the works with a formal challenge that can be done at any time during the major works process using the First Tier Tribunal Property Chamber.

Unfortunately, there are no grants or government funding for these works, which are paid for from the Council's ring-fenced Housing Revenue Account. However, the Council continues to make representations to help support the costs associated with increased building safety.

The Council have put in place several repayment options to help Leaseholders spread the cost and which include:

1. 2.5% Prompt Payment Discount.
2. Ten months interest free payments.
3. Interest free loan over term of up to 5 years (secured against your property).
4. Council loan – secured against your property.
5. Discretionary loan (secured against your property).
6. Voluntary charge.
7. Flexible payment option.

Individual leaseholders are encouraged to contact their Housing Officer to discuss the best way forward for them.

The Council considers these works to be considered transformative, making the outside of your homes look more attractive, and the inside safer and more thermally efficient, with ongoing savings to maintenance costs.

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Questions from Councillors

1 Councillor Chris Vince to Councillor Joel Charles (Deputy Leader and Portfolio Holder for Community and Business Resilience):

Can you give an absolute assurance that the priority of HTS is and should be property and environment of Harlow above and beyond the profit of other aspects of the new business plan?

Reply from Councillor Joel Charles (Deputy Leader and Portfolio Holder for Community and Business Resilience):

One of the cornerstones of the plan is to continue to focus on the performance of the core service that HTS was established to deliver. In the first year of the new business plan, for example, there are commitments to update the service level agreement, key performance indicators and value for money benchmarking to ensure a focus remains on the core activity sitting within property and environment. The revenue target, predicted to land at over £31 million by 2026/27, reflects the ambition for property and environment within the now HTS Group.

My colleagues within the Cabinet are taking forward various elements of this focus on property and environment, particularly Cllr Nicky Purse who is working closely with HTS on the ground. The new subsidiaries sitting under the group structure, two of which are subject to a feasibility study and options appraisal respectively, enable the HTS Group to grow to support its future viability and pave the way to access new market opportunities to drive a commercial approach that was always envisaged as the next logical step for our local authority trading company. This is a commitment reinforced in the council's corporate strategy, complementing the work to deliver the best possible core service.

2 Councillor Tony Durcan to Councillor Russell Perrin (Leader of the Council):

As you are aware following the evidence provided at the Hertfordshire County Council health scrutiny committee it is now clear that there is no current agreed funding for the design and development of a new PAH.

Could you explain your understanding of the situation?

Whist the MP and your own cabinet members have indicated that funding had been agreed could we ask you to facilitate an urgent meeting to understand what is fact and what is fiction, with key partners including the political leadership from each party?

Reply from Councillor Russell Perrin (Leader of the Council):

We have received no correspondence from the Department for Health to contradict the Government's recent detailed announcement about Harlow's new hospital as part of their "Levelling Up White Paper". The announcement stated that "a new integrated, high-tech healthcare campus will replace the ageing Princess Alexandra Hospital. As such we continue to be one of the 8 pathfinder hospitals as part of the national new hospital programme (NHP).

The NHP is working to secure a clear funding settlement from HM Treasury through a complete new hospital programme business case that supports the 48 new hospital schemes planned for 2030.

Our understanding is that the NHP is making the case for an increased level of investment, sufficient to enable preferred options to be delivered across all pathfinder schemes and all other schemes.

This is aligned with a review by the NHP of the minimum standards required (for example including the percentage of single rooms and the amount of digital investment required). Detailed costs for the outline business case cannot be finalised until final guidance on minimum standards has been received.

It is clear that the cost of delivering a new a new integrated, high-tech healthcare campus on a greenfield site, including digital investment and investment in net zero carbon technology, significantly exceeds the original indicative allocations announced in 2019 (£350m).

We understand that the NHP programme business case will be presented to HM Treasury at the end of the spring.

3 Councillor David Carter to Councillor Dan Swords (Portfolio Holder for Regeneration):

I understand the cabinet member for regeneration has announced a new house building programme that we will see tonight. I want to know whether any more money will be wasted on consultancy plans and fees that lead to nothing and if these schemes will actually be delivered and not just left on the shelf as they have been in the past?

Reply from Councillor Dan Swords (Portfolio Holder for Regeneration):

Thank you for your question.

The New House Building Programme (NHBP) we are setting out tonight will not only deliver hundreds of new council homes for Harlow families, but it radically overhauls the way that the council goes through the process of housebuilding.

As set out in the report, a new three-stage process will ensure value for money is at the forefront of every decision. At all three stages, both myself and the Director of Strategic Growth and Regeneration must sign off formal reports setting out in depth detail of the scheme and its ambitions.

This comes of top of a dedicated section in the report about value for money. This follows an internal review when it came to light that £1.13 million had been spent by the former Cabinet Member for Regeneration on housebuilding projects that never happened.

The NHBP also focuses on delivery.

The 2021 Scrutiny Report into housebuilding highlighted the litany of failures in the process. I will not go through those well-versed issues, but this report addresses them all.

The new process will ensure that never again will £450,000 be spent on designs, plans and consultant's fees only to discover a water main under the site.

It goes further and makes clear that there will be absolute transparency and accountability at every stage.

And finally, it shows how we will be on site building new council homes for Harlow families within months.

So, no schemes will be left on the shelf. Never again will taxpayers money wasted and yes, we are delivering hundreds of new council homes for Harlow families.

4 Councillor David Carter to Councillor Dan Swords (Portfolio Holder for Regeneration):

For many years people have promised to do something about the Town Centre. I see that a new three-part plan has been announced, but when will we see action? Not just more plans, but actual construction work.

Reply from Councillor Dan Swords (Portfolio Holder for Regeneration):

Our new three-step plan to regenerate the town centre is a crystal-clear roadmap to the future we want to see. A future in which Harlow is one of the best towns to shop, eat, drink, entertain and enjoy leisure.

Tonight, we will be passing the first step in that roadmap with the first ever planning framework for the town centre.

This cannot be understated, it arms our planning department with powers they did not previously have to safeguard our town centre, as they liberation that has been so long overdue – proper regeneration - steps forward.

As the three steps set out, there will be no more dither and delay. We are getting on with the job of regenerating our town centre and construction work will be underway in parts of the town centre within the next financial year.

This will be followed by much greater construction work as set out in step three of the plan.

I also just want to address one final point, I have read back through nearly fourteen years' worth of press reports about the town centre – dating back to when the Stockland scheme did not progress – and the thing that struck me more than anything was the absolute comfort in underperformance. The excuses that “we can't do anything”, “it is all down to the private sector” and that “the Government won't give us the money”. I say to those people, you should be ashamed. You have held Harlow back and let down our town.

We are getting on with the job and rebuilding our town centre.