

The Current Lessee(s)

«ADD_1»

«ADD_2»

«ADD_3»

«ADD_4»

«ADD_5»

«ADD_6»

Property Reference: «PROP_REF»

Property Address: «PROPERTY_ADDRESS»

Scheme Reference: ASSETDP/2021_22

Date: 15 February 2023

Dear Current Lessee(s),

Asset Delivery Partner (South) contract – more information, please read carefully

I wrote to you on the 14 May 2021 to consult with you on the proposed procurement of an asset delivery partner (South). This letter is the second and final part of that consultation process and relates to the future service charges which Lambeth may recover from homeowners in respect of the costs of the asset delivery partner.

The London Borough of Lambeth proposes to accept the tender from **Pellings LLP** from the **1 April 2023 to 31 March 2026** for asset delivery covering the South of the Borough, with an option to extend for a further **2** years (1 year + 1 year).

This letter is not advising you require major works to your building and/or estate – it is consulting you on the contract of an asset delivery partner only.

Full Details of Proposed Supplier

The registered office is **Spring Lodge, 172 Chester Road, Helsby, Frodsham, WA6 0AR**. The company number is **OC326178**.

Pellings LLP is a member of the following professional bodies and either abides by the requisite code of practice or has obtained accreditation by the body:

- Royal Institution for Chartered Surveyors (RICS)
- Investors in People

- Construction Line (Approved Gold Member)
- Construction Line Social Value Badge
- SMAS Worksafe Scheme (SSIP Safety Scheme in Procurement)
- BREEAM (Accredited Professionals)
- Constructing Excellence
- Construction Industry Research and Information (CIRIA)
- Homebuilders Federation (HBF)
- UK Asbestos Training Organisation (UKATA) Approved Training Provider
- Approved Supplier on Builder's Profile
- British Standards Institute (BSI) for ISO9001, ISO14001 and ISO45001
- Association for Project Safety (APS) – Corporate Membership

Pricing Schedule

The fees proposed in the table below will be inclusive for all activities and disciplines associated with the RIBA Plan of Works Stages 1-7, unless specifically listed as exclusions in the RIBA plan.

Cost of works £,000	Fee (%)
0 – 125k	11.50%
125k – 250k	9.19%
250K - 500K	7.30%
500K - 1M	5.51%
1M +	4.88%

In line with Paragraphs 4(4) to 4(6) of Regulation 5(2), the schedule of rates is the projected yearly rate cost to be incurred by the Landlord, however it is not possible to state a leaseholder's relevant contribution, given the costs ultimately estimated to be incurred will wholly relate to the overall estimated cost of major works consulted separately if applicable. The schedule of rates will be uplifted each year according to a basket of indices agreed in the contract.

This is in line with Regulation 5(2) of the 2003 Regulations and paragraphs 4(4) to 4(6) of Schedule 2 of the 2003 Regulations.

Connection between London Borough of Lambeth and the Proposed Supplier

For the purposes of paragraph 4(3) of Schedule 2 of the 2003 Regulations, there is no connection between the Landlord and Pellings LLP.

Observations

You may have already been in contact, but now that you have more information, you may wish to get in contact again. If you do, I invite you to send in your written observation in relation to the proposed contract. Your observation (should you choose to send one in) must be delivered to the address below by the 22 March 2023. This allows for 30 days

S20 Consultation
London Borough of Lambeth
PO Box 734
Winchester, S023 5DG

S20Consultation@Lambeth.gov.uk
Telephone: 020 7926 6521
Lambeth.gov.uk



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consultation and a further 5 days for postage time. In total, this is 35 days from the date of this letter and when the relevant period ends.

Below are ways you can send in an observation if you choose to.

- Online via our E-Form: <http://bit.ly/S20eform> or alternatively, scan the QR code at the end of this letter.
- Email S20Consultaton@lambeth.gov.uk
- Write to: S20 CONSULTATION, London Borough of Lambeth, PO Box 734, Winchester, SO23 5DG.

If you choose to contact us, please include reference ASSETDP/2021_22 and make it clear you are sending in a Section 20 Observation. By doing this, you are ensuring it gets to the correct team quickly.

Alternatively, you may find it easier to call and speak with someone directly. Our friendly team are here to answer any questions you have. You can call the team directly on 0207 926 6521 Monday to Friday 9am to 5pm.

More information

A set of frequently asked questions can be found here: <http://bit.ly/S20BoroughwideConsultation>. If you do not have access to view documents online, please telephone 0207 926 6521.

Please do take the time to watch a short (5 minute) film which explains what a Section 20 notice is and what this means for you: https://youtu.be/Q_Md5aWBU84.



What happens next?

Send you a Notice of Intention.	Complete
Hand over to the Procurement Team and advertise for bids on 'Find a Tender Service'	Complete. This can be viewed here: https://www.find-tender.service.gov.uk/Notice/028963-2021
Assess all bids for cost and quality to identify a preferred bidder	Complete
Seek approval of a preferred bidder from Lambeth's Cabinet.	Complete
Send you a Notice of Proposal. View this short film explaining what a Notice of Proposal is: https://bit.ly/S20Film	Complete
Award the contract to the winning bidder	Anticipated March 2023
Mobilise the contract	Anticipated 1 April 2023

Thank you for taking the time to read this letter carefully.

Kind regards

Karen Kellaway

Karen Kellaway
Major Works Income Team Manager
Housing Capital and Asset Management



Summary of Observations

Observations were received in response to the letter dated the 14 May 2021 and a summary of these, along with the responses, are below. An updated set of frequently asked questions can be found here: <http://bit.ly/S20BoroughwideConsultation>.

The Notice of Intention didn't provide enough detail.

I am sorry to hear you felt the Notice of Intention did not provide sufficient detail for you to comment. We have received great feedback on the document and the supporting Frequently Asked Questions, which (as advised in the notice) were located here: <http://bit.ly/S20BoroughwideConsultation>. Whilst the Notice of Intention does fulfil all of the legislative requirements, I can understand there is a fine balance on providing the required information versus extensive detail, which can often overwhelm residents causing confusion and worry.

The Notice of Intention dated the 14 May 2021 was for the proposed Asset Delivery Partner only. Consultation to enter into a qualifying long-term agreement subject to public notice under Section 20 of the Landlord & Tenant Act 1985 (as amended by section 151 of the Commonhold & Leasehold Reform Act 2002) and the Service Charges (Consultation Requirements) Regulations 2003 fulfilled the legislative requirements.

Who received the letter dated the 14 May 2021 and what happens next?

Correspondence has been sent to over 9000 (not including correspondence addresses) properties and the Observations received during the consultation period are being considered. The next step of the process won't start until all Observations have been responded to with due regard, only then, can Lambeth seek to publish a notice on the Find a Tender Service.

Were residents' views considered?

Informal consultation has been underway and resident views were considered and helped shaped the future of the Lambeth Housing Standard, by way of proposing smaller contracts; it is this avenue that the Asset Delivery Partner will manage and oversee.

How does the Asset Delivery Partner differ from the Strategic Delivery Partner?

The proposed Asset Delivery Partner contract will be directly working on individual projects providing contract administration services similar to what previous consultancy services have provided. Activities of the Strategic Delivery Partner will be related to the short-, medium- and long-term planning which will incorporate various strategies within the council. Costs incurred from the Asset Delivery Partner will be recharged to leaseholders' project by project and it is for this purpose that this Notice of Intention has been sent to you. It is important to note here that you will only be charged for this service if your property benefits from a future major works programme. The Strategic Asset Partner costs will not be recharged to leaseholders and therefore no S20 consultation is required.

Below is a table showing activities of the Asset Delivery Partner and Strategic Delivery Partner.



Asset Delivery Partner	Strategic Delivery Partner
Technical Project Management	Stock Condition Surveys
General Project Management	Asset Management Strategy
Contractor Performance via Dynamic Purchasing System*	Investment Strategy and Planning
CDM and H&S Management	Carbon Reduction Strategy and delivery plan
Clerk of Works	Compliance Plus framework and design and delivery
Contract Administration	Disrepair Strategy and reduction plan
	Management and maintenance of Dynamic Purchasing System

* The Dynamic purchasing system will be used to award contracts to contractors carrying out construction works / services.

What costs will I have to contribute?

At this stage of the formal consultation process you have been informed of Lambeth's intention to enter into a qualifying long-term agreement and are correct to note there is no costings involved as the contract has not yet gone out to the Find a Tender Service. Please do take the time to watch a short (5 minute) film which explains the process and what a Section 20 notice is: bit.ly/S20Film. Once the current Notice of Intention consultation period has ended, Lambeth will seek to publish a notice on the Find a Tender Service. Once this tender process has been completed, you will receive a Notice of Proposal which will advise you of the rate of the contract.

The Notice of Intention dated the 14 May 2021 is consulting you on a proposed Asset Delivery Partner contract that will oversee and manage major works contract. Residents who will benefit from major works to their buildings will have separate consultation on whom carries out the works. The cost/rate of the Asset Delivery Partner is yet to be determined because Lambeth has not yet sought to publish on the Find a Tender Service.

As per the FAQs, your property will only incur an apportioned element of the cost for the Asset Delivery Partner if your building or estate benefits from major works during the duration of the contract. The functions your property will benefit from, if you receive major works will be (but not limited to); lead consultant, building surveying, cost consultancy, quantity surveying, construction design management (CDM), health and safety consultancy, party wall surveyors, condition surveys, structural engineering, clerk of works, project management, expert witness, building information modelling (BIM). The proposed Asset Delivery Partner is yet to be tendered and will only oversee schemes after their award. If your property does benefit from Major Works in future years, you will be thoroughly consulted and advised of the estimated rate of the ADP service.

