



Frequently Asked Questions

Why have I received this Notice?

The London Borough of Lambeth is seeking to replace the current contracts used to provide external block and estate cleansing to its tenants, leaseholders and homeowners. You have received these notices because you are a London Borough of Lambeth leaseholder or homeowner and hence by law and by the terms of your lease, we must consult with you via a Section 20 Notice. Many of the services covered by this Notice are rechargeable to leaseholders and homeowners and if we do not consult with you, we are not able to recharge our full costs.

What do you mean by external estate cleansing?

External estate cleansing involves cleaning the external communal areas on estates, including: litter picking, detritus removal, graffiti removal, fly tip removal, bulky waste collections and winter gritting.

I do not receive some or all of the services detailed in the notice so why am I being consulted and will I be charged?

This is a borough wide consultation, hence we consult with all tenants, leaseholders and homeowners. You will only be charged for services that you receive in your block and/or on your estate.

Some of the services mentioned (such as rubbish removal) appear to be services that I already receive funded by Council Tax, why am I going to be charged again?

These services are those provided by Lambeth as your landlord/freeholder, over and above those services provided to you as a Council Tax payer.

As the services are provided by Lambeth as your landlord/freeholder they are not funded by Council Tax and costs are instead met by the Housing Revenue Account who under the terms of your lease must recharge costs proportionally to leaseholders and homeowners.

Any services that are currently provided by Lambeth and funded through Council Tax will remain in place and we will not be charging you again.

The current contracts only provide services to Lambeth tenants and homeowners, considering the proposed contract will provide service to all residents on London Borough of Lambeth, how will you ensure tenants and homeowners are billed only for their specific services.

The proposed contract will be set against strict schedules that clearly detail where and what services are carried out. This will allow Housing Services to clearly identify which services and associated costs relate to its tenants and homeowners and ensure only these services are recharged to them.

Why are we proposing to enter into a long-term agreement?

Having reviewed its current housing service delivery arrangements, the Council considers that a long-term agreement represents the best delivery mechanism for this service area. A long term agreement is one that lasts longer than 12 months.

The Council intends to design and use long-term contracts for the delivery of these service as the service do not lend themselves to direct delivery by Lambeth employees. This is because it is deemed moving this service to direct delivery would adversely affect service costs and/or lead to a prolonged period of service disruption.

Furthermore, it is deemed a long-term contract will provide an opportunity to continually improve services; deliver services in a consistent manner; increase cost certainty; and avoid repeated procurement exercises and the associated costs and delays these bring.

Long-term contracts also create pricing economies by virtue of their scale and longevity and instil a heightened willingness for contractors to invest in the borough. The Council does however intend to build flexibility into the long-term contracts, such as by making no-fault termination provisions, to ensure that it can deliver services in an alternative way should it so wish in the future.

What is the proposed scope of the long-term agreement?

The Council has reviewed its housing service delivery arrangements and considers that long-term agreements represent the best-fit delivery mechanism for this service area.

The review considered a range of objectives, looked at current best practice within the sector, the strengths and weaknesses of the current service and considered the aspirations of residents on how the service can be improved. Having identified best-

fit delivery arrangements for this service area, the Council now intends to start designing a long-term agreement and invite proposals/bids from suitable contracting organisations. Rather than seeking to procure this service for Housing Services alone, this long-term agreement will be sought along with external cleansing services across the whole council to achieve a more consistent service level and also savings by eliminating costs of managing multiple contracts which provide the same service.

Can I nominate a contractor?

You do not have the right to nominate a contractor. The 2003 Service Charge regulations refers to contracts 'for which a public notice is required'. These are for contracts where the values involved will be of a level where EU procurement rules apply. Since the intended agreements exceed the thresholds, the council will advertise the proposed contracts by putting a public notice in the Official Journal of the European Union (OJEU).

The public notice is needed for contracts supplying goods or services at £181,302 and over and for work contracts at levels of £4,551,413 and over.

At this initial stage, the council seeks for and will consider your opinions and views in the proposed contracts that we seek to procure. You are not being consulted on the choice of contractor.

Why doesn't Lambeth provide these services in-house and employ officers to carry out these duties?

An evaluation of the options for delivering the service determined that bringing the service in-house would be a higher risk option in terms of service delivery and cost.

How will I be charged for these contracts? Where do these fees show up in our service charge bill? Are they separate?

You will be charged for the services provided under these contracts in your yearly service charges. The costs will show on your estimates received in April and then actuals in September.

The costs associated to this new contract will replace the cost you currently pay toward the contract that is soon to expire.

How will the Council ensure costs are kept to a minimum?

In the first instance and in addition to the economies of scale Lambeth Council is able to achieve, the Council will be creating clear specifications and tender documentation to ensure pricing is accurate. The Council will also adopt

straightforward pricing arrangements that are auditable and offer transparency to service charge payers.

Furthermore, contractors will be required to work to a series of key performance indicators (KPIs), developed with residents to reflect service priorities that will be linked to profit payments.

The Council is building a contract scrutiny and cost management team to assess payment applications and apply a governance structure across all contracts. We are also continuing with the rollout of handheld mobile working technology to streamline physical inspections of work.

How will you be selecting the provider?

Following the successful completion of this Notice of Intention consultation, the council will be in a position to start designing the long-term agreement. The proposed contracts is above EU thresholds and will therefore be advertised in the Official Journal of the European Union ("OJEU").

Following the Pre-Qualification and Shortlisting stage, the tender process will commence. Submitted tenders will be evaluated based on the evaluation criteria set out in the invitation to tender that will include both cost and quality criteria.

Robust evaluation of cost and quality elements will be undertaken by an Evaluation Panel. There will be resident representation on the quality evaluation panel.

After this evaluation process, we will write to you a formal part of the Stage 2 consultation process, known as Notice of Proposal. Leaseholders will be informed of the proposed contract and we will set out the evaluation process and a more detailed scope of works the contract will cover. Again, the Council will give due regard to observations received.

Will you be applying lessons learnt?

Whilst the current contracting arrangements have mostly delivered the required volume of work, there have been a number of lessons which the Council has learnt. The Council will apply this learning to the new long-term delivery arrangements in the following ways:

- More straightforward forms of contract
- Embed a contract scrutiny and governance oversight across all new delivery arrangements
- KPIs that focus on the most important aspects of service delivery
- Avoid geographical exclusivity and guarantees of work where possible
- The Council to have a say in the appointment of subcontractors

- Involve residents in service design; the evaluation and monitoring of contracts.

Will the agreements differ from the existing ones?

The intended agreement is yet to be designed but will inevitably be different – primarily to apply the lessons learnt that are summarised above. In general, the intention will be to use a more straightforward form of contract that is familiar to the market and potential bidders and which incorporates straightforward pricing arrangements.

There will also be a robust performance management framework – including financially linked KPIs – embedded in the agreement.

How long will the agreement last?

The length of the agreement is yet to be determined and will typically be the optimum period that will maximise economies of scale yet give the Council sufficient flexibility going forward. The Council is provisionally considering six years as the optimum initial period with the option to extend up to an additional eight years in periods of between 1 and 8 years where performance remains strong (6 years + optional 1-8 years).

How will you ensure the contracts are robustly managed?

The Council recognises the need for strong contract management and is expanding a dedicated contract management team apply a governance structure across the contract. The Council is confident that this team and governance structure, together with embedding a performance management framework and financially linked KPIs, will allow it to be robustly managed.

Will the council be getting independent advice and support?

In order to design and procure the intended long term agreements, the Council will employ the services of a professional consultancy to help deliver a range of specialist procurement services.

The services included are as follows:

- Service design
- Specification development
- Procurement advice

- Mobilisation
- Training and recruitment

How does the procurement of new service contracts affect the services I currently receive?

During the tender stage there will be no impact to the services you're currently receiving.

What are the next steps?

The key next step for the council is to consult with you as leaseholders of our intention and to respond to any queries that you may have about this procurement.

Once the Observation period is closed and all observations have been responded to with due regard, Lambeth will seek to publish a notice in the Official Journal of the European Union inviting tenders for the contract and the procurement process will start.

Have resident views been considered?

A Resident Procurement Panel has been established which will continue to provide support to the procurement process from a resident's perspective. It is the intention of the Council to establish Resident Task Groups to look at specific procurement issues alongside a wider group of residents who will act as a sounding board throughout the procurement process.

Can I take part in the procurement process?

If you are interested in taking part in the procurement process, please sign-up to the Lambeth 500, ensuring to state your interest in the housing services procurement process. A council representative will be in contact when any relevant opportunities for involvement arise. You can sign-up using the addresses below:

www.lambeth.gov.uk/council-tenants-and-homeowners/get-involved/lambeth-500

Who do I contact about the current service providers?

Caretaking Services: To contact your local housing caretaker or concierge operator during normal office hours contact us on 020 7926 6000.

Communal cleaning: If you feel there is a problem with the cleaning or you would like to register a complaint about the standard of cleaning, call us on 020 7926 6000.

I have a question about this letter.

If you would like to raise a query or an Observation about this letter please contact us via the following methods:

- Online via our E-Form: <https://www.lambeth.gov.uk/forms/homeowners-major-works-written-observation-form-section-20>
- Email the Section 20 Consultation Team at: HMhomeownership@lambeth.gov.uk. Please state '**Section 20 Observation**' in the subject box.
- Post: London Borough of Lambeth, Home Ownership Services, PO Box 734, Winchester, SO23 5DG, quoting '**Section 20 Observation**' in the letter.