

London Borough of Lambeth – Myatts Field North PFI

Where figures/details are requested, these are provided for the financial year April 2016 to March 2017.

A Contract information

A1) The output/service specification

This can be found in the Contract on our website here:

<http://www.lambeth.gov.uk/housing/regeneration/myatts-field-north-redevelopment-guide>

A2) Any elements of the PFI contract relating to compliance, termination and breakage terms and costs

Such elements that are not confidential can be found in the Contract on our website here: <http://www.lambeth.gov.uk/housing/regeneration/myatts-field-north-redevelopment-guide>

A3) The Final or Full Business Case

Not provided – commercially confidential

A4) The financial model

Not provided – commercially confidential

A5) Please provide copies of any Settlement Agreements

There are none as yet.

A6) Name(s) and/ companies supplying the ‘approved inspector’ responsible for sign off at the end of construction

The Independent Certifier is Currie & Brown (formerly Sweett Group).

A7) Please confirm whether

(i) ~~Camden~~ Lambeth Council employed a member of the Institute of Clerk of Works or an inspector of similar standing and assigned them to each construction site

No.

(ii) If employed please confirm the level of qualification, salary associated with this role and how much time was allocated per project/site

n/a

A8) Please confirm for each PFI scheme whether Council Building Control was employed or if a private Building Control firm was contracted to inspect and sign off buildings.

Private Building Control firm

B Governance Arrangements

B1) Please provide the 12 months of Unitary Charge invoices and all relevant performance monitoring reports which determine availability/unavailability and therefore the level of payments made on a monthly basis.

See Appendix 1 (Tab 1) and Appendix 2 (pdf) for Unitary Charge invoices.
KPI reports – Appendix 3.
Performance & Unavailability Deductions – Appendix 1 (Tab 3)

Other reports/detailed breakdown are commercially confidential and/or subject to Data Protection.

B2) Please provide a full breakdown of any change notices impacting on payments for each PFI project this financial year.

See Appendix 1 (Tab 2).

The majority of these relate to the provision of adaptations for disabled tenants moving to new-build properties. Further breakdown would be commercially confidential and/or subject to Data Protection.

B3) Please state all instances of unavailability and provide details of dates, reasons and related attempts to claim performance deductions (both successful and unsuccessful)

Performance & Unavailability Deductions – Appendix 1 (Tab 3)

Other reports/detailed breakdown are commercially confidential and/or subject to Data Protection.

B4) Please provide an itemised breakdown of all internal and external expenditure incurred by the Council in relation to all aspects of administering, auditing, monitoring, managing and carrying out the council's contractual and legal responsibilities towards the PFI Schemes. Such costs and payments may include (but may not be restricted to):

(i) staff costs of the PFI contract clienting team;

See Appendix 1 (Tab 4)

(ii) tenant and other stakeholder involvement;

See Appendix 1 (Tab 5)

(iii) legal, accountancy, insurance, IT, architectural, surveying and other professional services.

Technical Adviser - see Appendix 1 (Tab 4)

Legal costs – see Appendix 1 (Tab 6)

B5) For all this expenditure, please provide electronic copies of full invoices, works orders, all relevant tender documents, contracts, and agreements in relation to the above payments

Details of the contracts are found at:

<http://www.londoncontractsregister.co.uk/Contracts>

Details of tenders, contracts and details of payment over £500 can be found at:
<http://www.lambeth.gov.uk/elections-and-council/finance-and-payments/financial-information-guide>

B6) Please disclose for each PFI scheme the inflation indexation rate for Unitary Charge payments to the PFI Contractor and explain how the monthly Unitary Charge payments have been calculated using these indexation rates i.e. how much of the payment is indexed and why

The indexation rate used is RPIx and the applicable rate throughout the year is 259.7 (Feb 2016).

Indexation is applied to the Gross Monthly Unitary Charge.

Housing Specific Questions

B7) Please provide an itemised breakdown of all income received by the Council towards financing the PFI housing scheme, including but not restricted to:

(i) income / or other subsidies from central government;

PFI Credits - £7,728,800

(ii) income generated locally e.g. from council tax, Housing Revenue Account etc

HRA contribution - £3,200,000

B8) For the housing PFI scheme, please disclose how many dwellings were included in each PFI scheme at the start and end of the financial year and the breakdown of council tenanted and leasehold properties

Total properties included at start of financial year was 440 of which 328 are social rented housing, 97 are freehold/leasehold and 15 are void properties and end of financial year was 477 of which 371 are social rented housing, 103 are freehold/leasehold and 3 are void properties. These figures are generated through the Council's property management system.

C Fire Safety

C1) Please provide copies of all fire risk assessment reports carried out on all PFI buildings during the last financial year.

TBA

C2) Please provide all enforcement or improvement notices served

N/A

C3) Please provide a list of all investigations carried out and reports commissioned into fire safety related issues. Include dates and specify who commissioned and carried these out.

Lambeth has requested Regenter to undertake intrusive FRA-4 inspections into the two blocks on the estate that are six storeys high. These are expected to be undertaken around the end of August.

D Audit information

D1) Please provide the modelling/methodology behind all fair value assessments of PFI assets and liabilities in 2016/17.

J. Private Finance Initiative and Similar Contracts

As the Council is deemed to control the services that are provided under its PFI contracts, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the assets used are recognised on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement (CIES)
- Finance cost – debited to the Financing and Investment Income and Expenditure line in the CIES
- Contingent rent – debited to the Financing and Investment Income and Expenditure line in the CIES
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out