

This is not an invoice or request for payment



Your Ref: **Property Ref**  
Our Ref: HOS/CLEANSING/JULY2019

«**Names**» or THE CURRENT LEASEHOLDER(S)  
«**Address\_1**»  
«**Address\_2**»  
«**Address\_3**»  
«**Address\_4**»  
«**Address\_5**»  
«**Postcode**»

DATE: 24 JULY 2019

PROPERTY ADDRESS: «**Property Address**»

Dear «**Names**» or THE CURRENT LEASEHOLDER(S)

We are writing to advise you that various contracts that provide outdoor cleaning services to the London Borough of Lambeth's tenants and homeowners are soon to expire.

As multiple cleansing contracts are expiring at the same time, the council has used the opportunity to review how it delivers the services, by looking at the potential benefit of procuring one contract that covers the whole borough, for both housing estates and the public highways.

The review led to a decision that it would indeed be in the best interests of the council and residents to procure a single contract. This will ensure a coordinated service delivery to improve cleansing and waste collection standards on our estates.

The council will seek to procure the new contract through a competitive process and design it in a way that ensures it provides the best quality and value. The new contract will also ensure there is no duplication, where different contracts provide similar services.

Legislation states that the council as a landlord must consult with homeowners where it seeks to enter into a 'Qualifying Long-Term Agreements' which may result in rechargeable costs to them. The attached Notice of Intention is the first part of the required two-part consultation process we are required to carry out. The notice details the proposed contract and invites you to make observations within 35 days of the date of this letter.

**London Borough of Lambeth**  
Homeownership and Rents  
PO BOX 734  
Winchester  
SO23 5DG

Telephone: 0207 926 6521  
Email: [HMHomeOwnership@lambeth.gov.uk](mailto:HMHomeOwnership@lambeth.gov.uk)  
Website: [www.lambeth.gov.uk](http://www.lambeth.gov.uk)

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Please find included a set of Frequently Asked Questions. If you have any queries regarding any part of this letter, please contact us directly on 020 7926 6521 or [HMhomeownership@lambeth.gov.uk](mailto:HMhomeownership@lambeth.gov.uk) for any further assistance.

For information on the Section 20 process and why we have sent this notice to you please visit our video here:

[https://www.youtube.com/watch?v=Q\\_Md5aWBU84&feature=youtu.be](https://www.youtube.com/watch?v=Q_Md5aWBU84&feature=youtu.be)

### **Selling your Home**

You should keep these documents in a safe place, and if you sell your home they should be passed on to your solicitor. In cases where the ownership of the property changes hands during the consultation period, it is important that this statutory notice is disclosed to the purchaser. It is reasonable for Lambeth Council to expect the new leaseholder to have received copies of this documentation from the seller. It is not necessary for Homeownership Services on behalf of the London Borough of Lambeth to re-start the consultation process.

Yours sincerely,

*K. Kellaway*

Karen Kellaway  
Senior Major Works Co-ordinator  
**Homeownership & Rents**  
**Resident Services**  
Phone: 020 7926 6521  
Email: [HMhomeownership@lambeth.gov.uk](mailto:HMhomeownership@lambeth.gov.uk)  
[www.Lambeth.gov.uk](http://www.Lambeth.gov.uk)

Postal address: London Borough of Lambeth, PO Box 734, Winchester, SO23 5DG

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Your Ref: **Property Ref**

Property Address: **PROPERTY ADDRESS**

24 JULY 2019

## **Contract: External cleansing**

Notice of Intention to enter into a long-term agreement subject to public notice Section 20 of the Landlord & Tenant Act 1985 (as amended by section 151 of the Commonhold & Leasehold Reform Act 2002) and Schedule 2 (Regulation 5(2) of the Service Charges (Consultation Requirements) Regulations 2003)

This Notice has been served on all Lambeth Council leaseholders and recognised Tenant Associations.

The Landlord and Tenant Act 1987 Section 47 & 48: The name of your landlord is: The Mayor and Burgesses of Lambeth, Lambeth Town Hall, 1 Brixton Hill, London SW2 1RW.

## **Description of Service**

Long term agreement to provide External Cleansing that will include but is not limited to: litter picking on hard and soft standing areas, removal of detritus on hard standing areas, bulky waste removal, fly tip removal, waste collection including recycling, additional cleansing services, graffiti/fly-posting removal, winter maintenance, cleansing of bin chambers and bins and jet washing.

## **Reasons for entering into a Qualifying Long Term Agreement**

The Council is duty bound to ensure all areas managed by Housing Services are clean, tidy and free of hazard. The contracts used by the Council do so are soon to expire and hence the Council must look at how it will continue to provide these services. A recently completed options appraisal concluded the best way to do this would be to enter into a new Qualifying Long Term Agreement that integrates with other services in the Council such as cleansing of Public Highways.

## **Procurement**

Under the consultation regulations, you do not have the opportunity to propose the name of a person or company from whom we should try to obtain services. European legislation states that contracts over a certain amount must be tendered through Official Journal of the European Union (OJEU) and therefore a public notice of the services is to be given, and an advertisement will be published on a public procurement portal. The established process is compliant to the Official Journal of the European Union (OJEU) and is accessed by local authorities, social landlords and other public bodies.

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### How to make observations about this proposed long-term agreement

We invite you to make observations in relation to the proposed agreement within the relevant period. Any observations must be made in writing and delivered to the address below by the 28 August 2019, which is **35** days from the date of this notice and when the consultation period ends.

You can submit your observations 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](mailto: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.

### Review a description of proposed services

A description of the proposal will be available for inspection during normal working hours which are 9am to 5pm Monday to Friday (excluding Bank Holidays) at the Civic Centre, Brixton Hill, SW2 1RW. If you want to see the documents, please call to make an appointment on 0207 926 6521.

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## 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.

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**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

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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.

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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 are 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.

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### **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

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### 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](http://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.

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### 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](mailto: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.