



Haringey Council *

Agenda item

[No.]

Procurement Committee Meeting

On 27th October 2009

Report Title. South Tottenham Decent Homes Programme 2009/10. Phase ST14.

Report authorised by: **Niall Bolger, Director of Urban Environment**

WP Bolger 19th October 2009

Contact Officer : Larry Ainsworth, Strategic Client Representative
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Wards(s) affected:

Seven sisters

Report for: **Key Decision**

1. Purpose of the report.

1.1 This report sets out a detailed programme of works as it relates to various properties known as ST14 within the delivery of the Decent Homes Programme. The works outlined in this report is scheduled to commence on the 9th November 2009. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

2. Introduction by Cabinet Member

2.1 In accordance with our stated commitment to improve the quality of homes for our tenants and to meet housing need, this report informs Members of the Procurement Committee of the current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey. It shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. The many lessons learned from the first year of the programme are also being incorporated into this phase.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to

ensuring that the Decent Homes programme meets the aspirations of residents and Members.

3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.

3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:

- Improving the environmental performance of Council Housing stock
- Providing a cleaner and greener environment for residents
- Providing decent homes and improving well-being
- Delivering cost effective services through partnering

4. Recommendations

4.1 To facilitate the delivery of the decent homes works, Members of the Procurement Committee are requested to agree:

4.2 To award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

4.3 The scheme is to be funded from the 2010/11 Decent Homes allocation.

5. Reason for recommendation(s)

5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.

5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard. Environmental improvements, including sustainability issues, may represent up to 5% of the overall programme.

5.3 In February 2007, following a robust and extensive partner selection process, administered by Homes for Haringey, four constructor partners were appointed in accordance with the Council's procurement procedures.

5.4 In January 2008, the Department of Communities and Local Government (DCLG) confirmed the Council's overall indicative decent homes funding allocation in the sum of £198.58m. This includes £11.4m earmarked for environmental projects.

5.5 Managing and delivering the Decent Homes Programme to cost, time and to the expectation of the tenants and residents of Haringey is paramount and as such requires the appointment of Constructors with a proven track record of delivering a similar programme for other local

Authorities/ ALMO's.

6. Other options considered

6.1 None applicable. The one flat roof being replaced to Bournes House cannot physically be replaced with a pitched roof (see comments in paragraph 7.5.2.2)

7. Summary

7.10 Agreed Maximum Price of this works package.

7.1.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006.

7.1.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the PPC2000 (Project Partnering Contract) form of contract. The PPC2000 form of contract was formed from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.

7.2 Background

7.2.1 The Project Partnering Contract (PPC2000) is designed to allow for a multi party approach by the client, constructor, consultants and specialists in order to provide a consistent approach to working within a partnering ethos. The Project Partnering Contract (PPC2000) also provides the opportunity to progress joint selection of supply chains and supply chain partnering to encompass value engineering and allows for 'open book' accountability.

7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	9 th November 2009
Anticipated Contract completion	29 th October 2010
Contract duration	48 weeks
Contractor	para 2.1 Appendix A

7.4 Property address location

7.4.1 This report details the specific works required to the 432 properties in the South Tottenham area and are priced in accordance with the framework agreement. Listed below are the property addresses that will benefit from the raft of decent homes work under this particular phase of the programme:

Albert Road. 1, 3, 7 to 30 incl.

Bournes House. 1 - 40 incl

Candler Street. 15, 20, 22.

Daleview Road. 2, 4, 13, 20, 22, 24, 28, 30, 38, 41, 41a, 42, 46, 48, 50.

Eastbourne Road. 10, 20, 28, 36, 38.

Franklin Street. 1, 4, 5, 8, 9, 12, 15, 16, 18.

Frinton Road. 7, 20, 21.

Heysham Road. 21, 23, 34, 36.

Howard Road. 2, 2a, 4, 4a, 6, 11, 12, 16, 22, 23.

Oatfield House 1 – 128, G1 – G5.

Richmond Road. 2 – 24 even, 44, 79, 81, 99, 101, 119, 121.

St Johns Road. 1 – 15 incl, 6a, 12a, 17, 19, 21, 23, 58.

Thorpe Road. 17, 17a, 25.

Twyford House. 1 – 128 incl, G1 – G5.

Vartry Road. 16, 53, 56, 58, 84, 162, 164.

7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Albert Road	26	Houses and Low rise Block	2	0	pitch	No
Bournes House	40	Med rise Block	2	8	pitch	No
Candler Street	3	Houses	8	5	flat	No
Daleview Road	15	Houses	2	1	pitch	No
Eastbourne Road	5	Houses	2	0	pitch	No
Franklin Street	9	Houses	2	2	pitch	No
Frinton Road	3	Houses	2	0	pitch	No
Heysham Road	4	Houses	2	0	pitch	No
Howard Road	10	Houses	2	2	pitch	No
Oatfield House	133	High rise block	2	3	pitch	No
Richmond Road	19	Houses	16	7	flat	No
St Johns Road	22	Low rise Block	2	0	pitch	No
Thorpe Road	3	Houses	2	6	pitch	No
Twyford House	133	High rise block	2	1	pitch	No
Vartry Road	7	Houses	16	24	flat	No
			2	3	pitch	No

7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof renewal, kitchen and bathroom refurbishment, asbestos removal, central heating/boiler renewal, smoke detectors and insulation.

7.5.2.1 Proposed Roof works

7.5.2.2 All roofs with the exception of Twyford House. Oatfield House and Bournes House are pitched and require isolated renewal and repairs.

The roofs to Oatfield and Twyford House are flat roofs and it is proposed to replace these with flat roofs as these two blocks are 16 storey high rise blocks.

Bournes House is an existing flat roof and will be replaced by a flat roof.

We are only going to fully scaffold the front elevation, the remaining two sides & rear are not having any works to the façade, so we only require a perimeter boxed-handrail at roof level to carry out the flat re-roofing replacement.

If we scaffolded the whole block then that would be in the region of an extra £50k.

The existing roof has 5 fairly large rectangular tank houses that are situated off-centre & therefore a flat to pitched roof could not be designed without these being removed.

These 5 tank house's also have 8 existing gas flues penetrating through each tank house.

The blocks adjacent to Bournes House are all flat.

7.5.3 Life Cycle Costing Analysis.

7.5.3.1 As the roof works within this phase are a direct replacement of the existing and in the case of Bournes House there is no other option, there is no comparable life cycle cost analysis.

7.5.3.2 Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A process is underway to determine life cost analysis on kitchens, bathrooms, boilers windows and roofs.

7.5.4 Whole Life Costings.

7.5.4.1 As stated above, the roof works programmed within this phase are such that whole life costings are not relevant.

7.6 Digital Satellite Provision

7.6.1 No installation of Digital IRS will be carried out under this phase of work.

7.7 Planning Approval

7.7.1 The Planning department will be consulted under the standard application methods on the above and will be advised us on their concurrence with our proposals prior to Procurement Committee.

7.8 Environmental Improvements

7.8.1 There are no proposed environmental works during this phase of decent homes works.

7.9 Sustainability

- 7.9.1 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new windows will improve the thermal efficiency of the properties as well as reduce future maintenance costs.
- 7.9.2 The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.
- 7.9.3 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Premier, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.
- 7.9.4 The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.
- 7.9.5 The contractor is registered and complies with the Considerate Constructors Scheme.
- 7.9.6 All new windows will be double glazed and adhere to Part 'L' of the Building regulations.

7.10 Conservation Areas

- 7.10.1 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.
- 7.10.2 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

8. Chief Financial Officer Comments

- 8.1 On 13th Feb 2007 the procurement committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed to properties in South Tottenham (ST14), priced in accordance with the framework agreement.

Members will be aware that the Department for Communities and Local Government has approved the funding for Decent Homes, totalling £198.5m phased over six years, of which £31.5m has been approved for 2010/11. This scheme is included in the funding schedule for 2010/11 as indicated in Appendix B. Any expenditure in respect of leaseholder properties will be funded from leaseholder chargers for major works.

9. Head of Legal Services Comments

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent

Homes works at 432 properties in the South Tottenham area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to this report.

- 9.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes Construction Partner Framework Agreements in respect of four areas within the borough (Wood Green, Hornsey, North Tottenham and South Tottenham to four respective contractors, of which the recommended contractor is one.
- 9.3 The Framework Agreements were tendered in the EU and selection of the Framework contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisors (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 9.4 The Contractor named in paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the South Tottenham area.
- 9.5 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee in accordance with CSO 11.03.
- 9.6 The Head of Legal Services is satisfied that leaseholder consultation has been carried out to date (01 October 2009) in accordance with the relevant legislative requirements. See further comments on leaseholder consultation below in paragraph 12.
- 9.7 The contract is also a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). Urban Environment Directorate has confirmed that this has taken place.
- 9.8 The Head of Legal Services confirms that provided the Council has considered any comments from leaseholders made between the date of provision of these comments (01 October 2009) and the expiry date of the statutory leaseholder consultation period, and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

10.0 Head of Procurement Comments

- 10.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.
- 10.2 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed under the form of contract.
- 10.3 Life cycle costing will need to be completed for the project as a whole.

10.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

11. Equalities and Community Cohesion Comments

11.1 Homes for Haringey's Asset Management Strategy, 2007/2017, covers all investment in the Council's housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

12. Consultation

Internal

12.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008.

The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered. Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel. Leasehold consultation forms part of the overall consultation process and is a statutory requirement.

Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

External

12.2 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. A resident's meeting was held on the 16th September and 38 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

12.3 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.

12.4 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 July 2006. The form and content of the Notice was approved by Mr Jonathan Brock, a leading property law Queen's Counsel, before it was issued. In March last year the LVT awarded the dispensation in respect of the appointment of the Constructor Partners.

12.5 Leasehold Implications

12.6 As a result of applications made under the Right to Buy legislation, there are 67 leaseholders

living in the properties affected by the works described in this report. The number of leaseholder dwellings where the Section 125 Notice is within the 5 year period is 8 while the number outside the period is 59. This report provides a breakdown of the costs for each group in paragraph 12.10

- 12.7 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.
- 12.8 In accordance with The Service Charges Regulations 2003, under schedule 3, notices will be issued on 25th September 2009 to expire on 24th October 2009.
- 12.9 The notice gave a description of the proposed works and provided details for the costs of the works. The 30 day statutory consultation commenced 25th September 2009.
- 12.10 The total amount estimated to be recovered from the 67 leaseholders is £236,242.41 This is broken down as follows:
1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £0.
 2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £236,242.41.
- 12.11 No works will commence on site until completion of the notice period or if there is an outstanding leasehold enquiry as a result of the notice.
- 12.12 Observations to be included on expiry of the Section 20 notice period.

13. Service Financial Comments

- 13.1 Please note comments of the Chief Financial Officer's comments in paragraph 8 of this report. This scheme will be funded from the Decent Homes programme. There is sufficient funding to meet the cost of the project from the Decent Homes Programme in 2010/11 as set out in the paragraph 8.2.
- Value for money has been achieved in the project through approved framework agreements as set out in paragraph 8.1

14. Use of appendices /Tables and photographs

- 14.1 Appendix A AMP cost and breakdown
- 14.2 Appendix B, Expenditure to date (attached)
- 14.3 Appendix C, Life cycle cost details are not applicable for this contract.

15. Local Government (Access to Information) Act 1985

15.1 The background papers relating to this project are:

- 'The Award of Framework Agreements to four Decent Homes Constructors Partners'.
- Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.
- Short List Report dated October 2006
- Invitation to Tender Document dated October 2006
- Tender Reports dated February 2007

These can be obtained from Larry Ainsworth – Strategic Client Representative on 020 8489 1134.

15.2 This report contains exempt and non exempt information. Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

15.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

APPENDIX B. Expenditure to date 2010/2011.

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
South Tottenham	ST14	£4,484,231.98		
		£4,484,231.98		



PJS/RCG/BKB/B6250/2

4 September 2009

L Ainsworth Esq
Homes for Haringey
By email to larry.ainsworth@homesforharingey.org

Dear Mr Ainsworth

Package ST14:- 1 & 3, 7 to 30 Albert Road. 1 to 40 Bournes House. 15, 20 & 22 Candler Street. 2, 4, 13, 20, 22, 24, 28, 30, 38, 41, 41a, 42, 46, 48 & 50 Daleview Road. 10, 20, 28, 36 & 38 Eastbourne Road. 1, 4, 5, 8, 9, 12, 15, 16 & 18 Franklin Street. 7, 20, & 21 Frinton Road. 21, 23, 34 & 36 Heysham Road. 2, 2a, 4, 4a, 6, 11, 12, 16, 22 & 23 Howard Road. G1 to G5, 1 to 128 Oatfield House. 2 to 24 (Evens only), 44, 79, 81, 99, 101, 119 & 121 Richmond Road. 1 to 23 (Odds only) 2, 4, 6, 6a, 8, 10, 12, 12a, 14 & 58 St Johns Road. 17, 17a & 25 Thorpe Road. G1 to G5, 1 to 128 Twyford House. 53, 56, 58, 84, 162, 164 & 16 Vartry Road.

I confirm that we have agreed an AMP for the proposed works to the above with Apollo Limited in the amount of £4,275,773.12 as detailed on the enclosed schedule. Please note that this excludes VAT and Fees.

Please note that the works are currently programmed as follows:-

Start on site	09 November 2009
Duration	48 Working weeks
Completion	28 October 2010

There is no contingency included within the AMP, however costs have been included against items identified as "Risk Items" where it has not been possible to obtain full access or fully price a particular element of the works at this stage. These elements are included in the enclosed schedule.

Yours sincerely

Robert C Gibbons

Encl

