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## Cabinet Procurement Committee

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THURSDAY, 22ND JULY, 2010 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Goldberg (Chair), Bevan, Kober and Reith

### **AGENDA**

**1. APOLOGIES FOR ABSENCE** (if any)

**2. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 19 below. New items of exempt business will be dealt with at item 28 below.

**3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. MINUTES**

To confirm and sign the minutes of the meeting of the Procurement Committee held on 21 June and 6 July 2010.

**5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

To consider any requests received in accordance with Standing Orders.

**6. SOCIAL CARE SPOT CONTRACTS 1 APRIL 2009 - 31 MARCH 2010**

(Report of the Director of Adult, Culture and Community Services): To provide Members with a summary of spot contracts for the financial year 2009/10 with a comparison to the previous financial year.

**7. SUPPORTING PEOPLE CONTRACT EXTENSION - KEY SUPPORT**

(Report of the Director of Adult, Culture and Community Services): To seek approval to a two year extension to the Supporting People key support contract.

**8. WAIVER AND AWARD OF SUPPORTING PEOPLE CONTRACT - HOME IMPROVEMENT AGENCY (HIA)**

(Report of the Director of Adult, Culture and Community Services): To seek approval to a waiver of Contract Standing Orders and to the award of a contract to provide a Home Improvement Agency.

**9. ADOPTION OF THE COMPETEFOR PORTAL**

(Report of the Director of Corporate Resources): To seek approval to all future non-construction procurement opportunities being advertised through CompeteFor and short listed through the portal where relevant.

**10. FRAMEWORK-I SOCIAL CARE CASE MANAGEMENT SYSTEM**

(Report of the Director of Corporate Resources): To seek approval to extend the Managed Service contract with Corelogic Ltd. for the Frameworki Social Care Case Management System for a period of 3 years as provided for within the contract.

**11. EDUCATION POST 16 PLACE FUNDING**

(Report of the Director of the Children and Young Peoples' Service): To seek approval to the establishment of contracts and payment procedures with providers delivering programmes for 16-18 year olds for 2010/11 and to advise that an appropriate procurement process will be managed for 2011/12 allocations to independent providers.

**12. EXPANSION OF RHODES AVENUE PRIMARY SCHOOL FROM TWO TO THREE FORM ENTRY**

(Report of the Director of the Children and Young Peoples' Service): To seek approval to appoint a contractor for the building contract of Rhodes Avenue Primary School Expansion and to the issue of a letter of acceptance prior to formal contract signature for 10% of the contract value.

**13. PARK ROAD LEISURE CENTRE POOL - HALL REFURBISHMENT AND FILTRATION REPLACEMENT**

(Report of the Director of Adult, Culture and Community Services): To seek approval to the award of contracts for the refurbishment of the Pool Hall with associated mechanical and electrical infrastructure and for the replacement of the indoor swimming pools filtration system.

**14. OFFICE REMOVALS - AWARD OF CONTRACT**

(Report of the Director of Corporate Resources): To seek approval to the award of a framework contract for office removals.

**15. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE NT15**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the North Tottenham Area known as NT15 within the Decent Homes Programme.

**16. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11- PHASE ST17**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties known as Phase ST16 of the Decent Homes Programme.

**17. WOOD GREEN DECENT HOMES PROGRAMME 2010/11 - PHASE WG 18**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the Wood Green Area known as WG18 within the delivery of the Decent Homes Programme.

**18. AWARD OF FRAMEWORK AGREEMENTS FOR THE SUPPLY AND INSTALLATION OF FURNITURE ITEMS TO COUNCIL MANAGED TEMPORARY ACCOMMODATION**

(Report of the Director of Urban Environment): To report on a procurement exercise in relation to a framework agreement to provide furniture to properties in the Council's temporary accommodation portfolio and to recommend the award of framework agreements to 4 contractors following the submission of competitive tenders.

**19. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 2 above.

**20. EXCLUSION OF THE PRESS AND PUBLIC**

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

Items 21 – 27 allow for consideration of exempt information in relation to items 12 - 18 which appear earlier on this agenda where appropriate.

**21. EXPANSION OF RHODES AVENUE PRIMARY SCHOOL FROM TWO TO THREE FORM ENTRY**

(Report of the Director of the Children and Young Peoples' Service): To seek approval to appoint a contractor for the building contract of Rhodes Avenue Primary School Expansion and to the issue of a letter of acceptance prior to formal contract signature for 10% of the contract value.

**22. PARK ROAD LEISURE CENTRE POOL - HALL REFURBISHMENT AND FILTRATION REPLACEMENT**

(Report of the Director of Adult, Culture and Community Services): To seek approval to the award of contracts for the refurbishment of the Pool Hall with associated mechanical and electrical infrastructure and for the replacement of the indoor swimming pools filtration system.

**23. OFFICE REMOVALS - AWARD OF CONTRACT**

(Report of the Director of Corporate Resources): To seek approval to the award of a framework contract for office removals.

**24. NORTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE NT15**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the North Tottenham Area known as NT15 within the Decent Homes Programme.

**25. SOUTH TOTTENHAM DECENT HOMES PROGRAMME 2010/11 - PHASE ST16**

(Report of the Director of Urban Environment): To seek approval to the award of a contract for a detailed programme of works as it relates to various properties known as Phase ST16 of the Decent Homes Programme.

**26. WOOD GREEN DECENT HOMES PROGRAMME 2010/11 - WG18**

(Report of the Director of Urban Environment): To seek approval to the award of the contract for a detailed programme of works which relates to various properties in the Wood Green Area known as WG18 within the delivery of the Decent Homes Programme.

**27. AWARD OF FRAMEWORK AGREEMENTS FOR THE SUPPLY AND INSTALLATION OF FURNITURE ITEMS TO COUNCIL MANAGED TEMPORARY ACCOMMODATION**

(Report of the Director of Urban Environment): To report on a procurement exercise in relation to a framework agreement to provide furniture to properties in the Council's temporary accommodation portfolio and to recommend the award of framework agreements to 4 contractors following the submission of competitive tenders.

**28. NEW ITEMS OF EXEMPT URGENT BUSINESS**

To consider any items admitted at item 2 above.

Ken Pryor  
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and Member Services  
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14 July 2010

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**MINUTES OF THE CABINET PROCUREMENT COMMITTEE  
MONDAY, 21 JUNE 2010**

***Actions arising from Cabinet Procurement Committee are monitored and progress reported by Corporate Procurement. Officers must therefore ensure that all actions assigned to them, are fully addressed and signed off with the Contracts Management Officer in the Corporate Procurement Unit.***

Councillors \*Goldberg (Chair), \*Bevan,\* Kober and \*Reith

\*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC01.	<p><b>DECLARATIONS OF INTEREST</b> (Agenda Item 2)</p> <p>Councillor Bevan in relation to agenda item 6 – Broadwater Farm Integrated Learning Campus.</p>	HLDMS
PROC02.	<p><b>WOOD GREEN CEMETERY BURIAL PROVISION</b> (Report of the Director of Adult, Culture and Community Services - Agenda Item 4)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that tenders for this work had been invited on the basis of six Options and that Option A (including 2 vaults deep burial chambers and traditional burials with a contract period of 12 weeks) was considered to offer the best overall combination. Bids had been returned by five contractors on the Construction Procurement Group's Major Work Construction framework agreement list following which had been the subject of an evaluation based on 60% quality and 40% price.</p> <p>In response to questions raised we were informed that charges for the sale of new burial plots had been set at a level which over a 2-4 year period would yield sufficient income to pay back the borrowed capital and borrowing costs as well as make a contribution to the budget income in Bereavement Services. With regard to available burial space there was little available in Wood Green Cemetery and the Council's other cemeteries the proposals now before the Committee were intended as a short term measure to provide additional capacity by the end of August. A feasibility study carried out at Enfield Crematorium Cemetery indicated that the longer term issues in relation to capacity for new burials highlighted in a recent Scrutiny Review could be addressed using space there.</p> <p>We also noted that the cost of the new burial spaces was contained in the 2009/10 capital programme. However, because the scheme had slipped it was now the subject of a budget carry forward request which would be considered by the Cabinet on 13 July as part of a review of the capital programme. The project was planned to be funded from Un-</p>	

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	<p>Supported (Prudential) Borrowing and could only be approved subject to submission by the Service of a business case which demonstrated that borrowing costs were affordable and able to be met from an income stream that the project generated.</p> <p><b>RESOLVED</b></p> <p>That, subject to the Cabinet agreeing to the capital budget carry forward request, approval be granted to the award of the contract to extend burial space at Wood Green Cemetery to T&amp;B Contractors Ltd. on the terms and conditions set out in the Appendix to the interleaved report in accordance with Contract Standing Order 11.03.</p>	DACCS
PROC03.	<p><b>EXTENSION OF CURRENT INTEGRATED HOUSING SUPPORT SERVICES CONTRACT FOR 18 MONTHS</b> (Report of the Director of the Children and Young People's Service - Agenda Item 5)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the existing Semi Independent contract was due to expire on 30 June 2010. The contract having originally been let for three years and extended for a further two years approval of our Committee was required to extend the contract further. We also noted that the needs of the service have changed following the recent 'Southwark Ruling' which had resulted in higher volumes of young people requiring semi independent accommodation.</p> <p>Concern having been expressed about spot purchases being made outside the contract we were informed that the Placements Service was aware that spot purchases outside of the contract did not provide value for money for the Council and would seek to ensure that all teams making referrals contacted providers on the framework in the first instance. The Service would also be working with the existing providers and encouraging them to make more provision available.</p> <p>We noted that there were 101 After-care 18+ clients residing in semi independent provisions and we asked to be supplied with the number who were awaiting allocation of permanent Council accommodation.</p> <p>Disquiet was voiced that greater efforts had not been made to ensure that value for money was achieved and that market testing of the current arrangements had not been market tested for 5 years. To this end we asked that officers explore whether, through the contract extension variation, a discounted rate could be negotiated with the existing providers to reflect a further period of 18 months as the Council's preferred supplier for these services. We also asked that officers explore the feasibility of undertaking a joint tender process with neighbouring boroughs to allow the aggregation of demand and the obtaining of the best market rate.</p>	DCYPS



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	<p><b>RESOLVED</b></p> <p>That in accordance with Contract Standing Order 13.02 approval be granted to the extension of the existing Semi Independent contract with the providers below on the existing framework for a period of 18 months commencing on 1 July 2010 to allow for a new tender for semi independent provisions to be agreed -</p> <ul style="list-style-type: none"> <li>• Christopher House, TA Limelight Properties</li> <li>• Allison Lodge (formerly MG Supported Housing)</li> <li>• Atlas Properties</li> <li>• Phoenix Community Care</li> <li>• Andrew Stevens</li> <li>• Atlantic Lodge</li> </ul>	DCYPS
PROC04.	<p><b>BROADWATER FARM INCLUSIVE LEARNING CAMPUS</b> (Report of the Director of the Children and Young People's Service - Agenda Item 6)</p> <p>Councillor Bevan declared a personal interest in this item by virtue of being Chair of the London Housing Consortium.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that with regard to the Chief Financial Officer's comments in relation to the capital implications of the scheme additional financial information had come to light since the production of the report. The Cabinet would now be reviewing the Council's capital programme including the Children and Young People Service's element on 13 July and that this should be reflected in the Committee's decision.</p> <p>In response to a question about the provision of a sprinkler system we were informed that this was necessary to meet the insurance requirements. We were also informed that part of the site not required for the Campus would be available for other purposes and it was confirmed that a review of the London Housing Consortium Network framework arrangements had been carried out and goods and services where applicable had been applied.</p> <p><b>RESOLVED</b></p> <p>That subject to the Cabinet agreeing to the revised capital budget and funding sources for the project approval be granted to the award of the building contract of the Broadwater Farm Inclusive Learning Campus to Mullalley &amp; Co. Ltd. on the terms and conditions set out in the Appendix to the interleaved report in accordance with Contract Standing Order 11.03.</p>	DCYPS

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The meeting ended at 20.05 hours.

JOE GOLDBERG  
Chair

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE  
TUESDAY, 6 JULY 2010**

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Councillors \*Goldberg (Chair), \*Bevan, Kober and Reith

\*Present

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTION BY</b>
<b>PROC05.</b>	<b>APOLOGIES FOR ABSENCE</b> (Agenda Item 1)  Apologies for absence were submitted by Councillors Kober and Reith.	
<b>PROC06.</b>	<b>DECLARATIONS OF INTEREST</b> (Agenda Item 3)  Councillor Bevan in respect of Items 10, 11 And 12 – Alexandra Primary School Re-Wire, Risley Primary School Re-Wire and Seven Sisters Primary School Re-Wire.	HLDMS
<b>PROC07.</b>	<b>MINUTES</b> (Agenda Item 4)  <b>RESOLVED</b>  That the minutes of the meeting held on 27 April 2010 be approved and signed.	HLDMS
<b>PROC08.</b>	<b>EXPANSION OF COLERIDGE PRIMARY SCHOOL - CORRECTION TO RECORD OF BUILDING CONTRACT AWARD</b> (Report of the Assistant Chief Executive – People and Organisational Development - Agenda Item 6)  <b>RESOLVED</b>  1. That approval be granted to the amendment of Minute PROC 89 (2009/10) so as to award the building contract for Phase 3 of the Coleridge Primary School Expansion project to Jerram Falkus Construction Ltd the contractor who had successfully bid for this work.  2. That the wording of Minute PROC.89 (2009/10) be varied to read as follows -  'That in accordance with Contract Standing Order 11.03 approval be granted to the award of the contract for Phase 3 of the Coleridge Primary School Expansion to Jerram Falkus Construction Ltd. on the terms and conditions set out in the appendix to the interleaved report.'	HLDMS/ DCYPS  HLDMS/ DCYPS
<b>PROC09.</b>	<b>SUPPORTING PEOPLE CONTRACTS - UPDATE REPORT</b> (Report of	

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	<p>the Director of Adult, Culture and Community Services - Agenda Item 7)</p> <p>We noted that following our decision on 31 March 2009 (vide PROC.108), to extend the Supporting People Bridging Contracts for a period of up to 2 years, officers had been endeavouring to ensure that the Council had in place expressed contracts for all these services and a planned and strategic approach to ensure that future contracts in the programme become staggered to allow for more effective, controlled, contract management.</p> <p>We also noted that since April 2009, the Supporting People Team had been carrying out market sector analysis of all services in the Supporting People programme and the report now submitted apprised us of:</p> <ul style="list-style-type: none"> <li>(i) the achievements so far;</li> <li>(ii) ongoing visits, negotiations and preparations; and</li> <li>(iii) the remaining sectors and services to be addressed.</li> <li>(iv) the reports for decision that were to be presented over the next 12 months.</li> </ul> <p><b>RESOLVED</b></p> <p>That the report be noted.</p>	
<p><b>PROC10.</b></p>	<p><b>COMMUNITY MEALS - EXTENSION OF CONTRACT</b> (Report of the Director of Adult, Culture and Community Services - Agenda Item 8)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that Community Meals comprised of Meals on Wheels and meals for 4 Drop in Centres and 1 Day Centre. We also noted that it was considered in the best interest of the Council to extend the current contract to 31 May 2012 to allow for the development of the Directorate's Commissioning Strategy and the implementation of the Government's Personalisation agenda without incurring re-tendering resources at this time.</p> <p><b>RESOLVED</b></p> <p>That in accordance with Contract Standing Order 13.02 approval be granted to the extension of the contract with Sodexo Healthcare Services for the provision of community meals for a further two years to 31 May 2012.</p>	<p>DACCS</p>
<p><b>PROC11.</b></p>	<p><b>CORPORATE LEARNING AND DEVELOPMENT PROGRAMME - FRAMEWORK AGREEMENTS</b> (Report of the Assistant Chief Executive</p>	

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– People and Organisational Development - Agenda Item 9)

The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.

We noted that staff who worked in Adult Social Care needed to meet the National Minimum Standards set out under the Care Standards Act and that learning and development programmes were key to ensuring that Council staff had the skills they needed to deliver excellent services. In support of this objective it was wished to source a range of suppliers who, between them, would provide a range of high-quality generic skills/competency learning and development services at competitive rates.

We also noted that framework agreements applied across the Council had led to greater consistency in the way that learning and development was sourced, managed and monitored for both performance and cost.

**RESOLVED**

1. That in accordance with Contract Standing Order 11.03 approval be granted to framework agreements being entered into with the following suppliers –

Lot 1 (Learning Disability)

- Barking & Dagenham College
- Minds Eye Ltd
- Public Sector Providers Ltd

Lot 2 (Mental Health)

- H-MHMTS Training Ltd.
- Minds Eye Ltd
- Public Sector Providers Ltd

Lot 3 (Older People)

- Barking & Dagenham College
- Minds Eye Ltd
- Public Sector Providers Ltd

Lot 4 (General)

- The College of Haringey, Enfield & North East London
- H-MHMTS Training Ltd.
- Minds Eye Ltd
- Public Sector Providers Ltd

Lot 5 (Safeguarding)

- Minds Eye Ltd

Lot 6 (NVQ)

ACE-  
POD

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	<ul style="list-style-type: none"> <li>• Barking &amp; Dagenham College</li> <li>• The College of Haringey, Enfield &amp; North East London</li> <li>• Quay Assessment Training Ltd.</li> </ul> <p>2. That the framework agreements be awarded for a period of two years with an option to extend for two further periods of one year on the basis detailed in the interleaved report.</p>	ACE- POD
PROC12.	<p><b>ALEXANDRA PRIMARY SCHOOL RE-WIRE</b> (Report of the Director of the Children and Young People's Service - Agenda Item 10)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of a rapid design and procurement programme, to enable the re-wire projects to commence over the forthcoming school summer holiday period. The programme undertaken, to ensure that the primary objective of ensuring works commenced in the holiday period, meant that tenders were not returned in sufficient time to allow for the necessary consultation to be completed in time for the report to be circulated with the agenda for the meeting. The report was too urgent to await the next meeting because if not considered at the meeting on 6 July, then there would be insufficient time to award the contract to ensure works commenced in the summer holiday period and cause the works to be deferred for another 12 months.</p> <p>Councillor Bevan declared a personal interest in respect of this item by virtue of being Chair of the London Housing Consortium.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that a recent survey into the condition of the incoming electrical mains to 5 schools had revealed that at a number of schools the electrical installations were coming to the end of their useful life and that works to these installations was required. We also noted that it was being recommended that a programme of upgrading be considered in the near future to ensure uninterrupted long term provision, and to ensure that the schools future electrical and lighting needs were maintained. Alexandra Primary School, Risley Primary School and Seven Sisters Primary School could be considered to be the commencement of the first phase of this programme.</p> <p>Concern was expressed that although competitive tenders had been invited from six firms selected by the Council from Constructionline only two had been received and we asked that Committee Members be provided with details of the reasons given by the other four firms for not returning tenders.</p> <p>Disquiet was also voiced that it was not clear from the reports which of the schools electrical installations was at greatest risk and in this context</p>	DCYPS

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	<p>reference was made to the forthcoming review of the Council's capital programme and for the need for there to be a clear sense of priority against the possibility that there was not sufficient resources in the Children and Young People's capital programme for all of the schools.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>1. That in accordance with CSO 7.03(d) approval be granted to a waiver of Contract Standing Order 8.04 to enable a tender process to take place without advertising by inviting bids from a selection of contractors from the Constructionline database for the Alexandra Primary School re-wire on the ground that this was in the Council's overall interests</li> <li>2. That in accordance with Contract Standing Order 11.03 approval be granted in principle and subject to confirmation of funding to the award of the contract for the Alexandra Primary School re-wire to Raytell Electrical Co. Ltd. on the terms set out in the Appendix to the interleaved report.</li> <li>3. That finalisation of the award including confirmation of funding be delegated to the Director for Children and Young People's Services.</li> </ol>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>
<p><b>PROC13.</b></p>	<p><b>RISLEY PRIMARY SCHOOL RE-WIRE</b> (Report of the Director of the Children and Young People's Service - Agenda Item 11)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of a rapid design and procurement programme, to enable the re-wire projects to commence over the forthcoming school summer holiday period. The programme undertaken, to ensure that the primary objective of ensuring works commenced in the holiday period, meant that tenders were not returned in sufficient time to allow for the necessary consultation to be completed in time for the report to be circulated with the agenda for the meeting. The report was too urgent to await the next meeting because if not considered at the meeting on 6 July, then there would be insufficient time to award the contract to ensure works commenced in the summer holiday period and cause the works to be deferred for another 12 months.</p> <p>Councillor Bevan declared a personal interest in respect of this item by virtue of being Chair of the London Housing Consortium.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>Concern was expressed that although competitive tenders had been invited from six firms selected by the Council from Constructionline only two had been received and we asked that Committee Members be provided with details of the reasons given by the other four firms for not</p>	<p>DCYPS</p>

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	<p>returning tenders.</p> <p>Disquiet was also voiced that it was not clear from the reports which of the schools electrical installations was at greatest risk and in this context reference was made to the forthcoming review of the Council's capital programme and for the need for there to be a clear sense of priority against the possibility that there was not sufficient resources in the Children and Young People's capital programme for all of the schools.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>1. That in accordance with CSO 7.03(d) approval be granted to a waiver of Contract Standing Order 8.04 to enable a tender process to take place without advertising by inviting bids from a selection of contractors from the Constructionline database for the Risley Primary School re-wire on the ground that this was in the Council's overall interests</li> <li>2. That in accordance with Contract Standing Order 11.03 approval be granted in principle and subject to confirmation of funding to the award of the contract for the Risley Primary School re-wire to Raytell Electrical Co. Ltd. on the terms set out in the Appendix to the interleaved report.</li> <li>3. That finalisation of the award including confirmation of funding be delegated to the Director for Children and Young People's Services.</li> </ol>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>
<p><b>PROC14.</b></p>	<p><b>SEVEN SISTERS PRIMARY SCHOOL REWIRE</b> (Report of the Director of the Children and Young People's Service - Agenda Item 12)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of a rapid design and procurement programme, to enable the re-wire projects to commence over the forthcoming school summer holiday period. The programme undertaken, to ensure that the primary objective of ensuring works commenced in the holiday period, meant that tenders were not returned in sufficient time to allow for the necessary consultation to be completed in time for the report to be circulated with the agenda for the meeting. The report was too urgent to await the next meeting because if not considered at the meeting on 6 July, then there would be insufficient time to award the contract to ensure works commenced in the summer holiday period and cause the works to be deferred for another 12 months.</p> <p>Councillor Bevan declared a personal interest in respect of this item by virtue of being Chair of the London Housing Consortium.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p>	



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	<p>Concern was expressed that although competitive tenders had been invited from six firms selected by the Council from Constructionline only two had been received and we asked that Committee Members be provided with details of the reasons given by the other four firms for not returning tenders.</p> <p>Disquiet was also voiced that it was not clear from the reports which of the schools electrical installations was at greatest risk and in this context reference was made to the forthcoming review of the Council's capital programme and for the need for there to be a clear sense of priority against the possibility that there was not sufficient resources in the Children and Young People's capital programme for all of the schools.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>1. That in accordance with CSO 7.03(d) approval be granted to a waiver of Contract Standing Order 8.04 to enable a tender process to take place without advertising by inviting bids from a selection of contractors from the Constructionline database for the Seven Sisters Primary School re-wire on the ground that this was in the Council's overall interests</li> <li>2. That in accordance with Contract Standing Order 11.03 approval be granted in principle and subject to confirmation of funding to the award of the contract for the Seven Sisters Primary School re-wire to Raytell Electrical Co. Ltd. on the terms set out in the Appendix to the interleaved report.</li> <li>3. That finalisation of the award including confirmation of funding be delegated to the Director for Children and Young People's Services.</li> </ol>	<p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p> <p>DCYPS</p>
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The meeting ended at 20.20 hours.

JOE GOLDBERG  
Chair

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Agenda item:

**[No.]****Procurement Committee****On 22 July 2010**

Report Title: Social Care Spot Contracts (1<sup>st</sup> April 2009 – 31<sup>st</sup> March 2010)

Report of: **Mun Thong Phung, Director of Adult, Culture and Community Services**

Signed:

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Wards(s) affected:

All

Report for:

Non Key Decision

**1. Purpose of the report**

- 1.1. This report is an information report for Cabinet Procurement Committee. It is prepared annually to provide Committee with a summary of spot contracts for each financial year, comparing activity to the previous financial year. This report covers the financial year 2009/10, and compares to the previous financial year 2008/09.

**2. Introduction by Cabinet Member**

- 2.1 The Cabinet Member for Adult Social Care and Community Services notes the changes in value of spot contracts and the explanation as to why this has occurred.
- 2.2 The Cabinet Member also notes that this is likely to be an ongoing trend due to the implementation of the Government's Personalisation Agenda, in particular as new style contracting arrangements are embedded within adult social care, with a move away from block contracting of most services.

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

3.1 ACCS Council Plan Priorities are:

- Encouraging lifetime well-being at home, work, play and learning;
- Promoting Independent living while supporting adults and children in need; and
- Delivering excellent customer focused cost effective services.

Full Council Plan Priorities can be found on the left hand side of the page at <http://harinet.haringey.gov.uk/index.htm>.

3.2 The Government's Personalisation Agenda will radically change the way in which services are commissioned to clients. These changes will almost certainly negate the need for Haringey to maintain the current level of block contracts

3.3 The Council is required to have implemented the Personalisation Agenda by March 2011

3.4 In delivering Adult Social Care, the role of the Council will change, from a commissioner of services on behalf of residents and/service users to one of ensuring the development of the market to be able to deliver services that service users will wish to purchase using their individual budgets. The Council's role will be to facilitate innovation and availability of services in the market, and support service users in making informed decisions about purchasing the care required to meet their individual needs, deliver good outcomes, and achieve value for money

**4 Recommendations**

4.1 That Members note the contents of the report.

**5 Reason for recommendation(s)**

5.1 The report is for Members information

**6 Other options considered**

6.1 Not applicable

**7 Summary**

7.1 Social care contracts for individuals are either 'block' contracts, 'framework' contracts, or 'spot' contracts (one off contracts meeting an individual's needs).

- 7.2 This report is required by Members to give an overview on the level of spot contracting on an annual basis – this report covers the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.
- 7.3 The report also provides members with benchmarking information against other London local authorities. In September 2007 Members agreed to accept annual benchmarking figures to allow analysis with regard to value for money with particular emphasis on comparison with London authorities that have achieved three star status for performance of adult social care.
- 7.4 The report shows a change in the number of social care spot contracts from the end of 2008/09 to 2009/10, and a change in cost.
- 7.5 The report also notes that the Council is well advanced in implementing the Government's Personalisation agenda (significant progress in implementation is required by 31<sup>st</sup> March 2011), and this is already having a direct impact on the Directorate's use of block and spot contracts. Service users and their carers are starting to exercise greater choice and control over the services required to meet their care needs, through the use of personal budgets, where Council block Contracted services may not be the service of choice for them.
- 7.6 Contracts for individuals are either 'block' contracts (where a set number of beds or places for services is provided by the contractor at a predetermined price to which the Council may refer users over the contract period), 'framework' contacts (with a predetermined price, which are similar to block contracts but with no guaranteed number of places) or 'spot' contracts (one off contracts meeting an individual's needs). Efforts are made to maximise the use of block and framework contracts where this represents best value for the Council.
- 7.7 The Council is currently preparing to implement the Government's Personalisation Agenda by the required date of March 2011. This will have a direct impact on the Directorate's Commissioning Strategy and the use of block and spot contracts. The Department of Health has issued guidance to support the *Transformation of social care*. It covers:
- The history and policy context and future direction of a 'personalised approach to the delivery of adult social care'
  - The proposed development of a programme to support social services authorities in delivering this approach covering the new way of working and the roles and responsibilities of national agencies as well as individual social services agencies
  - The Social Care Reform Grant introduced in April 2008 to facilitate the transformation
  - References to further information and toolkits to help achieve personalisation

## 7.8 Working in partnership towards prevention

7.8.1 The guidance emphasises the need to achieve the transformation of social care by working across boundaries to include services such as: housing, benefits, leisure, transport and health; and with partners from private, voluntary and community organisations 'to harness the capacity of the whole system'.

7.8.2 The aim is to ensure a strategic balance of investment in prevention services, which promote independence as well as providing intensive care and support for those with high-level complex needs.

7.8.3 The Joint Strategic Needs Assessment, the Local Performance Framework and Local Area Agreement are seen as fundamental to achieving the vision.

## 7.9 Timescale

The guidance states that by March 2011, people who use services and their carers, frontline staff and providers should experience significant progress in all local authority areas. The DH expects improvements to be evident between now and then.

7.10 Implementation will require a complete change to the way the Council currently provides Social Care Services to residents which will require wide consultation with stakeholders, new processes to be developed and staff trained in usage of same. In the meantime the Council will need to continue to provide services.

7.11 Use of the [Care Funding Calculator \(CFC\)](#) has been implemented (July 2010) as a means to reduce placement costs.

7.12 Contract Standing Order 6.13 authorises the Director of Adults, Culture & Community Services to award spot contracts whilst requiring that reports on the level of usage are provided to the Cabinet Procurement Committee.

7.13 The table below shows that there has been an increase in the cost of spot contracts for the period covered by this report (a full list of the services is available at Appendix A):

<b>Summary : Adults &amp; Older People Spot Contracts</b>	<b>2008/09</b>	<b>2009/10</b>	<b>Change</b>
<b>Spot Nos</b>	1073	1069	-5
<b>Value £</b>	£25,581,519	£27,949,101	+£2,367,581
<b>Average care package cost</b>	£23,819	£26,145	+9.77%

7.14 It should be noted that all service providers were awarded a 2% inflationary uplift from 1<sup>st</sup> April 2009, with further discussions with some providers on a case by case basis, depending on the client level of need.

7.15 The key areas of change are as follows:

- 7.15.1 The impact of the inflationary uplift awarded to all providers from 1<sup>st</sup> April 2009, resulted in an additional £378k to the value of spot purchased placements across all provision for clients in services in both 2008/09 and 2009/10.
- 7.15.2 Within Learning Disabilities services, there is an overall increase of circa £879k caused by transition into adult services from children's services, this is spread across residential, supported living and day opportunities services.
- 7.15.3 An increase in the number and therefore value of spot purchased day services in Learning Disabilities, supporting a move towards managing more complex community based services. Additional clients resulting from transition has a value of about £128k
- 7.15.4 A small increase in the number of homecare packages spot purchased by learning disabilities, and higher use of respite to give carers a break. In 2009/10 our internal learning disabilities residential respite provision experienced reduced capacity for a short period due to refurbishment, resulting in some respite placements being spot purchased.
- 7.15.5 An increase in the cost of spot purchased residential placements in learning disabilities. Additional clients resulting from transition has a value of about £578k.
- 7.15.6 For both learning disabilities and mental health services, changes in need impacted on the cost of placement more significantly than in the previous year. Additional needs equated to £99k in learning disabilities placements, and £36k in mental health placements.
- 7.15.7 An increase in spot purchase of supported living placements in mental health services, as move-on plans for mental health users in long stay residential were effected.
- 7.15.8 The value of mental health residential placement spot purchase has also increased, however the primary reason for this, is due to a fire at a private residential home in August 2008. The Council had a block contract with this provider, which closed as a result of the fire, resulting in the transfer of 7 service users to alternate residential care. The alternate placements for these service users are spot contracts, with part year effect felt in 2008/09 and full year effect seen in 2009/10, resulting in an additional £81k pressure seen in this last financial year.
- 7.15.9 It is worth noting that across learning disabilities and mental health, through the S28A agreement (joint funding arrangements), some £8.319 million was achieved in income in NHS contributions either joint or full for spot purchased placements and packages.

**8 Chief Financial Officer Comments**

- 8.1 This report shows a decrease in the number of spot contracts but an increase in the average cost per annum. The largest area of cost increase is in spot purchased care in learning disabilities and mental health the reasons for these changes are noted above.
- 8.2 Whilst activity and costs are in line with expectations Adults Services must continue to ensure that block contracts are fully utilised prior to new spot contracts being considered and must make use of benchmarking information to ensure that

these services continue to prove good value for money.

**9 Head of Legal Services Comments**

- 9.1 The Head of Legal Services notes the contents of the report.
- 9.2 The services which are the subject of this report are not subject to the full application of the Public Contracts Regulations 2006, so there is no requirement to follow a European tendering exercise.
- 9.3 In addition, Contract Standing Order 6.13 (b) confirms that “spot” contracts are not subject to the Council’s tendering requirements contained in Contract Standing Orders 8 to 11.
- 9.4 Contract Standing Order 6.13 (c) confirms that the Directors of the Adults, Culture and Community Services and the Children and Young People’s Service may award all spot contracts, which shall be reviewed at least annually as part of the review of whether the service provided continues to meet the needs of the service user.
- 9.5 There is a requirement in Contract Standing Order 6.13 (d) for the Director of Adults, Culture and Community Services to submit reports to the Cabinet Procurement Committee detailing the nature, extent and value of spot contracts entered into by the Directorate
- 9.6 For the avoidance of doubt all Contract Standing Orders apply to “block” contracts

**10 Head of Procurement Comments**

- 10.1 This report shows a decrease in the number of spot contracts but an increase in the average cost per annum. The largest area of cost increase is in spot purchased care in learning disabilities and mental health. The Directorate need to ensure that they continue to review the cost of all placements and implement the Care Funding Calculator to manage the cost of those services.
- 10.2 The benchmarking data in Appendix A shows that Haringey are achieving the 4<sup>th</sup> best price out of 26 boroughs for both older peoples residential and nursing placements demonstrating Value for Money. In regard to EMI care the data shows that Haringey achieve the 6<sup>th</sup> best price for residential care and the 11<sup>th</sup> best place for nursing care giving an opportunity to negotiate price reductions.

**11 Equalities and Community Cohesion Comments**

- 11.1 Not applicable.



**12 Consultation**

12.1 Not applicable.

**13 Service Financial Comments**

13.1 Robust financial forecasting is forming a major part of the Council's preparation for the implementation of the Government's personalisation agenda, in particular with the development of a Resource Allocation System.

13.2 A value for money review in Learning Disabilities Services was undertaken in 2008/09, and during 2008/09 and 2009/10 the council employed external consultants, OLM, to review and renegotiate the costs of the 53 highest costing Learning Disabilities spot placements. In 2009/10, of the 33 reviews completed £220k permanent savings were achieved. This work will continue in 2010/11 in Learning Disabilities and will be extended to Adults Mental Health spot contracts.

13.3 The [Care Funding Calculator \(CFC\)](#) is being introduced by Adults Services for Adults Mental Health and Learning Disabilities to effectively contain and manage down the current commissioning overspend in these areas. This is a pan-London 'pricing tool' that has been used effectively elsewhere in the South East to reduce the spend on Learning Disability and Adult Mental Health placement costs.

13.4 In addition to reviewing the cost drivers of providers, Adults Services is also actively working to move Learning Disabilities and Adults Mental Health clients from institutional to supported living arrangements. This strategy also includes working with providers to deregister residential placements in favour of supported living arrangements.

13.5 Budget call-overs will continue to focus on ensuring value for money in purchasing/commissioning activity, with Heads of Service working to robust action plans in delivering balanced budget.

**13.6 Efficiencies**

Efficiencies have been realised as set out in 13.2 above. Further efficiencies will be identified with the introduction of a Resource Allocation System and the Care Funding Calculator as described in 13.1 and 13.3 above.

**14. Use of appendices /Tables and photographs**

14.1 Appendix A – Benchmark Table.

14.2 Appendix B – Comparison between volume/spot contracts in 2008/2009 and 2009/10.

14.3 Appendix C – Summary by service user group

**15. Local Government (Access to Information) Act 1985**

15.1 Not applicable

**APPENDIX A – Benchmark table (2009/10)**

<b>3 Star Authority</b>	<b>Gross Weekly Fee (Older People) Residential</b>	<b>Gross Weekly Fee (Older People) Nursing</b>	<b>Gross Weekly Fee (Older People) EMI Residential</b>	<b>Gross Weekly Fee (Older People) EMI Nursing</b>	<b>Eligibility Criteria Threshold</b>
Barking & Dag	458 (max)	580 (max)	530 (max)	580 (max)	S
Bexley	506 (max)	631 (max)	517 (max)	624 (max)	S
Camden	480 (max)	600 (max)	500 (max)	620 (max)	S
City of London	700 (max)	850 (max)	550 (max)	850 (max)	S
Croydon	392 (min)	568 (min)	420 (min)	588 (min)	
Ealing	444 (min)	575 (min)	535 (min)	627 (min)	S
Ham & Fulham					
Hounslow	517 (max)	635 (max)	417 (max)	520 (max)	S
Islington	895 (max)	935 (max)	950 (max)	1200 (max)	M
Ken & Chelsea					
Redbridge	470 (max)	590 (max)	530 (max)	590 (max)	S
Rich upon Thames	600 (max)	706 (max)	700 (max)	706 (max)	M
Southwark	459 (max)	673 (max)	503 (max)	711 (max)	S
Tower Hamlets	622 (max)	900 (max)	800 (max)	938 (max)	S
Westminster	550 (max)	900 (max)	580 (max)	900 (max)	M
<b>2 Star Authority</b>					
Barnet	468 (max)	618 (max)	490 (max)	534 (max)	S
Bromley	420 (max)	590 (max)	450 (max)	590 (max)	S
Hackney	569 (max)	569 (max)	500 (max)	569 (max)	S
Hillingdon	465 (max)	624 (max)	516 (max)	645 (max)	
Kingston upon Thames	406 (max)	542 (max)	442 (max)	586 (max)	S
Lambeth					
Lewisham					

Merton	453 (max)	585 (max)	453 (max)	585 (max)	S
Sutton	410 (max)	566 (max)	429 (max)	589 (max)	
Waltham Forest	471 (max)	633 (max)	599 (max)	633 (max)	S
Wandsworth	557 (max)	661 (max)	557 (max)	661 (max)	S
Haringey	438 (max)	575 (max)	492 (max)	627 (max)	S

Eligibility Criteria Key:

L	Low
M	Moderate
S	Substantial
C	Critical:

There is an informal agreement between local authorities within the North London Procurement Group that all authorities will respect the benchmark figure of the host borough when placing clients to avoid bidding wars and ensure availability of local beds where possible.

**Appendix B – COMPARISON BETWEEN VOLUME/COST OF SPOT CONTRACTS 2008/09 & 2009/10**

Service Type	Data	open 08-09 not 09-10	open 09-10 not 08-09	open both years	Grand Total	Average costing information	
Adult placement scheme	2008-09 clients	1		4	5	average cost 2008/09	£18,511.60
	2008-09 expend.	£13,184		£79,374	£92,558	average cost 2009/10	£15,327.50
	2009-10 clients			4	4	difference	<b>-£3,184.10</b>
	2009-10 expend.			£61,310	£61,310	percentage change	-17.20%
Counselling	2008-09 clients	2			2	average cost 2008/09	£451.50
	2008-09 expend.	£903			£903	average cost 2009/10	£249.00
	2009-10 clients		1		1	difference	<b>-£202.50</b>
	2009-10 expend.		£249		£249	percentage change	-44.85%
Hostels and other temporary accommodation-adult	2008-09 clients	4			4	average cost 2008/09	£2,827.50
	2008-09 expend.	£11,310			£11,310	average cost 2009/10	£5,197.33
	2009-10 clients		3		3	difference	£2,369.83

	2009-10 expend.		£15,592	£15,592	percentage change	83.81%
Independent Living Scheme	2008-09 clients		1	1	average cost 2008/09	£22,299.00
	2008-09 expend.		£22,299	£22,299	average cost 2009/10	£8,537.00
	2009-10 clients		1	1	difference	-£13,762.00
	2009-10 expend.		£8,537	£8,537	percentage change	-61.72%
LD Day Care	2008-09 clients	5	63	68	average cost 2008/09	£14,888.63
	2008-09 expend.	£42,683	£969,744	£1,012,427	average cost 2009/10	£14,747.56
	2009-10 clients	19	63	82	difference	-£141.07
	2009-10 expend.	£173,872	£1,035,428	£1,209,300	percentage change	-0.95%
LD Home Care	2008-09 clients	2	2	4	average cost 2008/09	£37,540.00
	2008-09 expend.	£10,068	£140,092	£150,160	average cost 2009/10	£32,583.00
	2009-10 clients	9	2	7	difference	-£4,957.00
	2009-10 expend.	£115,627	£162,671	£228,081	percentage change	-13.20%
LD Nursing Home	2008-09 clients	4	6	10	average cost 2008/09	£116,478.90
	2008-09 expend.	£375,835	£788,954	£1,164,789	average cost 2009/10	£115,875.80

	2009-10 clients	4	6	10	difference	-£603.10
	2009-10 expend.	£350,653	£808,104	£1,158,758	percentage change	-0.52%
LD Residential Care	2008-09 clients	42	114	156	average cost 2008/09	£55,751.26
	2008-09 expend.	£2,146,970	£6,550,227	£8,697,197	average cost 2009/10	£61,468.84
	2009-10 clients	42	114	153	difference	£5,717.58
	2009-10 expend.	£2,636,008	£7,058,164	£9,404,733	percentage change	10.26%
LD Residential respite	2008-09 clients	1	2	3	average cost 2008/09	£22,438.67
	2008-09 expend.	£966	£66,351	£67,316	average cost 2009/10	£18,865.70
	2009-10 clients	8	2	10	difference	-£3,572.97
	2009-10 expend.	£120,399	£68,258	£188,657	percentage change	-15.92%
Learning Disability Supported Housing	2008-09 clients	6	11	17	average cost 2008/09	£18,058.18
	2008-09 expend.	£14,118	£292,871	£306,989	average cost 2009/10	£38,667.13
	2009-10 clients	5	11	16	difference	£20,608.95
	2009-10 expend.	£293,013	£325,661	£618,674	percentage change	114.13%
Mental Health Supported Housing	2008-09 clients	2	8	10	average cost 2008/09	£15,052.20

	2008-09 expend. 2009-10 clients 2009-10 expend.	£32,081	£118,441	£150,522	average cost 2009/10	£15,152.21
		6	8	14	difference	£100.01
		£63,422	£148,709	£212,131	percentage change	0.66%
MH Day Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	5	6	11	average cost 2008/09	£3,825.73
		£18,341	£23,742	£42,083	average cost 2009/10	£2,492.56
		3	6	9	difference	<b>-£1,333.17</b>
		£3,174	£19,259	£22,433	percentage change	-34.85%
MH Home Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	1	1	2	average cost 2008/09	£7,124.50
		£1,010	£13,239	£14,249	average cost 2009/10	£2,294.00
			1	1	difference	<b>-£4,830.50</b>
			£2,294	£2,294	percentage change	-67.80%
MH Nursing Home	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	1	9	10	average cost 2008/09	£36,931.60
		£17,964	£351,352	£369,316	average cost 2009/10	£33,719.18
			2	9	difference	<b>-£3,212.42</b>
		£54,853	£375,191	£370,911	percentage change	-8.70%



MH Residential Care	2008-09 clients	45	101	146	average cost 2008/09	£32,290.14
	2008-09 expend.	£1,138,079	£3,576,283	£4,714,361	average cost 2009/10	£33,070.42
	2009-10 clients	65	101	166	difference	£780.27
	2009-10 expend.	£1,790,187	£3,699,502	£5,489,689	percentage change	2.42%
OP Day Care	2008-09 clients	25	52	77	average cost 2008/09	£3,334.79
	2008-09 expend.	£51,845	£204,933	£256,779	average cost 2009/10	£3,167.26
	2009-10 clients	21	52	73	difference	<b>-£167.53</b>
	2009-10 expend.	£22,907	£208,303	£231,210	percentage change	-5.02%
OP Home Care	2008-09 clients	4	4	8	average cost 2008/09	£8,684.50
	2008-09 expend.	£8,178	£61,298	£69,476	average cost 2009/10	£3,404.00
	2009-10 clients	10	4	5	difference	<b>-£5,280.50</b>
	2009-10 expend.	£28,435	£31,897	£17,020	percentage change	-60.80%
OP Nursing Home	2008-09 clients	26	39	65	average cost 2008/09	£21,779.23
	2008-09 expend.	£424,604	£991,046	£1,415,650	average cost 2009/10	£19,422.35
	2009-10 clients	44	39	83	difference	<b>-£2,356.88</b>

	2009-10 expend.	£604,482	£1,007,572	£1,612,055	percentage change	-10.82%	
OP Nursing respite	2008-09 clients	3		3	average cost 2008/09	£1,069.33	
	2008-09 expend.	£3,208		£3,208	average cost 2009/10	£2,905.67	
	2009-10 clients		6	6	difference	£1,836.33	
	2009-10 expend.		£17,434	£17,434	percentage change	171.73%	
OP Residential Care	2008-09 clients	128	146	274	average cost 2008/09	£17,520.09	
	2008-09 expend.	£1,734,402	£3,066,103	£4,800,505	average cost 2009/10	£19,462.25	
	2009-10 clients		94	146	240	difference	£1,942.15
	2009-10 expend.		£1,446,045	£3,224,894	£4,670,939	percentage change	11.09%
OP Residential respite	2008-09 clients	18	1	19	average cost 2008/09	£1,436.68	
	2008-09 expend.	£26,303	£994	£27,297	average cost 2009/10	£2,391.88	
	2009-10 clients		33	1	34	difference	£955.20
	2009-10 expend.		£53,801	£27,523	£81,324	percentage change	66.49%
Other professional support	2008-09 clients	1	3	4	average cost 2008/09	£2,426.75	
	2008-09 expend.	£33	£9,674	£9,707	average cost 2009/10	£2,411.40	

	2009-10 clients 2009-10 expend.	3 £2,340	3 £10,067	5 £12,057	difference percentage change	<b>-£15.35</b> -0.63%
PD Day Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	3 £8,730 5 £6,987	13 £75,060 13 £72,937	16 £83,790 18 £79,924	average cost 2008/09 average cost 2009/10 difference percentage change	£5,236.88 £4,440.22 <b>-£796.65</b> -15.21%
PD Home Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	1 £610 7 £61,177	2 £82,578 2 £84,230	3 £83,188 4 £87,401	average cost 2008/09 average unit cost 2009/10 difference percentage change	£27,729.33 £21,850.25 <b>-£5,879.08</b> -21.20%
PD Nursing Home	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	3 £66,304 4 £72,296	14 £440,575 14 £492,100	17 £506,878 18 £564,396	average cost 2008/09 average cost 2009/10 difference percentage change	£29,816.35 £31,355.33 £1,538.98 5.16%
PD Nursing respite	2008-09 clients	2	1	3	average cost 2008/09	£6,712.00

	2008-09 expend. 2009-10 clients 2009-10 expend.	£1,543	£18,593	£20,136	average cost 2009/10	£5,936.67	
			2	1	3	difference percentage change	-£775.33 -11.55%
		£9,089	£8,721	£17,810			
PD Residential Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	6	13	19	average cost 2008/09 average cost 2009/10	£32,622.05 £36,285.59	
		£176,265	£443,554	£619,819			
			4	13	17	difference percentage change	£3,663.54 11.23%
		£168,574	£448,281	£616,855			
PD Residential respite	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	11	7	18	average cost 2008/09 average cost 2009/10	£1,797.50 £2,526.17	
		£15,868	£16,487	£32,355			
			5	7	12	difference percentage change	£728.67 40.54%
		£11,223	£19,090	£30,314			
Sensory impairment service	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.						
			1	1			
		£13,729		£13,729			

Substance Misuse Day Care	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	10 £32,737 7 £11,876	3 £3,041 3 £2,184	13 £35,778 10 £14,060	average cost 2008/09 average cost 2009/10 difference percentage change	£2,752.15 £1,406.00 -£1,346.15 -48.91%
Substance Misuse Residential	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	4 £11,843 13 £130,023	1 £14,988 1 £9,132	5 £26,831 14 £139,155	average cost 2008/09 average cost 2009/10 difference percentage change	£5,366.20 £9,939.64 £4,573.44 85.23%
Substance Misuse Respite	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	62 £203,423 15 £104,516	3 £23,380 3 £42,847	65 £226,803 18 £147,363	average cost 2008/09 average cost 2009/10 difference percentage change	£3,489.28 £8,186.83 £4,697.56 134.63%
Support Worker	2008-09 clients 2008-09 expend. 2009-10 clients	3 £17,236 2	5 £52,524 5	8 £69,760 7	average cost 2008/09 average cost 2009/10 difference	£8,720.00 £11,290.43 £2,570.43

	2009-10 expend.	£16,129	£62,904	£79,033	percentage change	29.48%
Supported housing	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	1  £3,746		1  £3,746		
Supported Housing step down	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.		3  £17,850	3  £17,850		
Training College	2008-09 clients 2008-09 expend. 2009-10 clients 2009-10 expend.	3  £75,389	4  £397,946	7  £473,335	average cost 2008/09 average cost 2009/10	£67,619.29 £50,782.30
		6  £171,763	4  £336,060	10  £507,823	difference percentage change	<b>-£16,836.99</b> -24.90%
<b>Total 2008-09 clients</b>		<b>435</b>	<b>639</b>	<b>1,074</b>		
<b>Total 2008-09 expend.</b>		<b>£6,685,777</b>	<b>£18,895,743</b>	<b>£25,581,520</b>		

<b>Total 2009-10 clients</b>	<b>457</b>	<b>639</b>	<b>1,069</b>
<b>Total 2009-10 expend.</b>	<b>£8,623,214</b>	<b>£19,861,833</b>	<b>£27,949,101</b>

Difference in the number of spot contracts -5

Difference in the value of sport contracts £2,367,581

### Appendix C – SUMMARY BY SERVICE USER GROUP

	2008/09 number of clients	2008/09 total cost	2008/09 average cost of care package	2009/10 number of clients	2009/10 total cost	2009/10 average cost of care package	difference in average cost of care package	percentage change
Learning Disabilities Services	258	£11,398,878	£44,182	278	£12,808,203	£46,073	£1,891	4.28%
Mental Health Services	179	£5,290,531	£29,556	201	£6,097,458	£30,336	£780	2.64%
Older People's Services	446	£6,572,915	£14,737	441	£6,629,982	£15,034	£296	2.01%
Physical Disabilities Services	76	£1,346,166	£17,713	72	£1,396,700	£19,399	£1,686	9.52%
Substance Misuse Services	83	£289,412	£3,487	42	£300,578	£7,157	£3,670	105.24%
Training College (18-64)	7	£473,335	£67,619	10	£507,823	£50,782	-£16,837	-24.90%
Other / Miscellaneous	25	£210,283	£8,411	25	£208,357	£8,334	-£77	-0.92%
<b>TOTAL</b>	<b>1074</b>	<b>£25,581,520</b>	<b>£23,819</b>	<b>1069</b>	<b>£27,949,101</b>	<b>£26,145</b>	<b>£2,326</b>	<b>9.77%</b>





Agenda item:

**[No.]****Procurement Committee****on 22nd July 2010**

Report Title. <b>Supporting People (SP) Contract Extension &amp; Variation – Key Support</b>	
Report of: <b>Mun Thong Phung, Director of Adults, Culture &amp; Community Services</b>	
Signed:	
Contact Officer : <b>Nick Crago, Acting Head of Service, Adults, Culture &amp; Community Services. Tel: 020 8489 3302 Email: <a href="mailto:nick.crago@haringey.gov.uk">nick.crago@haringey.gov.uk</a></b>	
Wards(s) affected: <b>All</b>	Report for: <b>Key Decision</b>
<b>1. Purpose of the report</b> 1.1 Member's authorisation is sought to agree a two year extension and variation for the above contract as allowed under CSO 13.02 in accordance with the recommendations set out in paragraphs 4 of this report.	
<b>2. Introduction by Cabinet Member</b> 2.1 The floating support service provided by Key Support has proved successful since it's inception in meeting the needs of vulnerable single people in the Borough. The contract negotiations to permit this service to continue will realise better value for money, with better outcomes.	

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

3.1 Council Plan Priorities

- . Encouraging lifetime well being at home, work, play and learning
- . Promoting independent living while supporting adults and children in need
- . Delivering excellent customer focused cost effective services

The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the programme these have been categorised into several categories, which include Older People, Single Homeless, Homeless Families, People with Mental Health Problems, People with Learning Difficulties, People with Physical Disabilities, Young People at Risk, Young People Leaving Care, Teenage Parents, Women at risk of Domestic Violence and others

The Supporting People strategy (2005-10) co-ordinates and compliments the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all ( Safer Communities Plan)
- Housing and Homelessness Strategies

The links with these strategies are encompassed into sector reviews and consultation with Corporate Strategic Partners in Commissioning Services, Community Safety and Housing as well as Statutory Partners in the PCT and London Probation. Senior Officers from representative departments continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of this programme.

The Supporting People team are located within the Adults, Culture and Communities Directorate and work closely with Commissioning Managers in Adult Services. A consistent approach is being taken with re-tendering and re-negotiating contracts, which include the development of Framework Agreements.

3.2 Creating a Better Haringey: cleaner, greener and safer

All re-tendering and re-commissioning of contracts include an explicit requirement for compliance, by Support Providers to Sustainable Procurement.

3.3 Promoting independent living while supporting adults (and children) when needed.

The Supporting People programme exists for vulnerable adults and, its very ethos is to promote independent living to some of the most vulnerable, insecure and socially excluded individuals, or groups, in the Borough.

3.4 Delivering excellent, customer focused, cost effective services.

The Supporting People programme has well established recognised, models of governance and monitoring for all services for which they are responsible. These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework (QAF). These are monitored against the Support Provider, for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.

**4. Recommendation**

- 4.1 In accordance with CSO13.02 members are asked to agree:
- (i) a variation to allow for a reduction in the annual contract price from £1.4m to £950K with effect from 1 August 2010
  - (ii) to extend the contract term so that it expires 2 years after 1 August 2010
- 4.2 The cost of the contract will be met from the Supporting People Programme Grant

**5 Reasons for Recommendation(s)**

- 5.1 The current contract with One Support, commenced in April 2004 following a tender process. The current contract expiry date is no later than April 2011, with no further provision for extension.
- 5.2 Given the advent of Personalisation, and the requirement for various flexible models of commissioning as well as, known budget pressures Service was obliged to ensure that floating support provision was fit for future purpose both in terms of service quality and value for money. To this end service undertook market research which showed that similar surrounding boroughs also engaged One Support for this service provision. ..
- 5.3 By negotiation, the annual contract value has been reduced by £450,000. It is therefore, in the Councils best interest to extend the contract rather than seek a re-tendering exercise, which is unlikely to return the level of savings identified.
- 5.4 This is a significant saving that will be realised without detriment to the quality of the service or the numbers of vulnerable people that will be supported.
- 5.5 With greater numbers of people being supported for shorter period of time – single interventions – the provider will demonstrate significant improvements in quality of service and ‘throughputs’. This will provide better value for money on the contract.
- 5.6 The contract will be performed with recognition of LAA targets. Quarterly PI workbooks and annual monitoring review meetings will continue throughout the life of the contract.

**6. Other options considered**

- 6.1 The only other option would be re-tendering of the Contract. The risk being that efficiency savings of the magnitude attained by negotiation would not have been achieved by re-tendering. Moreover, market research has identified One Support as the main service provider of this provision.
- 6.2 Moreover, another risk of tender could be that transitional arrangements required with the advent of Personalisation would not have been so smoothly carried out given that several major changes would have occurred in a short space of time disrupting or causing anxiety to already vulnerable service users.
- 6.3 Working alongside the existing Provider will allow better transitional arrangements to be effected towards Personalisation and Framework Agreements.

**7. Summary**

- 7.1 Key Support is a generic floating support service that has been funded by Supporting People since 2004. Presently managed by One Support (part of the One Housing Group), the service exists to support single people who find themselves as non-priority homeless, but often have other diagnosis, such as substance misuse, offending, or mental health.
- 7.2 The contract value is presently £1.4m per year, with a capacity of around 400 people. Key Support are suggesting that they have supported around 900 people in the last financial year, across all ethnic client groups.
- 7.3 Current provision**
- 7.3.1 Key Support have established themselves in Haringey as the provider for this client group in Haringey. Stakeholders include Housing (Apex House), DAAT, London Probation, Homes for Haringey. They run a weekly drop in centre at Apex House.
- 7.4 Market Research**
- 7.4.1 A number of local authorities were contacted, or searched online, in order to ascertain whether any of them have services similar to Key Support. Interestingly, there are similar services, also run by One Support in other Boroughs, but not as large as the Haringey service.
- 7.4.2 One North London Borough service is smaller in contract price and capacity, it is, pro rata, a similar contract value.
- 7.5 Proposed changes**
- 7.5.1 The Transforming Social Care Agenda and the impending re-tendering of Supporting People Contracts for Single Homeless and Young People will have a

significant impact on the way that floating support services are managed, contracted and delivered over the next two years.

7.5.2 It is probable that Haringey Council will be commissioning many more Framework Agreements which will be more flexible and responsive to the market and service users.

7.5.3 By negotiating contract terms with the existing Provider, there will be an obligation upon them to transition the service towards greater independence and choice and at saving over the present Contract price. This will provide the Council with:

- better value for money
- better outcomes for service users
- a model specification for the future market
- sufficient time to plan and procure the best Framework Agreement

#### 7.6 **Agreement**

7.6.1 A revised proposal was received on 13 May 2010, which offers a reduction in the Contract Value from £1.4 million to **£964,888** (which has subsequently been reduced further to **£950,000**).

7.6.2 To meet the reduction, the proposal references fewer staff, which includes one Team Manager post and a reduced capacity in contracted clients at any one time, down from 459 to 378.

7.6.3 In practice, due to the nature of the service changing, with more short term interventions, higher numbers will be supported in a calendar year. The proposal asserts that will be around 850 clients. That remains a similar number to those supported in the last 12 months, where longer instances of support were delivered.

### **8 Chief Financial Officer Comments**

8.1 This report requests agreement to extend the Key Support contract until 31<sup>st</sup> July 2012.

8.2 The Supporting People Programme Grant is currently £18.6m. However, on announcement of the Comprehensive Spending Review later this year it is anticipated that this funding allocation will reduce by up to 20% over 2 years, an estimated reduction of £3.7m. The Supporting People Team are currently renegotiating and re-tendering the majority of contracts in order to secure value for money throughout the service.

8.3 This contract has been renegotiated from an annual value of £1.4m to £950k. The number of service users supported will remain the same. Therefore, the re-negotiated price shows better value for money through efficiencies.

8.4 The contract provides a preventative rather than statutory service. However, it is possible that without this support the service users could become homeless and require other support from the Council or possible drug/alcohol rehabilitation which is provided by Health. Funding should be sought from NHS Haringey to contribute to this service as an alternative to costly rehabilitation.

8.5 It is unlikely that this contract will be affected by the introduction of Personal Budgets through the Transformation Agenda as service recipients fall below Haringey's FACS criteria thresholds.

## **9 Head of Legal Services Comments**

9.1 This report is recommending that Members approve variations of the Key Support contract to extend the contract and to reduce the annual contract price.

9.2 The variations are sought under Contract Standing Order (CSO) 13.02. This allows Members to authorise any variation to a contract other than variations which a Director may authorise under CSO 13.01 provided this would be consistent with the Public Contract Regulations 2006 (PCR 2006) and the Council's Financial Regulations.

9.3 Under CSO 4.03, Members must approve contract extensions valued over £150,000. As the proposed extension is for two years and the contract value for each year is £950,000, the Director therefore may not authorise this extension. However, Members have power to approve it under CSO 13.02.

9.4 The Key Support contract is a Part B or residual contract under the PCR 2006. As such it is not subject to the full EU procurement regime and in particular is not subject to the rules of that regime relating to tendering or extending contracts.

9.5 In the circumstances, the Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in paragraph 4 of this report.

## **10 Head of Procurement Comments**

10.1 The recommendation is in line with the procurement code of Practise.

10.2 The cost of the service has been negotiated to give a saving to the council and is in line with comparable services in the market.

10.3 Contract monitoring is in place to ensure that the savings achieved do not have a negative impact on service delivery.

## **11 Equalities & Community Cohesion Comments**

- 11.1 Current and future contracts require providers to comply with all relevant legislation.
- 11.2 The organisation outlined in this report, provides a valuable service to all ethnic groups and vulnerable people in Haringey Borough and comply with all current legislation and Haringey Equalities Policy.

## **12 Consultation**

- 12.1 Consultation 1:  
At a meeting on 4 March 2010, it was established that the proposal being made did not go far enough in its initiative and expectations of higher numbers of people being supported. There was an efficiency saving offered of £250,000, but with the service not changing significantly, this would still not give the best value for money.
- 12.2 Consultation 2:  
At a meeting on 26 April 2010, Key Support were advised that a greater efficiency would be required, than that already offered.  
In discussion it was suggested where areas of the original proposal would be accepted in a re-modelled service.  
Key Support offered to revise the proposal, taking legal advice and to take the proposal back to a Board Meeting on 12 May 2010.

## **13 Service Financial Comments**

- 13.1 The report proposes to reduce the contract value for Key Support from £1.4m to £950k while supporting a comparable number of clients. This will be achieved through a reduction in the number of staff and the redesign of the service to allow an increased number of short term interventions with clients. The cost of the revised contract can be contained within the resources available to the service and the contract provides for improved value for money.
- 13.2 It is noted that there is an expectation that SP funding will reduce over time and the SP team will need to continue to review and reduce the value of the contracts to stay within the overall allocation available to the Supported People programme.

### **Efficiencies**

The revised contract achieves £450,000 efficiencies on the Contract value in 2010/11, without a reduction in capacity to support a comparable number of

clients.	
<b>14</b>	<b>Use of appendices /Tables and photographs</b>
14.1	Not Applicable
<b>15</b>	<b>Local Government (Access to Information) Act 1985</b>
	N/A.





Agenda item:

**[No.]****Procurement Committee****on 22<sup>nd</sup> July 2010**

Report Title. **Waiver and Award of Supporting People Contract – Home Improvement Agency**

Report of: **Mun Thong Phung, Director of Adult, Culture & Community Services**

Signed:

Contact Officer: **Nick Crago**  
**Acting Head of Service**  
**Adults, Culture & Community Services**  
**Tel: 020 8489 3302**  
**Email: [nick.crago@haringey.gov.uk](mailto:nick.crago@haringey.gov.uk)**

Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report:**

- 1.1 Members agreement is sought for the Waiver and Award of the Home Improvement Agency contract in line with the CSO 6.05 on the basis of the ground in CSO 7.03(d) and CSO 11.03 as set out in this report.

**2. Introduction by Cabinet Member**

- 2.1 The Home Improvement Agency (HIA) is an excellent and unique service that provides housing with support, practical and flexible help to Older Persons in their own home and contributes to community safety. The service continues to deliver at a consistently high standard and represents very good Value for Money.

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

**3.1 Council Plan Priorities**

- . Encouraging lifetime well being at home, work, play and learning
- . Promoting independent living while supporting adults and children in need
- . Delivering excellent customer focused cost effective services

3.1.1 The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the programme these have been categorised into several categories, which include Older People, Single Homeless, Homeless Families, People with Mental Health Problems, People with Learning Difficulties, People with Physical Disabilities, Young People at Risk, Young People Leaving Care, Teenage Parents, Women at risk of Domestic Violence and others

3.1.2 The Supporting People strategy (2005-10) co-ordinates and compliments the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all ( Safer Communities Plan)
- Housing and Homelessness Strategies

3.1.3 The links with these strategies are encompassed into sector reviews and consultation with Corporate Strategic Partners in Commissioning Services, Community Safety and Housing as well as Statutory Partners in the PCT and London Probation. Senior Officers from representative departments continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of this programme.

3.1.4 The Supporting People team are located within the Adults, Culture and Communities Directorate and work closely with Commissioning Managers in Adult Services. A consistent approach is being taken with re-tendering and re-negotiating contracts, which include the development of Framework Agreements.

**3.2 Creating a Better Haringey: cleaner, greener and safer**

All re-tendering and re-commissioning of contracts include within the process an explicit requirement for compliance, by Support Providers to Sustainable Procurement.

**3.3 Promoting independent living while supporting adults (and children) when needed.**

The Supporting People programme exists for vulnerable adults and, its very ethos is to promote independent living to some of the most vulnerable, insecure and

socially excluded individuals, or groups, in the Borough.

**3.4 Delivering excellent, customer focused, cost effective services.**

The Supporting People programme has well established recognised, models of governance and monitoring for all services for which they are responsible. These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework (QAF). These are monitored against the successful Support Provider, for each of their respective services, for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.

**4. Recommendation**

4.1 To seek approval of Members to waive the Council's requirement for tendering Contracts under CSO 6.05 on the basis of the ground in CSO 7.3 (a) and (d) that HIA is the only accredited provider in borough and it is therefore, not in the Council's overall interest to undertake a costly tendering exercise.

4.2 To seek approval of Members to Award a new contract to Metropolitan Housing Trust (MHT) for two years from 1 August 2010 to 31 July 2012 as required by CSO 11.03.

4.3 The total value of the contract will be £265,890 over two years (£132, 945 per annum.)

**5. Reasons for Recommendation(s)**

5.1 The Haringey Care and Repair Scheme was established in partnership with Metropolitan Housing Trust (MHT) in 1991. The aim of the service is to provide advice and technical service to clients requiring repairs, improvements and adaptation to their homes. The service is targeted at elderly and disabled home owners and private tenants in Haringey.

5.2 The existing Provider brings match funding to the service. The HIA receives funding totalling £287,195.65 of which £132,000 is through Supporting People programme grant.

5.3 To be able to provide an HIA service the agency has to be accredited on a geographical basis to Foundations (the National trade organisation for HIA's). Foundations have confirmed that MHT is the only accredited organisation for Haringey. The HIA provides a high quality and effective service, having been assessed at level B of the Quality Assessment Framework (QAF) and receiving commendations from all of its stakeholders. The main areas of activity are delivered in the following way:

- Technical help, through assistance to carry out repairs, improvements and adaptations in resident's homes

- Energy efficiency and affordable warmth
- Handypersons scheme
- Hospital discharge/ accident prevention
- Home security projects/Care and Repair and Anti-burglary project
- Care and Repair in the garden
- Financial matters/advice and advocacy on home improvement/adaptation.

- 5.4 HIA actively targets Black Minority Ethnic (BME) groups in enabling provision of services. The service has achieved a high success rate (63.56%) in helping BME) owner occupiers in carrying out building works.
- 5.5 The HIA also host regular advisory committee meetings to oversee the operation of the service members of the committee include Age Concern, Metropolitan Police Residents, Age Concern, and they also work closely with the Good Neighbourhood Scheme as well as the Supporting People Programme.
- 5.6 In the financial year 2008/09 the HIA visited 4,288 households and dealt with 6,503 enquiries. In the financial year 2009/10 the HIA visited 4,285 households in their home at least once and dealt with over 6,586 enquiries.
- 5.7 It will be seen that there is a consistent level of service delivery with no increase in Supporting People funding over the last two years. The service can be maintained due to the match funding that is brought to the service by the Provider.
- 5.8 During the financial year 2009/10 the HIA visited 134 new building clients, 201 anti burglary cases, 120 gardening clients, 315 burglary hotspots and 64 persons discharged from hospital of which 33 received a free emergency shopping service.
- 5.9 There is no anticipated efficiency saving in this contract, however at an annual contract value of £132,000 the service provides extremely high value for money and has attracted additional funding directly from the CLG (£50,000 in 2009/10 and £70,000 in 2010/11).
- 5.10 With a re-negotiated contract this reliable and effective service will be maintained and potentially, enhanced, if further Central Government grants are made available for specific projects, which will continue to benefit the residents of Haringey.

**6. Other options considered**

- 6.1 The option to carry out a tendering process was considered, however there are a number of restrictions which would prohibit this option such as being accredited to the Foundation (the Skills Body which accredited Home Improvement Agencies) MHT are the only accredited organisation for the LB Haringey as the accreditation process is based on a geographical basis. The timescales for any other organisation to become accredited would not allow them to take part in any tendering process that Supporting People are currently working to.

**7. Summary**

- 7.1 The uniqueness of the HIA is that they are organisations that operate on a geographical basis, specific to a Borough or Local Authority establishing professional relationships with a number of voluntary and statutory agencies in the respective Boroughs. This has been no exception in Haringey, where in addition to the monitoring requirements of the Council through the SP Programme, additional quality and validation checks are administered by Foundations (the National Trade Organisation) to which the HIA is registered.
- 7.2 Contract monitoring of the service in order to meet compliance includes the completion of quarterly PI workbooks, Value for Money (VFM) assessments and Service Reviews (annually). In addition spot checks are carried out where the quality standards of the service are reviewed against a national framework (QAF). These are monitored against the successful Support Provider, for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.

**8. Chief Financial Officer Comments**

- 8.1 This report requests that a contract be awarded to for a period of 2 years at a cost of £132k per annum.
- 8.2 The Supporting People Programme Grant is currently £18.6m. However, on announcement of the Comprehensive Spending Review later this year it is anticipated that this funding allocation will reduce by up to 20% over 2 years, an estimated reduction of £3.7m. The Supporting People Team are currently renegotiating and re-tendering the majority of contracts in order to secure value for money throughout the service.
- 8.3 This contract has not been renegotiated and is deemed to provide value for money. The HIA deals with circa 6500 enquires and 4000 visits per annum.
- 8.4 The HIA have managed to source additional funding for specific projects from the CLG. Without a contract with Supporting People this funding allocation would not be secured.
- 8.5 The contract in the main provides a preventative rather than statutory service, but does administer the Disabled Facilities Grant which in itself is a statutory requirement. It is possible that without this service living conditions for vulnerable people could become such that they fall or become ill and require longer term expensive care from the Adults commissioning budgets.
- 8.6 It is unlikely that this contract will be affected by the introduction of Personal Budgets through the Transformation Agenda as service recipients fall below Haringey's FACS criteria thresholds.

**9. Head of Legal Services Comments**

- 9.1 Adults, Culture and Community Services Directorate (ACCS) requests a waiver of tendering requirements in respect of the Home Improvement Agency Contract.
- 9.2 The services are not priority activity services under the Public Contracts Regulations 2006 so there is no requirement to follow a European tendering exercise.
- 9.3 Because of the value of the contract, the waiver must be approved by the Procurement Committee in accordance with CSO 7.02 (a).
- 9.4 The waiver is requested on the grounds that it is in the Council's overall interest in accordance with CSO 7.03 (d).
- 9.5 Should the Procurement Committee see fit to approve the waiver, ACCS requests an award of contract in accordance with CSO 11.03.
- 9.6 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

**10. Head of Procurement Comments**

- 10.1 The recommendation is in line with the rules of the Council's Contract Standing Orders.
- 10.2 This is a Part B service of the EU directives and thus exempt of the EU tendering rules. The service is providing vfm and attracting additional funding directly from CLG.
- 10.3. Contract monitoring is carried out to ensure Performance Outcomes linked to the LAA are on target

**11. Equalities & Community Cohesion Comments**

- 11.1 Throughout the tender process equalities were taken into consideration.
- 11.2 An equalities impact assessment was conducted through the evaluation of workforce development, capacity, collaborative working and service users.
- 11.3 All contracts require that providers to comply with all relevant legislation.
- 11.4 The HIA actively targets Black Minority Ethnic (BME) groups in enabling provision of services. The service has achieved a high success rate (63.56%) in helping BME owner occupiers in carrying out building works.

**12. Consultation**

12.1 Consultation continues through the Advisory Panel which meets bi-annually.

**13. Service Financial Comments**

13.1 The contract value remains at £132k and this can be contained within the SP Programme budget allocation for this scheme. Although there is no reduction in the allocated funds, the provider has accessed additional external funding and in overall terms offers Haringey residents an improved level of service. The numbers of clients being supported has remained constant despite the level of funding remaining static over 3 years.

13.2 It is noted that there is an expectation that SP funding will reduce over time and the SP team will need to continue to review and reduce the value of the contracts to stay within the overall allocation available to the Supported People programme

**Efficiencies**

There are no efficiency savings in relation to the funding being awarded by SP for this contract, however, the organisation has accessed additional external funding for Haringey clients and therefore an improved level of service is being offered.

**14. Use of appendices /Tables and photographs**

14.1 Not Applicable

**15. Local Government (Access to Information) Act 1985**

N/A.

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Agenda item:

**[No.]****Cabinet Procurement Committee****On 22 July 2010**

Report Title: Haringey Council's adoption of the CompeteFor portal	
Report of: Julie Parker, Director of Corporate Resources	
Signed :	
Contact Officer : Paul Carlisle Telephone: 020 8489 2140	
Wards(s) affected: <b>All</b>	Report for: <b>Key Decision</b>
<p><b>1. Purpose of the report</b></p> <p>1.1. This report seeks approval for all future non-construction procurement opportunities are advertised through CompeteFor, and shortlisted through the portal where relevant.</p>	
<p><b>2. Introduction by Cabinet Member</b></p> <p>2.1. I support the recommendation in the report.</p>	
<p><b>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>3.1. The use of CompeteFor will assist the Council in achieving objectives outlined in the Procurement Strategy, in particular:  - <i>Value for Money</i>, as it allows a more efficient use of Council resources and greatly facilitates the use of competition in obtaining services</p>	

- Sustainability*, as it makes the pre-qualification stage of the procurement process, paperless
- Providing excellent services*, as it ensures that a wide range of potential suppliers are invited to participate
- Transparency*, as all contracts will be advertised consistently through the portal and provides useful management information.
- Supporting the local economy*, as it further opens up the supply chain to small and medium sized enterprises who perhaps would have struggled to access relevant opportunities, and will allow the Council to oblige its contractors to advertise a percentage of sub-contracting opportunities through the portal and to trace the number of small and medium-sized enterprises that win contracts in this way.

#### **4. Recommendations**

- 4.1. It is recommended that a policy be implemented whereby the CompeteFor portal would be used to advertise the following types of opportunity: open tender procedure, restricted tender procedure, requests for quotations. In addition it would be used to shortlist bidders when using a restricted procedure and an open non-OJEU procedure.

#### **5. Reason for recommendation(s)**

- 5.1. This policy would maintain Haringey Council at the forefront of procurement best practice in terms of making contracts available to local and small companies. The Council is committed to implementing the recommendations of the HM Treasury report "Accelerating the SME economic engine- through transparent, simple and strategic procurement". CompeteFor will allow the Council to put into practice almost all of these recommendations, and in particular that:

- "Contract opportunities above £20,000 across the public sector should be advertised electronically...through a single, free, easy to search online portal"
- "no paper-only tenders after 2010" and "all tenders to be electronic after 2012"
- "government should expect and enable prime contractors to make their sub-contracting opportunities accessible through the single, online portal".

- 5.2. The adoption of CompeteFor will greatly reduce the administrative burden that procurement processes currently place on Council officers. A paper-based pre-qualification questionnaire must be scored manually, and the supporting documents must be evaluated for every company that expresses an interest.

The new CompeteFor process means that the scoring is carried out electronically by the portal. The results are available to officers immediately after the closing date and time. Furthermore only the supporting documents of those suppliers that are successfully shortlisted need to be evaluated.

Below is a list of the opportunities that have been placed on CompeteFor showing the number of supporting documents that officers would have had to evaluate under the paper-based system, along with the number, in parenthesis() that were actually evaluated:

- Mobile enforcement vehicles- 13 (4)
- Cleaning services in Haringey Heartlands School- 75 (19)
- Passenger transport- 37 (31)
- Short courses and IT training- 81 (20)
- Learning and development in adult social care- 70 (20)
- Fraud management system- 22 (5)
- Executive coaching- 82 (40)
- Webcasting- 12 (4)

Therefore the total number of evaluations for these six procurement exercises was reduced from 392 to 143. The estimated cost to the Council in terms of staff resources to carry out a financial evaluation of 392 bids is £8000, meaning that a non-cashable saving of £5000 has been made by this pilot. Further efficiencies have been made by a reduction in the number of health and safety polices, equalities polices, etc, having to be evaluated by Council officers.

- 5.3 During the pilot cashable savings were achieved with bids coming below budget for certain projects.. Current market conditions during the economic recession will have contributed to much lower prices than expected being obtained, and CompeteFor was an effective enabling tool to optimise value for the Council. As CompeteFor supports officers' use of competition in obtaining Council goods and services, this could be reproduced across all departments and projects.
- 5.4 The use of CompeteFor will give Corporate Procurement a new insight into cross-Council procurement. Reports will be provided on a regular basis containing valuable information that will increase CPU's ability to monitor procurement and make strategic decisions based on the data. It will also increase transparency and assist the ability to undertake audits.

## **6. Other options considered**

- 6.1 To continue with the present manual process- however this would not allow procurement best practice and HM Treasury recommendations to be implemented.
- 6.2 To purchase a commercially available shortlisting tool- however CompeteFor has a number of advantages over this option:

- It is free of charge until September 2012. After this date an annual fee of £4000 will be levied for unlimited access, far less than both the cashable and non-cashable savings that the portal will allow the Council to achieve.
- There is a buyer engagement team, who will work with officers to implement the system across the Council. This service is provided by the London Development Authority at no cost to the Council until September 2010; however this is sufficient time for the Council to benefit from this funding.
- There is also a supplier engagement team, who will work with the Council's current suppliers to ensure that they are able to make full use of the system. This team will also support local SMEs to register on the system and become fit to supply. Again this is provided at no cost to the Council until September 2010, which is sufficient time for the Council to benefit. After this date the role will be carried out by business support organisations that already receive funding from the Council and the European Regional Development Fund.
- Small companies are often asked to register on a different portal for every organisation that they wish to do business with; however CompeteFor would negate this problem as it is a national portal used by a growing number of both public and private sector organisations.
- CompeteFor has the ability to send out alerts to Haringey-based companies when contract opportunities are published.

## **7. Summary**

- 7.1. Haringey Council should use the CompeteFor portal for the majority of its procurements, as it will assist small, local companies in accessing contracting opportunities, and will simplify the procurement process for Council officers.

## **8. Chief Financial Officer Comments**

- 8.1. The Chief Financial Officer notes that both the use of the portal and the services provided by the buyer and supplier engagement teams are free of charge to the Council at least until the 2012.
- 8.2. The use of the portal to date has also shown that it can help deliver real efficiency savings from reduced officer time spent on evaluations and also in driving down provider charges.
- 8.3. The recommended policy will need to be reviewed should the LDA review the conditions attached to using the portal in the future.

## **9. Head of Legal Services Comments**

- 9.1. The use of CompeteFor would comply with the Council's Contract Standing Orders.
- 9.2. Contracts with a value above the EU threshold (currently £156,442 for contracts

for supplies and services) would also need to be advertised in the Official Journal of the European Union.

9.3. This is a key decision and the Directorate has confirmed that it has been included in the Council's Forward Plan.

9.4. Subject to 9.2 above the Head of Legal Services sees no legal reasons preventing Members from approving the recommendation in paragraph 4 of the report.

### **10. Head of Procurement Comments**

10.1. Trials undertaken by Haringey of this Olympics procurement portal have been successful. A number of potential issues were identified and formally notified to the software development team and all fixes have been implemented to Haringey's satisfaction.

10.2. Haringey and the London Development Agency have worked closely on the CompeteFor trials and we are very confident of the product and the efficiencies it delivers.

10.3. The intention of the policy contained in this report to Members, is for all procurement opportunities to be advertised consistently and transparently through a single on-line portal. Suppliers will be made aware of this new policy and how to access the information.

10.4. Adoption of CompeteFor will be a very useful procurement tool that will help deliver efficiencies and stimulate effective competitive; thus leading to value for money.

### **11. Equalities & Community Cohesion Comments**

11.1. CompeteFor will further open up Haringey Council's supply chain to ethnic minority-owned businesses. It will allow accurate monitoring of the number of black, Asian and minority ethnic businesses that both apply for and are shortlisted for contract opportunities.

### **12. Consultation**

12.1. CompeteFor was established after extensive consultation with many private

and public sector organisations, as well as numerous small and medium-sized enterprises.

12.2. Its adoption followed consultation and a pilot involving various Council departments, including Organisational Development and Learning, Parking Services, IT Services, and Sports and Leisure Services. The evaluation criteria were developed with the aim of simplifying the process for SMEs, and followed extensive consultation with Finance, Health and Safety, Equalities and Environment and Sustainability. Following the pilot these departments will be consulted again in order to further improve the process.

12.3. Haringey-based SMEs have been consulted throughout the pilot, and have been given tailored assistance to help them register on the portal. CompeteFor staff have attended a number of events with Corporate Procurement, such as the Supply Haringey Meet the Buyer day and the North London Chamber of Commerce networking lunch.

### **13. Service Financial Comments**

13.1. At present there are no financial implications for the Council as there is an absolute assurance from the London Development Authority that both the use of the portal and the services provided by the buyer and supplier engagement teams are free of charge until after the Olympic Games in 2012.

13.2. After this a small annual fee of £4000 will be charged which will be contained within existing budgets.

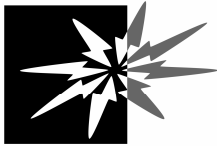
13.3. The CompeteFor portal is hosted by BiP solutions, a professional software company. Therefore there are no risks surrounding the storage of data.

### **14. Use of appendices /Tables and photographs**

None

### **15. Local Government (Access to Information) Act 1985**

15.1. None of the information in this report is exempt under this Act.



Haringey Council \*

Agenda item:

**[No.]****Cabinet Procurement Committee****On 22 July 2010**

Report Title. Frameworki Social Care Case Management System

Report authorised by **Julie Parker, Director of Corporate Resources**

Signed:

Contact Officer : David Hatley, IT Senior Supplier Manager

Tel: 020 8489 3235  
 e-mail: David.Hatley@haringey.gov.uk

Wards(s) affected: **All**Report for: **Key Decision****1. Purpose of the report (That is, the decision required)**

To seek approval for extending the Managed Service contract with Corelogic Limited for the Frameworki Social Care Case Management System for a period of 3 years as provided for within the contract.

**2. Introduction by Cabinet Member**

2.1 The Frameworki Social Care Case Management System is the software used for case management by Children and Young People's Service (CYPS) and Adult Services. The Frameworki supports all social care activity for vulnerable children and adults which includes integrated children's system, the development of personalisation, purchasing care packages and payments to users for individual budgets.

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

3.1 This system links to the council priority 'Delivering High quality, efficient services' Delivering customer focused, cost effective services that are responsive to people's needs, producing increased satisfaction reflected in a high performing organisation that delivers value for money.

**4. Recommendations**

4.1 That approval is given to extend the Managed Service Agreement with Corelogic Limited for the Frameworki Social Care Case Management System for a period of 3 years.

4.2 To note that the annual cost for this contract is £409,008, totalling £1,227,024 for the full 3 year extension.

#### **5. Reason for recommendation(s)**

5.1 The Frameworki Managed Service Agreement is due to expire in March 2011.

5.2 The contract includes a clause enabling extension for up to 3 years.

5.3 The Frameworki system is proprietary software meaning that only Corelogic can support and maintain the software including provision of legislative upgrades.

5.4 Performance monitoring of the system is carried out by both IT Services and the Frameworki IT team and performance is consistently of a good level.

5.5 The Authority is investing in developing Frameworki to meet key requirements such as Reporting, payments, Personalisation and the Joint Action Review plan.

5.6 The proposal has been discussed with the Directors and Lead Members for CYPS and Adult Services who are in agreement with the recommendation.

#### **6. Other options considered**

6.1 A full tender exercise could be undertaken which may lead to a new system being deployed.

6.2 Such a procurement would require input from key system users and any change of system following the procurement exercise, would create a significant resource impact on both the Adult Services and CYPS Departments at a time when such a distraction would not be welcome.

#### **7. Summary**

7.1 Frameworki is a social services case management system used by Adult Services and CYPS and the contract for the Managed Service Agreement was let in March 2004 for a period of 7 years following a fully compliant EU tender.

7.2 The annual cost of the contract is currently £409,008.



- 7.3 The contract incorporates a clause allowing the extension of the contract by up to 3 years.
- 7.4 Performance by Corelogic over the term of the contract has been acceptable and is monitored and managed by both IT Services and the Frameworki IT team.
- 7.5 A procurement exercise now would require significant input from key users in each department prior to the tender, with a larger resource requirement post tender should a new system be chosen in the form of testing, configuring, training and productivity impacts.
- 7.6 If approved, dialogue will be entered into with the Supplier, Corelogic, to agree the extension.

#### **8. Chief Financial Officer Comments**

- 8.1 The Chief Financial Officer confirms that the budget is still available within IT revenue budget to fund the contract and, given the need to review and amend the current system configuration to meet new requirements, it seems appropriate to delay a full re-tendering at this time especially as the service provided has been good to date.

#### **9. Head of Legal Services Comments**

- 9.1 The Head of Legal Services notes the contents of the report.
- 9.2 The contract has been tendered in Europe in accordance with EU procurement regulations.
- 9.3 Because of the value of the extension, there is a requirement under CSOs that this is approved by the Procurement Committee (see CSO 13.02).
- 9.4 The contract is also a “key decision” and as such there is a requirement to include it in the Forward Plan in accordance with CSO 11.04. The Council’s IT Procurement department has confirmed that this has taken place.
- 9.4 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

#### **10. Head of Procurement Comments**

- 10.1 The contract with Corelogic for the management of the Frameworki system has been tendered in Europe in compliance with EC Procurement Directives.
- 10.2 The Council’s current needs are being satisfied by Corelogic and an extension of the

existing contract, as allowed for within the terms and condition, would be in the Council's overall best interest.

**11. Equalities and Community Cohesion Comments**

11.1 The contract addresses equalities as part of the system requirements this is monitored as part of the service delivery programme.

**12. Consultation**

12.1 Not applicable.

**13. Service Financial Comments**

13.1 The annual contract value of £409,008 per annum is accounted for in the IT Budget.

**14. Use of appendices /Tables and photographs**

14.1 Not applicable.

**15. Local Government (Access to Information) Act 1985**

15.1 Not applicable.



Agenda item:

**[No.]****Cabinet Procurement Committee****On 22nd July 2010**

Report Title. Education: post -16 year-old place funding

Report of: Peter Lewis, **Director of Children and Young People's Service**

Signed :

Contact Officer : Sean May, School Improvement Manager 14-19  
020 8489 5044Wards(s) affected: **All**Report for: **Key decision****1. Purpose of the report**

1.1. For information and agreement on forward plan.

**2. Introduction by Cabinet Member**

- 2.1 This report notes the arrangements that were made by Government for this financial year, following the transfer of responsibilities.
- 2.2 It will be important that early preparation is made to ensure procurement arrangements are in place for when the current arrangement ceases in August 2011.

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

3.1. The transfer of post 16 funding to the local authority brings together the overall responsibility for commissioning and quality assurance for all 14-19 provision and key objectives in the Children and Young Peoples plan to reduce NEET (Not in education employment and training) young people and to raise attainment at 19 years of age.

#### **4. Recommendations**

4.1 The cabinet procurement committee is asked to note the establishment of contracts (a service level agreement with HALS) and payment procedures with the following providers for 2010-11.

- The College of Haringey Enfield and North East London.
- Keep It Simple Training
- The Harrington Scheme Limited
- Haringey Adult Learning Service

4.2 To note that an appropriate procurement process will be managed for 2011-12 allocations to independent providers.

#### **5. Reason for recommendation(s)**

5.1. The local authority has a statutory responsibility to make the agreed Post 16 payments for 2010-11. Funding Agreements for 2010-11 were agreed by the former LSC with providers and transferred to the local authority. Agreements with independent providers for 2011-12 will need to go through an appropriate procurement process.

#### **6. Other options considered**

6.1. N/A

#### **7. Summary**

- Following Royal Assent of the Apprenticeship, Skills, Children and Learning Act 2009 (the Act) the Learning and Skills Council (LSC) was abolished from 1 April 2010 and its duties in relation to 16-18 year olds commissioning for all education were transferred to local authorities.
- In March 2010 funding allocations for the academic year 2010/2011 for all education provision in 16-18 learning providers (schools, not including academies or private schools, colleges and independent private providers) were finalised and approved by the former LSC.
- Under a Property Transfer Scheme made by the Secretary of State the rights and liabilities of the LSC under its Funding Agreements with learning providers of learning programmes for 16-18 year olds (excluding apprenticeships and young people in custody) were transferred to the relevant local authority.

- The attached **Annex 1** provides details of the learning providers delivering programmes for 16-18 year olds hosted by the London Borough of Haringey and the payment that local authorities are instructed to make under the transfer of duties.

## **8. Chief Financial Officer Comments**

- 8.1. The Chief Finance Officer was consulted in the preparation of this report and comments that the financial settlement with the providers set out in 4.1 has been agreed with the YPLA for the 2010-11 academic year. The details of the payment arrangements are set out in Section 13.
- 8.2. The current arrangement ceases at the end of July 2011, part way through the 2011/12 financial year. It is essential that procurement arrangements for August 2011 are in place well in advance of that date.

## **9. Head of Legal Services Comments**

- 9.1. Following the abolition of the LSC and the transfer of the rights and liabilities under the Funding Agreements the Council is required to enter into direct contractual relationships with the providers set out in paragraph 4 above.
- 9.2. The Council has a statutory obligation to make the payments to the providers for the period covering 2010/11.
- 9.3. A procurement process will need to be undertaken for the provision of these services after 2010/11. These services are Part B services for the purposes of the Public Contract Regulations 2006 (“the Regulations”) therefore it will not be necessary to advertise the procurement in the Official Journal of the European Union (OJEU). However it will be necessary to comply with the Council’s CSOs.
- 9.4. The Head of Legal Services sees no legal reasons to prevent Members from approving the recommendations set out in paragraph 4.

## **10. Head of Procurement Comments**

- 10.1. The “award of contract” for 2010/11 is a matter outside the immediate control of the Council since Government have stipulated amounts to be paid and to which service providers. This stipulation is intended to ensure a steady state of service delivery whilst plans are put in place for 2011/12 onwards.
- 10.2. The related services are regarded as Part B services under the Regulations; and thus not subjected to full OJEU regime. However, appropriate procurement procedures need to be agreed and then implemented in sufficient time to enable any alternative service contracts / specifications to be put in place.

10.3. The Head of Procurement therefore notes that there is no procurement activity needed for the current year (2010/11) but recommends that officers begin the process of drafting specifications as soon as possible ahead of the anticipated procurement process in regards to 2011/12.

**11. Equalities & Community Cohesion Comments**

11.1. The former LSC agreed allocations to educational institutions based on previous and current performance and in accordance with its statutory duty.

**12. Consultation**

12.1. No consultation has taken place for 2010-11 funding allocations. The former LSC agreed allocations to educational institutions based on previous and current performance and in accordance with its statutory duty.

**13. Service Financial Comments**

13.1. Arrangements are in place to pay providers the amounts agreed with the YPLA within six days of Haringey Council receiving the funds. The Authority simply acts as a clearing house in this respect and no additional costs are incurred.

**14. Use of appendices /Tables and photographs**

14.1. Please see **appendix 1** - local authority summary of 16-18 funding of education 2010-11.

**15. Local Government (Access to Information) Act 1985**

LOCAL AUTHORITY SUMMARY: 16-18 FUNDING OF EDUCATION - 2010/11

## Academic Year August 2010 - July 2011

Sixth Form School Providers	Total Agreed Learner Numbers	Academic Year Total Funding Allocation	Financial Year Total Funding April 2010-March 2011
St Thomas More Catholic School	160	£943,602	£937,297
Fortismere School	432	£2,324,685	£2,278,772
Highgate Wood Secondary School	184	£1,071,062	£1,169,644
Hornsey School For Girls	192	£1,024,511	£1,054,290
Alexandra Park School	289	£1,763,412	£1,684,345
Haringey Sixth Form Centre	1,000	£5,571,532	£5,443,454
<b>Sub Total</b>	<b>2,257</b>	<b>£12,698,804</b>	<b>£12,567,802</b>
<b>FE and Foundation Learning Providers</b>	<b>16-18 Total Agreed Learner Numbers</b>	<b>Total 16-18 Allocation</b>	
The College Of North East London	3,323	£15,753,574	£0
Haringey Adult Learning Service	30	£96,437	£0
Harington Scheme Limited(the)	60	£358,061	£0
Keeping It Simple Training	75	£214,725	£0
<b>Sub Total</b>	<b>3488</b>	<b>£16,422,797.00</b>	<b>£0</b>
<b>GRAND TOTAL</b>	<b>5745</b>	<b>£29,121,601.00</b>	<b>£0</b>

**LOCAL AUTHORITY SUMMARY OF 16-18 FUNDING OF EDUCATION - 2010/11****Academic Year August 2010 - July 2011**

<b>Funding Type</b>	<b>Learning Fundi</b>	<b>ALS</b>	<b>19-24 LLD</b>	<b>Pension</b>
FE And FL total Provider Funding	£14,071,414	#####	£365,680	
School Sixth Form Funding	£10,846,835	£482,896	£338,550	£338,550



<b>Transitional Prot</b>	<b>19-24 ALS</b>	<b>Total</b>
	£870,468	£16,415,179
£1,030,523	£1,030,523	£12,698,804
		<b>Total AY Funding</b>
		£29,113,983

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Haringey Council

Agenda item:

**[No.]**

Report to Procurement Committee

22nd July 2010

Report Title. **Expansion of Rhodes Avenue Primary School from two to three form entry**

Report of : Peter Lewis, Director of Children and Young People's Service

Signed .

Contact Officer :

Claire Barnes, Senior Project Manager, Children and Young People's Service

Wards(s) affected: **Alexandra Ward**

Report for: **Key Decision**

### 1. Purpose of the report

- 1.1. To seek Procurement Committee approval to appoint the recommended contractor named in Part B of this report for the building contract of Rhodes Avenue Primary School Expansion.
- 1.2. To seek approval to issue letter of acceptance prior to formal contract signature for 10% of the contract value.

### 2. Introduction by Cabinet Member

- 2.1. As a local education authority one of our key responsibilities is to provide sufficient primary school places. Increasing pupil numbers across the borough has meant that we need to find a considerable number of new places to meet demand. The expansion of Rhodes Avenue school is part of our strategy to provide the necessary places. The school is popular and doing well and demand for additional places is high in the local area.

- 2.2. I am confident that the procurement process has been properly followed and the necessary consultation has taken place. I am happy therefore to support the recommendations in this report.

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

The project at Rhodes Avenue is designed to contribute to the Council's overall plan for the provision of sufficient primary pupil places in the borough to meet local need. The current pupil place plan indicates the need for between 4 and 6 additional forms of entry (FE) across the borough by 2011, and there is continued strong local demand in the area surrounding Rhodes Avenue. Statutory consultation was undertaken in 2009 to expand the school from 2FE to 3FE.

3.1. The design applies the five principles of the Primary Strategy for Change:

- Principle One – We want the children to enjoy their learning and to make good progress
- Principle Two – We want to promote learning through access to greater opportunities for all within the community
- Principle Three – We want to secure the health and well-being of our children and young people and safeguard their welfare, especially the more vulnerable
- Principle Four – We want to further develop the leadership capacity in our schools
- Principle Five – We want to integrate ICT throughout as part of the transformation of learning experiences for children, young people and the community.

3.2. The design and construction supports each of the seven Haringey Greenest Borough Strategy priorities in the following ways:

Priority One – Improving the Urban Environment:

- CO2 reduction for new build areas over 1,000 sq mtrs.
- Seek 60% carbon reduction for new builds.

Priority Two – Protecting the natural Environment:

- The landscaping design and bio-diversity has been actively managed to promote the development of local flora, fauna and wildlife. An Ecologist has been involved in generating the design and the landscaping proposal includes elements to promote biodiversity and ecological zones.
- Extended community use.

Priority Three – Managing Environmental Resources Efficiently:

- Within the school design, measures have been incorporated to minimise the utilities used on a daily basis, this includes minimising the use of water and energy through the installation of:

1. Energy efficient fixtures and fittings
2. Air source heat pump offering a renewable energy source
3. Energy efficient systems for lighting and heating
4. Lighting will be provided through a combination of daylight sensors, passive detectors and switching
5. Rain water harvesting
6. Voltage Optimisation

Priority Four – Leading by example – managing the public sector sustainably:

- Aims to reduce energy usage and support best practice regarding use of equipment existing and new equipment.

Priority Five – Sustainable design and construction:

- With a combination of new and refurbishment, BREEAM very good will be achieved throughout.
- Only certified (COC) timber will be used in construction.
- A site waste management plan to national WRAP standards will be produced ensuring best practice in site construction management, including maximising the recycling of site construction waste within the project.

Priority Six – Promoting Sustainable Travel:

- The schools travel plan will be reviewed and updated and will continue to promote sustainable transport.
- A detailed traffic impact assessment has been completed and recommendations for road safety improvements are expected to be implemented from April 2011.

Priority Seven – Raising Awareness and Involvement:

- The design will incorporate visual displays/energy meters to highlight to staff and pupils the energy being used within the school. This data will also be accessible online through the building management system.

3.3 The design Supports the Children & Young People's Plan:

- The successful completion of this project will be instrumental in Haringey achieving the aims and objectives of the Children and Young People's Plan which are aligned with those in the national Children's Plan 2008-2010.
- The project will help deliver the Every Child Matters agenda and provide an

<p>opportunity to transform education in Haringey by delivering a school that our young people, our teachers and our local community will be proud of..</p> <ul style="list-style-type: none"><li>• The expansion of Rhodes Avenue will continue to support current extended services provision as well as providing greater opportunity of enhancing this provision.</li></ul> <p>3.4 In addition, the following principles are being addressed within the design:</p> <ul style="list-style-type: none"><li>• The Haringey Extended Services Schools Strategy</li><li>• CABA Design Quality Indicators</li></ul>
<p><b>4. Recommendations</b></p> <p>4.1. That Members agreed to award the contract for the above project to the contractor named in Part B as allowed under Contract Standing Order CSO.11.03.</p> <p>4.2. That Members agree to the issue of a letter of acceptance at 10% of the contract value.</p>
<p><b>5. Reason for recommendation(s)</b></p> <p>5.1. The contractor named in Part B was evaluated on cost (40%) and quality (60%). The combined scoring is considered to represent the best value for money and is considered to be satisfactory as the basis for a contract.</p> <p>5.2. To complete the expansion of Rhodes Avenue Primary School to service the increased pupil numbers in the area.</p>
<p><b>6. Other options considered</b></p> <p>6.1. A total of 8 contractors on the Framework Agreement for the provision of Major Works Construction Services were invited to tender for the works. One contractor declined during the tender period. Details of this are contained in Part B, exempt information.</p>
<p><b>7. Summary</b></p> <p><b>Background</b></p> <p>7.1. The London Borough of Haringey identified Rhodes Avenue Primary School as requiring expansion to service the increased pupil numbers in the area.</p> <p>7.2. The school will be expanded from a 2 form of entry to 3 form of entry offering</p>

an increase in pupil places from 420 to 630.

- 7.3. Nursery places will remain as existing at 26.
- 7.4. The project will be carried out in 3 phases aimed to minimise disruption to the school and provide additional accommodation for additional cohorts from September 2011 onwards
  - Phase 1: New foundation building (nursery and reception)
  - Phase 2: Demolition of the existing KS1 building (reception, year 1, year 2). New 2 storey building for KS2 (years 3 to 6). Extension to the existing office accommodation.
  - Phase 3: Part demolition of the existing KS2 building, extensive refurbishment of retained areas and provision of additional classrooms.
  - External spaces will be developed during each phase
- 7.5. An enabling work contract was awarded as allowed under contract standing orders CSO 11.02 by the Director of Children & Young People's Service in June 2010. This work will commence from the 26<sup>th</sup> July.
- 7.6. The scope of the project aims to improve existing suitability and condition issues.
- 7.7. The scope of works conforms to the planning application granted on the 12th April 2010 covering all phases.
- 7.8. An amendment to the planning application was submitted in May 2010 for an extension to the infant hall. The scope of this work is included within the contract.
- 7.9. Building control application has been submitted and consent is programmed to be granted prior to works starting on site.
- 7.10. To meet insurance requirements the design includes the provision of a sprinkler system.
- 7.11. Funding has been agreed by Cabinet.
- 7.12. The key decision is included in the Forward Plan.
- 7.13. The Children and Young People's Service is project managing this project. Norfolk Property Services were appointed as contract administrator and lead designer in November 2008 from the Haringey Design Framework.
- 7.14. An equalities impact assessment was completed in November 2009 and remains a live document to be monitored through the life of the project.

### **Procurement Process**

- 7.15. Competitive tenders were invited from eight firms from the Framework Agreement for the Provision of Major Works Construction Services value exceeding £3,499,000.
- 7.16. Tenderers were invited from the Framework Agreement for Major Works on the basis of their financial capability to undertake the project.
- 7.17. The defects liability period is 12 months.
- 7.18. Seven tenders were received, one contractor declined during the tender period.
- 7.19. The contract is to be awarded on a fixed price basis.
- 7.20. Tenders include site establishment and management costs, contractors design costs, overhead and profit in accordance with the Framework Agreement.
- 7.21. Agreement of the works cost will be achieved by competitive tendering of the supply chain as described within the framework. The contract is to be awarded on an agreed maximum price.
- 7.22. A letter of acceptance will be issued for 10% of the contract value.
- 7.23. The London Housing Consortium (LHC) Network offers a selection of products, services and contractors through pre-tendered framework arrangements. A review of the LHC framework arrangements has been carried out and goods and services, where applicable, have been applied. This was reference in the tender documents. This document is appended to Part B, appendix A.

### **Programme**

- 7.24. The work is scheduled to commence on site in October 2010 and completed in August 2012.
- 7.25. The construction period will be 94 weeks, in stages of sectional completion.

### **Sustainability**

- 7.26. A Site Waste Management Plan has been allowed within the project/ And has been produced ready to be taken forward by the contractor.
- 7.27. The design aims to achieve BREEAM 'very good'.
- 7.28. The design demonstrates good sustainable practice, economically and environmentally to achieve maximum life expectancy. This has been tested through completion of a life cycle costing exercise undertaken at each design



stage of the project and reviewed at each gateway approval.

7.29. Timber will be obtained from certified sustainable sources.

7.30. The design includes:

- Air source heat pump offering a renewable energy source
- Energy efficient systems for lighting and heating
- Rain water harvesting
- Voltage Optimisation

7.31. The design compliments the existing structures.

## **8. Chief Financial Officer Comments**

*(caveat – comments are provided as at 20<sup>th</sup> June 2010 and are subject to final approval of S151 Officer and Cabinet revision of Capital Programme scheduled for 13<sup>th</sup> July)*

- 8.1. The CFO confirms that the revised CYPS capital programme as approved by Cabinet on 13<sup>th</sup> July includes budgetary provision of £8.49m for the future completion costs of the Rhodes Avenue project, which has a total cash limit budget of £8.97m
- 8.2. The CFO has reviewed the indicative funding plan for the project as shown in Section 13, and confirms that these resources have been approved within the overall 3 year capital programme, and that the revenue costs of the borrowing required to support the CYPS programme have been factored into the Council's medium term financial strategy.
- 8.3. The school has responsibility for containing the future revenue running costs within the school's delegated budget.

## **9. Head of Legal Services Comments**

- 9.1. The Framework Agreement for Major Works was tendered in Europe in compliance with EU procurement regulations i.e the Public Contracts Regulations 2006.
- 9.2. Eight contractors from the Council's Framework Agreement for Major Works were invited to tender for the works.
- 9.3. Because of the value of the contract the award must be approved by the Procurement Committee in accordance with Contract Standing Order 11.03.
- 9.4. The contract is also a key decision and as such needs to be included in the Council's Forward Plan in accordance with Contract Standing Order 11.04. Children's Services Directorate has confirmed that this has taken place.

- 9.5. The Head of Legal Services confirms that there are no legal reasons preventing the approval of the recommendations.

**10, Head of Procurement Comments –[ Required for Procurement Committee]**

- 10.1. The contractors invited to tender have been selected from the Councils Framework agreement for Major works.
- 10.2. The tender has been prepared and tendered on a quality/price basis of 60%/40% and evaluated as the most economically advantageous tender for this award.
- 10.3. The selected tender offers the best programme for the project as offered in tender B alternative period for the project.
- 10.4. The selected contractor as recommended in Part B Appendix A paragraph 2.15 represents best value for the Council.

**11, Equalities & Community Cohesion Comments**

- 11.1. An Equality Impact Assessment has been completed on this project and it established that there would be a positive impact across the equality strands, and that all pupils will benefit from this project.
- 11.2. In particular it found that it improved opportunities for inclusion and better facilities for ICT, sports, and teaching and learning. The project also improved specialist rooms and provided improved opportunities for tracking and monitoring pupil progress.

**12. Consultation**

- 12.1. Extensive consultation has been carried out with end users in arriving at the agreed layouts.
- 12.2. Stage events have taken place at design stages B,C,D and F, which invited comments and debate. The Children and Young People's Service, Governors, the school head, teachers and school staff have all had input in agreeing the scheme. Information and feedback from the consultation event was collated and incorporated into the design.
- 12.3. All questions raised at drop in sessions and those received electronically were collated into a Question and Answer documents.
- 12.4. A monthly steering group was established with representatives from the School's Governing Body, Staff and C&YPS Officers of the Council.

- 12.5. A member of Rhodes Avenue Residents Association was invited to attend Design Quality Indicator Workshops.
- 12.6. Rhodes Avenue Residents Association and Friends of the Park have been included in communications.
- 12.7. An area development meeting was established with representatives from Rhodes Avenue Primary School, Alexandra Park Secondary School, Friends of the Park, Extended Services, Transformation and C&YPS Project Manager. This event takes place on a monthly and is aims to provide information and co-ordination of local works.
- 12.8. Project newsletters have been established, the first copy being issued post Stage D approval. A second newsletter is expected in July 2010.
- 12.9. A project website for the Rhodes Avenue Expansion Project has been established and is regularly updated.
- 12.10. Design displays have been made available within the school reception lobby. This included a 3D flythrough at design stage D.

### **13. Service Financial Comments**

*(caveat – comments are provided as at 20<sup>th</sup> June 2010 and are subject to final approval of S151 Officer and Cabinet revision of Capital Programme scheduled for 13<sup>th</sup> July)*

- 13.1. The project at Rhodes Avenue has capital and revenue implications.

#### **Capital**

- 13.2. The project is included in the original capital programme approved by Cabinet in January 2010. [The CYPS programme has recently been revised and the revised programme has been approved by Cabinet on 13<sup>th</sup> July. The revised programme includes full budgetary provision for the completion of the Rhodes Avenue project.]
- 13.3. The total cash limit budget for the project is £8.97m. The projected cash flow and indicative funding plan are as follows:

Rhosys Avenue - Project Life								
2007-2009								
	Cash Limit Budget	Actual 2008/09	Actual 2009/10	2010/11	2011/12	2012/13	2013/14	Outturn forecast (All years)
	£	£	£	£	£	£	£	£
Cash Limit Budget	8,970,000	88,400	412,255	2,398,277	3,937,028	2,014,885	141,155	8,970,000
Funding plan:								
Capital Grant	1,976,000	66,400	412,255	1,497,345				1,976,000
School contribution	70,000			35,000		35,000		70,000
Borrowing	6,924,000			865,932	3,937,028	1,979,885	141,155	6,924,000
	8,970,000	66,400	412,255	2,398,277	3,937,028	2,014,885	141,155	8,970,000

13.4. The school have agreed to provide a contribution of £70,000 towards the project, in accordance with CYPS policy. The contribution will be invoiced in two equal instalments, at start on site and on practical completion.

13.5. The approved CYPS programme overall is funded by a mix of capital grant funding, other specific capital contributions, and Council borrowing. It should be noted that the mix of funding for this project is indicative at this stage, as the Council applies its available capital finance annually in accordance with its overall treasury management policies and the prudential borrowing framework.

#### Revenue

13.6. The additional intake of pupils as the school moves from 2FE to 3FE will generate additional support for the school's budget in the form of increases in dedicated schools grant for both curriculum support and general school overheads. Our school funding formula also includes specific factors to support schools undergoing expansion, until the transition to full capacity is complete.

13.7. Any additional floor area of the school that will be created is also included as a factor in the funding formula for school budgets. The school will need to be mindful of the requirement to make sufficient provision in the future for any additional facilities management and maintenance costs as a result of the expansion from within the schools delegated budget.

13.8. The expansion of the school, and the associated modernisation and improvement of the school environment will provide the school with new opportunities to enhance the value for money of service delivery for their pupils and the local community.

#### 14. Use of appendices /Tables and photographs

14.1. Part B of this report contains exempt information.

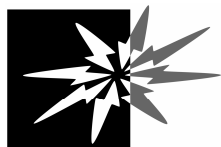
#### 15. Local Government (Access to Information) Act 1985

15.1. List of background documents: Framework Agreement for Major Works,

January 2006.

15.2. This report contains exempt and non-exempt information. Exempt information is under the following category (identified in amended Schedule 12A of the Local Government Act 1972). s. (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

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Haringey Council

**[No.]**

Agenda item:

**PROCUREMENT COMMITTEE****On 22<sup>nd</sup> July 2010**

Report Title: **Park Road Leisure Centre Pool Hall Refurbishment and Filtration Replacement**

Report of: **Mun Thong Phung, Director of Adult, Culture & Community Services**

Signed :

Contact Officer: Andy Briggs – Head Of Sport and Leisure  
Tel:0208 489 5310 email: andy.briggs@haringey.gov.uk

Wards(s) affected: **Muswell Hill**

Report for: **Key decision**

### 1. Purpose of the report

1.1 This Procurement report will request approval to:-

- a) To seek approval for the award the contract for the refurbishment of Park Road Leisure Centres' pool hall and associated mechanical and electrical infrastructure.
- b) To approve a waiver of Contract Standing Orders (CSO 8.04) to a tender process to completed without advertising by inviting bids from a selection of contractors to tender for the works contract to replace the indoor swimming pools filtration system
- c) To seek approval for the award the contract for the replacement of the indoor swimming pool filtration system at Park Road Leisure Centre

### 2. Introduction by Cabinet Member (if necessary)

- 2.1 The refurbishment of Park Road Leisure Centre pool hall and filtration has been part of the planned capital investment that has taken place since 2005. This particular project will ensure swimming provision continues to be delivered at Park Road Leisure Centre whilst at the same time, seeking to reduce the energy and water cost of providing swimming activity.
- 2.2 The quality of provision at Park Road Leisure Centre is key to delivering planned growth in swimming activity and in particular achieving the aims of the Aquatics Development Plan which was approved by Members in January 2010.

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

3.1 Key elements of the Council Plan relevant to the Aquatics Development Plan are:

- Improved opportunities for leisure (3.3)
- Engaging citizens (5.1)

3.2 The National Performance Indicators that the Projects can most significantly contribute to are

- NI 6 Volunteering

- NI 8 Adult participation in sport and active recreation (LAA target)
- NI 56 Obesity in primary school age children in year 6
- NI 57 Children and Young People's participation in high quality P.E. and sport
- NI 110 Young People's participation in positive activities
- NI 121 – Mortality rate from all circulatory diseases at ages under 75

3.3 There are also direct links with the Council's strategy for Sport and Physical Activity.

3.4 The Council's Greenest Borough Policy, Council Target of 40% Carbon emission reduction – a 2.5% contribution.

3.5 Take the Plunge – An Aquatic Development Plan for Haringey 2010

#### **4. Recommendations**

4.1 Subject to funding, that Members agree to award the contract in principle in respect of Pool Hall refurbishment to the contractor detailed in 13.7.8 in Part B of this report as allowed under Contract Standing Order CSO.11.03 in the sum of £1,209,640.00 with a construction period of 26 weeks. This figure is based on the work commencing in October 2010 and being completed in April 2011. The total estimated cost (including professional fees and estimated fluctuations) in the sum of £1,306,166 be noted.

4.2 Members are asked to note that the additional works relating to the moveable pool floor and diving boards as detailed below in paragraph 5.6 will only be added to the contract if external grant funding is approved by the Greater London Authority in September 2010.

4.3 That Members agree to waive Contract Standing Orders (CSO 8.04 ) for the tender process that has taken place without advertising by inviting bids from a selection of contractors on the ground that this is in the Council's overall interests in accordance with CSO 7.03(a) & (d) in respect of the contract to replace the indoor swimming pools filtration system

4.4 That Members agree to award the contract for the above project at 4.3 in principle, subject to confirmation of funding, to the contractor named in 13.8.8 Part B as allowed under Contract Standing Order CSO.11.03 in the sum of £512,188.00 with a construction period of 16 weeks. This figure has been based upon the work commencing in September 2010 and being completed by Jan 2011. The total estimated cost (including professional fees and estimated fluctuations) in the sum of £544,968.03 be noted.

4.5 That finalisation of the awards at 4.1 and 4.4 including confirmation of funding be delegated to the Director for Adult, Cultural and Community Services

#### **5. Reason for recommendation(s)**

5.1 Within the current Capital Sport & Leisure Investment Programme (SLIP), works have been planned in its final year, year 3 (2010/11) to refurbish the pool hall and upgrade the filtration system at Park Road Leisure Centre (PRLC).

5.2 PRLC indoor pools currently attract over 200,000 visits per annum via casual use and the lessons swimming programme. Swimming and other aquatic based activity is the most popular sport within the borough and is also the activity that those who are not active would consider taking up.

5.3 The pool hall and filtration system has operated in its current existence and infrastructure for the last 30 years with minimal investment and therefore its appearance and performance is now deteriorating to an unacceptable level.



- 5.4 A feasibility study was completed by NPS Ltd. in April 2010 on the pool hall from which a scope of works has now been tendered. The scope of works recommend that the pool hall is to be refurbished by renewing tiling to pool surround, lighting, glazing and air handling as well as a general redecoration. In doing this, it will support further growth in both active membership and casual utilisation of the indoor pools. By replacing the lighting, glazing and air handling system the ongoing cost of running the facilities could be reduced by an estimated £70,000 per annum. In addition to the cashable savings by reducing energy consumption, the enhancements to the fabric of the facilities will provide a more attractive and inviting swimming environment.
- 5.5 If it is not possible to proceed with this scheme in its entirety due to budget constraints then there are a number of essential Health and Safety requirements that will need to be undertaken in order to keep the facilities open. These include replacement of the filtration system, fire alarm and public address system as well as other works to the integrity of the electrical and hot water systems. The requirement for these essential Health and Safety works has been highlighted to Cabinet on the 13<sup>th</sup> July 2010.
- 5.6 The full tender cost set out in Part B of this report includes an option for the addition of a moveable floor and replacement of the diving boards in the diving pool at Park Road. This is an optional element that will only proceed if grant funding is secured. A bid to the GLA's "Play Sport London" Olympic legacy fund has been made to fund the works. The bid will also fund improvements to the pools at Northumberland Park, South Haringay Juniors and Chestnut Primary School. The improvements will increase the capacity of the borough to meet the demand for learn to swim lessons and support key targets for a more active borough. The improvements to the pool filtration will act as match funding for this bid. The Bid has been successful through stage 1 and a stage 2 submission is due to be submitted at the end of July, LBH will hear of the final decision to award in September 2010.
- 5.7 The existing filtration system has gone beyond its economical life and now needs to be refurbished or replaced in order to improve water quality and consistency of service delivery. The current plan is to adopt the same approach and technology used in 2009 at Tottenham Green Leisure Centre in order to deliver savings in energy and water consumption over the next 20 years.
- 5.8 The current filtration system uses high levels of natural resources namely, water, gas, electricity. Not replacing the current system will lock Haringey into another 20 years of high utilities and water usage which is contradictory to the aims of the Greenest Borough Strategy.

## 6. Other options considered

- 6.1 **Pool Hall Refurbishment:** Not taking any action on this matter particularly linked to urgent Health and Safety items as detailed in paragraph 5.5 above, would potentially result in the centre's wet sports facility closing permanently within 1 to 2 years due to complete failure of the plant and non compliance of health and safety related infrastructure. A critical programme of works has been developed which include new Fire Alarm, Public Address System and essential Mechanical works to the plant room, should full funding of the works not be achievable.
- 6.2 **Filtration:** The recommendations include all of the work required to bring the Centre's water conditioning system up to the standards required and the phased de-commissioning and removal of the existing water filtration, sterilisation and pool water heating systems.

Consideration was given to three options in this procurement exercise:

- A Substantial Refurbishment of the existing filtration system to bring its performance back to that of the system when new. An extended life in the order of 5 years could be expected.
- B Total replacement of the existing filtration system based on identical technology.
- C Total replacement of the existing filtration based on low- energy filtration technology as used at the Council's other major Leisure Centre, Tottenham Green. This proprietary system is known as 'Defender'.

6.3 All 3 options include new sterilisation and heating systems

6.4 One of the principal aims of the brief given to Homes for Haringey Design & Engineering services was to replicate the enormous operational and environmental benefits of the system installed at Tottenham Green in 2009/10. Tottenham Green was the very first swimming pool in the England to utilise Defender technology and this lead has now been followed by major pools in Dubai, Denmark, Berkshire County Council, London Borough of Islington and on Teesside. Early indications are that use of a similar system at Park Road Leisure Centre will result in the calculated energy and water savings will be met or exceeded.

6.5 As one of the largest users of energy and water in the borough, the Park Road Leisure Centre has many opportunities to reduce its carbon output while still providing the community with the facilities now available. One area in particular, however, can benefit enormously from this tested but still relatively new technology in the field of water filtration and treatment.

## 7. Summary

7.1 **Pool Hall Refurbishment** – The works to refurbish the pool hall are a mixture of improvements to reduce the running costs of facility in addition to those proposed for the filtration improvements and renewing of the fabric of the building which will encourage more people to use the facilities as over time people who can travel elsewhere will be attracted to newer more inviting facilities in which to take their swim.

7.2 Tenders were invited from eight suitable companies drawn from the Council's Major Work Framework in conjunction with the Council's Construction Procurement Group.

7.3 Three programme variations have been offered at 16 weeks, 26 weeks or the contractors programme. A 16 week programme requires the complete closure of all indoor swimming pools and the loss of the majority of swimming activity. For the 26 week programme a proportion of the indoor pools can remain open to the public. It is therefore proposed to undertake these works over the course of 26 weeks rather than 16 weeks as this minimises the disruption to the customer and reduces the income loss during the works.

7.4 **Filtration:** The swimming pool water filtration works are highly specialist works and the Council's existing frameworks do not include any companies that could undertake this work. Therefore, in consultation with the Councils Construction Procurement Group (CPG) a select list of four suitable companies was approved by CPG and the approved four companies were invited to tender.

7.5 A waiver is being requested for the tender process that has been undertaken without first advertising given the limited field of suppliers who are already known to the Council.

7.6 The waiver is requested firstly on the ground set out in CSO 7.03(a), which states that: *"the nature of the market for the works to be carried out or the goods and services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Contract Standing Orders is justifiable"*.

- 7.7 Secondly the waiver is also considered to be justified on the ground, set out in CSO 7.03(d), that it is *in the Council's overall interest* given that the Council undertook a similar exercise recently for Tottenham Green Leisure Centre and only two companies from the limited field tendered.
- 7.8 A competitive tender process was undertaken between the specialist suppliers to ensure VFM was achieved from the limited number of companies available for this work.
- 7.9 The combined operational and environmental benefits of Option C – ‘Replacement by Defender technology’ are attractive as a long-term investment.

The work in the Recommendation includes:

- Removal of existing filters and other redundant equipment
  - Installation of new low-carbon filtration equipment, new Ultraviolet sterilisation system and new heating equipment and controls.
  - Commissioning and Testing.
- 7.10 The economies in water, chemical and energy usage will last the life-time of the plant and, in a market where the cost of these utilities are set to rise by at least 15% on October 2010 (as advised by the Council's Energy Management Team), these benefit increase in value over time. Remaining with the existing technology will lock Park Road into the same cycle of high costs and high carbon emissions for 25 years.

## **8. Chief Financial Officer Comments**

- 8.1 The refurbishment of the pool hall has been planned within the SLIP deferred capital allocation for 2010/11 (£1076m) and in year capital of (£407k). However, recent corporate decisions have placed the capital programme under review and this funding source is now uncertain.

### **8.2 Pool Hall Refurbishment**

Pre tender evaluations showed the likely cost of refurbishment to be in the region of £830k. However, now that the tenders have been received the current capital provision would not be sufficient to meet the full tender cost. Prudential borrowing is being proposed as an alternative to capital receipts, thereby allowing capital receipts to be diverted to other projects. The revised cost of £1.3m for the refurbishment will be funded as follows:

#### **8.2.1 Prudential Borrowing**

Just over £1m will be funded through this source. The proposed improvements will result in a significant reduction in energy consumption and therefore a reduction in expenditure of £70k per annum. In addition, the improvements to the diving pool, in particular the moveable floor, will provide additional revenue in the form of swimming lesson fees. This is estimated to be between £30k and £50k per annum. These sums are sufficient to service the borrowing charges over a period of 15 years. The life of the equipment is 15-20 years.

#### **8.2.2 In year funding**

£150k to be funded from the 2010/11 deferred capital programme.

#### **8.2.3 Grant funding**

A bid has been made for the remaining £150k from the GLA's "Play Sport London" Olympic legacy fund. This has not yet been confirmed.

### **8.3 Filtration**

The estimated cost of the filtration equipment is £545k. £150k of this will be funded through the capital programme. The balance is to be funded through prudential borrowing over a period of 22 years. The borrowing costs will be met through reduced energy costs resulting from the new equipment of approximately £35k per annum.

## **9. Head of Legal Services Comments**

- 9.1 The value of the contracts are below the threshold where tendering in Europe is required in accordance with the Public Contract Regulations 2006. However, the Council's Contract Standing Orders (CSO) tender requirements still apply.
- 9.2 Adult, Culture and Community Services Directorate has selected eight firms from the Councils Major Work Framework in respect of the pool hall refurbishment contract.
- 9.3 A competitive tender process was undertaken inviting four specialist contractors to tender in respect of the filtration works contract however the tender opportunity was not advertised. As a result, the process used, although largely following that of the restricted procedure, is not one of the tender procedures provided for by CSO 8.04. A waiver of CSOs is therefore sought in respect of this contract.
- 9.4 As the value of the filtration works contract is in excess of £250,000, the Procurement Committee must approve the waiver. The waiver is sought on two grounds – first, that the nature of the market demonstrates a justified departure from the CSO's in accordance with CSO 7.03 (a), and secondly, that it is in the Council's overall interest in accordance with CSO 7.03 (d).
- 9.5 Given the value of these contracts, the contract awards must be approved by the Procurement Committee in accordance with CSO 11.03.
- 9.6 Under section 12 of the Local Government Act 2000 the Committee has power to delegate their powers to an officer of the Council including to delegate to a Director the power to make or finalise the contract awards as recommended in this report.
- 9.7 Because the value of the contracts is in excess of £500,000, there is a requirement under CSO 4.03 that they are included in the Forward Plan. Adult, Culture and Community Services Directorate has confirmed that this has taken place.
- 9.8 The Head of Legal Services confirms that there is no legal reason preventing Members from approving the recommendation set out at paragraph 4 of this report in respect of the Pool Hall refurbishment contract.
- 9.9 Provided that Members are satisfied that the grounds for waiver set out in paragraphs 7.3 and 7.4 are made out, there is no legal reason preventing approval of the recommendation at paragraph 4 of this report concerning the filtration works contract.

## **10. Head of Procurement Comments**

### Park road Refurbishment

- 10.1. The contractors invited to tender have been selected from the Councils Framework agreement for Major works.
- 10.2. The tender has been prepared and tendered on a quality/price basis of 60%/40% and evaluated as the most economically advantageous tender for this award.
- 10.3 The selected contractor as recommended in Part B Appendix A paragraph 13.7.8 represents best value for the Council.

### Filtration

- 10.4 Specialist contractors in this very specialist type of work were selected by the lead Consultant and finance checks were carried out by the Construction Procurement Group.

- 10.5 The recommended Option C (defender = low energy filtration technology) is currently being used at Tottenham Green Leisure centre which is creating savings in running costs for the water treatment system.
- 10.6 It is also noted in Appendix C that the replacement of the water treatment centre will realise significant energy reduction and carbon emissions

### **11. Equalities and Community Cohesion Comments**

- 11.1 The replacement of the existing systems will benefit the entire community by reducing the amount of energy and water consumed.
- 11.2 External air quality locally will benefit from very significant reductions in Carbon, Nitrogen and Sulphur compounds emitted from the Centre's water heating system. This is of particular benefit to young children, the elderly and those with respiratory complaints. Internal air quality will benefit from a reduction in chlorine within the pool hall's air and water.
- 11.3 A very significant reduction in Chlorine required for pool water hygiene will benefit swimmers and other visitors who may be vulnerable to Chlorine - these include asthmatics – and those vulnerable to cross-contamination – mainly the very young and the elderly.

### **12. Consultation**

- 12.1 Due to the nature of the works it is not possible to consult on actual mechanical and electrical infrastructure however a consultation event has been planned for service users to define the fixtures and finishes to the pool hall and communicate the inevitable disruption to service during the works. This is planned to take place in late August 10.

### **13. Service Financial Comments**

- 13.1 The service financial comments have been detailed in part B of this report.
- 13.2 Efficiencies - Pool Hall Refurbishment: the full programme of works has the potential to deliver savings in the region of £70,000 per annum through the installation of more efficient mechanical and electrical infrastructure.
- 13.3 Efficiencies - Filtration: This contract will have a significant impact on the Council's Carbon Footprint. The impact assessment in Appendix One details the advantages of the option to replace the plant over a simple refurbishment of the existing. The resultant lowering of carbon emissions will be of benefit to both the local and the global environment. It is calculated that this project will reduce Carbon Dioxide output by approximately 68,598 Kg per year. This is a very significant contribution to the Council's target of 40% reductions across all of its operations by 2015.

### **14. Use of appendices /Tables and photographs**

- 14.1 Part B of this report provides exempt information in four appendices.

### **15. Local Government (Access to Information) Act 1985**

- 15.1 This report contains exempt and non exempt information. Exempt information is contained in part B 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): Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Haringey Council

Agenda item:

**[No.]****Cabinet Procurement Committee****On 22 July 2010**

Report Title. Office Removals – Award of Contract	
Report of <b>Director of Corporate Resources</b> Signed : <i>J. Power</i> 5/7/10	
Contact Officer : Martin Cable, Team Leader - Accommodation Strategy	
Wards(s) affected: <b>All</b>	Report for: Key Decision
<b>1. Purpose of the report</b> 1.1. To seek Cabinet Procurement Committee approval to the award of a framework contract for office removals.	
<b>2. Introduction by Cabinet Member</b> 2.1. I ask the Committee to approve the recommendation in this report.	
<b>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</b> 3.1. Regular contract reviews will ensure the delivery of high quality, efficient services.	
<b>4. Recommendations</b> 4.1. That Members' approve the award of a four year framework agreement for office removals to the contractors named in Appendix A.	
<b>5. Reason for recommendation</b> 5.1. The office removals contract is used widely across the council as part of the programme to rationalise buildings and to aid re-organisation of space to improve	

the efficiency of use.

**6. Other options considered**

6.1. A single provider was not considered to provide the flexibility that a framework contract offers.

**7. Summary**

- 7.1. The current office removals contract has recently expired (May 2010). The work covered by this contract includes the relocation of furniture, equipment and sundries in relation to property rationalisation (particularly in relation to SMART working) and council service re-organisations. The contract also supports Electoral Services' election process.
- 7.2. A restricted tender process for the new Framework Agreements was carried out by advertisement in the Official Journal of the European Union (OJEU) and was advertised on the council's website.
- 7.3. The Framework agreement will consist of three contractors.
- 7.4. 16 contractors responded at the Pre-Qualification Questionnaire (PQQ) stage, 11 of whom met the required basic criteria and were evaluated against the PQQ criteria. The 8 highest scorers were invited to submit a schedule of rates and respond to quality questions at the Invitation to Tender (ITT) stage. 7 contractors submitted bids to this final tender stage.
- 7.5. Six valid tenders were received and evaluated in line with the criteria set out in the ITT based on 60% quality and 40% price. Details are included in Appendix A of the report.
- 7.5. Company A scored the highest total number of points and are recommended as the main contractor.
- 7.6. Companies B and C scored the next highest total number of points and are recommended as the two further contractors.
- 7.7. Regular Contract review meetings will be held with the contractor to monitor performance using feedback from users of the service.

**8. Chief Financial Officer Comments**

8.1. The Chief Financial Officer has been consulted and has no further comments to add.

**9. Head of Legal Services Comments**

9.1 The removal services are being procured via a Framework Agreement. This is a method of procuring which is compliant with EU procurement legislation as set out in the Public Contracts Regulations 2006.

9.2 Corporate Resources Directorate wishes to award a Framework Agreement to the



contractors listed in Appendix A on the basis set out in the tender documentation..

9.3 Because of the proposed value of individual contracts to be awarded under the Framework Agreement, the award needs to be approved by the Procurement Committee in accordance with CSO 11.03 (award of contracts over £250,000).

9.4 Because of the proposed value of the contracts to be awarded under the Framework Agreement, there is also a requirement under Contract Standing Orders that the Framework Agreement is included in the Forward Plan (see CSO 11.04). Corporate Resources Directorate has confirmed that this has taken place.

9.5 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in the report.

#### **10. Head of Procurement Comments**

10.1. The recommendation is in line with the Procurement Code of Practise

10.2. The framework agreement has been competitively tendered and awarded on the Most Economically Advantageous Tender (MEAT) criteria. This ensures that the recommendation offers a Value for Money Service.

10.3. The contract will be monitored to ensure contract compliance.

The process undertaken minimised any risk of challenge to the Council

#### **11. Equalities &Community Cohesion Comments**

11.1 The contractors named in Appendix A of this report have been equalities proofed through officer evaluation of their Pre-Qualification Questionnaire submissions against the PQQ criteria, which includes a section on equalities and were found to be equalities sound for the purpose of doing business with Haringey Council.

#### **12. Consultation**

12.1. The two main users of this contract (Children's and Young People's Service and Corporate Property Services) have been consulted in the preparation of this report.

#### **13. Service Financial Comments**

13.1. The contract is for four years with an estimated value of £200k per annum.

13.2. The use of this contract is funded by individual budget holders across the council.

**14. Use of appendices /Tables and photographs**

14.1. Appendix A: Exempt information

**15. Local Government (Access to Information) Act 1985**

15.1. This report contains exempt and non-exempt information. Exempt information is contained in Appendix A is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972):

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



Haringey Council

Agenda item:

<b>Procurement Committee Meeting</b>	<b>On 22<sup>nd</sup> July 2010</b>
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<b>Report Title.</b>	North Tottenham Decent Homes Programme 2010/11 NT15	
<b>Report authorised by:</b>	Niall Bolger, Director of Urban Environment	
<b>Contact Officer :</b>	Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b>	Waltham Cross, Bruce Grove, Northumberland Park, Tottenham hale, White Hart Lane, West Green	Report for: <b>Key Decision</b>
<b>1. Purpose of the report (That is, the decision required)</b>		
1.1 This report sets out a detailed programme of works, which relates to various properties in the North Tottenham Area, known as NT15 within the delivery of the Decent Homes Programme. The works outlined in this report dates of commencement and completion are subject to funding and programming by agreement of the contracting parties As such, this report is seeking Procurement Committee approval to award the contract for the works in this Project.		
<b>2. Introduction by Cabinet Member</b>		
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 the final packages of work to complete the YR3 works within the Decent Homes programmes as delivered by Homes for Haringey.		
2.2 It is to be noted that delegating this award to the Urban Environment Director, subsequent upon the satisfactory completion of the leaseholder consultation and planning approval processes, allows the delivery team adequate leeway to seamlessly sustain the tempo of the decent homes programme once appropriate funding is confirmed, without any counterproductive breaks in programming and scheduling.		

**3. Links 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**

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

- 4.1 To award the contract for the above Project, subject to confirmation of funding, 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.
- 4.2 That finalisation of the award, including confirmation of funding and satisfactory completion of the leaseholder consultation and planning approval processes, be delegated to the Director of Urban Environment
- 4.3 The scheme is to be funded from the Decent Homes allocation (see Appendix A) subject to confirmation of funding.

**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 EU legislation and the Council's procurement procedures.

**6. Other options considered**

6.1 None applicable.

**7. Summary**

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme

7.1.0 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 30<sup>th</sup> November 2006.

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

**7.2 Background**

7.2.1 The 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 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 subject to funding	April 2011
Anticipated Contract completion subject to funding	December 2011
Contract duration	38 weeks
Contractor	para 2.1 Appendix A

**7.4 Property address location**

7.4.1 This report details the specific works required to the 726 properties in the North Tottenham area and are priced in accordance with the framework agreement.

## 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
Argyle Road N17	3	Houses	2	0	Pitch	No
Asplins Road N17	1	House	2	0	Pitch	No
Asplins Road N17	30	Low rise	2&3	8	Pitch	No
Bisley Close EN8	4	Houses	2	1	Pitch	No
Broadwater Road N17	3	Houses	2	0	Pitch	No
Broadwater Road N17	4	Low rise	2	2	Pitch	No
Bromley Road N17	11	Houses	2	0	Pitch	No
Bruce Way EN8	3	Houses	2	0	Pitch	No
Burlington Road N17	1	House	2	0	Pitch	No
Campbell Road N17	5	Houses	2	0	Pitch	No
Campbell Road N17	18	Low rise	3	7	Pitch	No
Chalgrove Road N17	4	House	2	0	Pitch	No
De Quincey Road N17	28	Houses	2	0	Pitch	Tower Gardens
De Quincey Road N17	4	Low rise	2	2	Pitch	Tower Gardens
Elsden Road N17	2	Houses	2	0	Pitch	No
Elsden Road N17	2	Low rise		1	Pitch	No
Forest Gardens N17	1	House	2	0	Pitch	No
Hartham Road N17	2	Low rise	2	1	Pitch	No
Kenworth Close EN8	6	Houses	2	0	Pitch	No
Kenworth Close EN8	12	Low rise	3	6	Pitch	No
Lancaster Close N17	2	Houses	2	0	Pitch	No
Landsdowne Road N17	12	Houses	3	0	Pitch	North Tottenham High Road
Landsdowne Road N17	15	Low rise	3	13	Pitch	North Tottenham High Road
Leven Drive EN8	30	Houses	2	0	Pitch	No
Leven Drive EN8	14	Low rise	2	6	Pitch	No
Linley Road N17	1	House	2	0	Pitch	No
Lordship Lane N17	144	Low rise	3	52	Pitch	Lordship Lane
Manor Road N17	8	Houses	2	0	Pitch	No

Manor Road N17	7	Low rise	2	5	Pitch	No
Newlyn Road N17	5	Houses	2	0	Pitch	No
Newlyn Road N17	7	Low rise	2	0	Pitch	No
Concord House, Park Lane N17	22	Low rise	4	9	Flat	No
Park Lane N17	3	Houses	2	0	Pitch	No
Park Lane N17	8	Low rise	2	5	Pitch	No
Park Lane EN8	8	Houses	2	0	Flat	No
Park Lane EN8	2	Low rise	2	3	Flat	No
Park Road EN8	1	House	2	0	Pitch	No
Pembury Road N17	1	Houses	2	0	Pitch	No
Pembury Road N17	2	Low rise	2	2	Pitch	No
Poynton Road N17	28	Houses	2	0	Pitch	No
Poynton Road N17	2	Low rise	2	0	Pitch	No
Radley Road N17	5	Houses	2	0	Pitch	No
Radley Road N17	6	Low rise	2	2	Pitch	No
					Pitch	
Rheola Close N17	48	Low rise	2	19		No
Roseberry Avenue N17	7	Houses	7	0	Pitch	No
Ruthven Avenue EN8	4	Houses	4	0	Pitch	No
Seymour Avenue N17	8	Houses	8	0	Pitch	No
Siddons Road N17	5	Houses	8	0	Pitch	No
Stirling Road N17	2	Houses	2	0	Pitch	No
Stoneleigh Close EN8	5	Houses	5	0	Pitch	No
The Avenue	6	Houses	2	0	Pitch	No
The Avenue N17	12	Low rise	2	1	Pitch	No
The Roundway N17	2	Low rise	2	2	Pitch	Tower Gardens
Tower Gardens Road N17	132	Houses	2	0	Pitch	Tower Gardens
Tower Gardens N17	4	Low rise	2	6	Pitch	Tower Gardens
Walden Road N17	6	Houses	2	0	Pitch	Tower Gardens
Wateville Road N17	7	Houses	2	0	Pitch	Tower Gardens
Wateville Road N17	1	Low rise	2	1	Pitch	Tower Gardens

## 7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include renewal of flat roof, replacement of windows, installation of extractor fans, asbestos removal, cavity wall insulation, brickwork and concrete repairs and external decorations. External works to Lordship Lane properties are planned to be carried out in a later phase of works, subject to funding.

Element of works	Yes	No
*Roof replacement	✓	
Window and door replacement	✓	

Window and door refurbishment	✓	
Bathroom replacement	✓	
Kitchen replacement	✓	
Boiler replacement	✓	
Central heating replacement	✓	
Rewiring	✓	
Extractor fans	✓	
Smoke detectors	✓	
Brickwork and concrete repairs	✓	
Cavity wall insulation	✓	
External decoration	✓	

\* complete roof replacement at 62-63 and 70-76 Park Lane only.

#### 7.5.2.1 Proposed Roof works

7.5.2.2 It is proposed to replace the flat roofs at 62-63 Park Lane and 70 – 76 Park Lane EN8 with a flat roof.

#### 7.5.3 Life Cycle Costing Analysis

7.5.3.1 The lifecycle costing in Appendix C show that the replacement of the flat roof with a flat roof is cheaper over a 35 year period by £26,071.00.

7.5.3.2 The total Life Cycle Cost is calculated by adding the total cost of the roof renewal and the Energy Costs.

7.5.3.3 Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A life cycle cost analysis has recently been produced for the decent homes main elements, kitchen, bathrooms, boilers, windows and roofs. This is awaiting verification.

#### 7.5.4 Whole Life Costing

7.5.4.1 An assessment has been made on the energy loss where a pitched roof or flat roof is being considered. The indicative figures above represent the potential savings over a 35 year period.

7.5.4.2 Heat will escape through all building surfaces, but heat will escape more readily through flat roofs than pitched roofs. The energy saving to residents by choosing pitched is the cumulative energy cost of all flat roofs, less the energy costs of pitched roofs.

7.5.4.3 Assuming pitched roofs use a 300mm cellulose insulation with a 0.13 U-value; Average annual temperature lift of 19.08°F; No skylights; Gas central heating in all build. Combined saving of £924.68 to residents over the 35 year period.

## 7.6 **Planning Approval**

7.6.1 The Planning department will be consulted under the standard application methods on the



above and will advise us on their concurrence with our proposals prior to Procurement Committee.

## **7.7 Environmental Improvements**

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

## **7.8 Sustainability**

7.8.1 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.

7.8.2 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.

7.8.3 The contractor is registered and complies with the Considerate Constructors Scheme

7.8.4 The new flat roof will be a Langley High Performance warm roof system incorporating 100mm/140mm Paraform Ultra insulation to achieve a minimum U-value of 0.25 W/m<sup>2</sup>K to improve the thermal qualities of the roof. The life expectancy of flat roofs has improved over the years with increased levels of thermal performance. The replacement of the roof comes with a 20 year insurance backed guarantee.

## **7.9 Conservation Areas**

7.9.1 In administering the decent homes programmes due regard will be shown for areas that are subject to specific consents relating to conservation.

7.9.2 For the purposes of this programme, the Planning department has confirmed that there are conservation consents required in this phase.

## **8. Chief Financial Officer Comments**

8.1 The costs of the works outlined in this report are within the costs envisaged at the outset of the Decent Homes programme. Therefore the cost can be met from the Decent Homes budget identified for 2010-11.

8.2 However, it should be noted that external grant funding from Central Government is subject to considerable uncertainty at present and although £30.5m of Decent Homes funding is expected in 2010/11, the Council should not enter into any contractual commitment for this work until confirmation has been received that this funding is secure.

## **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 726 properties in the North 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 the report.

- 9.2 Cabinet Procurement Committee had on 13<sup>th</sup> 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 Hamlins) 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 North 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 has been consulted in the preparation of this report and advises that he is satisfied that statutory leaseholder consultation has been carried out to date (16 June 2010) in accordance with the relevant Regulations and the decision of the Leasehold Valuation Tribunal of 14 May 2007 (Ref: LON 00AP/LDC/2007/0003 and 0004). It is noted, however, that the consultation has not yet been completed (see paras. 12.10 – 12.12).
- 9.7 The contract is a key decision and, as such needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Director of 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 arising from the statutory leaseholder consultation and from the Planning Department and subject to confirmation of funding, there are no legal reasons preventing Members from approving the recommendations in this report.

## **10. 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 A Life cycle costing exercise is currently being undertaken for key components and 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, 2010/2017, 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.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 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**

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be affected by the works set out in this report. A residents' meeting was held on 10<sup>th</sup> February 2010 and 30 residents attended in total. The Ward Members were invited to attend. This will be followed by a newsletter to residents within 10 days of the meeting..

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

12.6 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') require Homes for Haringey to conduct formal consultation with every leaseholder in the Borough who may be affected by the proposed works. 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 2007 the LVT awarded the dispensation in respect of some of the statutory consultation requirements in relation to the appointment of the Constructor Partners (written decision: 14 May 2007).

### **Leasehold Implications**

- 12.7 As a result of applications made under the Right to Buy legislation, there are 154 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 or outside the 5 year period will be advised following serving of the Section 20 notices.
- 12.8 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.
- 12.9 In accordance with The Service Charges Regulations 2003, under schedule 3, notices will be issued and expire before the works start.
- 12.10 The notice will give leaseholders a description of the proposed works and provide leaseholders with an estimate for the cost of the works. The 30 day statutory consultation period commencement is to be confirmed following serving of Section 20 notices.
- 12.11 The total amount estimated to be recovered from the leaseholders will be advised when the Section 20 notice is served.
- 12.12 Leaseholders within and outside the 5 year Section 125 period total estimated recoverable charges are to be advised when Section 20 notices are served.
- 12.13 The charges to all 154 leaseholders will be limited to the estimates contained in their Offer Notices. Invoices for these works will be included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.
- 12.14 The Council will not enter into an agreement to carry out the works or give instructions to commence work on site, until completion of the 30 day statutory leaseholder consultation period. The Council will have regard to any observations made by leaseholders and will respond in writing to those observations.
- 12.15 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.
- 12.16 A supplementary note referring to observations from leaseholders will be sent to the committee.

### **13. Service Financial Comments**

- 13.1 The total cost of works within this report is to be funded from the decent homes budget

allocation of £33.5m for 2010/11 (Allocation from CLG, £30.5m & £3.0m under spend, carried forward from 2009/10.) Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.

- 13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates.
- 13.3 The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

#### 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.

#### 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 Pauline Hinds – Strategic Client Representative on 020 8489 1151.

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

**APPENDIX B**Decent Homes Expenditure to date **2010/11**

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
Wood Green	Phase 19	£4,404,620.05	05/07/10	01/07/11
North Tottenham	Phase 14a	£2,743,850.51	05/05/10	24/09/10
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
Sheltered and Parkland Road	Sheltered	£5,629,510.31	31/05/10	27/05/11
South Tottenham	Phase 16	£5,561,105.52	01/04/11	17/12/11
North Tottenham	Phase 15	£8,523,956.80	01/04/11	17/12/11
Wood Green	Phase 18	£2,244,050.38	01/04/11	17/12/11
<b>Total</b>		<b>£34,666,742.68 *</b>		

\* Total figure excludes South Tottenham 16, North Tottenham 15 and Wood Green 18. Start and completion dates of phased are subject to confirmation of funding.

**Assessment of North Tottenham phases to date.**

<b>Phase</b>	<b>Original prediction</b>	<b>AMP submitted to Procurement</b>	<b>Agreed final account</b>
NT1	£ 626,271	£ 1,063,712	£ 972,294
NT2	£ 218,799	£ 369,122	£ 151,455
NT3	£ 1,346,457	£ 1,237,224	£ 1,299,527
NT4	£ 875,197	£ 941,315	£ 881,891
NT5	£ 1,312,795	£ 1,203,761	£ 1,226,455
NT6	£ 1,228,642	£ 834,404	£ 1,174,525
NT7	£ 1,716,732	£ 1,068,991	£ 829,446
NT8	£ 1,901,870	£ 1,845,167	£ 153,120
NT9	£ 1,750,394	£ 1,622,590	£ 815,633
NT10	£ 383,749	£ 3,394,476	£ 3,371,200
NT11	£ 5,806,595	£ 5,408,705	on site
NT12	£ 201,969	£ 489,792	on site
NT12a	£ 134,646	£ 181,825	on site
NT13	£ 269,291	£ 334,424	on site
NT14	£ 4,779,922	£ 2,301,007	on site
NT14a	£ 2,878,051	£ 2,743,851	lead in
NT15	£ 12,219,095	£ 8,523,957	on hold
NT16	£ 3,029,528	£ 2,094,839	on site

**Note:** The Original prediction is based on the total budget divided into the total number of properties deemed to be non decent.

Disparities arise where it is identified that, within some phases, major areas of work i.e. roofs and/or windows are or were not required.

**Appendix C**

**62/63 and 70-76 Park Lane EN8**

**Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	3	£300.00	£0.00	<b>£30,240.00</b>

**Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Cost
	3	£360,000	£0.00	<b>£55,836.</b>

**Flat Roof Renewal Option**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	3	£300.00	£615.00	<b>£98,496.00</b>

**Flat to Pitch Conversion**

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Cost
	3	£1,300.00	£2,665.00	<b>£124,567</b>

**Energy Costs for 62/63 and 70-76 Park Lane EN8**

2 floors – total Roof area 243.2m<sup>2</sup>= £101.22 (Flat Roof),£74.81 (Pitched)

Total Life Cycle Costs (35 yr): £3,542.86 (Flat Roof), £2,618.1 (Pitched Roof)





Haringey Council \*

Agenda item

**[No.]****Procurement Committee Meeting****on 22<sup>nd</sup> July 2010**

Report Title. South Tottenham Decent Homes Programme 2010/11. Phase ST16 ( Revised).

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

Contact Officer : Larry Ainsworth, Strategic Client Representative  
 Tel: 020 8489 1134  
 e.mail: larry.ainsworth@homesforharingey.org

**Wards(s) affected:**  
 Seven Sisters Ward

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 ST16 within the delivery of the Decent Homes Programme. The works outlined in this report are for Barry Ave, Cadaxton Ave, Clifton Gardens, Craven Park Road, Crowland Road, Elm Park Ave, Gladesmore Road, High Road, Hillside Road, Leadale Road, Lealand Road, Maple Close, Norfolk Ave, Riverside Road, Rostrevor Ave, Wargrave Ave, Allan Barclay Close, Wellington Ave, Beechfield Road, Eade Road, Finsbury Park Avenue, Hermitage Road, Oakdale Road, Vale Road with a start date to be confirmed. 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.

2.2 It is to be noted that delegating this award to the Urban Environment Director, subsequent upon the satisfactory completion of the leaseholder consultation and planning approval processes, allows the delivery team adequate leeway to seamlessly sustain the tempo of the decent homes programme once appropriate funding is confirmed, without any counterproductive breaks in

programming and scheduling.

**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**

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

- 4.1 To award the contract for the above Project, subject to confirmation of funding, 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.
- 4.2 That finalisation of the award, including confirmation of funding and that there are no issues arising from the planning approval, is delegated to the Director of Urban Environment.
- 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.

**7. Summary**

7.1 Agreed Maximum Price of this works package.

7.2 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006. Subsequently, improved revised schedule of rates have been agreed with the constructor partners arising from Value Engineering, agreement of which will be signed off in late February.

7.3 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.

7.4 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.

**7.5 Detailed below is a summary of contractor details:**

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site subject to funding	April 2011
Anticipated Contract completion, subject to funding	March 2012
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 349 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:

Barry Avenue, 9.

Cadaxton Ave, 3.

Clifton Gardens, 10

Craven Park Road, 32, 52, 78, 97, 99, 118, 146 (flats 1-8) 200, 202, 214 – 442 (even) except 218, 220, 222, 226, 278, 280, 284, 286, 288, 296, 298, 300, 348, 350, 354, 358, 362, 368, 374, 376.

Crowland Road, 7, 10, 11/11a/11b, 17, 17a, 37.

Elm Park Avenue, 45, 58, 73, 77.

Gladesmore Road, 9/9a, 50, 57/57a, 77, 89/89a, 91, 104, 131, 133, 154, 167.

High Road, 170a/170b, 174/174a, 200a-g, 283, 287/287a.

Hillside Road, 4, 13, 31, 42, 47, 54, 60.

Leadale Road, 68, 75, 95.

Lealand Road, 9, 10, 11 – 31 (odd), 44, 61, 82.

Maple Close, 1-8, 14, 17, 19, 21, 22, 29-51 except 31.

Norfolk Avenue, 4.

Riverside Road, 5.

Rostrevor Avenue, 37.

Wargrave Avenue, 5, 23, 65, 68, 90.

Wellington Avenue, 3.

Allan Barclay Close, 1-18.

Beechfield Road, 18.

Eade Road, 65, 67, 69, 71, 73.

Finsbury Park Avenue, 5, 7.

Hermitage Road, 29/29a, 36a/36b, 51, 67, 118, 154, 218, 233, 276, 304, 308, 310, 312, 314, 316, 318, 320.

Oakdale Road, 13.

Vale Road, 18/18a, 54, 58, 68, 80, 88.

Talbot Road, 1 – 24 (incl).

Ashmount Road, 1/1a/1b, 2/2a/2b, 3/3a/3b, 4/4a/4b, 5/5a/5b, 6/6a, 8/8a.

Earlsmead Road, 1 – 1H (9 no)

Eastbourne Road, 1 – 31 (odd)

#### 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
Barry Avenue	1	House	2	0	Pitch	No
Cadaxton Avenue	1	House	2	0	Pitch	No
Clifton Gardens	1	House	2	38	Pitch	No
Craven Park Road	112	Low rise	2/3	0	Flat/pitch	No
Elm Park Avenue	4	House	2	0	Pitch	No
Crowland Road	9	House	2	0	Pitch	No
Gladesmore Road	14	House	2	3	Pitch	No
High Road	15	House	2/3	7	Flat/pitch	No
Hillside Road	7	House	2	0	Pitch	No
Leadale Road	3	House	2	0	Pitch	No
Lealand Road	19	House	2	10	Pitch	No
Maple Close	34	House/low rise	2	5	Flat/pitch	No
Norfolk Avenue	1	House	2	0	Pitch	No
Riverside Road	1	House	2	0	Pitch	No
Rostrevor Road	1	House	2	0	Pitch	No
Wargrave Avenue	5	House	2	0	Pitch	No
Wellington Avenue	1	House	2	0	Pitch	No
Allan Barclay Close	16	Low rise	2/3	0	Pitch	No
Beechfield Road	1	House	2	0	Pitch	No
Eade Road	5	House	2	2	Pitch	No
Finsbury Park Ave	2	House	2	0	Pitch	No
Hermitage Road	20	House	2	4	Pitch	No
Oakdale Road	1	House	2	0	Pitch	No
Vale Road	7	House	2	2	Pitch	No
Talbot Close	24	House	2	0	Pitch	No
Ashmount Road	19	House	2	2	Pitch	No
Earlsmead Road	9	House	2	1	Pitch	No
Eastbourne Road	16	House	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.

## 7.5.1.2

Element of works	Yes	No
Roof replacement	✓	
Window and door replacement	✓	
Window and door refurbishment		✓
Bathroom replacement	✓	
Kitchen replacement	✓	
Boiler replacement	✓	
Central heating replacement	✓	
Rewiring	✓	
Extractor fans	✓	
Smoke detectors	✓	
Brickwork and concrete repairs	✓	
Cavity wall insulation		✓
External decoration	✓	

7.5.2.1 Proposed Roof works

7.5.2.2 The flat roofs to Craven Park Road and Maple Close are adjacent/adjoined to 3 storey town houses, some of which are freehold therefore, they cannot be replaced with pitched roofs as they would be required to be 'stitched' into the flank walls of the town houses. 200 High Road has an existing flat roof however this building is in a conservation area and therefore this roof cannot be converted to a pitched roof.

7.5.3 Life Cycle Costing Analysis.

7.5.3.1 As there are no flat to pitched roof conversions considered on this project, no life cycle cost analysis is required.

7.5.3.2 Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A life cycle cost analysis has recently been produced for the decent homes main elements, kitchens, bathrooms, boilers windows and roofs. We are in the process of gaining comparative costs from LHC .

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 advise 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 The costs of the works outlined in this report are within the costs envisaged at the outset of the Decent Homes programme. Therefore the cost can be met from the Decent Homes budget identified for 2010-11.

8.2 However, it should be noted that external grant funding from Central Government is subject to considerable uncertainty at present and although £30.5m of Decent Homes funding is expected in 2010/11, the Council should not enter into any contractual commitment for this work until confirmation has been received that this funding is secure.

## **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 726 properties in the North 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 the report.
- 9.2 Cabinet Procurement Committee had on 13<sup>th</sup> 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 Hamlins) 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 North 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 has been consulted in the preparation of this report and advises that he is satisfied that statutory leaseholder consultation has been carried out to date (16 June 2010) in accordance with the relevant Regulations and the decision of the Leasehold Valuation Tribunal of 14 May 2007 (Ref: LON 00AP/LDC/2007/0003 and 0004).
- 9.7 The contract is a key decision and, as such needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Director of Urban Environment Directorate has confirmed that this has taken place.
- 9.8 The Head of Legal Services confirms that providing there are no issues arising from the Planning Department and subject to confirmation of funding, there are no legal reasons preventing Members from approving the recommendations in this report

## **10. 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 A Life cycle costing exercise is currently being undertaken for key components and 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 24<sup>th</sup> February 2010 and the number of residents who attended in total was 38. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meeting.

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 who may be affected by the proposed works. A Notice of Intention to appoint Constructor Partners was sent to leaseholders on the 21 July 2006 in accordance with Schedule 2 of the 2003 Regulations. 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 2007 the LVT awarded the dispensation in respect of some of the statutory consultation requirements in relation to appointment of the Constructor Partners (written decision: 14 May 2007)

12.5 Leasehold Implications

- 12.6 As a result of applications made under the Right to Buy legislation, there are 58 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 3 while the number outside the period is 55. 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 were issued on 26<sup>th</sup> February 2010 and expired on the 25<sup>th</sup> March 2010.
- 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 26<sup>th</sup> February 2010.
- 12.10 The total amount estimated to be recovered from the 58 leaseholders is £506,979.13 This is broken down as follows:
1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £385.00.
  2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £506,594.13.
- 12.11 No observations were received from any leaseholders on expiry of the Section 20 notice period.

### **13. Service Financial Comments**

- 13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33.5m for 2010/11 (Allocation from CLG, £30.5m & £3.0m under spend, carried forward from 2009/10.) Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.
- 13.2 Overall the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing. The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates.
- 13.3 The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

### **14. Use of appendices /Tables and photographs**

14.1 Appendix A AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

### 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.

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
Wood Green	Phase 19	£4,404,620.05	05/07/10	01/07/11
North Tottenham	Phase 14a	£2,743,850.51	05/05/10	24/09/10
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
Sheltered and Parkland Road	Sheltered	£5,629,510.31	31/05/10	27/05/11
South Tottenham	Phase 16	£5,561,105.52	TBA	TBA
	<b>TOTAL</b>	£34,666,742.68 (Excluding South Tottenham Phase 16)		



Haringey Council \*

### Assessment of South Tottenham phases to date.

South Tottenham			
Phase	Original prediction	AMP submitted to Procurement	Agreed final account
ST1	£ 617,476	£ 648,274	£ 541,405
ST2	£ 1,134,820	£ 1,220,885	£ 884,286
ST3	£ 1,285,016	£ 830,501	£ 704,773
ST4	£ 1,602,099	£ 2,402,166	£ 1,544,724
ST5	£ 1,401,836	£ 1,380,645	£ 1,123,502
ST6	£ 534,033	£ 627,876	£ 478,206
ST7	£ 1,702,230	£ 2,048,609	£ 1,762,205
ST8	£ 1,101,443	£ 1,382,708	£ 973,703
ST9	£ 350,985	£ 260,711	£ 210,035
ST10	£ 5,390,395	£ 6,441,548	£ 4,874,032
ST11	£ 4,622,722	£ 3,905,688	£ 3,628,766
ST12	£ 402,171	£ 448,288	£ 373,049
ST13	£ 2,753,607	£ 3,044,793	TBA
ST14	£ 7,209,444	£ 4,466,472	ON SITE
ST15	£ 7,726,789	£ 5,867,844	ON SITE
ST16	£ 5,824,296	£ 5,561,105	PROCUREMENT

**Note:** The Original prediction is based on the total budget divided into the total number of properties deemed to be non decent.

Disparities arise where it is identified that, within some phases, major areas of work i.e. roofs and/or windows are not required.

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Haringey Council

Agenda item:

Procurement Committee Meeting

On 22<sup>nd</sup> July 2010

<b>Report Title.</b> Wood Green Decent Homes Programme 2010/11. WG18	
<b>Report authorised by:</b> Niall Bolger, Director of Urban Environment  <i>Niall Bolger for Director 13/7/2010</i>	
<b>Contact Officer :</b> Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
<b>Wards(s) affected:</b> Noel Park, Bounds Green	<b>Report for: Key Decision</b>
<p><b>1. Purpose of the report (That is, the decision required)</b></p> <p>1.1 This report sets out a detailed programme of works, which relates to various properties in the Wood Area, known as WG18 within the delivery of the Decent Homes Programme. The works outlined in this report dates of commencement and completion are subject to funding and programming by agreement of the contracting parties. As such, this report is seeking Procurement Committee approval to award the contract for the works in this project.</p>	
<p><b>2. Introduction by Cabinet Member</b></p> <p>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 final packages of work to complete the YR3 works within Decent Homes programmes as delivered by Homes for Haringey.</p> <p>2.2 It is to be noted that delegating this award to the Urban Environment Director, subsequent upon the satisfactory completion of the leaseholder consultation and planning approval processes, allows the delivery team adequate leeway to seamlessly sustain the tempo of the decent homes programme once appropriate funding is confirmed, without any counterproductive breaks in programming and scheduling.</p>	

### **3. Links 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**

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

- 4.1 To award the contract for the above Project, subject to confirmation of funding, 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.
- 4.2 That finalisation of the award, including confirmation of funding and of satisfactory completion of the leaseholder consultation and planning approval processes, be delegated to the Director of Urban Environment.
- 4.3 That the scheme is to be funded from the Decent Homes allocation (see Appendix A) subject to confirmation of funding.

### **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 EU legislation and the Council's procurement procedures.



**6. Other options considered**

6.1 None applicable.

**7. Summary**

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme

7.1.0 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 30<sup>th</sup> November 2006.

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

**7.2 Background**

7.2.1 The 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 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 subject to funding	April 2011
Anticipated Contract completion subject to funding	December 2011
Contract duration	38 weeks
Contractor	para 2.1 Appendix A

**7.4 Property address location**

7.4.1 This report details the specific works required to the 275 properties in the Wood Green area and are priced in accordance with the framework agreement.

- Clarence Road 68-70 N22
- Gladstone Avenue N22
- Glynne Road N22
- Moselle Avenue N22
- Pelham Road N22
- Vincent Road N22

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
Clarence Road N22	9	Low rise	4	1	Pitch	Bowes Park
Gladstone Ave. N22	57	houses	2	0	Pitch	Noel Park
Gladstone Ave. N22	29	Low rise	2	7	Pitch	Noel Park
Glynn Road N22	9	houses	2	0	Pitch	Noel Park
Moselle Ave. N22	76	houses	2	0	Pitch	Noel Park
Moselle Ave. N22	35	Low rise	2	12	Pitch	Noel Park
Pelham Road N22	37	houses	2	0	Pitch	Noel Park
Pelham Road N22	2	Low rise		2	Pitch	Noel Park
Vincent Road N22	21	houses	2	0	Pitch	Noel Park

7.5 **Schedule of works**

7.5.1 The scope of improvements works included under this phase of the programme will include, refurbishment of existing sash windows, refurbishment of front and rear doors. It shall also include the replacement of sash windows and doors which are beyond repair. Roof replacement and restoration works to the external fabric of properties within the Noel Park conservation area are planned to be carried out in a future programme of works, subject to funding. Schedule of works are listed in table below. Internal modernisation works to properties listed in Gladstone Avenue, Moselle Avenue, Pelham Road, Glynn Road and Vincent Road have been procured under a separated phase of works. Under this phase of works only Clarence Road will benefit from internal works.

Element of works	Yes	No
Roof replacement		✓
Window and door replacement	✓	
Window and door refurbishment	✓	
Bathroom replacement	✓	
Kitchen replacement	✓	
Boiler replacement	✓	
Central heating replacement	✓	
Rewiring	✓	
Extractor fans	✓	
Smoke detectors	✓	
Brickwork and concrete repairs		✓
Cavity wall insulation		✓
External decoration	✓	

7.6 **Planning Approval**

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

## **7.7 Life Cycle Costing Analysis**

7.7.1 In liaison with Central Procurement Group, Asset management are in the process of identifying life cycle cost analysis on the main elements of works to allow for comparison with LHC and to assess energy savings.

## **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 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.

7.9.3 The contractor is registered and complies with the Considerate Constructors Scheme.

## **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 conservation consents required in this phase.

## **8. Chief Financial Officer Comments**

8.1 The costs of the works outlined in this report are within the costs envisaged at the outset of the Decent Homes programme. Therefore the cost can be met from the Decent Homes budget identified for 2010-11.

8.2 However, it should be noted that external grant funding from Central Government is subject to considerable uncertainty at present and although £30.5m of Decent Homes funding is expected in 2010/11, the Council should not enter into any contractual commitment for this work until confirmation has been received that this funding is secure.

## **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 275 properties in the Wood Green 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 the report.

- 9.2 The Procurement Committee has on the 13<sup>th</sup> 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 the selection of the Framework Contractors was undertaken in compliance with the Public Contracts Regulations 2006, as confirmed by external legal advisors (Trowers and Hamblins) 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 Wood Green 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 contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). The Urban Environment Directorate has confirmed that this has taken place.
- 9.7 The Head of Legal Services has been consulted in the preparation of this report and advises that he is satisfied that statutory leaseholder consultation has been carried out to date (10 June 2010) in accordance with the relevant Regulations and the decision of the Leasehold Valuation Tribunal of 14 May 2007 (Ref: LON 00AP/LDC/2007/0003 and 0004).
- 9.8 Members should be aware that leaseholder consultation had not been completed at the date of these comments (10 June 2010).
- 9.9 The Head of Legal Services confirms that, subject to confirmation of funding and provided the Council has considered any leaseholder comments made by the expiry date of the statutory leaseholder consultation and any issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

## **10. 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 A Life cycle costing exercise is currently being undertaken for key components and will need to be completed for the project as a whole.

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, 2010/2017, covers all investment in the Councils 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.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 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**

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be affected by the works set out in this report. A residents' meeting took place on the 17<sup>th</sup> February 2010 and 15 residents attended in total. Ward Members were invited to attend. A newsletter was sent to residents after the meeting.

### **Leasehold Implications**

12.5 As a result of applications made under the Right to Buy legislation, there are 21 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 will be advised following serving of the Section 20 notices.

12.6 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.

12.7 In accordance with The Service Charges Regulations 2003, under schedule 3, notices will be issued and expire before the start of the works.

12.8 The notice will give a description of the proposed works and provide details for the

cost of the works. The statutory consultation is to be confirmed following serving of Section 20 notices.

- 12.9 The total amount estimated to be recovered from the leaseholders will be advised when the Section 20 notice is served.
- 12.10 Leaseholders within and outside the 5 year Section 125 period total estimated recoverable charge is to be advised when section 20 notices are served.
- 12.11 The charges to 21 leaseholders will be limited to the estimates contained in their Offer Notices. Invoices for these works will be included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.
- 12.12 No works will commence on site, nor will instructions be given to commence work on site, until completion of the notice period or if there is an outstanding enquiry as a result of the notice.
- 12.13. A supplementary note referring to observations from leaseholders will be sent to the committee.

### **13. Service Financial Comments**

- 13.1 The total cost of works within this report is to be funded from the decent homes budget allocation of £33.5m for 2010/11 (Allocation from CLG, £30.5m & £3.0m under spend, carried forward from 2009/10.) Value for money has been achieved in the project through approved framework agreements. There is also an agreed maximum price for the works.
- 13.2 Over all the decent homes 5 year programme has achieved efficiency saving through an annual value for money review process that is ongoing . The exercise concluded in 2009/10 will see an average saving on the previous rates of 13.1%, applicable to the balance of the programme. The new rates have been applied to all the current work packages for 2010/11 and represent a net saving on 2008/09 and 2009/10 rates.
- 13.3 The new rates are comparable to current market rates and represent good value for money. "These rates mean that the tender cost within this report is within the assumed cost when the £198m Decent Homes budget was initially allocated"

### **14. Use of appendices /Tables and photographs**

- 14.1 **Appendix A** AMP cost and breakdown
- 14.2 **Appendix B**, Expenditure to date (attached)

**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 Pauline Hinds – Strategic Client Representative on 020 8489 1151.

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):

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

**APPENDIX B**

Decent Homes Expenditure to date 20010/11

<b>Area</b>	<b>Report Number</b>	<b>Agreed Maximum Price by work package</b>	<b>Start on Site</b>	<b>Finish on site</b>
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
South Tottenham	Phase 14	£2,190,000.00	09/11/09	29/10/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
Wood Green	Phase 19	£4,404,620.05	05/07/10	01/07/11
North Tottenham	Phase 14a	£2,743,850.51	05/05/10	24/09/10
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
Sheltered and Parkland Road	Sheltered	£5,629,510.31	31/05/10	27/05/11
South Tottenham	Phase 16	£5,561,105.52	01/04/11	17/12/11
North Tottenham	Phase 15	£8,523,956.80	01/04/11	17/12/10
Wood Green	Phase 18	£2,244,050.38	01/04/11	17/12/10
<b>Total</b>		<b>£34,666,742.68 *</b>		

\* Total figure excludes South Tottenham 16, North Tottenham 15 and Wood Green 18. Start and completion dates of phases are subject to confirmation of funding.



## Assessment of Wood Green phases to date.

Phase	Original prediction	AMP submitted to Procurement	Agreed final account
WG1	£ 1,857,128	£ 2,517,554	£ 2,644,114
WG2	£ 198,978	£ 220,960	£ 260,581
WG3	£ 348,211	£ 466,558	£ 330,732
WG4	£ 298,467	£ 359,974	£ 355,150
WG5	£ 232,141	£ 322,256	£ 300,458
WG6	£ 596,934	£ 763,535	£ 630,549
WG7	£ 248,722	£ 238,595	£ 213,502
WG8	£ 663,260	£ 778,542	£ 728,013
WG9	£ 132,652	£ 170,229	£ 174,693
WG10	£ 99,489	£ 121,232	£ 133,211
WG11	£ 480,863	£ 599,014	£ 515,245
WG12	£ 348,211	£ 465,423	£ 372,885
WG13	£ 663,260	£ 502,415	£ 417,972
WG14	£ 1,044,634	£ 1,128,167	£ 963,227
WG15	£ 4,695,770	£ 3,855,088	not yet agreed
WG16	£ 4,645,276	£ 3,870,307	on site
WG17	£ 5,049,213	£ 2,986,513	on site
WG18	£ 4,628,445	£ 2,244,003	on hold
WG19	£ 3,786,909	£ 4,405,620	lead in

Note: The Original prediction is based on the total budget divided into the total number of properties deemed to be non decent.

Disparities arise where it is identified that, within some phases, major areas of work i.e. roofs and/or windows are or were not required.

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Agenda item:

**[No.]****Cabinet Procurement Committee****On 22<sup>nd</sup> July 2010**

Report Title. **AWARD OF FRAMEWORK AGREEMENTS FOR THE SUPPLY AND INSTALLATION OF FURNITURE ITEMS TO COUNCIL MANAGED TEMPORARY ACCOMMODATION**

Report of Zulfiqar Mulak- Head of Housing Needs & Lettings

Report Authorised by: Phil Harris, Assistant Director, Strategic Housing Services

Signed :

Contact Officer: Jackie Dyer –Head of Temporary Accommodation

Executive Member and Lead Officer: Cabinet Member for Housing Services with the Director of Urban Environment

Wards(s) affected: ALL

Report for: **Key**

### **1. Purpose of the report**

To report upon the procurement exercise in relation to a framework agreement to provide furniture to properties in the Councils Temporary Accommodation Portfolio and recommend to the Committee the award of framework agreements to 3 contractors who have been successful following a EU competitive tendering exercise.

### **2. Introduction by Cabinet Member (if necessary)**

2.1 This report recommends the award of a framework agreement to three contractors for the provision of good quality furniture to residents in temporary accommodation in compliance with furniture regulations. This framework agreement will ensure that the Council will secure better value for money, as well as ensuring that the furniture provided, meets the statutory health and safety regulations. This framework will

improve the living conditions of residents in temporary accommodation which remains a high priority for the Council.

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

1 The award of the Framework Agreement will support the delivery of Haringey's multi agency Homelessness Strategy 2008-11 in which the Council and its partners give a commitment to "improve the quality and suitability of temporary accommodation".

3.2 It will also support the Council's objective of improving housing conditions in the borough and it will help meet the following priorities in the Council Plan:

- **Priority 3** – "Encouraging lifetime well-being, at home, work, play and learning"

By providing good quality furniture, well in temporary accommodation, the Council will provide families and vulnerable households with the stability they need, making it easier for them to maintain their links with schools, healthcare professionals and support networks and live in decent accommodation.

- **Priority 5** – "Delivering excellent, customer focused, cost effective services".

By moving to a framework agreement for the provision of furniture in temporary accommodation the Council will not only reduce costs but also be in a better position to manage the contractual arrangements more rigorously. By improving standards, it will also improve the customer experience of households living in temporary accommodation.

**4. Recommendations**

4.1 That Members approve the award of a framework agreement for the provision of furniture in respect of Temporary Accommodation to the contractors A,B and E identified in Appendix A

## **5. Reason for recommendation(s)**

- 5.1 The proposed new framework agreement have been tendered in accordance with EU regulations, Contract Standing Orders and the Procurement Code of Practise. A comprehensive tender evaluation exercise has been completed, to identify the contractors whose tender submission is the most economically advantageous to the Council and which also offers high levels of customer care.
- 5.2 The proposed improved performance measurement approach envisaged in the framework agreement is designed to deliver continuous service improvement in the execution of the requirements for the provision of furniture to households in temporary accommodation.
- 5.3 The award of the framework agreement will ensure that the Council achieves better vale for money in the provision of furniture to households in temporary accommodation.
- 5.4 The current arrangements for the provision of furniture do not fall under any formal contractual arrangements and were cited in an internal audit report as a weakness. The award of this framework agreement will address this issue and regularise this provision under formal framework contractual terms.

## **6. Other options considered**

- 6.1 The current arrangements to purchase, and to provide a responsive maintenance service for, furniture items needs to be regularised in the form of a formal agreement.
- 6.2 By appointing 3 suppliers under formal framework agreements this will allow the Temporary Accommodation Team to call on any one of the three furniture specialists for their service.
- 6.3 If arrangements were to remain as they are Strategic Community Housing Service would increase the risk of the Council not achieving best value in the procurement and maintenance of furniture items.
- 6.4 Consideration could be given to outsourcing the purchase ordering function alone but this would not be feasible as the properties are both let and managed by the Council.
- 6.5 The 7 day lead time for the delivery and installation of white goods required by Argos Supplies does not meet with the services requirements. Orders are placed in an adhoc way and require an immediate service response.

## **7. Summary**

- 7.1. The procurement process and results set out in this report represent the basis for a framework agreement which will provide the essential services outlined in above and allow the Council to meet its obligations.
- 7.2. The current provision of furniture is carried out by on an ad hoc basis predominately through two suppliers. The framework agreement will enable access to three contractors and ensure that the Council not only obtains better value for money but also provides a better service to residents in temporary accommodation
- 7.3. The value of the proposed new agreement exceeds the threshold contained within the European Procurement Rules for supplies. Therefore an advertisement giving notice of the Council's intention to go to tender was placed in the Official Journal of the European Union. Interested contractors were asked to submit a detailed questionnaire with their latest company accounts, relevant references and information regarding their health and safety record. A total of 8 expressions of interest were received with all 8 submitting the required completed application documents. The applications were analysed against the pre-qualification questionnaire. All 8 companies were invited to tender.
- 7.4. The new contract documents have been developed with a high focus on continuous improvement and tenderers were made very aware of the importance that the Council places on the performance of the contractor.
- 7.5. The recommended agreement will run for a period of 4 years.

### 8.0 Tender Structure

- 8.1 The Tender Documents included a detailed specification which set out what the Council required in terms of furniture provision and also set out the standards expected.
- 8.2 The stock contract profile structured in the following way.

	<b>Housing Areas Served</b>	<b>Dwelling totals</b>	<b>Postcodes</b>
<b><u>PSL</u></b>	All	1,600	Borough wide
<b><u>Hostels</u></b>	All	150	Borough wide
<b>Total</b>		<b>1750</b>	

- 8.3 In common with other similar procurements, the decision was taken for the tender evaluation to be based upon a weighted quality and price structure where the weightings would be assessed on a 60/40 ratio respectively. The 60% weighting for quality was then

supported by a set of evaluation criteria to which tenderers had to respond with their Quality Method Statement. Full details of the weightings were provided to tenderers.

8.4 Tenderers were also advised that a threshold would be applied for both quality and price affordability. The tender documents incorporated separate pricing documents for the range of items that will be required and tenders were required to price each item.

## 9.0 Tender Evaluation

### Quality

9.1 The quality evaluation of tenderers' tenders was carried out against the detailed evaluation criteria and this produced scores which were totalled and weighted on the basis of a maximum of 60% for quality.

### Price

9.2 Appendix 1, para. 3.2 sets out the total value for all items listed on the purchase pricing document for each of the 6 tenderers based on their tender submissions. A reasonable estimate of the annual spend based on last years spend is £130K.

## Conclusion

9.3 The tenders submitted have been the subject of a detailed quality evaluation process together with a comprehensive validation process. The financial analysis was carried out by the strategic and housing service finance team. Based on the results of the final tender evaluation, it is recommended that the tenders submitted by the three Contractors listed in paragraph 3.4 of Appendix A be accepted.

## 10 Chief Financial Officer Comments

10.1 The costs associated with this contract award are in line with budgeted expenditure in 2010- 11. The exact costs will vary according to the volume of replacement of furniture but will be contained within agreed budgets already set aside.

## 11 Head of Legal Services Comments

11.1 The Council's Temporary Accommodation services wishes to establish a framework agreement with the three economic operators listed in Appendix A based on the results of the tender conducted.

11.4 As the estimated value of the provision under the framework agreement is £520,000, the award of the framework agreements is a key decision. Under Contract Standing Order 11.04, the framework agreement must be included in the the Council's Forward Plan. The Temporary Accommodation Team has confirmed that this requirement has been met.

11.5 The Cabinet Procurement Committee has power under Contract Standing Order 11.03 (award of contracts over £250,000) to approve the award of the framework agreement.

11.6 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation at paragraph 4.1 of the report.

11.7 Head of Procurement Comments. The procurement process has been carried out in line with the Procurement Code of Practice. The contract will be monitored on a quarterly basis to ensure that the suppliers are meeting the quality standards within the contract.

## **12 Equalities &Community Cohesion Comments**

12.1 A high proportion of households living in temporary accommodation are vulnerable and from Black and Minority Ethnic (BME) communities.

12.2 For many households living in Temporary Accommodation, they are unable to plan their lives given the uncertainty and short term nature of this type of accommodation .In addition there is a high rate of pupil mobility which means that the duration and location of temporary accommodation has an impact on other council services such as education and social services. It is envisaged that with more long term arrangements in place under the framework agreement along with good quality accommodation and furniture this will support the well being and environment and standards of temporary accommodation.

12.3 The process of providing good quality furniture to residents in temporary accommodation benefits the entire community in terms of decent housing conditions protecting against accidents. The provision of gas safe cookers ensures that household's health and safety is protected. This benefits the elderly and very young especially and contributes to the reduction of fuel poverty across the Borough. A very high proportion of residents in temporary accommodation is from disadvantaged groups and will benefit from this contract.

## **13 Consultation**

13.1 Consultation Process

The Temporary Accommodation user forums have been used extensively to establish the main resident concerns around the provision of furniture.

## **14 Service Financial Comments**

14.1 The contractors listed in Appendix A have scored the highest for both quality and



price for the tendering of the provision of furniture in temporary accommodation.

14.2 The total value of the framework will be dependant of the actual volume of purchases raised. The cost will be funded form the existing repairs and maintenance budget.

### **15 Use of appendices /Tables and photographs**

15.1 Appendix A – Exempt information not for publication.

### **16 Local Government (Access to Information) Act 1985**

Local Government (Access to Information) Act 1985

16.1 The following papers were used in the preparation of this report:

- The contract and specifications written in order to produce the tender documents

16.2 This report contains exempt and non-exempt information. The exempt information is contained in Appendix A of this report and is not for publication. The exempt information is exempt under the following category (identified in the amended Schedule 12A of the Local Government Act 1972), s. (3):

- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Category 3).

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