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Agenda item:

Procurement Committee

Date: 25th November 2008

Report Title: Decent Homes Works: South Tottenham Phase 12

Forward Plan reference number version 78

Report of: Niall Bolger, Director of Urban Environment

Wards(s) affected: Seven Sisters

Report for: **Key Decision**

1. Purpose

1.1 This reports sets out a detailed programme of works as it relates to various properties known as ST12 at addresses on Templeton Road and Pulford Road. within the delivery of the Decent Homes Programme. The works outlined in this report is scheduled to commence on 26th January 2009. As such, this report is seeking Procurement Committee approval to award the contract and to 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.

3. Recommendations

3.1 To facilitate the delivery of the Decent Homes works Members of the Procurement Committee are requested to agree:

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

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

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4 Chief Finance Officer Comments

- 4.1 It should be noted that on 13th Feb 2007, this committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed to Templeton Road and Pulford Road, priced in accordance with the framework agreement.
- 4.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £30.0m has been approved for 2009/10. This scheme is included in the funding schedule for 2009/10 as indicated in Appendix C
- 4.3 It should be noted that this scheme is starting in January to ensure a continuation of the works by the contractor for the South Tottenham Area. The works will commence on 26th Jan 2009 and the value of works completed up to 31st March 2009 will need to be accounted for in the current financial year, but however, will be funded from the Decent Homes allocation for 2009/10, which is confirmed at £30m as indicated above.

5. Head of Legal Services Comments

- 5.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 55 properties in the South Tottenham area of the borough (details of which are set out in Paragraph 15.2), to the contractor named in Paragraph 2.1 of Appendix A to this report.
- 5.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes Constructor 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.
- 5.3 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 advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 5.4 The contractor named in 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the South Tottenham area.
- 5.5 The report states that there are no works in this phase that will affect leaseholders. This being the case, there is no legal requirement to undertake any further leaseholder consultation in addition to that set out in Paragraph 17 of this report

5.6 The value of the proposed contract exceeds £250,000 therefore the award requires the approval of the Procurement Committee, in accordance with CSO 11.3

5.7 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation as to the award, as set out in Paragraph 3 of this report.

6. Head of Procurement Comments

6.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

6.2 The Client needs ensure that a risk register is in place for the works and that it is reviewed on a regular basis.

6.3 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.

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

7. Local Government (Access to Information) Act 1985

7.1 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.

7.2 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):

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

8. Strategic Implications

8.1 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 programmes meets the aspirations of

residents and Members. The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme.

9. Financial Implications

9.1 This scheme is estimated to cost the amount set out in paragraph 2.3 of Appendix A.

9.2 Provision for this exists within the Decent Homes Budget for 2009/10 and details of spend to date are set out in Appendix C

10. Legal Implications

10.1 See section 5 above.

11. Equalities Implications

11.1 The works will ensure that all tenants and leaseholders living throughout the borough will reside in a decent home by the end of this programme of work.

11.2 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.

12. Consultation

12.1 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 will be held on 20th November and the number of residents attending will be reported. The Ward Member will be invited to attend. This will be followed by a newsletter to residents within 10 days of the meeting.

12.2 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out in paragraph 19 of this report.

13. Background

13.1 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. The objective of the Decent Homes Standard is that every tenanted home should be decent in accordance with the guidelines of the ODPM (now DCLG) by December 2010.

13.2 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.

- 13.3 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/ALMOs.
- 13.4 On 13th Feb 2007, this committee approved the framework agreements to four Decent Homes contractors and 4 compliance teams, to cover 4 areas. The procurement and delivery of the Decent Homes Constructors has been managed by Homes for Haringey under the terms of its management agreement with the Council.

14. Agreed Maximum Price

- 14.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006.
- 14.2 The Agreed Maximum Price is the procedure for determining the cost of a project under the PPC2000 (Project Partnering Contract) form of contract. The PPC2000 form of contract was formed from the 'Egan Report' and was designed to allow the early appointment of constructors and specialists.
- 14.3 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.

14.4 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.1 Appendix A
Anticipated Contract start on site	26th January 2009
Anticipated Contract completion	1 st May 2009
Contract duration	16 weeks
Contractor	para 2.2 Appendix A

15. Property address location

- 15.2 This report details the specific works required to the 55 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:

2 – 48 (evens) Templeton Road N15 (24 no)

31 – 61 (odd) Templeton Road N15 (16 no)

10, 12, 16, 22, 28, 56, 60, 66, 68, 74, 76, 86, 90, 94, 96 Pulford Road (15 no)

General Needs Dwellings

Property Address	No of units	Property Type	Floor level	No of Leaseholders	Type of Roof	Conservation Area
Templeton Road	40	low rise	2	11	Pitched	No
Pulford Road	15	houses	2	0	Flat	

16. Schedule of works

16.1 The scope of improvements works included under this phase of the programme will include internal rewires, roof renewal, kitchen and bathroom refurbishment. Additional details relating to specific works under the programme are set out below: (reference to the installation of the IRS system is included in item 16.10 – 16.13)

16.2 Proposed Roof works

16.3 The current dwellings identified in this phase of works at 2 – 24, 26-48 and 31 – 61 Templeton Road have pitched roofs. The pitched roofs to 2 – 24 and 26 – 48 have a remaining life of 20 years, the pitched roof to 31 – 61 was replaced four years ago therefore no works are programmed to these roofs.

16.4 The flat roofs to the houses in Pulford Road require renewal. However, the 15 Council owned properties are in a terrace of 48 properties, the remainder of which are freehold properties.

16.5 The cost comparison between flat and pitched roofs has been set out below. The physical practicalities of providing a pitched roof to these properties will require structural alterations in providing gable end walls and re routing of drainage runs. In addition, the disturbance resulting from the construction of the gable walls would require partial if not complete re roofing of the adjacent freehold properties.

16.6 The pitched roof proposal will encroach on the freehold properties and party wall notices and agreements will be required.

16.7 Planning Approval

16.8 The Planning department were approached on this matter and have advised us that it would be extremely unlikely that planning approval would be obtained to effect a flat to pitched roof conversion in this instance as it would prove detrimental to the surrounding structures and aesthetics of the building line.

16.9 Therefore in view of the above, we propose to replace the 15 roofs with flat roofs. A Life Cycle Costing exercise was completed which looked at the option of replacing the flat roof with a pitched roof. This compared re-roofing with a flat roof covering with a 20 year warrantee with a pitched roof with a 20 year warrantee.

Pulford Road

Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Year1	5	£58,320.00	£0.00	£58,320.00

Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Year	Total Costs
Year 1	5	£110,160.00	£0.00	£110,160.00

16.10 The lifecycle costing showed that the pitch roof is more economical over a 35 year period and make reasonable assumptions regarding future maintenance and inflation. The initial investment to fund the conversion works nearly double the cost, which could not be afforded by the programme.

Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
Year 35	5	£58,320.00	£114,485.24	£172,805.07

Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Year	Total Costs
Year 35	5	£110,160.97	£46,064.00	£156,224.00

16.10 Digital Satellite Provision

16.11 The provision of an integrated satellite reception system will remove the need for satellite dishes and reduce damage to the building fabric. Under a separate scheme co ordinated with this scheme, it is proposed to install IRS (integrated reception system) Sky, Hotbird, Turksat DAB (digital audio broadcasting) radio community channels for residents.

16.12 The IRS system is not included in this contract as this is subject to a Section 20 notice. It is recommended that the works remain separate contractually, however, arrangements are being made for the works to be coordinated with the main decent homes contract in order to minimise any disruption to the residents. This will involve the works being carried out at the same time as the decent homes works.

16.13 A separate procurement process will be followed for the IRS system and this will be forwarded for approval under delegated authority.

16.14 Satellite dishes will be removed as part of the programme to install the IRS system. The relevant tenancy officer will be provided with the

details in order to pursue enforcement action should the dishes be erected after completion of the works.

16.15 Window/Door Grills

All window and door grills will be removed as part of this programme. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the grills be refitted after completion of the works.

16.16 Environmental Improvements

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

17.0 Sustainability

17.1 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.

17.2 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.

17.3 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.

17.4 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.

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

18.0 Conservation Areas

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

18.2 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required

19.0 Leasehold Consultation

19.1 The Service Charges (Consultation Requirements) (England) Regulations 2003 ('the Regulations') required Homes for Haringey to conduct formal consultation with every leaseholder in the Borough in relation to the appointment of long term Constructor Partners for the Decent Homes 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 Council a dispensation from some of the further consultation requirements in respect of the appointment of the Constructor Partners.

20.0 Leasehold Implications

20.1 As there are no communal or external works identified within this phase of works, there are no works that will affect leaseholders and therefore no further statutory consultation is required.

21.0 Project Management

21.1 Homes for Haringey, managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

21.2 The key members of the project team are as follows:

- Larry Ainsworth Strategic Client Representative – Homes for Haringey
- Alan Falder Compliance Team – Potter Raper
- Paul Dennehy Head of Tenancy Management – Homes for Haringey

22.0 Health and Safety Implications

22.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

22.2 The Construction (Design and Management) Regulations 2007 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

23.0 Conclusion

23.1 That the procurement committee accept the recommendations outlined in section 3 above.