



Haringey Council *

Agenda item

Procurement Committee Meeting

On 31ST March 2009

Report Title. South Tottenham Decent Homes Programme 2009/10. Phase ST11.

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

N Bolger for Director

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Wards(s) affected:

Tottenham Green

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 ST11 at addresses in Earlsmead Road, Page Green Road, Pembroke Road, Townsend Road Wakefield Road, Ashby Road, Herbert Road, Newton Road, Stamford Close, Stamford House, Victoria Road, Markfield House, Broad Lane (odds only), Walton Road, Ashmount Road, Cordell House, Fairview Road, Rangemore Road and Wakefield House N15 within the delivery of the Decent Homes Programme. The works outlined in this report is scheduled to commence on the 20th April 2009. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.

2. Introduction by Cabinet Member

I have also been advised that to maintain uniformity where several odd decent single glazed windows are set amongst many other non decent windows they will also be replaced.

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

3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing

an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.

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

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

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

4. Recommendations

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

4.2 Provided there are no issues arising from the planning department or leaseholder consultations referred to in paragraphs 7.18 and 9.7 respectively, to award the contract for the above Project to the contractor named in Appendix A as allowed under Contract Standing Order (CSO) 11.03 and that the AMP (Agreed Maximum Price) excluding fees as detailed in Para 2.2 of Appendix A be noted.

4.3 Please refer to section 7.11 with details of the recommendations to the roofs within this phase of works.

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 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.

7.2 Agreed Maximum Price

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

7.4 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.

7.5 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.

7.6 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)
Anticipated Contract start on site
Anticipated Contract completion

para 2.1 Appendix A
20th April 2009
23rd April 2010

7.7. Property address location

7.8 This report details the specific works required to the 277 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:

13, 15, 17, 29 and 30 Earlsmead Road.

1. Page Green Road.

22, 25. Pembroke Road.

8a, 8b, 8c, 13 Townsend Road.

5, 5a, 9, 10, 10a, 15, 25, 40, 40a. Wakefield Road.

2, 4, 8, 10, 13, 20, 22. Ashby Road.

2b - 2g, 2 - 48(even). Newton Road.

1 - 63 Stamford Close.

1 - 63 Stamford House.

2 - 72 Markfield House.

1 - 31 (odd), 8 - 22(even). Victoria Road.

10 - 24 (even) Walton Road.

31, 31a, 35, 113, 115, 177, 177a, 181, 181a. Broad Lane.

1 - 48 Cordell House

44, 54, 54a, 57, 65, 87, 114. Fairview Road.

10, 10a, 12, 12a, 20, 22, 24. Harold Road.

65a, 67, 67a, 69, 69a, 71a, 71b, 73a, 73b, 86a, 86b. Rangemoor Road.

Flats 1,2 and 3, 36 Wakefield House.

19, 19a. Colless Road.

109, 111. Stamford Road.

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Earlsmead Road	5	Houses	2	0	Pitch	n/a
Page Green Road	1	Houses	2	0	Pitch	n/a
Pembroke Road	2	Houses	2	0	Pitch	n/a
Townsend Road	4	Houses	2	2	Pitch	n/a
Wakefield Road	8	Houses	2	0	Pitch	n/a
Ashby Road	7	Houses	2	0	Pitch	n/a
Newton Road	6	House	2	1	Pitch	n/a
Newton Road	24	Med rise	3	7	Pitch	n/a
Stamford Close	32	Med rise	4	14	Pitch	n/a
Stamford House	32	Med rise	4	10	Pitch	n/a
Markfield House	36	Low rise	4	7	Pitch	n/a
Victoria Road	24	Low rise	3	9	Pitch	n/a
Walton Road	8	Houses	2	1	Pitch	n/a
Broad Lane	9	Low rise	3	3	Pitch	n/a
Cordell House	48	Med rise	12	4	Flat	n/a
Fairview Road	7	Houses	2	1	Pitch	n/a
Harold Road	7	Houses	2	0	Pitch	n/a
Rangemoor Road	11	Houses	2	7	Pitch	n/a
Wakefield House	3	Low rise	3	2	Pitch	n/a
Colless Road	2	Houses	2	0	Pitch	n/a
Stamford Road	2	Houses	2	1	Pitch	n/a

7.9 Schedule of works

7.10 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, digital installations and asbestos removal. All existing single glazed metal and Crittal windows will be replaced with double glazing. Any single glazed timber windows identified as requiring renewal will also be replaced for double glazed windows.

Additional details relating to specific works under the programme are set out below:

7.11 Proposed Roof works

7.12 Cordell House is the only block that requires a new roof. Due to equipment on this roof and it being a high rise block, this will be replaced with a new flat roof. A number of varies street properties within this phase will receive new pitched roofs to replace the existing and any necessary repairs will be carried out to the existing pitched roofs where required.

7.13 Planning Approval

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

7.15 Life Cycle Costing Analysis

1 - 48 Cordell House. N15.

Flat Roof Renewal Option

	Inflation % Increase	Original/ Maintenance Cost	Inflation Cost	Total Costs
Yr1	5	£110,694	£0.00	£110,694

Flat to Pitch Conversion

	Inflation % Increase	Original/ Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr1	5	£221,498	£0.00	£221,498

Flat Roof Renewal Option

	Inflation % Increase	Original/ Maintenance Cost	Inflation Cost	Total Costs
Yr35	5	£110,694	£117,652	£228,346

Flat to Pitch Conversion

	Inflation % Increase	Original/ Maintenance Cost	Inflation Cost/Yr	Total Costs
Yr35	5	£221,498	£66,659	£288,157

Energy loss for 1 – 48 Cordell House N15.

12 floors - Roof area 330m2 = £4,807.33 (Flat Roof), £2,886 (Pitched)

7.16 **Whole Life Costings**

7.17 An assessment has been made on the energy loss where a pitched roof or flat roof is being considered for renewal. The indicative figures above represent the potential savings over a 35 year period. Please note that only one roof is affected under this phase of works.

7.18 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 builds.

Combined saving of £1,921.18 to residents over the 35 year period. This relates to Cordell House only.

7.19 **Digital Satellite Provision**

7.22 The provision of an integrated satellite reception system will remove the need for satellite dishes and reduce damage to the building fabric. It is proposed to install IRS (integrated reception system) Sky, Hotbird, Turksat DAB (digital audio broadcasting) radio community

channels for residents.

7.23 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.

7.24 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.

7.25 Environmental Improvements

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

7.27 Sustainability

7.28 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.

7.29 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.

7.30 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.

7.31 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.

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

7.33 The new flat roofs 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/m² to improve the thermal qualities of the roof.

7.34 All new windows will be double glazed and adhere to Part 'L' of the Building regulations.

7.35 Conservation Areas

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

7.37 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 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 Earlsmead Road, Page Green Road, Pembroke Road, Townsend Road Wakefield Road, Ashby Road, Herbert Road, Newton Road, Stamford Close, Stamford House, Victoria Road, Markfield House, Broad Lane (odds only), Walton Road, Ashmount Road, Cordell House, Fairview Road, Rangemore Road and Wakefield House N15, priced in accordance with the framework agreement.
- 8.2 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 B. Any additional expenditure in respect of leaseholder properties will be funded from leaseholder charges for major works.
- 8.3 It should be noted that this scheme will commence on 20th April 2009 and completed 23rd April 2010 and will be funded from the Decent Homes allocation for 2009/10, which is confirmed at £30m as indicated above.

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 277 properties in the South Tottenham area of the borough (details of which are set out in Paragraph 7.8), to the contractor named in Paragraph 2.1 of Appendix A to this report.
- 9.2 Cabinet Procurement Committee had on 13th February 2007 granted approval to the award of four Decent Homes 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.
- 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 advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 9.4 The contractor named in 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the South Tottenham area.

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 11.3

9.6 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.

9.7 The report states that the statutory leaseholder consultation process is currently being undertaken and the 30-day consultation period is due to expire on 10th April (after the deadline for submission of these comments).

9.8 The Head of Legal Services confirms that, provided there are no issues arising from the planning department and leaseholder consultations (still outstanding at date of settling these comments – see paragraphs 7.18 and 9.7 respectively), there are no legal reasons preventing Members from approving the recommendation as to the award, as set out in Paragraph 4 of 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 Whole life Costs have been considered in this proposal beyond capital and maintenance costs, ensuring impacts to residents are fully appreciated in the design of the proposed roofing works.

10.3 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.

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 12th January and 17 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents within 10 days of the meetings.

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

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

12.5 Leasehold Implications

12.6 As a result of applications made under the Right to Buy legislation, there are 35 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 4 while the number outside the period is 31. 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, notice

was issued on 10th March to expire on 8th April 2009.

12.9 The notice gave a description of the proposed works and provided details for the costs of the works. The 30 day statutory consultation commenced on the 10th March 2009.

12.10 The total amount estimated to be recovered from the 35 leaseholders is £304,281.66. This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £0.00
2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £304,281.66.

12.11 No works will commence on site until completion of the notice period or if there is an outstanding leasehold enquiry as a result of the notice.

12.12 Observations will be provided on expiry of the Section 20 notice period.

13. Service Financial Comments

13.1 Please note comments of the Chief Financial Officer's comments in paragraph 8 of this report.

14. Use of appendices /Tables and photographs

14.1 Appendix A separate attachment

14.2 Appendix B, see end of this report

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

Decent Homes Expenditure to date

2008/09

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	HOPH1	£ 1,562,501.00	08/09/2008	05/12/2008
Hornsey	HOPH2	£ 2,864,346.00	13/10/2008	06/03/2009
Hornsey	HOPH3	£ 598,967.13	02/06/2008	22/08/2008
Hornsey	HOPH4	£ 252,333.26	16/06/2008	04/08/2008
Hornsey	HOPH5	£ 242,652.04	18/08/2008	12/09/2008
North Tottenham	NT1	£ 1,063,712.39	19/05/2008	22/08/2008
North Tottenham	NT2	£ 369,121.73	23/06/2008	15/08/2008
North Tottenham	NT3	£ 1,237,224.22	07/07/2008	07/11/2008
North Tottenham	NT4	£ 941,314.91	09/06/2008	05/09/2008
North Tottenham	NT5	£ 1,203,761.28	21/07/2008	21/11/2008
North Tottenham	NT6	£ 834,402.46	15/09/2008	19/12/2008
North Tottenham	NT7	£ 1,015,186.57	20/10/2008	20/02/2009
North Tottenham	NT8	£ 1,752,295.00	20/10/2008	22/05/2009
North Tottenham	NT9	£ 1,540,921.00	20/10/2008	29/05/2009
South Tottenham	ST1	£ 648,274.23	31/03/2008	18/07/2008
South Tottenham	ST2	£ 1,220,885.05	02/06/2008	14/11/2008
South Tottenham	ST3	£ 830,501.14	02/06/2008	19/09/2008
South Tottenham	ST4	£ 2,402,166.68	16/06/2008	06/03/2009
South Tottenham	ST5	£ 1,380,645.06	30/06/2008	23/01/2009
South Tottenham	ST6	£ 627,875.90	30/06/2008	17/10/2008
South Tottenham	ST7	£ 2,048,608.79	04/08/2008	06/03/2009
South Tottenham	ST8	£ 1,382,707.77	06/10/2008	06/03/2009
Wood Green	WG1	£ 2,517,554.10	19/05/2008	12/01/2009
Wood Green	WG2	£ 220,959.70	27/05/2008	14/07/2008
Wood Green	WG3	£ 466,558.48	04/08/2008	03/11/2008
Wood Green	WG4	£ 359,973.69	04/08/2008	06/10/2008
Wood Green	WG5	£ 322,255.86	08/09/2008	03/11/2008
Wood Green	WG8	£ 750,112.61	11/12/2008	04/03/2009
Wood Green	WG9	£ 164,312.64	25/11/2808	26/02/2009

Wood Green	WG10	£ 116,805.21	25/11/2008	16/02/2009
Wood Green	WG11	£ 577,140.67	17/11/2008	12/01/2009
Wood Green	WG12	£ 448,427.89	01/12/2008	27/03/2009
Wood Green	WG13	£ 484,068.87	17/11/2008	25/02/2009
Wood Green	WG14	£ 1,086,971.10	08/12/2008	27/02/2009
		£ 33,535,544.43		

2009/10

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
South Tottenham	ST12	£ 448,288.00	26/01/09	01/05/09
South Tottenham	ST10	£ 5,579,360.70	09/02/09	21/09/09
South Tottenham	ST11	£ 3,905,688.38	20/04/09	23/04/10
North Tottenham	NT10	£ 3,394,475.55	31/03/09	04/12/09
Hornsey	HO7	£ 7,276,061.50	06/04/09	31/03/09
Hornsey	HO8	£ 3,498,100.20	06/04/09	25/03/10
		£ 24,101,974.43		