



Haringey Council

Agenda item:

Procurement Committee Meeting

On 7th July 2009

Report Title. Wood Green Decent Homes Programme 2009/10. WG16	
Report authorised by: Niall Bolger, Director of Urban Environment. <i>Niall Bolger</i> 26/06/09	
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Wards(s) affected: Woodside/White Hart Lane	Report for: Key Decision
1. Purpose of the report (That is, the decision required)	
1.1 This report sets out a detailed programme of works which relates to various properties in the Wood Green Area, known as WG15. The properties are at Henningham Road N17, Courtman Road N17, Acacia House N22, Roundway, Fryatt Road, Great Cambridge Road N17, Stockton Road N17, Warkworth Road N17, Spottons Grove N17 within the delivery of the Decent Homes Programme. The works outline in this report are scheduled to commence on 14 th September 2009. As such, this report is seeking Procurement Committee approval to award the contract for the works in this phase ("the Project").	
2. Introduction by Cabinet Member	
2.1 It gives me pleasure to present this report, a report that shows the improvements and benefits that we are providing to an increasing number of our tenants and leaseholders. You will observe that many lessons have been learnt from the first year of the programmes and have been incorporated into the programme for years 2 – 5.	
2.2 We are now using to assess the roof works required, Life Cycle Cost Analysis, which will ensure that best long term value is achieved for all our stakeholders and is in line with the Councils sustainability procurement policy.	
2.3 By doing additional works funded by Finance from outside the decent homes budget, substantial cost savings can be obtained.	
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

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

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.

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

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.

Agreed Maximum Price

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

7.3 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.

7.4 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.

7.5 Detailed below is a summary of contractor details:

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

para 2.2 Appendix A
14th September 2009
15th March 2010
26 weeks
para 2.1 Appendix A

Property address location

7.6 This report details the specific works required to the 276 properties in the Wood Green 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.

Block/Street	Property number
Acacia House N22 Block is 1-37 excl. 13	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37
Fryatt Road N17 Block is 29-35 odd	1, 2, 4, 6, 8, 9, 13, 17, 18, 20, 22, 24, 25, 26, 28, 29, 30, 31, 33, 35, 40, 42, 44
Great Cambridge Road N17 Blocks are 18a-56a even and 23a-31a odd	2, 4, 6, 7, 8, 14, 16, 18a, 20a, 22a, 23a, 24a, 25a, 26a, 27a, 28a, 29, 29a, 30a, 31a, 32a, 33, 34a, 35, 36a, 38a, 40a, 42a, 44a, 45, 46a, 48a, 49, 50a, 52a, 53, 54a, 56a, 57, 58, 59, 61, 65, 66, 68, 72
Spottons Grove N17	1, 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25, 26
Warkworth Road N17 Block is 1-7,	1, 3, 5, 7, 8, 10, 12, 14, 19, 21, 22, 24, 25, 26, 27, 28, 31, 35, 37, 39,
Courtman Road Blocks 52-58	8, 10, 11, 12, 15, 16, 17, 19, 23, 24, 26, 27, 28, 29, 30, 36, 37, 39, 41, 42, 43, 44, 45, 48, 50, 52, 53, 54, 56, 57, 58, 59, 61, 63, 65, 67, 68, 72, 74, 80, 82, 88
Stockton Road	3, 11, 15

Roundway	150, 158, 162, 164, 166, 168, 170, 172, 176, 177, 178, 179, 181, 182, 183, 184, 187, 188, 191, 193, 197, 200, 202, 203, 205, 206, 207, 208, 209, 214, 216, 217, 218, 220, 223, 225, 228, 229, 237, 239, 240, 241, 242, 244, 247, 249, 250, 254, 255, 256, 258, 271, 275, 279, 283, 285, 297, 299
Henningham Road N17	2, 4, 5, 6, 9, 13, 15, 18, 21, 22, 25, 30, 31, 33, 34, 35, 36, 37, 38, 40, 42, 43, 50, 52, 56

7.7

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Acacia House	37	Medium rise	3	17	Pitched	No
Fryatt Road	19	Houses	2	0	Pitched	No
Fryatt Road	4	Low rise	2	1	Pitched	No
Great Cambridge Rd	22	Houses	2	0	Pitched	No
Great Cambridge Rd	24	Low rise	2	13	Pitched	No
Spottons Grove	22	Houses	2	0	Pitched	No
Warkworth Road	16	Houses	2	0	Pitched	No
Warkworth Road	4	Low rise	2	2	Pitched	No
Courtman Road	4	Low rise	2	2	Pitched	No
Courtman Road	38	Houses	2	0	Pitched	No
Stockton Road	3	Houses	2	0	Pitched	No
Roundway	58	Houses	2	0	Pitched	No
Henningham Road	25	Houses	2	0	Pitched	No

Schedule of works

- 7.8 The scope of improvements works included under this phase of the programme will include internal rewires, window and front door renewal, roof repairs, kitchen and bathroom refurbishment, extractor fans, boiler replacement, central heating works and smoke detectors. Additional details relating to specific works under the programme are set out below:
(reference to the installation of the IRS system is included in Para 7.21)

Proposed Roof works

- 7.9 All properties within this phase of works have pitch roofs. Only roof repair works will be carried out.

Planning Approval

- 7.10 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.

Life Cycle Costing Analysis

- 7.11 As this phase of works does not include replacement of flat roofs, Life Cycle Costing is not required for roofs. However, Life Cycle Costings are being undertaken for key components as required by the Construction Procurement Group.

Whole Life Costings

- 7.12 As this phase of works does not require Life Cycle Costing for roofs, Whole Life Costing for roofs is not required.

Digital Satellite Provision

- 7.13 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.
- 7.14 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.

Window/Door Grills

- 7.15 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.

Environmental Improvements

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

Sustainability

- 7.17 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.
- 7.18 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.
- 7.19 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Symphony has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.

7.20 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.

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

Conservation Areas

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

7.23 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required in this phase.

8. Service Financial Implications. (See Appendix A, attached)

9. Chief Financial Officer Comments

9.1 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 in various properties in the Wood Green Area, priced in accordance with the framework agreement.

9.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £30m has been approved for 2009-10. DCLG agreed to accelerate £5m of this back to 2008/09 and in addition agreed to bring forward £6.5m from 2010/11 into 2009/10; making a net increase of £1.5m for 2009/10.

9.3 The works include some £16k in respect of the installation of the Integrated Reception System to be funded from Supported Capital Expenditure, which is outside of the DHP programme

9.4 It should be noted that so far (excluding the reports on this agenda) 8 contracts have been approved by this committee as indicated in Appendix B; totalling some £29m including work to be funded from leaseholder contributions of some £2.7m.

9.5 Further reports will be presented to future meetings of the Cabinet Procurement Committee in respect of other properties to have more work undertaken in 2009-10 within the available capital resources.

10. Head of Legal Services Comments

10.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at properties in the Wood Green area of the borough to the contractor named in Paragraph 2.1 of Appendix A to this report.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 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.

10.6 The report states that the statutory leaseholder consultation is currently being undertaken. The consultation period is however yet to expire as at the date of provision of these comments (10 June 2009).

10.8 The Head of Legal Services confirms that, provided the Council has considered any comments from leaseholders made between the date of provision of these comments (10 June 2009) and the expiry date of the statutory leaseholder consultation period (30 June, 2009), and provided there are no issues arising from the planning department, there are no legal reasons preventing Members from approving the recommendation in Paragraph 4 of this report to award the contract to the Contractor named in Paragraph 2.1 of Appendix A.

10.9 Members should also note that the Council is required to respond in writing to any observations received from leaseholders by the 30th of June . Those written responses must be sent out to the leaseholder within 21 days of receipt.

11. Head of Procurement Comments.

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

11.2 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.

11.3 The Head of Procurement therefore states that the recommendations in this report offer Best Value for the Council.

12. Equalities and Community Cohesion Comments

12.1 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.

13. Consultation

Internal

- 13.1 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.
- 13.2 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

- 13.3 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. Residents' meeting was held on the 24th March 2009, 25th March and 2nd April 2009 and 20 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.
- 13.4 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out below.
- 13.5 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.

Leasehold Implications

- 13.6 As a result of applications made under the Right to Buy legislation, there are 22 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 2 while the number outside the period is 20. This report provides a breakdown of the costs for each group in paragraph 12.10
- 13.7 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.
- 13.8 In accordance with The Service Charges Regulations 2003, under schedule 3, notice was issued on 1st June 2009 to expire on 30th June 2009.
- 13.9 The notice gave a description of the proposed works and provided details for the costs of the works. The statutory consultation commenced 1st June 2009.

13.10 The total amount estimated to be recovered from the 22 leaseholders is £250,439.10
This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £15,352.00.
2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £235,087.10.

13.11 The charges to all 22 leaseholders are 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%.

13.12 No works will commence on site until completion of the notice period..

14. Service Financial Comments

Please note comments of the Chief Financial Officer's comments in paragraph 9. of this report.

15. Use of appendices /Tables and photographs

15.1 Appendix A separate attachment

15.2 Appendix B, see end of this report

16. Local Government (Access to Information) Act 1985

16.1 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.

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).