



Haringey Council

Agenda item:

Procurement Committee Meeting

On 7th July 2009

Report Title. Wood Green Decent Homes Programme 2009/10 WG Commerce Road Community Centre

Report authorised by: Niall Bolger, Director of Urban Environment

NPB 26/06/09

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Wards(s) affected: Outer Borough, 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 for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and WC facilities. The works outline in this report is schedule to commence on 27th July 2009. As such, this report is seeking Procurement Committee approval to award the contract and 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 Community Resource 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 the Council's procurement procedures and EU legislation.

6. Other options considered

6.1 None applicable.

7.0 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 As part of the decent homes delivery plan it has be agreed that the constructor partner would set up a 'Hub' in each contract area for the duration of the programme. This 'Hub' will operate as a site office and will be the main base for the constructor partner professional team of contract managers, project managers, cost consultants and resident liaison officers assigned to this contract. There are currently two Hubs up and running; the Erin Allin Centre in the North Tottenham Area and Eastfield Community Centre in the Hornsey area. The Commerce Road Community Centre has been identified as a suitable 'Hub' location for the Wood Green area.
- 7.3 It is proposed that, the contractor undertaking the decent homes programme, to renovate the building for their main offices, decent homes showroom and respite facilities. Just under half of the building will be set aside for community use for the period of occupation for the next 4 years. At the end for the programme negotiation will take place with residents to return the building fully refurbished for community use.
- 7.4 This project will be funded from efficiency saving from the Decent Homes budget 2009/10. The saving total £170K in office and storage cost that will be saved against the contract if we are able to offer the contractor this facility at a peppercorn rent for the duration of the programme. This initiative will allow the decent homes programme to leave a lasting legacy with a wider remit than just making homes decent. A contribution of £200K from the HRA will be required to make this project viable.

Agreed Maximum Price

- 7.5 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30th November 2006.
- 7.6 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.
- 7.7 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.
- 7.8 **Detailed below is a summary of contractor details:**

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

para 2.2 Appendix A
27th July 2009
16th October 2009
12 weeks

Property address location

- 7.9 This report details the specific works required to the Commerce Road Community Centre (disused) in the Wood Green area, known as WG Commerce Road. This dwelling will form the 'Hub' for the Wood Green area decent homes programme.

Schedule of works

- 7.10 The scope of improvements works includes refurbishment of a disused Community Centre, to serve as both office accommodation for the contractor, for the duration of the Decent Homes programme. Part of the building will be available for the community to use. Works include upgrade to incoming electrical main, structural repairs, roofing works, window and door replacement, resurfacing of floors, electrical works, central heating works, new kitchen and WC installations. Rebuilding of rear perimeter wall, tarmac to car parking areas and repairs to fencing .

Proposed Roof works

- 7.11 The properties has both pitch and flat roofs. Only roof repair works will be carried out.

Planning Approval

- 7.12 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

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

Whole Life Costings

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

Digital Satellite Provision

- 7.15 A digital IRS system is not required for this project.

Window/Door Grills

- 7.16 As this phase does not include tenanted dwellings, the removal of window and door grills will not be required as part of this project.

Environmental Improvements

- 7.17 The project includes the rebuilding of the rear perimeter wall. Renewal of the tarmac to car parking areas and repairs to fencing .

Sustainability

- 7.18 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.
- 7.19 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.
- 7.20 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.
- 7.21 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.
- 7.22 The contractor is registered and complies with the Considerate Constructors Scheme.

Conservation Areas

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

8. Chief Financial Officer Comments

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- 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 in various properties in the Wood Green Area, 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 £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.
- 8.3 The report is recommending that the disused Community Centre on Commerce Road is converted into a showroom and offices for use by the Contractor for the Decent Homes Programme for the Wood Green area at a cost of £370k.
- 8.4 The report recommends (Para 7.4 refers) will be partly funded (£170k) from the savings achieved from the Decent Homes Budget and £200k from Housing Revenue Account (HRA)

9. Head of Legal Services Comments

- 9.1 This report is seeking Procurement Committee approval to award a call-off contract for the refurbishment of the disused Community Centre, Commerce Road, Wood Green Area, known as WG Commerce Road to the contractor named in paragraph 2.1 of Appendix A to this report. The refurbishment will provide combined use for the Constructor Partner office accommodation for the duration of the works, and a Community Centre hall with kitchen and WC facilities as per paragraph 1.1 above.
- 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 Paragraph 2.1 of Appendix A to this report was awarded the Framework Agreement in respect of the Wood Green area.
- 9.5 Even though the value of the contract is less than 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.
- 9.6 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.
- 9.7 The Head of Legal Services confirms that, provided there are no issues arising from the planning department there are no legal reasons preventing members from approving the recommendations 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 An Agreed Maximum Price has been agreed by the parties prior to start on site, in accordance with the process allowed under the form of contract.
- 10.3 Life cycle costings 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. Residents' meeting was held on the 21st April 2009 and 25 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 There are no leaseholders in this phase of works.

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 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).