

Report Title. Hornsey Decent Homes Programme 2010/2011. Phase HO12.	
Report authorised by: Niall Bolger, Director of Urban Environment <i>N Bolger 4th February 2010.</i>	
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Wards(s) affected: Hornsey	Report for: Key Decision
<p>1. Purpose of the report.</p> <p>1.1 This report sets out a detailed programme of works as it relates to various properties known as HO12 within the delivery of the Decent Homes Programme. The works outlined in this report are for Crescent Road, Mildura Court, Sackville House, Wellington, Alexandra Mansions, Byron Court, Clemence Court, Dale Court, Firemans Dwellings, Kelland Close, Manray Court, Middle Lane, Ramsey Court, Truro Court, Vervan Court, Williams Close, Birkbeck Road, Palace Road, Park Road, Shanklin Road and is scheduled to commence on the 29th March 2010. As such, this report is seeking Procurement Committee approval to award the contract and proceed with the works in this phase.</p>	
<p>2. Introduction by Cabinet Member</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 current packages of work to commence under the Decent Homes programmes as delivered by Homes for Haringey.</p> <p>2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.</p>	
<p>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</p> <p>3.1 Homes for Haringey have in place an Asset Management Strategy and Environmental</p>	

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.

3.2 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 7.14 and 12.8 – 12.12 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.

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)	para 2.2 Appendix A
Anticipated Contract start on site	29 th March 2010
Anticipated Contract completion	31 st March 2011
Contract duration	52 weeks
Contractor	para 2.1 Appendix A

7.7. Property address location

7.8 This report details the specific work required to the 432 properties in the Hornsey 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:

1-8/17, 1-8/29, 19 Crescent Road

1-38 Mildura Court

1-24 Sackville House

1-32 Wellington

150-208(even) Alexandra Mansions

1-6 Byron Court

1-9 Clemence Court

1-12 Dale Court

1-8 Firemans Dwellings

1-26 Kelland Close

1-9 Manray Court

1-5/118, 1-7/126, A-C/132, A-C/134, 146, 146A, 42,A/B/C, 5, 5A, 1-8/73, 7, 11, 17, 19, 29, 31, 35, 82, 86, 90, 116, 124, 128, 148, 216A Middle Lane

1-24 Ramsey Court

1-6 Truro Court

1-18 Vervan Court

1-18 Williams Close

2-152, 1-3/105, Birkbeck Road

12, 26, 38, 44, 61, 61a, 63/a to 87/a (odds), 68, 68a, 121, 139, 1-3/166, 240, 242 Park Road

1, 3, 5, 8, 11, 13 Shanklin Road

1-6 Buckley Court

23 Carysfort Road

Property Address	No of units	Property Type	Floor level	No of L/H's	Type of existing roof	Conservation Area
Crescent Road	17	Low rise block	3	6	Pitch	No
Mildura Court	38	Med rise block	4	10	flat	No
Sackville House	24	Med rise block	3	8	Flat	No
Wellington	32	Low rise block	2	16	Pitch	No
Alexandra Mansions	30	Med rise block	3	17	Pitch	No
Byron Court	6	Low rise block	2	2	Pitch	No
Clemence Court	9	Low rise block	3	3	Pitch	No
Dale Court	12	Low rise block	3	7	Pitch	No
Firemans Dwellings	8	Low rise block	3	5	Pitch	No
Kelland Close	26	Low rise block	3	14	Pitch	No
Manray Court	9	Low rise block	3	1	Pitch	No
Middle Lane	48	Low rise block	2/3	7	Pitch	No
Ramsey Court	24	Med rise block	3	11	Pitch	No
Truro Court	6	Low rise block	3	4	Pitch	No
Veryan Court	18	Med rise block	3	5	Pitch	No
Williams Close	18	Med rise block	3	13	Pitch	No
Birkbeck Road	53	Med rise block	3	10	Flat	No
Park Road	41	Houses/low rise	2	4	Pitch	No
Shanklin Road	6	Houses	2	0	Pitch	No
Buckley Court	6	Low rise	3	6	Pitch	No
Carysfort Road	1	House	2	0	Pitch	No

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, smoke detectors 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 All the properties within this phase have existing pitched roofs with the exception of Mildura Court, 2 – 152 Birkbeck Road and Sackville House which all require renewal. The roof to Birkbeck Road is staggered in height and incorporates 'penthouse type' flats on the roof, therefore it is proposed to replace this roof with a new flat roof.

'Mildura Court is within a conservation area and the appearance cannot be altered to

accommodate a pitched roof. Therefore a new flat roof will be laid'..
 The roof to Sackville House is physically able to receive a pitched roof and therefore we recommend this roof be replaced with a pitched roof, however we wish to note that the initial installation cost for a pitched roof is double that of a new flat roof. In addition, the life cycle costs for the pitched roof over a 35 year life are still £28k more for a pitched roof. (see below)

7.13 Planning Approval

7.14 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.

7.15 Life Cycle Costing Analysis

In addition to the life cycle costing and energy savings noted below (7.16), in liaison with Central Procurement, Asset Management are in the process of identifying life cycle cost analysis on other main elements of work to allow for comparison with the LHC and to assess energy savings.

7.16 Sackville House. N8.

Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	5	£69,863.	£0.00	£69,863

Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
	5	£132,486.	£0.00	£132,486

Flat Roof Renewal Option

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost	Total Costs
	5	£69,863	£77,933	£147,796

Flat to Pitch Conversion

	Inflation % Increase	Original/Maintenance Cost	Inflation Cost/Yr	Total Costs
	5	£132,486	£66,659	£175,947

Energy loss for Sackville House.

3 floors – Roof area 630m2. £9,177 (flat), £5,515 (pitch).

7.17 Digital Satellite Provision

7.17.1 The installation of the digital IRS systems are not included in this phase of works.

7.18 Whole Life Costings

7.19 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. Homes for Haringey are currently carrying out a components life cycle costing analysis.

7.20 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 £3,662 to residents over the 35 year period.

7.21 Environmental Improvements

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

7.23 Sustainability

7.24 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.

7.25 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.

7.26 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.

7.27 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.

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

7.29 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/m²K to improve the thermal qualities of the roof.

7.30 All new windows will be double glazed and adhere to Part 'L' of the Building Regs

7.31 Conservation Areas

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

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

8.0 Chief Financial Officer Comments

8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget for Decent Homes. Total costs of the project are subject to continuous review and at present the overall project is deemed to be within budget

9.0 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 432 properties in the Hornsey area of the borough (details of which are set out in paragraph 7.7 of the report) 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 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 (Towers 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 Hornsey 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 is satisfied that leaseholder statutory consultation has been carried out (to the date of these comments – 15 January 2010) in accordance with the Service Charges (Consultation Requirements) (England) Regulations 2003. Statutory consultation was ongoing at the date of these comments and will not be complete until the 14th

of February 2010.

9.7 The contract is also a key decision and, as such, needs to be and has been included in the Council's Forward Plan (in accordance with CSO 11.04).

9.8 The Head of Legal Services confirms that provided the Council has considered any comments from leaseholders made by the expiry date of the statutory leaseholder consultation period on 14th Feb. 2010 and providing there are no issues arising from the Planning Department, there are no legal reasons preventing Members from approving the recommendations in this report.

10.0 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 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. 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 affected by the works set out in this report. A resident's meeting was held on the 12th January and 103 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 90 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 6 while the number outside the period is 84. 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 15th January 2010 to expire on 14th February 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 15th January 2010.
- 12.10 The total amount estimated to be recovered from the 90 leaseholders is £1,403,173.43 This is broken down as follows:
1. There are 6 Leaseholders within the 5 year Section 125 period whose total estimated recoverable charges are £34,008.67.
 2. 84 Leaseholders outside of the 5 year Section 125 period have total estimated recoverable charges of £1,369,164.76
- 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 to be included on expiry of the Section 20 notice period which is the 14th February 2010.

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 £33m for 2010/11.
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. 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 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

2010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 10	£ 246,540.54	04/01/2010	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/2010	05/03/10
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
Hornsey	Phase 13	£3,365,764.50	29/03/10	05/04/11
		£15,017,699.50		