

Procurement Committee Meeting On 16th February 2010

Report Title. Hornsey Decent Homes Programme 2010/2011. Phase HO13.	
Report authorised by: Niall Bolger, Director of Urban Environment <i>WP Bolger 4th Feb 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 HO13 within the delivery of the Decent Homes Programme. The works outlined in this report are for Barrington Road, Coolhurst Road, Glebe Road, Harvey Road, Hawthorne Road, Inderwick Road, Montague Road, Nelson Road, New Road, Palace Road, Tivoli Road, Albert Buildings, Rathcoole Avenue, Rathcoole Gardens, Priory Road, Berkerley Road, Church Lane, Fairfield Road, Grieg Close, Harefield Road, Lightfoot Road, Lynton Road, Minster Walk, Topsfield Cottages, Bedford 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 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 Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are</p>	

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 paragraph 7.14, 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	5 th April 2011
Contract duration	53weeks
Contractor	para 2.1 Appendix A

7.7. Property address location

7.8 This report details the specific works required to the 341 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:

The Cottage, Barrington Road

112, 112a, 114, 114a Barrington Road

31a-31e Coolhurst Road

2, 2a, 21a, 21b, 41, 41a, 41b Glebe Road

25, 25a, 27, 27a, 33, 33a, 35, 47, 47a Harvey Road

17, 18, 20-25, 29, 30, 34, 38, 39, 41, 42, 44, 45, 46, 48-54, 56, 60, 62, 64, 65, 67, 69, 70, 72, 76-80, 82-84, 88 Hawthorne Road

1, 1a, 2, 7, 12, 21a, 21b, 25, 77, 109, 128, 128a, 132, 132a, 139, 139a, 142, 158, 165, 165a, 167, 167a, 197 Inderwick Road

2a, 2b, 8, 8a, 8b, 11, 11a, 21, 21a Montague Road

12, 14, 14a, 14b, 15, 18, 51, 57, 57a, 64, 88, 92, 92a, 96, 105, 105a, 106, 113, 113a, 117, 117a, 119, 119a, 12, 125, 125a, 132, 132a, 134, 134a, 135, 135a, 135b, 139, 139a, 139b, 151, 163, 164, 164a, 184, 184a, Nelson Road

8, 9, 11, 13, 15, 17, 19, 20-22, 23-69 (odd), New Road

5, 5a, 5b, 8, 10, 10a, 22, 46, 46a, 56a, 56b Palace Road

7, 21, 35, 37a, 37b, 39 Tivoli Road

1-4 Albert Buildings

9, 9a, 10, 10a, 25, 25a, 32, 32a, 36, 36a, 37, 42, 42a, 44, 44a, 50, 50a, 52, 52a, Rathcoole Avenue

20, 20a, 32, 32a, 37, 37a, 37b, 41, 41a, 50, 50a, 59, 66, 66a, 93, 93a, 97, 97a, 99, 99a, 105, 105a, 109, 109a, 109b, 118, 145, 145a, 151, 151a, 151b, flats 1-6/153, 161, 161a Rathcoole Gardens.

54a-d Priory Road

46-54 (even) Berkeley Road

19 Church Lane

2 Fairfield Road

1, 2, 5, 7 Greig Close

15, 20, 20a Harefield Road

55, 57, 59, 69, 71, 77-87(odd), 95, 107, 109, 111, 113, 119 Lightfoot Road

3, 17, 21 Lynton Road

1, 3, 5-13, 15, 16, 17, 19, 20, 21, 23, 25, 27, 30, 32, 34, 42, 46, 48, 50, 54, 56, 62, 68, 70, 74, 76, Minster Walk.

1, 2, 6, Topsfield Cottages

1, 1a, Bedford Road

Property Address	No of units	Property Type	Floor level	No of L/H's	Type of existing roof	Conservation Area
Barrington Road	5	House	2	1	Pitch	No
Coolhurst Road	5	House	2	3	Pitch	No
Glebe Road	7	House	2	3	Pitch	No
Harvey Road	9	House	2	2	Pitch	No
Hawthorne Road	43	House	2	0	Pitch	No
Inderwick Road	23	House	2	6	Pitch	No
Montague Road	9	House	2	3	Pitch	No
Nelson Road	44	House	2	18	Pitch	No
New Road	34	House	2	11	Pitch	No
Palace Road	11	House	2	4	Pitch	No
Tivoli Road	6	House	2	1	Pitch	No
Albert Buildings	4	House	2	1	Pitch	No
Rathcoole Avenue	19	House	2	7	Pitch	No
Rathcoole Gardens	45	House	2	17	Pitch	No
Priory Road	4	House	2	2	Pitch	No
Berkeley Road	5	House	2	0	Pitch	No
Church Lane	1	House	2	0	Pitch	No
Fairfield Road	1	House	2	0	Pitch	No
Greig Close	4	House	2	0	Pitch	No
Harefield Road	3	House	2	0	Pitch	No
Lightfoot Road	17	House	2	0	Pitch	No
Lynton Road	3	House	2	0	Pitch	No
Minster Walk	34	House	2	0	Pitch	No
Topsfield Cottages	3	House	2	0	Pitch	No
Bedford Road	2	House	2	2	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 where required.

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 of which some will require renewal.

7.13 Planning Approval

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

7.15 Life Cycle Costing Analysis

7.16 There are no flat roof renewals as part of this phase of works however, 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.

7.17 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 As stated above, there are no flat roof works programmed within this phase and therefore no whole life costings are required.

7.20 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.

7.21 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 341 properties in the Hornsey area of the borough (details of which are set out in paragraphs 7.8 to 7.12 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 (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 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 contract is a key decision and, as such, needs to be included in the Council's Forward Plan (in accordance with CSO 11.04). Urban Environment Directorate has confirmed that this has taken place.
- 9.7 The Head of Legal Services has been advised by the contact officer that there are no leaseholder properties affected by this proposed phase of works. Therefore the Service Charges (Consultation Requirements) (England) Regulations 2003 do not apply to this phase of the works, and leaseholder consultation notices are not required.
- 9.8 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 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 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 xx 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 None of the works within this phase affect the leasehold properties.

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 (Yr 3)

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		