



Haringey Council

Agenda item:

Procurement Committee Meeting

On 16th February 2010

Report Title. Wood Green Decent Homes Programme 2010/11. WG17

Report authorised by: Niall Bolger, Director of Urban Environment

NPBolger 4/2/2010

Contact Officer : Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151
Email: pauline.hinds@homesforharingey.org

Wards(s) affected: Noel Park

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 WG17 within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 5th April 2010. As such, this report is seeking Procurement Committee approval to award the contract for the works in this project.

2. Introduction by Cabinet Member

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.

2.2 Following appropriate reconnaissance, I am satisfied that this report comprehensively addresses the wider asset management issues for the these properties.

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.

4.2 The scheme is to be funded from the 2010/11 Decent Homes allocation (see Appendix A).

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

6.1 None applicable.

7. Summary

7.1 The package of works set out in this report forms part of the overall delivery of the Decent Homes Programme

7.1.0 Agreed Maximum Price of this works package

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

7.1.2 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.

7.2 Background

7.2.1 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.

7.3 Detailed below is a summary of contractor details:

Total estimated construction cost (excluding fees)	para 2.2 Appendix A
Anticipated Contract start on site	5 th April 2010
Anticipated Contract completion	18 th March 2011
Contract duration	49 weeks
Contractor	para 2.1 Appendix A

7.4 Property address location

7.4.1 This report details the specific works required to the 300 properties in the Wood Green area and are priced in accordance with the framework agreement.

Berwick Road N22
 Coombe Road N22
 Clarence Road N22
 Gladstone Avenues N22
 Glynne Road N22
 Moselle Avenue N22
 Noel Park Park N22
 Pelham Road N22
 Vincent Road N22
 Vincent Square N22

7.4.2 Property Address details

Property Address	No of units	Property Type	Floor level	No of L/holders	Type of existing roof	Conservation Area
Berwick Road N22	2	houses	2	0	Pitch	Yes
Coombe Road N22	1	houses	2	0	Pitch	Yes
Gladstone Ave. N22	57	houses	2	0	Pitch	Yes
Gladstone Ave. N22	29	flats	2	0	Pitch	Yes
Glynne Road N22	9	houses	2	0	Pitch	Yes
Moselle Ave. N22	76	houses	2	0	Pitch	Yes

Moselle Ave. N22	35	flats	2	0	Pitch	Yes
Noel Park Rd N22	7	houses	2	0	Pitch	Yes
Pelham Road N22	39	houses	2	0	Pitch	Yes
Vincent Road N22	21	houses	2	0	Pitch	Yes
Vincent Square N22	24	flats	2	0	Pitch	Yes

7.5 Schedule of works

7.5.1 The scope of improvements works included under this phase of the programme will include kitchen and bathroom refurbishment, boiler replacement, central heating works, rewiring and smoke detectors.

7.6 Planning Approval

7.6.1 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.

7.7 Life Cycle Costing Analysis

7.7.1 In liaison with Central Procurement Group, Asset management are in the process of identifying life cycle cost analysis on the main elements of works to allow for comparison with the London Housing Consortium (LHC) and to assess energy savings.

7.8 Environmental Improvements

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

7.9 Sustainability

7.9.1 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.

7.9.2 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.

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

7.10 Conservation Areas

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

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

8. Chief Financial Officer Comments

- 8.1 The cost of the works outlined in this report can be met from the 2010-11 Capital budget or 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. 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 294 properties in the Wood Green area of the borough (details of which are set out in paragraphs 7.4 and 7.5 of the report) to the contractor named in paragraph 2.1 of Appendix A to the report.
- 9.2 The Procurement Committee has on the 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 Hamblins) 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 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). The Urban Environment Directorate has confirmed that this has taken place.
- 9.7 There are no obligations for the Council in relation to the Service Charges (Consultation Requirements) (England) Regulations 2003 as there are no works proposed to leasehold properties as part of this Project.
- 9.6 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. 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.

12.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

12.3 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

12.4 Homes for Haringey has carried out detailed consultation with the residents that will be effected by the works set out in this report. A residents' meeting took place on the 20th January 2010. Ward Members were invited to attend. A newsletter will be sent to residents within 10 days after the meeting.

12.5 Leasehold Implications

12.6 There are no leaseholders in this phase of works.

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 AMP cost and breakdown

14.2 Appendix B, Expenditure to date (attached)

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).

APPENDIX B

Decent Homes Expenditure to date 20010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 10	£ 246,540.54	04/01/10	26/02/10
Hornsey	Phase 11	£ 239,830.05	04/01/10	05/03/10
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
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
North Tottenham	Phase 13	£ 334,423.82	01/03/10	02/07/10
North Tottenham	Phase 14	£2,301,006.89	05/04/10	20/08/10
Wood Green	Phase 17	£2,986,513.23	05/04/10	18/03/11
Total		£20,639,643.44		