



Haringey Council

Agenda item:

Procurement Committee Meeting

On 27th April 2010

Report Title. North Tottenham Decent Homes Programme 2009/10. NT14a	
Report authorised by: Niall Bolger, Director of Urban Environment <i>N Bolger 21st April 2010</i>	
Contact Officer : Pauline Hinds, Strategic Client Representative Tel: 020 8489 1151 Email: pauline.hinds@homesforharingey.org	
Wards(s) affected: 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 North Tottenham Area, known as NT14a within the delivery of the Decent Homes Programme. The works outlined in this report are schedule to commence on 5 th May 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.	
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 May 2010
Anticipated Contract completion	24 th September 2010
Contract duration	20 weeks
Contractor	para 2.1 Appendix A

7.4 **Property address location**

7.4.1 This report details the specific works required to the 171 properties in the North Tottenham area and are priced in accordance with the framework agreement.

2-44 Awfield Avenue N17
2-28 Balliol Road N17
3-38 Bennington Road N17
3-43 Cheshunte Road N17
3-35 Cumberton Road N17
59-96 Henningham Road N17
4-40 Kevelioc Road N17
1-20 Morteyne Road N17
4-30 Shobden Road N17
8-45 Siward Road N17
5-18 Smithson Road N17
1-48 Spigurnell Road N17
1-34 Teynton Terrace N17
4-33 Waltheof Avenue N17

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
Awfield Avenue N17	14	House	2	0	Pitch	Yes
Balliol Road N17	14	House	2	0	Pitch	Yes
Bennigham Road N17	19	House	2	0	Pitch	Yes
Cesthunte Road N17	11	House	2	0	Pitch	Yes
Cumberton Road N17	7	House	2	0	Pitch	Yes
Henningham Road N17	18	House	2	0	Pitch	Yes
Kevelioc Road N17	15	House	2	0	Pitch	Yes
Morteyne Road N17	7	House	2	0	Pitch	Yes
Shobden Road N17	5	House	2	0	Pitch	Yes
Siward Road N17	13	House	2	0	Pitch	Yes
Smithson Road N17	5	House	2	0	Pitch	Yes
Sprigurnell Road N17	20	House	2	0	Pitch	Yes
Teynton Terrace N17	11	House	2	0	Pitch	Yes
Waltheof Avenue N17	12	House	2	0	Pitch	Yes

7.5 Schedule of works

7.5.1 The scope of improvements included under this phase of the programme will include the following works:

Element of works	Yes/No (Y/N)
Roof replacement	Y
Window and door replacement	Y
Bathroom replacement	Y
Boiler replacement	Y
Central heating replacement	Y
Rewiring	Y
Extractor fans	Y
Smoke detectors	Y

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 Life cycle costings are being undertaken for key components as required by the Construction Procurement Group. A life cycle cost analysis has recently been produced for the decent homes main elements, kitchen, bathrooms, boilers, windows and roofs. This is awaiting verification.

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 conservations consents are required for this phase of works.

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 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. 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 171 properties in the North Tottenham 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 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 Hamlins) 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 North Tottenham 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 the statutory leaseholder consultation requirements under the Service Charges Regulations 2003 are not applicable to these proposed works as there are no leasehold properties involved.
- 9.7 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 Director of Urban Environment Directorate has confirmed that this has taken place.
- 9.8 The Head of Legal Services confirms that 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. 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.
- 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 affected by the works set out in this report. A residents' meeting was held on 10th February 2010 and 23 residents attended in total. The Ward Members were invited to attend. This was followed by a newsletter to residents after the meeting.

12.5 Leasehold Implications

- 12.5.1 There are no leaseholders included 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 £33.5 m 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 2010/11

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	Phase 12	£6,699,091.41	29/03/10	31/03/11
South Tottenham	Phase 14	£4,466,473.00	09/11/09	29/10/10
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
Wood Green	Phase 19	£4,405,620.05	05/07/10	01/07/11
North Tottenham	Phase 14a	£2,743,850.51	05/05/10	24/09/10
North Tottenham	Phase 16	£2,094,838.63	19/04/10	24/09/10
South Tottenham	Phase 15	£5,617,311.65	12/04/10	11/03/11
Total		£31,314,705.37		