

Cllr Mallett O&S

- 1. *What do you think the least and most effective parts of the budget scrutiny process were?***

Most Effective:

Quality debate, challenge and input from Scrutiny Members.
Assistance for the Executive in prioritising bids.
Attendance of Executive Members and key officers to enable scrutiny members to query the detail of individual items.

Least Effective:

Too many bids to consider in too short a time period.
Scrutiny maybe spending too long on special interest topics rather than more significant and far reaching bids.
Some bids considered did not have sufficient detail for members to fully understand.
Some savings items are not likely to have been agreed, but are still put forward for debate.

- 2. *What changes will you make to the way the budget is put together, consulted on and scrutinised next year?***

We are currently giving detailed consideration to the budget process for next year so it is too soon to provide you with the details. I would welcome suggestions.

- 3. *Now that the budget is agreed, what do you see as the biggest areas of risk in the next financial year?***

There are a number of areas highlighted in the final budget report. The most significant risk areas are Asylum, Single Status and Adults Care services. In relation to Asylum, the 2006-07 financial year looks to have ended with a fairly significant overspend and the pressure looks likely to continue into the new year. Discussions are on-going with the Government about the unfunded pressure on Haringey's budget.

The negotiations with Unions around single status are continuing, but the outcome is certain to be a significant cost for back-pay which will have to be found from within existing resources.

There are demand pressures on the Adults Care budget but the service is being asked to ensure that they stay within the approved budget.

- 4. *Please can it be confirmed that the failure to produce the report mentioned below has been enquired into, please advise as to the outcome of your enquiry.***

Dear Cllr Mallett,

Further to your request at the recent LEP meeting to receive the minutes that refer to a request for a report from Neighbourhood Management, please find attached minutes for the last seven meetings of the group dating back to Jan 06. You will note that each of the meetings reiterate the request -

Jan 18th 2006 in Section 5

Mar 23rd 2006 in Section 3

Apr 27th 2006 in Section 3

Jul 7th 2006 in Section 5

Sep 20th 2006 in Section 4

Nov 22nd 2006 in Section 3

Jan 16th 2007 in Section 4

Should you require further information about the Upper Lee Valley Local Economic Partnership meetings, please do not hesitate to contact me.

Kind regards

Tunde Awofolaju

***Programme Manager: Community Economic Development, Urban Futures
London Limited***

The report has now been produced and was presented at the April meeting of the LEP and is attached.

5. I understand that no contractor employed by Haringey Council and Homes for Haringey may sub contract work without getting the written consent of the Council.

This is correct. The standard Haringey Council clause which is included in all London Borough of Haringey clauses (as of December 2006) is as follows:

'14.1 The Contractor must not assign, sub-contract, or delegate any of its duties in whole or in part under this Contract without the prior written consent of the Employer, which may be given or withheld in the Employer's sole discretion and subject to any conditions which the Employer sees fit.'

14.2 In the event that the Employer agrees to any part of the Works being sub-contracted, the Contractor shall ensure that it (the Contractor) enters into a legally binding contract with the sub-contractor in a form approved in writing by the Employer's Authorised Officer (or his representative) prior to the commencement of the sub-contract

Haringey's Standing Orders state that all projects in excess of £25,000 need to contain a clause prohibiting subcontracting or assignment without consent of the Director.

The current Homes for Haringey Decent Homes clause is as follows:

Sub-specialists

“Any proposed sub-specialist appointed by the Specialist shall be subject to prior approval by the Client following Core Group Consultation” (This is a partnering contract and therefore does not include the term ‘subcontractors’ but ‘specialists’)

Linbrook’s

The clause in the Linbrook's contract is:

Clause 1.19

‘The contractor shall not:

a) Subcontract any portion of the Term Programme without the written consent of the Employer.

b) Assign the contract without the written consent of the Employer

...Should the Contractor intend to use any specialist to undertake any task or tasks, he must prior to the commencement of the contract, inform the employer of the names and addresses and references of the Specialist. The contract shall also inform the employer of the exact nature of the work he will be employing the specialist to undertake.

...‘No specialist previously approved by the Employer (shall) be changed without the prior approval of the employer.... The specialist should not start work until the Employer has returned his written approval of the change of any specialist. This approval will no(t) be unreasonably with-held’

However, Linbrooks contract expired on 4 January 2007 and Homes for Haringey are in the process of reletting the contract.

6. Please can you confirm this is correct.

It is, please see response to 5. above

7. Please advise how many written consents have been given to LINBROOK’S to sub contract over the last 12 months.

Homes for Haringey have stated that Linbrook’s have not made any requests to subcontract and that no written consents have been given to Linbrooks for subcontracting.

8. Is it allowed for a sub contractor to further sub contract, if so what is the procedure laid down to for this.

It is not permitted for a sub-contractor to sub contract any works without the written consent of the council. The standard clause for all LBH contracts (as of December 2006) is as follows:

Sub-contracting by a Sub-Contractor

14.3 The Contractor shall ensure that a condition is included in any sub-contract entered into by it stipulating that the Sub-contractor shall not enter into a further sub-contract in respect of the Works or any part of the Works under the sub-contract without first notifying the Contractor.

14.4 Upon receipt of any notification from the Sub-contractor in accordance with Special Condition 14.3 above, the Contractor shall inform the Employer of the intention to further sub-contract the Works or part of the Works and shall obtain the written consent of the Employer thereto, which consent may be given or withheld at the Employer's sole discretion and subject to any conditions the Employer may deem fit to impose.

14.5 Notwithstanding anything in Special Conditions 14.1 to 14.4 above, the Contractor shall remain wholly responsible for carrying out and completing the services under the Contract.

Labour only sub-contracts

15.1 The Contractor shall not employ labour only sub-contractors except with the written consent of the Employer and then only if the sub-contractor is in possession of the special certificate issued by the Inland Revenue under the provisions of the Finance (No.2) Act 1975.

Linbrook's

The above clauses which relate to sub-sub-contracting are not contained in the Linbrook's contract but Clause 1.19 above if enforced would prevent sub-sub-contracting occurring without the client's knowledge.

9. All Council contracts hold back 2.5% for snagging works. Please advise if this statement is correct.

Generally yes, but this is not applicable to contracts under £25,000 where no monies are held back (ie 'retention'), or projects in the region of £2million and over where the retention is 1.5%.

10. At the end of each financial year what happens to the sums of money still held back under this 2.5% hold back.

The 2.5% is held back until the end of the defects period (6 months or 12 months depending on the type of contract). The money is only released when any defects have been remedied. The financial year end has no significance on the release of the monies and the money is held against the project cost code.

11. Are Council Officers allowed to hold back sums in excess of 2.5% if they are of the opinion that the contract works have been done to an extremely bad standard, if so what happens to sums such as this held back at the end of the financial year.

Not for snagging works, but there are other remedies within the standard forms of contract which can be used to withhold monies. Again, the financial year end has no effect on the release of such monies.

12. If the Council wishes to amend the standard "snagging" hold back 2.5% to a higher sum, say 5%, is there any reason preventing the Council from doing so.

No, but it would adversely affect the tender price.