



**Haringey** Council

Agenda item:

**(No.)**

**Procurement Committee**

**Date: 16<sup>th</sup> October 2008**

Report Title: **Decent Homes Works: North Tottenham Phase 9**

Forward Plan reference number

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected: Northumberland Park

Report for: **Key Decision**

### **1. Purpose**

1.1 This reports sets out a detailed programme of works as it relates to the delivery of the Decent Homes Programme at properties known as Northumberland Park . The works outlined in this report is scheduled to commence on 6th October 2008. As such, this report is seeking Procurement Committee approval to proceed to award the contract and commence with the works in this phase.

### **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.

### **3.0 Recommendations**

3.1 To facilitate the delivery of the decent homes works Members of the Procurement Committee are requested to agree:

3.2. 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.

Report Authorised by: **Niall Bolger, Director of Urban Environment**

Contact Officer: **Larry Ainsworth**  
**Strategic Client Representative**  
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#### **4.0 Chief Finance Officer Comments**

- 4.1 It should be noted that on 13<sup>th</sup> Feb 2007, this committee approved framework agreements with Decent Homes contractors and compliance teams, to cover 4 areas. This report details the specific works needed to Northumberland Park, N17, priced in accordance with the framework agreement.
- 4.2 Members will be aware that DCLG has approved the funding for Decent Homes, totalling £198.5m phased over six years of which £27.5m has been approved for 2008-09. This scheme is included in the schedule for 2008-09. However, as some of the works are going to be completed in the next financial year funding for this element will be a first call against the Decent Homes allocation for 2009/10.
- 4.3 It should be noted that so far (excluding the reports on this agenda) 24 contracts have been approved by this committee; totalling some £25.6m. With the approval of the three Contracts on this agenda, this will bring the total commitments to £30.1m based on the flat roof option. The extra costs above the currently approved budget is proposed to be funded from recharges made to leaseholders for works to their properties.
- 4.4 The report also provides information for a pitched roof option. The additional cost of this is £0.505m. The Decent Homes funding does not include resources for pitched roofs and therefore currently there is no budget to fund this work.

#### **5.0 Head of Legal Services Comments**

- 5.1 This report is seeking Procurement Committee approval to award a call-off contract for Decent Homes works at 104 properties in the North Tottenham area of the borough (*details of which are set out in Paragraph 15.2 below*), to the contractor named in Paragraph 2.1 of Appendix A to this report.
- 5.2 Cabinet Procurement Committee had on 13<sup>th</sup> February 2007 granted approval to the award of four Decent Homes Constructor 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.
- 5.3 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 advisers (Trowers and Hamlin) who provided legal advice on the procurement of the Framework Agreements.
- 5.4 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.

5.5 As the value of the contract is above the Council's Key Decision threshold of £500,000, the Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan.

5.6 The report states that the statutory leaseholder consultation has been undertaken and no adverse comments were received from leaseholders.

5.7 The value of the proposed contract exceeds £250,000 therefore the award must be agreed by the Procurement Committee, in accordance with CSO 11.3.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation as to the contract award set out in Paragraph 3 of this report.

## **6.0 Head of Procurement Comments**

6.1 The selection of the contractor for these works has been undertaken from the Decent Homes contractor framework.

6.2 The Client needs ensure that a risk register is in place for the works and that it is reviewed on a regular basis.

6.3 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.

6.4 The Head of Procurement therefore states that the recommendations in this report offer best value for the Council.

## **7.0 Local Government (Access to Information) Act 1985**

7.1 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.

7.2 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):

7.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **8. Strategic Implications**

- 8.1 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.

## **9. Financial Implications**

- 9.1 This scheme is estimated to cost the amount set out in paragraph 2.3 of Appendix A.
- 9.2 Provision for this exists within the Decent Homes Budget for 2008/2009 and details of spend to date are set out in Appendix 2

## **10. Legal Implications**

- 10.1 See section 5 above.

## **11. Equalities Implications**

- 11.1 The works will ensure that all tenants and leaseholders living throughout the borough will reside in a decent home by the end of this programme of work.
- 11.2 This improvement will benefit all occupants of the properties, which include disabled, elderly and people from the minority ethnic communities.

## **12. Consultation**

- 12.1 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 will be held on 25th September 2008.. The Ward Member will be invited to attend. This will be followed by a newsletter to residents.
- 12.2 Leasehold consultation forms part of the overall consultation process and is a statutory requirement. Details of this are set out in paragraph 18 of this report.

## **13. Background**

- 13.1 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. The objective of the Decent Homes Standard is that every tenanted home should be decent

in accordance with the guidelines of the ODPM (now DCLG) by December 2010.

- 13.2 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.
- 13.3 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/ALMOs.
- 13.4 On 13<sup>th</sup> Feb 2007, this committee approved the framework agreements to four Decent Homes contractors and 4 compliance teams, to cover 4 areas. The procurement and delivery of the Decent Homes Constructors has been managed by Homes for Haringey under the terms of its management agreement with the Council.

#### **14. Agreed Maximum Price**

- 14.1 The Agreed Maximum Price is based on the schedule of rates contained within the contractors tender returned 30<sup>th</sup> November 2006.
- 14.2 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.
- 14.3 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.

#### **14.4 Detailed below is a summary of contractor details:**

Total estimated construction cost (excluding fees)	para 2.1 Appendix A
Anticipated Contract start on site	6th October 2008
Anticipated Contract completion	29th May 2009
Contract duration	32 weeks
Contractor	para 2.2 Appendix A

#### **15. Property address location**

- 15.2 This report details the specific works required to the 113 properties in Northumberland Park in the North Tottenham 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:

### General Needs Dwellings

Property Address	No of units	Property Type	Floor level	No of Leaseholders	Type of Roof	Conservation area
Northumberland Park	1076	Low Rise Houses	3 2	350		No

## 16. Schedule of works

16.1 The scope of improvements works included under this phase of the programme will include window and door renewal, rewires, kitchen and bathroom refurbishment and Digital IRS Installation and roof renewal. The works are programmed to commence with the internal works first with the external works, requiring scaffolding to commence after the festive break. Additional details relating to specific works under the programme are set out below:

### 16.2 Proposed Roof works

16.3 The current dwellings identified in this phase of works which have a flat roof are blocks –160 – 186b and 188 – 214b. The remaining properties are houses (43, 51, 222, 224, 230, 232 and 234 and a small block with pitched roofs (127). Upon inspection the current condition of the flat and pitched roofs was found to be in good condition. We are therefore not proposing to carry out any roof renewal works under this phase. However, details of the cost to a replacement roof are set out below:

#### AMP 9 - Northumberland Park

##### Total cost 08/09 (inc. scaffolding)

Scope of Works	AMP 9 - Northumberland Park	
	160-186 & 188-214	Total
Replacement Flat roof with Isolated Repairs	20,000	20,000
Replacement Flat to Pitch roof	500,401	500,401

##### Total cost over 35 Year Life Cycle (inc scaffolding)

Scope of Works	AMP 9 - Northumberland Park	
	160-186 & 188-214	Total
Replacement Flat roof with Isolated Repairs	407,734	407,734
Replacement Flat to Pitch roof	611,671	611,671

*Total Saving*

**203,937**

#### **16.4 Digital Satellite Provision**

16.5 The provision of an integrated satellite reception system will reduce the quantity of satellite dishes affixed to the property and reduce damage to the building fabric. Under this scheme, the system will offer services from the providers as per the attached link. Further details can be obtained by viewing: <http://en.kingofsat.net/tv-28.2E.php>

16.6 Residents will be written to and advised to remove their individual dish. Where dishes have not been removed, instructions will be given to the contractor to remove. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the dishes be erected after completion of the works.

#### **16.7 Environmental Improvements**

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

#### **16.9 Sustainability**

16.10 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.

16.11 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.

16.12 The dwellings that benefit from new kitchen and bathroom replacement will be fitted with two low energy light fittings. The selected kitchen, Premiere, has received the F.I.R.A Gold Award and Kite mark Certification with a life expectancy of thirty years.

16.13 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.

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

#### **16.15 Conservation Areas**

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

16.17 For the purposes of this programme, the Planning department has confirmed that there are no conservations consents required

## **17. Leasehold Consultation**

17.1 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.

## **18. Leasehold Implications**

18.1 As a result of applications made under the Right to Buy legislation, there are 21 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 2 while the number outside the period is 19. This report provides a breakdown of the costs for each group in paragraph 19.5.

18.2 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.

18.3 In accordance with The Service Charges Regulations 2003, under schedule 3, notice was issued on 7th August 2008 and expired on 6th September 2008.

18.4 The notice gave a description of the proposed works and provided details for the costs of the works.

18.5 The total amount estimated to be recovered from the 21 leaseholders is £123,436.91. This is broken down as follows:

1. Leaseholders within the 5 year Section 125 period total estimated recoverable charges £4,826.00
2. Leaseholders outside of the 5 year Section 125 period total estimated recoverable charges £118,610.91.

18.6 The charges to all 21 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works will be included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

18.7 No works commenced during the notice period or where there has been an outstanding leasehold enquiry as a result of the notice.



18.8 No observations were received for this project.

## **19. Project Management**

19.1 Homes for Haringey, managing this contract on behalf of the Council have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

19.2 The key members of the project team are as follows:

- Larry Ainsworth Strategic Client Representative – Homes for Haringey
- Karl Walbrook Compliance Team – John Rowan & Partners
- Sharon Morgan Head of Tenancy Management – Homes for Haringey

## **20.0 Health and Safety Implications**

20.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

20.2 The Construction (Design and Management) Regulations 2007 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the CDM Co-ordinator before works start on site.

## **21.0 Conclusion**

21.1 That the procurement committee accept the recommendations outlined in section 3 above.

## **22.0 Use of Appendices/Tables/Photographs**

**Appendices A** Exempt information

**B Decent Homes expenditure to date**

APPENDIX B

**Decent Homes Expenditure to date**

Area	Report Number	Agreed Maximum Price by work package	Start on Site	Finish on site
Hornsey	HOPH1	£ 1,562,501.00	08/09/2008	05/12/2008
Hornsey	HOPH2	£ 2,864,346.00	13/10/2008	06/03/2009
Hornsey	HOPH3	£ 598,967.13	02/06/2008	22/08/2008
Hornsey	HOPH4	£ 252,333.26	16/06/2008	04/08/2008
Hornsey	HOPH5	£ 242,652.04	18/08/2008	12/09/2008
North Tottenham	NT1	£ 1,063,712.39	19/05/2008	22/08/2008
North Tottenham	NT2	£ 369,121.73	23/06/2008	15/08/2008
North Tottenham	NT3	£ 1,237,224.22	07/07/2008	07/11/2008
North Tottenham	NT4	£ 941,314.91	09/06/2008	05/09/2008
North Tottenham	NT5	£ 1,203,761.28	21/07/2008	21/11/2008
North Tottenham	NT6	£ 834,402.46	15/09/2008	19/12/2008
South Tottenham	ST1	£ 648,274.23	31/03/2008	18/07/2008
South Tottenham	ST2	£ 1,220,885.05	02/06/2008	14/11/2008
South Tottenham	ST3	£ 830,501.14	02/06/2008	19/09/2008
South Tottenham	ST4	£ 2,402,166.68	16/06/2008	06/03/2009
South Tottenham	ST5	£ 1,380,645.06	30/06/2008	23/01/2009
South Tottenham	ST6	£ 627,875.90	30/06/2008	17/10/2008
South Tottenham	ST7	£ 2,048,608.79	04/08/2008	06/03/2009
South Tottenham	ST8	£ 1,382,707.77	06/10/2008	06/03/2009
Wood green	WG1	£ 2,517,554.10	19/05/2008	12/01/2009
Wood green	WG2	£ 220,959.70	27/05/2008	14/07/2008
Wood green	WG3	£ 466,558.48	04/08/2008	03/11/2008
Wood green	WG4	£ 359,973.69	04/08/2008	06/10/2008
Wood green	WG5	£ 322,255.86	08/09/2008	03/11/2008
<b>Total</b>		£ 25,599,302.87		