

Report for: Cabinet 8 October 2019

Title: Award of Contract for the Homes for Haringey Major Works Year 2 programme, 3 lots

Report authorised by: Dan Hawthorn, Director of Housing, Regeneration and Planning

Lead Officer: Malcolm Peek, Interim Head of Major Works, Homes for Haringey

Ward(s) affected: All

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

- 1.1 The report sets out an overview of the (external) capital investment programme for year 2 and seeks approval for the award of 3 contracts for the Housing Asset Investment Plan for Year 2, (2019/20). The contracts have an aggregate value of £16.6m.
- 1.2 This is in accordance with the capital investment budget approved in February 2018 (see 12.5) and the approved Asset Management Plan 2018-2023 (see 12.2).
- 1.3 This report sets out a recommendation to appoint two contractors to provide construction services for three contracts (Programme A, B and C). The contractors will work with Homes for Haringey to deliver the external capital investment programme for Year 2 (2019/20) to Haringey's Council Housing Stock.

2 Cabinet Member Introduction - Cabinet Member for Housing and Estate Renewal

- 2.1 This award of contract enables Homes for Haringey to progress the external capital investment programme for year 2 (2019/20). This will enable external works such as the renewal of roofs, windows, external brickwork repairs and improvements to communal areas. These will contribute to the Borough Plan target to ensure that a minimum of 95% of homes meet the Decent Homes Standard by 2022. Plus, by incorporating communal and environmental works within the programme, this will improve the lives of residents on our estates.

3 Recommendations

- 3.1 For Cabinet, pursuant to the Council's Contract Standing Order (CSO) 9.07.1(d), to approve the award of the contracts in respect of the External Major Works Year 2 Programme A, B and C.
- Programme A for renewal of roofs, windows, external brickwork repairs and improvements to communal and external areas at a total cost of £5,231,064.82.
 - Programme B for renewal of roofs, windows, external brickwork repairs and improvements to and external communal areas at a total cost of £5,774,875.42.
 - Programme C for renewal of roofs, windows, external brickwork repairs and improvements to and external communal areas at a total cost of £5,594,154.97.
- 3.2. Details of the successful tenderers are outlined in Part B (exempt information) of the report.

4 Reasons for decision

- 4.1 In line with the Council's plans to invest in the Housing stock, Homes for Haringey intends to deliver the three packages outlined in the report through an external and communal works programme. The report recommends the appointment of two contractors to work with Homes for Haringey to deliver the capital investment programme for Year 2 (2019/20).
- 4.2 Homes for Haringey require approval for the award of contracts to deliver the year 2 external capital works programme. This is following a tender process in conjunction with Haringey Council Procurement, via the London Construction Programme (LCP) framework and processes.
- 4.3 The tender process was carried out in accordance with the framework requirements that incorporate price and quality. The successful bidders scored the highest points in relation to these criteria in each associated tender lot.

5 Alternative options considered

- 5.1 An alternative option would be for Homes for Haringey either to use third Party industry frameworks or an OJEU compliant tender process to deliver the capital programme. Homes for Haringey sought support and advice from Haringey Strategic Procurement and determined the LCP framework as being the optimum route to the market. This was due to the speed of access to quality-checked contractors and focus on companies that focus their resources in the local area.
- 5.2 A do-nothing option would mean the Council is not able to deliver external capital investment works to the housing stock. This is in accordance with the agreed Asset Management Strategy (see link in section 12.2) and the condition of the stock would be likely to deteriorate significantly.

6 Background information

- 6.1. Homes for Haringey manages 20,387 homes on behalf of Haringey Council comprising the following properties: -
- 14,240 general needs homes
 - 1,328 units of supported housing
 - 4,819 leasehold homes
- 6.2. As the landlord, the Council has a statutory and legislative duty to maintain the housing stock in a good state of repair.
- 6.3. From 2008, the stock investment programme was largely targeted at the renewal of components that fell within the scope of the Government's Decent Homes Standard. This enabled improvements to be made to specific key building components (roofs, windows etc) but largely omitted any wider estate improvements. The Asset Management Strategy 2018-23 (see link in section 12.2) sets out a broader and more holistic approach to stock investment from 2019 onwards to that achieved under the Decent Homes programme. These works will be delivered through an external and communal works programme running in parallel with an internal works programme.
- 6.4. In putting together the programme a 'worst first' approach has been taken, as far as possible, to ensure that those homes with the greatest need are prioritised. This approach is designed to ensure the Council achieves and maintain full decency within the stock while also investing in areas that fall outside the scope of the Decent Homes Standard.
- 6.5. Each year of the programme contains a mix of estates and scattered dwellings. Scattered (non-estate) dwellings have generally been grouped by street for programming purposes. For estate dwellings the intention is to carry out works on an estate-wide basis. The remaining estates and scattered properties have been allocated to a year within the programme according to the following criteria: -
- 6.5.1. High Need – Decent Homes Standard building components
 - 6.5.2. High Need – Non-Decent Homes Standard building components
 - 6.5.3. Years since last worked on.
 - 6.5.4. Average repair cost over the last three years.
- 6.6. Year 2 addresses have been drawn from the highest priority dwellings based on the criteria outlined in 6.5. However, to expedite delivery, blocks with Leaseholders have been omitted from year 2. Blocks with Leaseholders that would otherwise have been included in year 2 have been prioritised for the year 3 programme.
- 6.7. Cabinet agreed in February 2018 to appoint Ridge and Partners LLP as Homes for Haringey's multidisciplinary construction related consultant. The projects under consideration will be project managed, designed and cost managed by Ridge and Homes for Haringey.

7 Contribution to strategic outcomes

- 7.1 The works and programme are being carried out in line with the Housing priority in the Borough Plan. Specifically, it will contribute to the Outcome 3: We will work together to drive up the quality of housing for everyone, Objective a) improve the quality of Haringey’s Council Housing, including by ensuring that a minimum of 95% of homes meet the Decent Homes standard by 2022

8 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

- 8.2. The 2019/20 external works programme budget was approved by full council in February 2019. There is a budget provision of c£28.0m for these aspects of work in 2019/20.
- 8.3. The total cost of these schemes is estimated at £16.6m and it is estimated to be spent as shown below:

Phasing of Expenditure Table:

	19/20	20/21	21/22 (Retention)	Contract Sum
Programme A	£3.9m	£1.2m	£0.1m	£5.2m

	19/20	20/21	21/22 (Retention)	Contract Sum
Programme B	£4.3m	£1.4m	£0.1m	£5.8m

	19/20	20/21	21/22 (Retention)	Contract Sum
Programme C	£4.2m	£1.3m	£0.1m	£5.6m

- 8.4. The contractors were selected following a tender and evaluation process based on price (60%) and quality (40%).
- 8.5. The schemes identified are for works on tenanted properties. Therefore, there is no cost recovery from leaseholders as there are no leasehold properties within this project.
- 8.6. It is projected that a total of £12.5m of the estimated £16.6m will be spent in 2019/20 as shown in the table in 8.3 above “phasing of expenditure”; with £4.1m carried forward in 2020/21.

8.7 Procurement

- 8.8 The strategic procurement advice and technical services for this project were provided by London Borough of Haringey Strategic Procurement.
- 8.9 Upon consideration of the available options, the Council advised HfH to use the new LCP (London Construction Programme) Major Works Framework.

Mini Competition Stage

- 8.10 In order to prove best value and select the most appropriate contractor for the works, the works were divided up into 3 lots and a mini competition was held. The contract was advertised to the contractors on the MW2019 Housing North London lot.
- 8.11 An electronic tendering portal (Delta eSourcing) was utilised for the mini competition.

Evaluation

- 8.12 The deadline for tender submission was 28th August 2019 and could only be submitted via the electronic tendering portal. All bids were received on time.
- 8.13 Evaluation of tender documents commenced on 29th August 2019. The team consisted of 2 panel members. Each individual team member evaluated and awarded scores on the quality submission of all bidders.
- 8.14 Following this a moderation meeting was held on 2nd September 2019, chaired by the Procurement Manager. At this session, the panel members deliberated on individual scores and ensured that scores awarded were based on consensus from the majority panel members. The award of this contract is based on the most advantageous tender.

9. Legal

- 9.1. The Assistant Director of Corporate Governance notes the content of the report.
- 9.2. Strategic Procurement has confirmed that the service was procured through the London Construction Programme (LCP) Major Works Framework.
- 9.3. Pursuant to the Council's Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contracts Regulations 2015, the Council may select one or more Contractors from a Framework established by a public body where the Council has been named as an approved user in the OJEU Contract Notice and it is confirmed that the Council is an approved user of the GLA ADUP Framework from which the services was procured.
- 9.4. Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the contract in this Report.
- 9.5. The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report

10. Equality

- 10.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: -

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

- 10.2. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 10.3. The decision is to award contracts for the Housing Asset Investment Plan for Year 2, 2019/20. The decision will primarily impact residents living in properties managed by Homes for Haringey. It is notable that women, BAME communities, and individuals with disabilities and/or long-term health conditions are over-represented among Council housing tenants in Haringey. There is no indication that this decision will result in any foreseeable negative impacts on any individual or group that shares the protected characteristics.
- 10.4. As a body carrying out a public function on behalf of a public authority, the contractor will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a disproportionate negative impact on any groups who share the protected characteristics.

11 Use of Appendices

11.1 Part B exempt information

12 Local Government (Access to Information) Act 1985

- 12.1 In October 2016 Cabinet agreed to adopt a new approach and standard for delivering investment in the housing stock, following the end of Decent Homes funding as noted in section 6.2. Cabinet also agreed that Homes for Haringey should develop a new Asset Management Strategy and Investment Plan; with approval of the plan delegated to the then Director of Regeneration, Planning and Development, after consultation with the Lead member for Housing and Chief Operating Officer.

12.2 Asset Management Strategy 2018-23

<https://www.homesforharingey.org/repairs-and-maintenance/major-works>

12.3 Stock Investment and Estate Renewal Policy

<http://www.minutes.haringey.gov.uk/documents/s88262/>

12.4 In February 2018 Cabinet agreed to appoint Ridge and Partners LLP as multi-disciplinary professional consultants.

Award of contract for multi-disciplinary professional services

<http://www.minutes.haringey.gov.uk/documents/s99594/>

12.5 In February 2018 Cabinet approved the capital budget to deliver a 5 year investment plan.

Medium Term Financial Strategy 2018/19-2022/23

<http://www.minutes.haringey.gov.uk/documents/s99632/>

Part B is:

NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

