

Homes for Haringey

PROPOSAL IN RESPECT OF A QUALIFYING LONG TERM AGREEMENT RELATING TO THE APPOINTMENT OF A CONSULTANT FOR CONSTRUCTION WORKS (CfCW)

Prepared pursuant to
The Service Charges (Consultation Requirements) (England) Regulations 2003
Schedule 2

1. The name and address of every party to the proposed agreement other than the Council:
 - (i) NPS London Ltd, 3-4 Avocet House, Trinity Park, Trinity Way, Chingford, London, E4 8TD

2. There is no connection between the London Borough of Haringey and:
 - (i) NPS London Ltd, 3-4 Avocet House, Trinity Park, Trinity Way, Chingford, London, E4 8TD

as defined by the Service Charges (Consultation Requirements)(England) Regulations 2003, Schedule 2.

3. For the unit cost or hourly or daily rate applicable to the relevant matters to which the proposed agreement relates, see Appendix 1.

4. The intended duration of the agreements is two years with an option for two further years of one year each, beginning in April 2008.

5. The Council has received observations on Notices of Intention dated 22 October 2007 to which it was required to have regard. For a statement summarising the observations and the Council's responses to them, see Appendix 2.

Notes:

1. Any appointments over £25,000 must be approved by the Director of the appropriate service
2. Hourly rates should include all disbursements, overheads and profit margins of the company
3. A working day shall comprise a maximum of 8 hours/day per person
4. Time sheets must be certified by authorised Council staff
5. If the total hours worked spills over into the next time limit band (e.g. 150-419 hours to 420-599 hours) the total fees shall be based on the rate for the greater time limit band.

Class P	Discipline		Level	£/hour	150-419 hours	420-599 Hours	Over 600 Hours
					reduction	reduction	reduction
					%	%	%
PPM	Project Manager any discipline - Building (housing & non housing), Civil Engineering, Mechanical Engineer, Electrical Engineer, Landscape Architect, QS, Building Surveyor.	PPM1	Management / Principal	85	1	2	3
		PPM2	Senior Professional	75	1	2	3
		PPM3	Professional	70	1	2	3
		PPM4	Senior Technician	65	1	2	3
		PPM5	Technician	55	1	2	3
PGA	General Architect, Urban Regeneration Architect	PGA1	Management / Principal	85	1	2	3
		PGA2	Senior Professional	75	1	2	3
		PGA3	Professional	70	1	2	3
		PGA4	Senior Technician	65	1	2	3
		PGA5	Technician	55	1	2	3
		PGA6	Expert Witness	200	1	2	3
PLA	Landscape Architect	PLA1	Management / Principal	85	1	2	3
		PLA2	Senior Professional	75	1	2	3
		PLA3	Professional	70	1	2	3
		PLA4	Senior Technician	65	1	2	3
		PLA5	Technician	55	1	2	3
PBS	Building Surveyor	PBS1	Management / Principal	85	1	2	3
		PBS2	Senior Professional	75	1	2	3
		PBS3	Professional	70	1	2	3
		PBS4	Senior Technician	65	1	2	3
		PBS5	Technician	55	1	2	3
		PBS6	Expert Witness	200	1	2	3
		PBS7	Party Wall Surveyor	70	1	2	3
		PBS8	DDA Surveyor	65	1	2	3
PEG	Engineering - civil engineering, Mechanical Engineers, Electrical Engineers, Structural Engineers	PEG1	Senior Professional	75	1	2	3
		PEG2	Professional	70	1	2	3
		PEG3	Senior Technician	65	1	2	3
		PEG4	Technician	55	1	2	3
		PEG5	Expert Witness	200	1	2	3
PQS	Quantity Surveyor services for all disciplines - Building Surveyors, Civil Engineers, Mechanical Engineers, Electrical Engineers, Structural Engineers, Landscape Architect	PQS1	Management / Principal	85	1	2	3
		PQS2	Senior Professional	75	1	2	3
		PQS3	Professional	70	1	2	3
		PQS4	Senior Technician	65	1	2	3
		PQS5	Technician	55	1	2	3
		PQS6	Expert Witness	200	1	2	3
PDA	Development Appraisal Advisor (housing & non housing development).	PDA1	Management / Principal	85	1	2	3
		PDA2	Senior Professional	75	1	2	3
		PDA3	Professional	70	1	2	3
		PDA4	Senior Technician	65	1	2	3
		PDA5	Technician	55	1	2	3



APPENDIX 2
(of the Proposal)

Consultancy Services for Construction Works – Summary of observations received from leaseholders in relation to the first section 20 notices (dated the 22/10/2007) and the responses made to them by Homes for Haringey.

The following constitutes a record of the observations (4 in number) received from leaseholders regarding the two Notices of intention to enter into long term agreements in relation to the proposed agreement. This summary also contains the responses made to the leaseholders by Homes for Haringey - acting on behalf of the Council.

- a. The question was raised as to whether the agreements would cause unnecessary costs and be a financial burden on leaseholders. Homes for Haringey responded that the proposal was to a large extent a continuation of the existing arrangements for providing these services. Furthermore leaseholders would have the opportunity to comment before a charge for work in excess of £250 was made to them under this agreement. Thus, as in the case of all charges for more than £250 (relating to works), they will receive a Section 20 Notice with the reasons and the estimated cost of the work. This notice will give them the opportunity to make observations to which a response must be given within 30 days.
- b. A leaseholder suggested that it would be more cost effective if the Council were to undertake the work using its own employees, but instead it had “chosen to pass the cost on to leaseholders”. Homes for Haringey said in reply that the Council recharges leaseholders with a proportion of all the costs it incurs in relation to its housing services, regardless of whether these relate to its own employees or outside contracts. The argument in favour of contracted out services was simply that costs are only incurred if the service is used, otherwise no costs are incurred.
- c. The comment was made that the Council should “employ the relevant professionals”. Homes for Haringey replied that consultants would have their own professional people who would be capable

of carrying out the necessary work. Hence the Council would only have to pay for these services when they were needed. If the same staff were employed by the Council on a full time basis, the cost would be greater.

- d. A leaseholder raised the question since “we are already paying contractors who carry out maintenance works. Why do we pay for the supervisors of such works when it should be the remit of the Council to provide this service?” Homes for Haringey explained that leaseholders only have to pay for work or services if they relate directly to their property, so in fact they were not paying already towards the work of any contractors. If the Council were to employ the consultants on a permanent basis the costs would be much higher since the Council would only have to pay the contractor when he actually carries out work for us.
- e. It was suggested that there was too much reliance on contracting out public services which might cause greater costs to leaseholders homes for Haringey responded that contracting out only affected quite a small part of Homes for Haringey’s or the Council’s services. It was explained that it resulted in no more costs to leaseholders and Council Tax payers than the permanent employment of staff. It was usually done to reduce costs, to benefit everyone.
- f. The comment was made that the use of this type of contract reduces the Council’s ability to provide services to the people living in the Borough. Homes for Haringey responded that the Council still employs a lot of permanent staff, which ensures that there is a continuous oversight of the services it provides. Contracts are generally used for specialist services which are only used intermittently. If such staff were permanently employed by the Council it would very probably result in specialist staff not being fully utilised.
- g. The question was raised as to why the Council was appointing up to 5 specialist consultancy firms. Homes for Haringey explained that there were two reasons for this. Firstly certain areas of work require firms which are specialists. This often applies to work regarding quantity surveying, implementation of the Construction (Design and Management) Regulations (2007) and so on. Secondly firms undertaking the work often have to monitor the work carried out by others. They generally have to provide independent reports on whether such work is meeting the necessary standards. This means they have to be separate and independent firms in order to be able to carry out this work (similar to firms of auditors).

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