



Homes for Haringey

21 July 2006

**NOTICE OF INTENTION TO ENTER INTO A QUALIFYING LONG TERM AGREEMENT  
(Section 20 of the Landlord and Tenant Act 1985 (as amended) and Schedule  
2 of the Service Charges (Consultation Requirements)(England) Regulations  
2003)**

Dear Leaseholder(s)

**Leasehold Property Service Charge:**

**Leasehold address:**

**Qualifying Long Term Agreement relating to the housing capital works  
programme, including meeting the decent homes standard**

I am writing to inform you that the Council, as your landlord, proposes to enter into a long term agreement, details of which are given below. The Council is required to consult all leaseholders who may be affected, in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended) ("the Act") and Schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003 ("the Regulations"). The Regulations require the Council to serve you with a notice of intention to enter into the agreement and in due course the Council will have to serve further notices, as is explained in the Explanatory Note which accompanies this letter. This letter is the notice of intention. Under the Regulations this notice must contain the following information.

- 1. Description of the agreement.** The Council is planning to enter into what the Act calls a "qualifying long term agreement". This is an agreement which lasts for more than 12 months and concerns services to be carried in

relation to the building or estate in which you are a leaseholder. This agreement will relate to the area in which your property is located. The agreement will be for the provision of consultancy services to undertake planning supervision, cost management and act as the "Client Representative" (project management) in relation to the capital works programme. The number of consultants and the geographical division of the Borough will depend on the response received from consultants to the invitation for tenders. It is probable that each area will be covered by one consultant who will enter into a standard type of agreement with equivalent conditions, to be responsible for the undertaking of all the necessary services under the agreement.

The types of services, for which you will be liable to pay a proportion of the cost by way of service charge, will relate to planning supervision, cost management and project management including:

- (i) Preparation and agreement of the cost of the works
- (ii) Verification of the programme of works annually within each contract area
- (iii) Risk Management
- (iv) Contract Administration
- (v) Preparation of Pre-Tender Health and Safety Plans
- (vi) Sign-off of the Construction Phase Plan
- (vii) Monitor the progress of the works on site
- (viii) Ensure that the Constructors undertake the works in accordance with the Contract requirements
- (ix) Undertaking monthly valuations and issuing certificates for payment
- (x) Accept handover and issue Project Completion Certificate
- (xi) Agree Final Account
- (xii) Management of the performance of the Constructor with regards to customer satisfaction

The Council is proposing to appoint one or more consultants capable of providing the full range of services required.

- 2. Duration of the agreement.** The agreement is planned to run from January 2007 for a period of four years.
- 3. Value of the agreement.** The total cost of provision of all services throughout the Borough is envisaged to be in the range £8 million - £13 million, subject to the Council obtaining approval of its Arms Length Management Organisation Decent Homes funding bid (due to be submitted by 31<sup>st</sup> July 2006) and subject to passing an inspection by the Audit Commission (inspection scheduled for 30<sup>th</sup> April 2007). This means that the full extent of services will only be required if these two approvals are obtained.

- 4. Reasons why the agreement is necessary.** It is necessary to outsource the services because there is insufficient capacity within the Council to deliver the services relating to this programme of work.
- 5. Observations.** You are invited to make any written observations you may wish to make regarding the proposals contained in this notice. If you wish to do this, you must deliver them to this office in writing to be received within the relevant period which is a period of 30 days from the date of this notice. All observations must be received by 19 August 2006 which is the date on which the relevant period of 30 days ends. Observations should be sent to me at the following address: Home Ownership Team, 13 – 27 Station Road, Wood Green, London, N22 6UW.
- 6. Reason why the Council is not inviting nominations from leaseholders.** In the case of the proposed agreement the EU requires the Council as a public authority to advertise the agreement by way of a public notice in the Official Journal of the European Union because of the estimated cost of the provision of all services. Where it is necessary to issue such a public notice (as in this case), the right of leaseholders to nominate a consultant or obtain estimates does not apply.

The public notice must give details and invite tenders from suitable consultants in respect of the proposed agreement. In view of this requirement, the Regulations state that it is not possible for leaseholders themselves to propose a person or consultant to tender for the contract, as would otherwise be the case. The Regulations also state that leaseholders must be informed of this fact.
- 7. Further consultation - Notification of Landlord's Proposal and subsequent works.** Upon receipt of the tenders/estimates, we will send you a further notice of the Council's detailed proposal in accordance with the Regulations which will inform you of the proposed consultant and provide you with a further opportunity to be consulted about the proposed agreement.
- 8. Cost of the services.** As a leaseholder you will only be liable for a proportionate part of costs incurred in relation to your building or estate under the agreement.
- 9. Explanatory Notes.** I enclose Explanatory Notes and Compliance Team Notes which have been prepared by the Council. They are not required under the Regulations but we are providing them as part of the Council's best practice policies. The Notes provide some additional information and tries to cover all aspects of the statutory consultation procedure regarding

this proposed agreement. I hope you will find them helpful in understanding the Council's proposals and the consultation procedure.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nesan Thevanesan', with a horizontal line underneath.

**Nesan Thevanesan**  
**Home Ownership Manager**

**Enclosures:**

1. Explanatory Notes
2. Compliance Team Notes



Homes for Haringey

## **COMPLIANCE TEAM NOTES**

### **Notes regarding the Notice of Intention dated 21/07/06 in respect of the proposal to appoint a Compliance Team.**

#### **Purpose of the Compliance Teams**

1. As indicated in the Notice of Intention with which these notes are enclosed, it is proposed to appoint a Compliance Team or Teams. Its function will be to assist Homes for Haringey in the planning and management of all stages of capital works and building maintenance projects as appropriate. Thus the Team will be involved in the drawing up of the relevant day to day plans and documents, and in the scheduling and supervision on behalf of the client of work undertaken by the principal contractor. It is expected that the Team will be involved in a number of the construction and refurbishment schemes proposed under the major capital works programme currently under consideration. The principal contractor will be responsible for matters on site.

2. The services to be carried out by the Compliance Team may be provided where Homes for Haringey decides to carry out major work to the building in which your flat is situated or in your estate (if there is one). Homes for Haringey manages council housing on behalf of Haringey Council; Haringey Council is still the landlord. Other similar work is generally carried out by consultants at present. Leaseholders have to pay towards the cost of such services through the fees element of their invoices for major work. Leaseholders will only be charged in relation to work which is carried out to the structure or outside of their building, the communal and the estate areas. The Notice of Intention lists the types of services which will be undertaken by the Compliance Team. More information about these services is provided below.

## **Functions of the Compliance Teams**

3. Preparation and agreement of the cost of the works. Where work is to be carried out which relates to your property, the Compliance Team will agree its cost with the contractor in accordance with the project plan for the scheme, the appropriate schedules of rates, material price lists and so on.

4. Agreement of the finalised specification and programme of works or the work and overseeing the planning of the arrangements, timing of the start of work and so on. On the basis of instructions from Homes for Haringey and in consultation with residents, leaseholders, the contractor and any other interested parties, the Compliance Team will decide when and how the work is to be carried out in accordance with the project plan.

5. Preparation of the Pre-Tender Health and Safety Plan. The Compliance Team has to undertake the duties of the planning supervisor. The planning supervisor will co-ordinate and manage health and safety during the design and early stages of the project. The planning supervisor will also appoint a principal contractor to co-ordinate and manage health and safety issues during the remainder of the project. One of the duties placed on the planning supervisor is to ensure that a pre-tender stage health and safety plan is prepared before arrangements are made for the principal contractor to carry out or manage the work.

6. The pre-tender stage health and safety plan serves three main purposes:

- a) It enables health and safety considerations to be incorporated into the design aspects of the project;
- b) It ensures that the principal contractor is fully aware of the project's health and safety and welfare requirements;
- c) It enables the planning supervisor to specify well in advance any special equipment it is felt is necessary on health and safety grounds.

7. Authorisation of the construction phase health and safety plan. The principal contractor will draw up a construction phase health and safety plan. This plan will deal with:

- Possible health and safety risks arising from the work;
- The arrangements for ensuring that these are avoided or any risk is kept to a minimum;

- The monitoring systems for checking that these arrangements are being followed.

8. The Compliance Team will be required to ensure that this plan meets Homes for Haringey's objectives.

9. Contract administration. The Compliance Team has the day to day responsibility to Homes for Haringey to be in overall charge of the management and administration of the contract. This includes the following matters:

9.1 Monitoring the progress of works on site. The Compliance Team will oversee the contractor with regard to the progress of work on site.

9.2 Ensuring that the contractor undertakes the work in accordance with the contract requirements.

9.3 Undertaking monthly valuations and issuing certificates for payment. The contractor provides a record of the works carried out. It is checked and valued by the Compliance Team (Clerk of Works).

9.4 Accepting handover at completion and issuing the practical completion certificate. The formal handover will be carried out in conjunction with representatives from Homes for Haringey with respect to each block scheme.

9.5 Agree the final account. It is proposed that the final account will be agreed fairly soon after completion of the work

10. Monitoring standards of performance with regard to the undertaking of the work. This covers matters such as on site health and safety issues, resident satisfaction, speed in dealing with queries, meeting cost and completion targets, environmentally responsible policies, local sourcing, implementation of equalities criteria and so on. Standards relating to these matters will be monitored by the use of key performance indicators.

11. Risk Management. The Compliance Team will have regard to general contingency planning in order to take account of unforeseeable risks, such as shortages of skilled craftsmen, major shortfalls in the supply of essential parts or materials, changes in legislative requirements, changes in funding, etc.