



POLICY AND RESOURCES COMMITTEE – 18 APRIL 2013

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2012 - 2015 13/14 PROGRAMME

- 1 It is recommended that the Committee approves the estimated costs included within this report and allows officers to accept the lowest tender for individual contracts in accordance with the financial regulations.**

- 2. Discussion**
 - 2.1 The proposals form part of the Housing Stock Improvement works detailed in the Housing Revenue Account (HRA) Capital Programme 2012 – 15 approved by the Social Work and Housing Committee on 29 March 2012.
 - 2.2 The proposed works comply with the HRA Business Plan. The proposals also comply with the aims and objectives detailed within the Aberdeenshire Local Housing Strategy and with the attainment of the Scottish Housing Quality Standards by 2015.
 - 2.3 The nature of the work can be linked to Objective A: Community Wellbeing within Area Local Community Plans for 2010 - 2014.
 - 2.4 The 13/14 programme of annual stock improvements was approved at the Banff and Buchan, Garioch, Marr, Buchan, Formartine and Kincardine and Mearns Area Committees in November and December 2012.
 - 2.5 The 13/14 HRA stock improvement programme comprising kitchen, bathroom, window, door and heating upgrades has now been divided into individual contracts and Appendix A summarises the cost estimate for each project.
 - 2.6 Sustainability will be central to the procurement of the works and every Contractor will have to implement a Waste & Resources Action Programme (WRAP). In addition the specifications prepared by Property have included sustainable materials where practicable. Examples include responsibly sourced building materials such as timber, plasterboard and the selection of energy efficient heating plant and equipment.
 - 2.7 Following a rigorous Official Journal of European Union procurement process three framework contractors were selected to engage in a mini-bidding process for each kitchen and bathroom upgrade contract and this was approved at the Policy and Resources Committee on 9 June 2011. The procurement process was set up on the basis that all year 1 work would be tendered in competition with the option to negotiate all future works on the

basis of previously tendered rates for the year 1 works. There are many benefits from negotiating future framework contracts as follows:

1. Value for money obtained with contracts negotiated on previously tendered year 1 rates which have demonstrated lower unit costs than benchmarked with all framework contractors having signed up to the same unit rate.
 2. More efficient use of officer and framework contractor resources during pre-construction and construction stages with work delivered over a longer period of time allowing better planning and programming for housing and property resources.
 3. Certainty of work which allows framework contractors a greater opportunity to deliver community benefits and enhance the tenant experience with exhibitions and sample workshops.
- 2.8 The negotiations are still ongoing with both kitchen and bathroom contractors on 13/14 works and the outcome will be reported to Policy and Resources Committee in June 2013. This timescale ensures that work programmes are delivered in accordance with the housing service overall programme whilst also ensuring a robust financial agreement with the contractors.
- 2.9 The Housing Service has been consulted and comments included within the report.
- 2.10 The Head of Procurement and Procurement Business Partner within Corporate Services have been consulted and have no comment to make
- 2.11 The Head of Finance has been consulted and comments included within the report.
- 2.12 The Monitoring Officer within Corporate Services has been consulted and had no comment to make.

3 Staffing, Financial & Equalities Implications

- 3.1 An Equality Impact Assessment was not required because the recommended actions (to approve the budget) will not have a differential impact upon people with protected characteristics. Therefore, it is felt that the projects of enhancing Council housing stock will have a positive impact on various protected characteristics. No negative impacts are anticipated from the project.
- 3.2 The expenditure being proposed can be met from the HRA Stock Improvements 13/14 budget.
- 3.3 Under clause 5.3.7 of the Council's Financial Regulations, once the Policy and Resources Committee has approved the 13/14 programme of works and estimates, officers have delegated authority to accept a tender for any individual project provided that it does not exceed £250,000, is the lowest offer and does not exceed the originally-reported estimate by more than 25%.

- 3.4 The works will be managed by the Council's Property Team together with external support.
- 3.5 There are no direct staffing implications arising from this report.

Stephen Archer

Director of Infrastructure Services

Report prepared by: - Jonathan Christie, Quantity Surveying Manager
14 March 2013

Appendix A
13-14 HRA Budget

Category	Contract Numbers	Nr of Upgrades	Cost / upgrade	Sub-total	Professional Fee % +% for asbestos	Sub-total	Total
1. Kitchen Upgrades							
Peterhead and Cruden Bay	17528	81	£4,561	£369,474	14%	£51,726	£421,200
Buchan & Formartine	17530	148	£4,653	£688,644	14%	£96,410	£785,054
Banff & Buchan & Buchan	17534	159	£4,901	£779,259	14%	£109,096	£888,355
Garioch, K&M & Marr	17537	162	£4,929	£798,498	14%	£111,790	£910,288
2. Bathroom Upgrades							
Buchan, Garioch & K&M	17529	123	£4,737	£582,632	14%	£81,568	£664,200
Banff & Buchan, Formartine & Garioch	17533	163	£3,968	£646,784	14%	£90,550	£737,334
Peterhead & Insch	17535	153	£3,998	£611,694	14%	£85,637	£697,331
Marr & K&M	17536	155	£4,373	£677,815	14%	£94,894	£772,709
3. Window Upgrades							
Aberdeenshire wide	17499	102	£3,038	£309,849	8%	£24,788	£334,637
4. Door Upgrades							
Door Replacement North	17500	292	£1,667	£486,667	8%	£38,933	£525,600
Door Replacement South	17501	447	£1,667	£745,000	8%	£59,600	£804,600
5. Gas Heating Upgrades							
Banff and Buchan	17159	89	£5,505	£489,908	11%	£53,890	£543,798
Fraserburgh	17162	146	£5,505	£803,670	11%	£88,404	£892,073
Stonehaven	17177	16	£5,505	£88,073	11%	£9,688	£97,761
Drumoak	17178	16	£5,505	£88,073	11%	£9,688	£97,761
Ellon	17209	82	£5,505	£451,376	11%	£49,651	£501,028
Kintore and Kemnay	17382	91	£5,505	£500,917	11%	£55,101	£556,018
Inverurie	17515	150	£5,505	£825,688	11%	£90,826	£916,514
Huntly	17516	42	£5,505	£231,193	11%	£25,431	£256,624
Banchory	17517	43	£5,505	£236,697	11%	£26,037	£262,734
Kincardine & Mearns	17519	214	£5,505	£1,177,982	11%	£129,578	£1,307,560
6. Roof Upgrades							
Banff and Buchan - Roof Finish	17553	31	£7,500	£232,500	7%	£16,275	£248,775
Garioch Roof Finish Upgrades	17560	2	£20,000	£40,000	12%	£4,800	£44,800
Formartine Dormer Upgrades	17557	18	£15,000	£270,000	12%	£32,400	£302,400
Formartine Rooflight Upgrades	17558	2	£50,000	£100,000	12%	£12,000	£112,000
7. Porch Upgrades							
Buchan	17554	11	£10,000	£110,000	14%	£15,400	£125,400
Formartine	17556	5	£10,000	£50,000	14%	£7,000	£57,000
Garioch	17559	3	£10,000	£30,000	14%	£4,200	£34,200
8. Insulation and Render Upgrades							
Shirewide	TBC	179	£17,935	£3,210,306	13%	£417,340	£3,627,646
9. Door Entry System Upgrades							
Peterhead	17001	5	£60,000	£300,000	13%	£39,000	£339,000
Inverurie	17019	1	£60,000	£60,000	13%	£7,800	£67,800
Boddam	17315	1	£60,000	£60,000	13%	£7,800	£67,800
Total		3132 *		£16,052,699		£1,947,301	£18,000,000