

# **MINUTES OF CABINET MEMBER SIGNING MEETING HELD ON FRIDAY, 21 OCTOBER, 2022, 10.00AM - 10.15AM.**

**PRESENT:** Councillor Dana Carlin, Cabinet Member for Housing Services, Private Renters, and Planning

**In attendance:** Judith Page, Assistant Director of Property Services, Lauren Parker, Senior Project Manager for Housing Services and Building Safety, Keith Rodney, Head of Mechanical Engineering Service, Manley Murray, Deputy Head of Major Works, Peter De-Bique, Senior Project Manager, Scott Kay, Head of Building Compliance and Nazyer Choudhury, Principal Committee Co-Ordinator.

## **1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3. EXTENSION TO GAS WORKS CONTRACT**

On 15th June 2021 Cabinet approved an award to Mulalley & Company Ltd for In September 2019 Home for Haringey commenced a procurement to identify contractors to carry out gas related servicing and repairs to its properties within the Western and Eastern regions of the borough.

The Managing Director of Homes for Haringey under delegated powers awarded two contracts, each for an initial term of two years with an option to extend up to three years in one year increments up to (maximum term of five years). These contracts were awarded to:

- Purdy Contracts Ltd – Contract value £2.39m per annum
- K&T Heating Services Limited – Contract value £2.36m per annum

The Council was now approaching the end of the initial contract term and would like to exercise the option of extending both of the above contracts for a further 12-month period commencing October 2022.

That for the approval of future contract extensions as permitted under the two contracts, the Councils Standing Orders and in accordance with regulation 72 of the Public Contract Regulations (2015) is delegated to the Director of Placemaking and Housing.

## **The Cabinet Member RESOLVED**

1. To approve the implementation of Contract Standing Order 10.02.1 b. pursuant to Contract Standing Order 16.02 and agree to extend both current Gas Servicing contracts with the following contractors:

- Purdy Contracts Limited, Value of 1st year extension is £2.39 million.
- K&T Heating Services Limited, value of 1st year extension is £2.36 million

2. Each contract is to be extended for a period of 12 months commencing from 2nd October 2022 until the 1st of October 2023.

3. To delegate the approval of future contract extensions, as permitted under the two contracts, the Councils Standing Orders, and in accordance with regulation 72 of the Public Contract Regulations (2015), to the Director of Placemaking and Housing.

### **Reasons for decision**

The reasons for seeking to extend this contract were set out below:

In order to continue with the servicing and maintenance of Domestic & Commercial heating systems with minimal disruption to the residents.

To ensure continuity of ensuring that we are adhering to regulation 36 (Duties of Landlords) under the gas safe regulations 1998 to keep our residents safe.

This was the most economically advantageous route as a new procurement would inflate the contract sum under the current financial climate.

When the original procurement was conducted there were large savings made over the previous contract.

### **Alternative options considered**

#### Undertaking a full procurement exercise to re-tender the contract

As the contract was procured as a 2 year plus 3 x 1-year extensions it would not have been viable to go through a full tender exercise as this could take between 9-12 months to procure, also the contractors' performance was good, so it was felt that there was no need to re-procure for a new contract at this stage. However, there was an interest for this service to be insourced within the Council, a review will be conducted within the next 12 months to explore this option further.

The Council also must consider the complexity of procuring such a contract, so by extending as per the contract award we are not leaving any of the borough's residents vulnerable in terms of servicing and repairs.

Also, as the extension is due in October the seasonal aspect would be in the Council's favour in order not to disrupt residents having any loss of services in the colder months.

#### Do Nothing

This was not an option, due to the Council's statutory health and safety obligations.

#### In-house Delivery

Homes for Haringey has only recently returned to the Council and there has not been sufficient time or capacity to undertake a review of this option. An enabling review will be undertaken within the next 12 months to explore service delivery options further.

#### **4. ADDITIONAL COST REPORT FOR FIRS HOUSE FIRE REINSTATEMENT WORKS**

The report requested authorisation for additional variation of costs under an existing building contract approved by Cabinet in March 2021.

This would be the final variation for phase 1 of the project.

The contractor would be monitored closely.

The energy gas use should decrease, improved heating system and should use and burn less gas. We've got 6-7 different types of building,

It was confirmed that the affected ward was Woodside ward.

#### **The Cabinet Member RESOLVED**

1. In accordance with Contract Standing Order 10.02.1(b) and Contract Standing Order 16.02, to approve additional costs and variations for Firs House Fire Reinstatement Works as follows:
2. To approve a variation of the contract with Cosmur (London) Limited to increase the value of the contract sum of £999,622.88, by £158,938, to an aggregate value of £1,158,561.
3. To approve a variation to the associated consultant contract with Ridge and Partners to increase the value of the contract sum by £33,223 for additional consultants' fees, resulting in a total aggregate value of £119,103.
4. To agree that the cost of these works will not be recharged to the leaseholders of properties as the majority of the works are expected to be covered by insurance and the Major Works Capital Programme.

#### **Reasons for decision**

The Firs House Fire Reinstatement Works were approved by Cabinet in March 2021 and mobilised in September 2021. Additional works costs are required to reinstate building components that could not be contained within the provisional and contingency sums and to carry out additional improvements works including those recommended by Haringey Building Control, to bring the works up to current building standards.

#### **Alternative options considered**

The option of not doing the works was considered but rejected. As the Landlord, Haringey Council has a duty to ensure that the property meets the Decent Homes and current Health and Safety standards. It was more cost effective to include the works within the existing contract whilst on site as the works were integral to the dwellings and will be less disruptive for our residents.

## 5. BROADWATER FARM - KITCHEN AND BATHROOM PROGRAMME

The report sought approval to directly award a contract, valued at £670,000.00. The contract will deliver upgrades to 75 homes on the Broadwater Farm Estate, to include the replacement of 39 kitchens and 63 bathrooms.

The work would be complete this financial year.

### The Cabinet Member RESOLVED

1. In line with Contract Standing Order (CSO) 16.02, to approve the award of a contract to Contractor A (as set out in Appendix 1, the exempt report) to the value of £670,000.00 for the refurbishment of kitchens and bathrooms on the Broadwater Farm Estate.
2. To approve a provisional sum to enable un-surveyed properties to be included in the programme. The value of the provisional sum is detailed in Appendix 1 (the exempt report).
3. To agree to the appointment of Ridge and Partners LLP to act as Principal Designer and Cost Consultant. The charging rates are detailed in Appendix 1 (the exempt report).

### Reasons for decision

The project will deliver upgrades to 75 homes, delivering a total of 39 new kitchens and 63 bathrooms to properties on the Broadwater Farm Estate. The works would ensure residents had new modern facilities, including mobility showers for tenants who have been assessed by Haringey's Occupational Therapist. Works would also include new smoke alarms and heat detectors, along with fire doors to kitchens, new flooring, tiling and redecorations.

To directly award the contract using the London Housing Consortium (LHC) Framework for the refurbishment of kitchens and bathrooms. The project would be let under a JCT Minor Works Building Contract with Contractor's Design 2016 Edition (JCT MWD 2016). The process has been overseen and approved by Procurement, the Council's Commercial and Contracts officers and the London Housing Consortium (LHC).

### Alternative options considered

#### Do nothing

This option was not possible, as recent surveys found that the kitchens and/or bathrooms to 75 properties on the Broadwater Farm Estate fail the Decent Homes standard and were in need of replacement.

#### Defer the project and include in the major refurbishment programme

This was considered and discounted, as the pilot refurbishment programme was not due to start until summer of 2023 and will only include works to Rochford and Martlesham. Works to other blocks have yet to be scoped and programmed – which based on current estimates, are unlikely to start before 2025, with a delivery programme of 5–7-years. If the kitchen and bathroom programme was deferred for a further 5-7- years, properties which are currently failing Haringey's standards, would likely fall into disrepair, resulting in further costs to the Council. It should also be noted that replacing the kitchens and bathrooms under this current programme would not result in abortive works when the major refurbishment starts. This was because the refurbishment programme will focus on the external and communal parts of the

estate, therefore kitchens and bathrooms which are refurbished now, would not be removed, or replaced later.

The only viable option was therefore to appoint a main contractor to deliver a standalone kitchen and bathroom programme using the LHC Framework. This approach will not only minimise costs associated with appointing an external consultant to prepare tender documents and manage the tender process, but would also reduce the time allowed for open tendering and thus enable the works to start and complete within the current financial year.

The rates submitted by the main contractor for the works is reflective of their 2019/20 tender bid to the LHC Framework. This provided cost certainty to the Council and protected against the current cost increase in labour and materials.

## **6. AWARD OF CONTRACTS FOR ELECTRICAL INSPECTION CONDITION REPORTS (EICR)**

This report was to inform and seek approval from Members for the need to award two contracts for the temporary outsourcing of Electrical Inspection Reports until March 2024 for all residential properties in the Council's Housing stock, to meet the Council's obligations under the Institute of Engineering & Technology (IET) Wiring Regulations British Standard 7671 - 18th Edition, 2018.

Haringey Council needed to undertake electrical safety inspections every 5 years or upon change of tenancy in the borough's rented properties, to ensure that the electrical supplies, cables and connected appliances (installations) within the borough's properties were safe and do not increase the risk of electric shock and/or fire.

Due to the passing or resignation of members of the management team in Haringey Repairs Service and reaching the end of the previous sub-contractor contract, there was a current lack of resources and experience to manage the required electrical testing programme in our residential properties and common areas.

The programme was being delivered by external sub-contractors from March 2019. Due to the contract value being exceeded the Council was unable to issue further works under the contract after May 2021. The original programme was due to complete by the end of March 2023. There was therefore a need to bring in temporary external resources until such time as Haringey Repairs Service (HRS) could again deliver the programme.

Two contractors had been identified from the Southeast Consortium Procurement framework who were able to mobilise within a relatively short period of time to deliver the programme against pre-tendered rates.

The two contractors would also undertake testing and installation of smoke detectors in all properties to ensure compliance with the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 during the electrical inspections.

The 2022/23 phase of the EICR programme would be funded from the existing capital budget provision of £2.1m. Provision for 2023/24 works would be met from the capital provision in the current capital programme MTFs and would be revisited submitted during the 2023/24 budget setting process.

The overall programme and expenditure profile was shown in the following table. No professional fees are required as the quality assurance is delivered in-house.

Completion date	Programme	Contractor		Total Number	Contractor Value		Total Cost
		A	N		A	N	
Mar-23	EICR	1656	2010	3666	£ 579,600	£ 703,500	£1,283,100
	Smoke Detectors	Subject to survey			£ 360,000	£ 360,000	£ 720,000
Mar-24	EICR	2990	2989	5979	£1,046,500	£1,046,150	£2,092,650
	Smoke Detectors	Subject to survey			£ 840,000	£ 840,000	£1,680,000
<b>Totals</b>		<b>4646</b>	<b>4999</b>	<b>9645</b>	<b>£2,826,100</b>	<b>£2,949,650</b>	<b>£5,775,750</b>

## The Cabinet Member RESOLVED

1. Pursuant to Contract Standing Order 16.02 and Contract Standing Order 9.07.1(d), to approve the award of two contracts up to the end of March 2024, to a total value of £5.78 million as shown in the table at section 1.8 of the report, to Contractor A and Contractor N (detailed in exempt Appendix 1) based on their submission of a resourced programme to deliver the works and a satisfactory method statement on how the works will be delivered. The contract values are based on an assessment of the works to be carried out. The costs of works is based on the framework schedule of rates which was subject to a competitive process to set up the framework.
2. To agree to award a contract to Contractor A (detailed in exempt Appendix 1) for up to £2,826,100 to deliver 4,646 electrical tests and any smoke detector testing and associated remedial works as a result of surveys.
3. To agree to award a contract to Contractor N (detailed in exempt Appendix 1) for up to £2,949,650 to deliver 4,999 electrical tests and any smoke detector testing and associated remedial works as a result of surveys.
4. To note that the contracts will be from October 2022 until March 2024. The form of Contract will be the JCT measured term contract.
5. To note that the contracts are for the temporary outsourcing of Electrical Inspection Reports, urgent remedial works resulting from the inspections and to install smoke alarms where required, for approximately 10,000 properties in the Councils Housing stock, to meet our obligations under the Institute of Engineering & Technology (IET) Wiring Regulations British Standard 7671 - 18th Edition, 2018, and the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022.

## Reasons for decision

The 18th Edition Wiring Regulations - IET BS7671 required landlords to undertake regular electrical condition reports and recommend that they were undertaken at least every 5-years, or upon new tenancies, within homes, and communal areas.

In the Draft Social Housing (Regulation) Bill there is a proposal to include mandatory 5-yearly testing for social housing properties.

Haringey had 5546 certificates out of 15,191 dwellings and 769 certificates of 771 communal supplies including the Broadwater Farm estate. Therefore, the Council required c10,000 certificates to be completed to include those that would expire during the programme.

Tests were not carried out in leaseholders' properties as this remained their responsibility under the terms of their lease. They were carried out in all communal areas including those with leaseholders. There were no new leasehold financial implications for these communal

tests. The costs had always been and would continue to be re-charged through normal service charges and would be below any S20 consultation threshold. Any major works resulting would be consulted on separately.

Haringey did not currently have the in-house resource capacity and capability to deliver the required programme of EICRs and to cover the level of responsive repairs and voids works due to staff turnover. Whilst this programme was being delivered, the Council would be developing its in-house capability in this area.

Haringey needed to reinstate the programme of EICRs through external contractors as soon as possible, to minimise the risk to residents, staff, and properties from electric shock and/or fire, due to properties without a valid EICR.

Valid electrical inspection condition reports enable us to demonstrate compliance with regulatory requirements, by ensuring there are no significant electrical hazards. It also provides compliance with the Building Safety Act 2022 and The Fire Safety Act 2021, ensuring they do not contribute to the risk and spread of fire in multi-storey, multi-occupancy rented accommodation.

### **Alternative options considered**

To recruit sufficient in-house resources to carry out the programme. The electrical manager was appointed in July 2022 after the retirement of the previous incumbent. This was an internal appointment and due to the sudden death of the other Electrical Supervisor, there were two posts which had only recently been recruited to. The new manager needed to ensure that repairs and maintenance responsibilities of the role were meeting the required level before taking on the testing programme. Additional operative resource was also required and the lead in for recruitment will take too long.

## **7. EXCLUSION OF THE PRESS AND PUBLIC**

Items 8-9 were subject to a motion to exclude the press and public be from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## **8. EXEMPT - BROADWATER FARM - KITCHEN AND BATHROOM PROGRAMME**

The Cabinet Member considered the exempt information.

## **9. EXEMPT - AWARD OF CONTRACTS FOR ELECTRICAL INSPECTION CONDITION REPORTS (EICR)**

The Cabinet Member considered the exempt information.

CABINET MEMBER: Cllr Dana Carlin

Signed by Cabinet Member .....

Date .....21 October 2022.....