

Report for: Cabinet 14 September 2021

Title: Variation of contract for 1-35 Headcorn Road and 51-92 Tenterden Road Fire Safety Works

Report

Authorised by David Joyce, Director of Housing, Regeneration and Planning

Lead Officer: Kurtis Lee, Director of Asset Management

Ward(s) affected: North Tottenham

Report for Key/

Non-Key Decision: Key Decision

1. Describe the issue under consideration

1.1 This report requests authorisation for additional variation of costs under an existing building contract approved by Cabinet in February 2020.

2. Cabinet Member Introduction

2.1 The additional works to Headcorn and Tenterden includes installation of Automatic Fire Detection (AFD) and associated fire safety works. These works are essential to ensure the buildings are compliant with current fire safety requirements and regulations. Previous works and these proposed additional works have sometimes /will cause some disruption to residents. I wish to thank them for their continuing cooperation and patience.

3. Recommendations

That Cabinet in accordance with Contract Standing Order 10.02.1(b) approves additional costs and variations for Fire Safety Works to 1-35 Headcorn Road and 51-92 Tenterden Road as follows:-

3.1 A variation of the contract with Greyline Builders Limited to increase the value of the contract sum of £604,756 by £176,708, to an aggregate value of £781,464.

3.2 The additional consultants' fees of £14,868, resulting in a total additional cost of £191,576. This is in line with agreed terms in the contract.

3.3 Agrees that the cost of these works will not be recharged to the leaseholders of properties at 1-35 Headcorn Road and 51-92 Tenterden Road.

4. Reasons for decision

4.1 1-35 Headcorn Road and 51-92 Tenterden Road Fire Safety Works were approved by Cabinet in February 2020 and mobilised in October 2020. Additional works costs are required to carry out essential fire safety works, including:-

- Decanting costs to facilitate the removal of asbestos from the communal areas.
- Replacement of corridor doors.
- Electrical repairs to individual flats that were identified during the construction phase.
- Extension of time to deliver the works, incurred as a result of the delays in residents providing access during the Covid-19 pandemic.

5. Alternative options considered

5.1 The option of not doing the works was considered but rejected. As the Landlord, Haringey Council must comply with current Fire and Building Regulations as well as Asbestos Regulations and Health & Safety. It is more cost effective to include the works within the existing contract whilst on site as the works are integral to the fire safety works and will be less disruptive for our residents.

6. Background information

6.1 Approval was given on 11th February 2020, by Cabinet, for 1-35 Headcorn and 51-92 Tenterden Road Fire Safety works. The scope of works comprises:-

- A full grade (A) fire alarm system within all the communal areas to allow early warning for simultaneous evacuation of the building.
- Heat and smoke detectors within individual flats.
- Fire stopping works to flats and communal areas.
- Upgrading lobby corridor doors, replacement of service riser doors.
- Asbestos removal and fire upgrade works to ensure that Haringey Council meets its obligation under The Regulatory (Fire Safety) Order 2005 and current Building Regulations.

6.2 Project details:

The number of dwellings within this project	77
Total budget contract sum	£604,756
Revised total budget contract forecast	£781,464
Building contract variation	£176,708 excluding fees
Additional consultancy fees total	£14,868
Original completion date reported	18/02/2021
Completion date now reported	23/07/21 (excluding snagging)
Contractor: Greyline Builders Ltd	Site works commenced on 05/10/20
The original contract period was 18 weeks	

6.3 Summary of total costs:

Item	1 Original Financial Provision (Tender	2 Previously Authorised Additions	3 Current Financial Provision	4 Further Approval Now Sought	5 Revised Total (3+4)
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	Stage)				
	£	£	£	£	£
Building contract	£604,756	0	£604,756	£176,708	£781,464
Fees	£53,158	0	£53,158	£14,868	£68,026
Total	£657,914	0	£657,914	£191,576	£849,490

6.4 Additional contract costs

The project commenced on site in October 2020. During this period further COVID-19 restrictions were again introduced and some residents were not engaging with the contractor to provide access for fire stopping and automatic fire detection works within the flats. The delay with access resulted in the contractor's submission of an extension of time claim and the contract was extended by six weeks to 7 May 2021.

6.5 Due to the COVID-19 restrictions the decant process was delayed. The total contract extension is 14 weeks.

6.6 Although the presence of asbestos was known prior to commencement of works, working around it within the cupboard areas was not possible, due to risk of damage and exposure to the contractor and residents. 77 families were decanted into hotel accommodation for up to two nights.

6.7 Following a visit, Haringey Council's Building Control Officer recommended that four communal lobby doors be replaced and that additional repairs be carried out to the remaining lobby doors with the installation of drop seals and door closers.

6.8 It was not possible to obtain access to carry out detailed surveys of the loft areas above the twenty-eight flats on the top floor of the building. Once access had been obtained, perforations were identified and fire stopping works were required between the party walls of the neighbouring flats. Additional fire stopping works were carried out to the loft areas above the communal areas of each of the fourteen entrances.

6.9 The contract allowed for an electrical test to be carried out to each of the 77 dwellings prior to the installation of the automatic fire detection works. Remedial works were identified.

6.10 Breakdown of additional cost: -

Description of works	Cost
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<ul style="list-style-type: none"> • Removal of asbestos to shelving & rear of communal cupboard doors to facilitate the replacement of electrical riser cupboard doors. 	£26,954
<ul style="list-style-type: none"> • Decanting of residents to facilitate asbestos removal. 	£20,000
<ul style="list-style-type: none"> • Additional works to corridor lobby doors to comply with Building Control Officer's requirements. 	£12,557
<ul style="list-style-type: none"> • Additional fire stopping works to lofts. 	£34,787
<ul style="list-style-type: none"> • Electrical remedial works to dwellings following electrical tests. 	£14,975
<ul style="list-style-type: none"> • Re-route new door entry cables and recommission. 	£11,149
<ul style="list-style-type: none"> • Six weeks extension of time claim awarded due to no access due to Covid-19 restrictions. 	£18,762
<ul style="list-style-type: none"> • Anticipated claim for delay and disruption of eight weeks due to delays in arranging the decant of residents. 	£37,524
Total	£176,708

Budget

- 6.11 The additional cost of this project is estimated to be £191,576 bringing the total cost of the scheme to £849,490, as set out in paragraph 6.13 of this additional cost report.
- 6.12 This project will be funded from the Fire Protection Work budget within the 2021/22 Housing Capital programme.
- 6.13 Phasing of estimated expenditure is set out in the table below:-

Financial Year	Works	Fees	Total
Spend up to 31/03/21	£106,471	£29,930	£136,401
2021/2022	£655,457	£36,736	£692,193
2022/2023	£19,536	£1,360	£20,896
TOTAL	£781,464	£68,026	£849,490

7. Consultation

- 7.1 A residents' newsletter was sent in August 2020 to update residents about progress and to introduce the contractor.
- 7.2 A residents' handbook was issued to all residents in December 2020 to provide additional information about the works.
- 7.3 A follow up residents' newsletter was sent in March 2021 to update residents about the door replacement works and asbestos removal works.
- 7.4 Letters were issued to residents in April 2021 to remind them to complete a consent form for hotel accommodation prior to the asbestos removal works.

8. Leasehold implications

- 8.1 There are 26 leaseholders of at 1-35 Headcorn Road and 51-2 Tenterden Road within this project that are affected by the work. Under the terms of their lease, the lessee is required to contribute towards the cost of maintaining in good condition the main structure, the common parts and common services of the building subject to the completion of statutory consultation.
- 8.2 Such contributions are normally recovered by the Leaseholder through the lessees' service charge account. For the reasons set out in the report submitted to Cabinet in February 2020, it is not recommended to levy any charges to leaseholders as the buildings had a number of historic major repairs and past refurbishment works, including changes to the external cladding, which the leaseholders have previously been recharged for. Further, the blocks are timber framed and have suffered endemic compartmentation failures, which are difficult to fully rectify without complete destructive type works. Cabinet agreed that leaseholders should not be charged for the additional early warning systems and general fire safety compartmentation works that were required to make the buildings compliant.

9. Conservation areas

- 9.1 There are no properties within conservation areas within this project.

10. Contribution to strategic outcomes

- 10.1 This project will help to achieve the Borough Plan Outcome 3: 'We will work together to drive up quality of housing for everyone'. This will include contributing to delivering the following objectives:-
- Improve the quality of Haringey's Council housing, including by ensuring that a minimum of 100% of homes meet the Decent Homes Standard by 2025.
 - Improve residents' satisfaction with the service they receive from Homes for Haringey to be in the top quartile for London (78%) by 2022.
 - Ensure safety in housing of all tenures across the borough, responding to any new regulations as they emerge.
- 10.2 Outcome 3 which comes under the Borough Plan's Housing priority, for which the vision is for safe, stable and affordable homes for everyone, whatever their circumstances.

Statutory Officers comments (Chief Finance Officer (including procurement), Head of Legal and Governance, Equalities)

11 Finance

- 11.1 The original contract sum including project consultancy fees is £0.66m. This contract variation request will result in additional cost of £0.19m, including project consultancy fee of £0.01m. This brings the total contract sum to £0.85m.

This project is included in the HRA Fire Safety Capital programme budget approved by Cabinet in February 2021.

The amounts spent and projected to be spent on this project is as shown below.

Financial year	Works	Fees	Total
Spend up to 31/03/21	£0.11m	£0.03m	£0.14m
2021/2022	£0.65m	£0.04m	£0.69m
2022/2023	£0.02m	£0.001m	£0.02m
Total	£0.78m	£0.07m	£0.85m

The expenditure of £0.14m in 2020/21 was met from the Fire Safety capital works programme budget 2020/21.

The remaining projected expenditure of £0.71m will be met from the Fire Safety capital works programme budget 2021/22 and 2021/22-26 MTFS.

No contribution to the cost of the project is expected from leaseholders as highlighted in the report.

12 Procurement

- 12.1 The variation requested is in line with the Contract Standing Orders.
- 12.2 The variation is noted in the report is outside the scope of the PCR's.
- 12.3 Strategic Procurement sees no reason from a Procurement or Governance perspective that prevents Cabinet from approving the variation noted in the report.

13 Legal

- 13.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 13.2 The contract which this report relates to is outside the scope of the Public Contracts Regulations 2015 ("Regulations"). Therefore, the variations which are referred to in the recommendations in the report are outside the scope of Regulation 72 of the Regulations (which governs rules on contract modifications).
- 13.3 In accordance with Contract Standing Order 10.02.1(b) Cabinet has authority to approve the variations referred to in the recommendations.
- 13.4 It is open to the Council in the circumstances outlined in this report not to seek to enforce leaseholders' obligations to pay charges under the terms of the lease.

13.5 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

14 Equality

14.1 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.

14.2 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 apply to the first part of the duty.

14.2.1 The decision will primarily impact residents living in properties managed by Homes for Haringey, a significant number of whom share the protected characteristics. It is notable that BAME people and disabled people are overrepresented relative to the population of Haringey.

14.2.2 In so far as the works will improve the quality of housing in the borough, they can be expected to have a positive overall equalities impact. It is noted that Homes for Haringey is working with residents where specific challenges, such as those related to mental health, have been identified. It is also noted that there will be no charges for leaseholders for the reasons set out in section 8. There is no indication that this decision will result in any specific negative equalities implications.

14.3 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 and may have a disproportionate negative impact on any groups who share the protected characteristics.

15 Use of appendices

Exempt Appendix A

16 Local Government (Access to Information) Act 1985

16.1 The background papers relating to this report are included within appendix A. This appendix is **not for publication** as it contains information classified as exempt under paragraph 3 of Part 1 of 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 the information).