

Report for: Cabinet Member Signing – October 2022

Title: Additional Cost Report for Firs House Fire Reinstatement Works

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

Lead Officer: Manley Murray, Deputy Head of Major Works

Ward(s) affected: Wood Green

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 March 2021.

2. Cabinet Member Introduction

2.1 Not applicable

3. Recommendations

The Cabinet Member for Housing Service, Private Renters & Planning is recommended:

3.1 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:

3.1.1 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.

3.1.2 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.

3.2 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.

4. Reasons for decision

4.1 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.

5. Alternative options considered

- 5.1 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 is more cost effective to include the works within the existing contract whilst on site as the works are integral to the dwellings and will be less disruptive for our residents.

6. Background information

- 6.1 Approval was given on 30th March 2021, by Cabinet, for the Firs House Fire Reinstatement Works. The scope of works comprised of:-

- The rebuild of the main roof structure including fire compartmentation works to the entire roof, new flat roof covering to the communal staircase area, rainwater goods, fascia boards and soffits,
- External brickwork and concrete repairs,
- External decoration to the West side of the building
- Replacement of the windows to Flat 16 which were damaged by the fire.
- Replacement of FD30s flat entrance doors
- Re-plastering works
- Rewiring to the fire damaged flat
- New internal doors and joinery
- Replacement of kitchens and bathrooms
- Replacement of boilers and plumbing works
- Internal decoration and floor coverings to kitchens and bathrooms

- 6.2 Project details:

| | |
|---|------------------------------------|
| The number of dwellings within this project | 14 |
| Total budget contract sum | £999,623 |
| Revised total budget contract forecast | £1,158,561 |
| Building contract variation | £158,938 excluding fees |
| Additional consultancy fees total | £33,223 |
| Original completion date reported | 18/03/2022 |
| Completion date now reported | 12/08/2022 |
| Contractor: Cosmur (London) Ltd | Site works commenced on 06/09/2021 |
| The original contract period was 26 weeks | |

- 6.3 Summary of total costs:

| Item | 1 Original Financial Provision (Tender Stage) | 2 Previousl y Authorise d Additions | 3 Current Financial Provision | 4 Further Approval Now Sought | 5 Revised Total (3+4) |
|-------------------|--|--|--|--|--------------------------------------|
| | £ | £ | £ | £ | £ |
| Building contract | £999,623 | 0 | £999,623 | £158,938 | £1,158,561 |
| Fees | £85,880 | 0 | £85,880 | £33,223 | £119,103 |
| Total | £1,085,503 | 0 | £1,085,503 | £192,161 | £1,277,664 |

6.4 **Additional contract costs**

- 6.5 An allowance was made within the contract for the installation of a new central heating system and boiler to Flat 16 (the seat of the fire). Provisional sums were allowed for the replacement of new boilers and heating systems for the remaining thirteen flats, however this sum was not sufficient to cover the total costs of these works.
- 6.6 An allowance was made within the contract for the complete rewire of Flat 16 Firs House (the seat of the fire) and electrical remedial works only to the remaining thirteen flats which were damaged by water when the fire was extinguished. The removal of the wiring during the 'enabling' strip out works of the water damaged plaster by HRS' term maintenance contractor means that complete electrical rewires were required to thirteen flats.
- 6.7 Pigeon infestation was found in four of the flats (15, 16, 20 & 21) and specialist contractors were appointed to carry out the removal and disinfect the properties before the contractor could proceed with the removal of the remaining plaster stripping out works.
- 6.8 Following the pigeon removal works, further stripping out of the water damaged plaster was required to facilitate the drying out of flats 15, 16, 20 & 21
- 6.9 The scope of works allowed for the installation of insulated plasterboard to the rear elevation and front bedroom external walls but not the kitchen and bathroom due to space constraints within these areas. The scope of works was adjusted to comply with Haringey Building Control request to install insulated plasterboard to the external walls of the kitchens and bathrooms.
- 6.10 To ensure that the windows are in a serviceable condition on completion, repairs are required to thirteen flats which includes missing or damaged window locks, window trims and trickle vents

- 6.11 The water system was not previously boosted, however a booster pump was required to achieve the minimum required water pressure for the new combi boilers within the flats to comply with current Building Regulations.
- 6.12 An extension of time claim has been submitted by the contractor for the increased scope of works and for completing the works out of sequence and equates to 10 weeks. The extension of time has not been agreed and is being reviewed by the consultants.
- 6.13 Consultants were commissioned during the enabling works stage and the consultancy fees were agreed by the Council's Loss Adjuster on the basis of 20 weeks. This included input with the enabling works. The contract was tendered on the basis of a 26 week contract and the current programme is estimated to be 44 weeks.
- 6.14 Breakdown of additional cost: -

| Description of Works | Cost |
|--|-----------------|
| Installation of central heating systems to thirteen flats | £37,427 |
| Complete rewire of thirteen flats | £31,603 |
| Clearance & disinfection of pigeon guano and proofing of entry points | £6,384 |
| Strip out of remaining plaster, fixtures and fittings to four flats to facilitate drying certification | £8,177 |
| Insulated plasterboard to external elevations of kitchens and bathrooms | £27,616 |
| Window servicing and repairs | £8,676 |
| Installation of water booster sets to achieve required water pressure to system | £6,000 |
| Anticipated claim for delay and disruption of programme (10 weeks) | £33,055 |
| Sub Total | £158,938 |
| Anticipated additional Consultancy fees of 18 weeks | £33,223 |
| TOTAL | £192,161 |

Budget

- 6.15 The additional cost of this project is estimated to be £192,161 bringing the total cost of the scheme to £1,277,664, as set out in paragraph 6.3 of this additional cost report.
- 6.16 This project will be funded from Haringey Council's Insurance where this is directly associated to the fire damage to the building and betterment works, such as external decorations and compartmentation to the East wing of the block in the sum of £17,020 will be funded from the Major Works Budget within the 2022/23 Housing Capital Works programme.

6.17 Phasing of estimated expenditure is set out in the table below:-

| Financial Year | Works | Fees | Total |
|-----------------------|-------------------|-----------------|-------------------|
| Spend up to 31/03/22 | £642,750 | £44,568 | £687,318 |
| 2022/2023 | £486,847 | £71,557 | £558,404 |
| 2023/2024 | £28,964 | £2,978 | £31,942 |
| TOTAL | £1,158,561 | £119,103 | £1,277,664 |

7. Consultation

7.1 **Homes for Haringey** Newsletters have been sent to residents to provide updates during the course of the works in August 2021, November 2021, December 2021, February 2022, April 2022 and June 2022.

8. Leasehold implications

8.1 No leaseholders have been affected by the works. The Loss Adjusters representing the leaseholders will pay the proportion of costs for the works for the reinstatement of the flats and communal areas of the building where they have been affected by fire or water damage.

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 the 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
- Ensure safety in housing of all tenures across the borough, responding to any new regulations as they emerge.

11. Statutory Officer Comments (Chief Finance Officer (including procurement), Head of Legal and Governance, Equalities)

11.1. Finance

11.1.1 The further additional approval now sought of £158,938, which revises the contract sum for this project to £1,158,561.

11.1.2 The total scheme cost including additional fees of £33,223 is now £1,277,664. The 2022/23 revised expenditure can be contained and will be funded from the

Haringey Council's Building Insurance where this is directly associated with the Fire Damage to the building (contract costs of £1,141,541 plus fees at £119,103). The expenditure for the betterment works (contract costs of £17,020) will need to be catered for in the allocation for investment in housing stock which is approved as part of the 2022/23 budget setting process which may include carry forward amounts from 2021/22.

11.2 Procurement

11.2.1 Strategic Procurement note the content of the report. The variations noted in paper are in line with the authorities Contract Standing orders and the Public Contract Regulations. Strategic Procurement sees no reason preventing the approval of the recommendation set out in the paper to vary the contracts to the agreed amounts.

11.3 Legal

11.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

11.3.2 Pursuant to Contract Standing Order 10.02.1(b) and Contract Standing Order 16.02 a Cabinet Member with the relevant portfolio responsibilities has authority to approve the recommendations in the report.

11.3.3 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Housing Services, Private Renters, and Planning from approving the recommendations in the report.

11.4 Equality

11.4.1 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.

11.4.2 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.

11.4.3 The decision will primarily impact residents returning to the properties managed by Homes for Haringey. There is no indication that this decision will result in any foreseeable negative impacts on any individual or group that shares the protected characteristics.

11.4.4 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.

12. Use of appendices

12.1 Not applicable

13. Local Government (Access to Information) Act 1985

13.1 The background papers relating to this report are included within appendix A

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