

Report for: Cabinet Member Signing – 21 October 2022

Title: Broadwater Farm - Kitchen and Bathroom Programme.

Report Authorised by: David Sherrington – Programme Director

Lead Officer: Peter De Bique, Senior Project Manager, Broadwater Farm Estate

Ward(s) affected: West Green

Report for Key/ Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 This report seeks 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.

2. Cabinet Member Introduction

Not applicable.

3. Recommendations

The Cabinet Member for Housing Services, Private Renters, and Planning is recommended:

- 3.1. 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.
- 3.2. 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).
- 3.3. 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).

4. Reasons for decision

- 4.1. 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 will ensure residents have new modern facilities, including mobility showers for tenants who have been assessed by Haringey's Occupational Therapist. Works will also include new smoke alarms and heat detectors, along with fire doors to kitchens, new flooring, tiling and redecorations.

4.2. To directly award the contract using the London Housing Consortium (LHC) Framework for the refurbishment of kitchens and bathrooms. The project will 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).

5. Alternative options considered

5.1. The following options have been considered: -

- 1 **Do nothing** - This option is 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 are in need of replacement.
- 2 **Defer the project and include in the major refurbishment programme** - This was considered and discounted, as the pilot refurbishment programme is 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, will 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 will not result in abortive works when the major refurbishment starts. This is because the refurbishment programme will focus on the external and communal parts of the estate, therefore kitchens and bathrooms which are refurbished now, will not be removed, or replaced later.

5.2. The only viable option is 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 will also reduce the time allowed for open tendering and thus enable the works to start and complete within the current financial year.

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

6. Background information

- 6.1. Following the installation of the new district heating system on the estate, most residents received new kitchens and bathrooms to bring the properties up to the decent homes standard.
- 6.2. A total of 154 residents refused access, therefore we were unable to upgrade the kitchens and bathrooms to all tenanted properties on the estate.
- 6.3. Letters were sent to these residents advising that we would like to develop a standalone kitchen and bathroom programme and carry out surveys to decide whether they require a new kitchen and/or bathroom.
- 6.4. A total of 82 residents responded, of which works were identified to 75 properties, resulting in a works value of £670,000.00. The works will include the replacement of 39 kitchens and 63 bathrooms.
- 6.5. Not all residents will receive a new kitchen and a new bathroom. This is because some properties were included under a previous project, therefore only those kitchens or bathrooms which were excluded, will form part of this current programme.
- 6.6. It is noted that 72 residents have not responded to the initial letters. Therefore, surveys were not carried out to these properties. In view of this, a provisional sum should be allowed to give residents a further opportunity to be included in the programme, as upon starting the works – residents may decide to come forward. The value of the provisional sum is detailed in the Exempt Report
- 6.7. The provisional sum may not cover the value of works to all 72 homes, therefore should the works exceed this amount, a further report will be drafted for approval to extend the programme.
- 6.8. We recognise that of the 72 residents who have not had a recent survey, access is required to inspect the electrical installation to make sure the system is safe and meets current regulations. To facilitate these inspections, the contractor's resident liaison officer will be required to contact the residents, to arrange appointments to inspect the property and agree on what works are required to ensure the property meets current standards.
- 6.9. In terms of procurement, it was agreed that the most cost effective and time efficient procurement route would be a direct award via the London Housing Consortium (LHC) Framework.
- 6.10. Procuring the works via the LHC has limited the Council's exposure to the current increases in the cost of labour and materials, as the rates offered by the main contractor reflects their 2019/20 prices. The LHC also offers a rebate for using the Framework, and this was factored into the decision to select this as the chosen procurement route.
- 6.11. The main contractor also submitted the Most Economically Advantageous Tender (MEAT) for Lot 2 in the LHC's kitchen and bathroom category for the value range of £250-£2m.

- 6.12. The LHC reviewed and verified the rates submitted by the main contractor and have concluded that their costs are reflective of their tendered rates, and includes the allowances for the additional cost of materials such as a revised kitchen manufacturer as required by Haringey Council.
- 6.13. It was agreed that the works is best delivered under a JCT Minor Works Building Contract with Contractor's Design 2016 Edition (JCT MWD 2016), as the contractor will be required to survey each property to develop the design and layout of the kitchens and bathrooms.
- 6.14. Consideration was given to procuring the works via an open tender using DPS (Dynamic Purchasing System). Due to current market conditions and the risk associated with the increased cost of labour and materials, it was felt that the LHC Framework offered the Council protection against fluctuating costs, as the contractor agreed to deliver the works based on the 2019/20 rates.
- 6.15. The time and cost involved in appointing an external consultant to carry out surveys and draft a detailed schedule of works, and manage the tender process was also considered. It was noted that the LHC Framework removed these costs, as the main contractor is required to carry out surveys as part of their appointment. Therefore, it was decided that the LHC offers a more efficient route to procuring and managing the works, and therefore offered better value for money.
- 6.16. In terms of consultancy support, Ridge and Partners will be engaged to provide consultancy services to manage expenditure and process valuations during the project. They will also act as Principal Designer in line with the CDM Regulations. Their commission will be an extension of their current role as property consultants on the Broadwater Farm Estate, therefore additional procurement for these services will not be required.
- 6.17. The fees for services provided by Ridge and Partners will be in line with their current commission for services related to works on the Broadwater Farm Estate. Fee percentages for the Principal Designer and the Cost Consultant is detailed in the Exempt Report.
- 6.18. Fees payable to Ridge and Partners will be met and paid for via an existing purchase order. The purchase order covers the above services required to deliver the refurbishment of c.75 kitchens and bathrooms on the Broadwater Farm Estate.
- 6.19. It is recognised that the works will be disruptive to residents, therefore the resident liaison team will work closely with the main contractor to develop a strategy for engagement. The contractor will be required to have dedicated member of the team who will be responsible for arranging access, guiding residents through the process of designing the layout of their kitchens and bathrooms, and for selecting paint colours. There will also be a process developed for aftercare, for which the contractor will be responsible for designing and implementing.
- 6.20. Works are planned to start on site November 2022, and complete 20 weeks thereafter. The outline completion date is April 2023.

6.21. The outline spend profile for the project will be as follows:

Broadwater Farm Estate - Kitchen and Bathroom Programme Spend Profile						
Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	Apr 2024	Total
£85,000	£120,000	£180,000	£160,000	£108,250	£16,750	£670,000

6.22. Subject to approval by the Cabinet Member for Housing, Private Renters and Planning, the main contractor will be notified that the award of the contract under London Housing Consortium (LHC) Framework has been successful for the delivery of 39 new kitchens and 63 new bathrooms to c.75 properties on the Broadwater Farm Estate, in the sum of £670,000.00.

6.23. It is therefore recommended that pursuant to CSO 16.02, a contract is awarded to the value of £670,000.00, for the replacement of kitchens and bathrooms on the Broadwater Farm Estate. The works will be funded from the 22/23 budget for the Broadwater Farm Refurbishment Programme.

7. Contribution to Strategic Outcomes

7.1. The works will deliver 39 new kitchens and 63 new bathrooms to c.75 properties on the Broadwater Farm Estate. This will contribute to the Council's strategic outcomes by providing a safe home and a healthy environment for residents on the estate, whilst also ensuring that families are well placed to achieve their full potential in a safe environment.

8. Statutory Officer Comments

Procurement

8.1 Strategic Procurement note the content of the report. The procurement has been conducted in line with the authority's contract standing orders and the Public contract regulations. A direct award is permissible under the LHC framework.

Strategic procurement sees no reason that the recommendation in the report is not approved.

Finance

8.2 The contract is for a maximum sum of £670,000 for kitchen, bathroom and associated works as detailed in section 3.1.

It is estimated that this project will last for 5 months and projected to be spent as detailed in table 5.23 with a £16,750 retention due in April 2024.

There is provision in the BWF 2022/23 capital programme budget for this spend.

Additional finance comments are in the exempt report.

Legal

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

The works are below the threshold where the tendering requirements set out in the Public Contracts Regulations 2015 apply.

The Council has procured by way of a direct award under the London Housing Consortium Framework Agreement. Framework Agreements are provided for in the Council's Contract Standing Orders (CSO 7.01 (b)). Awards under a Framework Agreement need to be in accordance with procurement legislation and the provisions set out in the Framework Agreement. The Head of Legal and Governance (Monitoring Officer) has been advised that this is the case.

Because of the value of this contract, approval would normally fall to Cabinet. However, CSO 16.02 provides that in-between meetings of the Cabinet, the Leader may take any such decision or may allocate this to the Cabinet Member with the relevant portfolio.

The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member with the relevant portfolio from approving the recommendations in the report.

Equality

8.4.1 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.

8.4.2 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.

8.4.3 The proposed decision relates to contractors upgrading the kitchens and bathrooms of Council properties on the Broadwater Farm Estate. The decision will improve the quality of Council housing stock in Broadwater Farm and, as such, will positively impact council tenants occupying the properties. Many Council tenants share protected characteristics. Therefore, this decision is expected to affect those with protected characteristics positively.

8.4.4 Regarding the contract extension, as an organisation carrying out a public function on behalf of a public body, the contractors will be obliged to continue to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

9. Use of appendices

9.1. Appendix 1 – Exempt report

10. Local Government (Access to Information) Act 1985

Not applicable.