

Report for: Cabinet Member Signing

Title: Broadwater Farm - kitchen and bathroom variation of contract.

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 for a contract variation in the sum of £400,000.00 for SER Contractor Limited for the replacement of kitchens and bathrooms and urgent communal repairs on the Broadwater Farm Estate.

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) 3.01 (c) and 10.02.1 (b) approves the extension of the contract in the sum of £400,000.00. The total spend for the contract will be a maximum of £1.17million.

4. Reasons for decision

4.1. Approval of the contract extension will enable the replacement of 46 kitchens and 84 bathrooms to c.93 homes on the Broadwater Farm Estate. Cabinet Approval on 21 October 2022 allowed for 39 kitchens and 63 bathrooms to c.75 homes on the Broadwater Farm Estate.

4.2. The contract extension will add an extra 7 kitchens and 21 bathrooms to the programme - including specially designed units for disabled residents. In total, there will be an additional 18 homes added to the programme.

4.3. In terms of the impact on the delivery programme, the additional works will add a further 8-10 weeks to the programme, resulting in a revised completion date May / June 2023.

- 4.4. The contract extension will also allow for urgent communal repairs to be carried out to all blocks on the Estate. The communal repairs are considered urgent due to health and safety concerns. Therefore, to reduce the risks to residents and manage the costs associated with procuring another contractor to carry out the works, the London Housing Consortium (LHC) advised that the contract with SER Contractor Limited, allows for other essential works to be incorporated into the existing contract.
- 4.5. The sum of £400,000.00 for the additional kitchens and bathrooms and communal repairs have been assessed by Ridge and Partners – Cost Consultants and considered value for money. The revised contract sum will be a maximum of £1.17million.
- 4.6. More information on the additional works can be found in Section 6.4 - 6.7 of this report.
- 4.7. The additional properties have been priced in accordance with the 2019/20 LHC (London Housing Consortium) Lot 2 rates submitted by SER Contractor Limited and approved by Cabinet on 21 October 2022.
- 4.8. The costs for the communal repairs have been priced using NHF V7 Schedule of Rates.

5. Alternative options considered

- 5.1. The following options have been considered: -
 1. **Do nothing** - This option was considered; however, the additional properties are in need of the works and therefore should be included in the programme. Aspects of the communal repairs are a matter of health and safety, therefore these need to be carried out to meet the Council's obligations as Landlord.
 2. **HRS Repairs Team** – Commission Haringey's in-house repairs team to carry out the works. HRS do not have the resources to undertake the works in a timely manner – therefore extending the existing contract is considered the best option for completing the works.
 3. **Retender the Works** – The option of retendering was considered. However, SER Contractor Limited was commissioned under a direct award with the LHC, and their bid was considered the Most Economical and Advantageous Tender (MEAT). Therefore, retendering is unlikely to provide better value for the works.
- 5.2. The only viable option is for the project team to incorporate the additional works into the current programme. This will ensure the project meets its objectives to upgrade the kitchens and bathrooms to homes on the Broadwater Farm Estate, and carry out essential communal repairs to all blocks on the Estate.

6. Background information

- 6.1 Cabinet approved the award of contract to SER Contractor Limited on 21 October 2022. The Contract allowed for the replacement of 39 kitchens and 63 bathrooms to c.75 homes on the Broadwater Farm Estate.
- 6.2 SER Contractor Limited commenced works with a pilot installation in November 2022, followed by the main programme commencing January 2023.
- 6.3 There was a provisional sum for additional properties to be added to the programme, as it was recognised that residents who did not respond to the initial invite to be part of this current programme - may come forward later.
- 6.4 Since commencing the works, a further 18 properties have come forward and been included in the programme. Some properties came via BWF's Weekly Repairs Surveys, and others through a recent Residents Association Meeting, where residents were invited to put forward their properties for inclusion in the programme.
- 6.5 Where properties were identified and added to the programme, validation surveys were carried out to ensure works are required to bring the properties up to the Decent Homes Standard. In some cases, only a bathroom and / or a kitchen was identified, along with electrical upgrade works.
- 6.6 Further properties have also been included due to a significant number of unforeseen pipework repairs. It was noted that the existing copper waste pipes to the bathrooms and kitchens are corroded, and these require replacing with modern upvc sections. Due to the configuration of the properties on the Broadwater Farm Estate, access to some waste pipes can only be gained by removing panels and sanitary appliances to adjacent properties. This has resulted in extensive damage to some properties, and in some cases the need to replace the entire bathroom and/or kitchen.
- 6.7 Additional electrical works have also been identified. This is due to a change in regulations to blocks above 4 storeys, and the need to install safety devices to existing consumer units. In some cases, the consumer units will need to be changed to ensure compliance with current regulations.
- 6.8 Urgent communal repairs have also been identified and added to the programme.
- 6.9 The communal repairs were instructed under a previous contract, however due to the poor performance of the contractor, the works remain outstanding. As the works are considered urgent, with some items being a matter of health and safety, it was agreed that the repairs should be included in the current kitchen and bathroom programme. The works included in the communal areas include; replacement of damaged glazing, replacement of defective floor tiles and vinyl floor coverings, repairs to damaged plastering following severe leaks to the stairwells and corridors, easing and adjusting of fire doors and other essential repairs.

- 6.10 The communal repairs have an approximate value of £45k. The LHC (London Housing Consortium) has confirmed that under the terms of the Framework Agreement, these works can be added to the Lot 2 Framework for SER Contractor Limited.
- 6.11 The spend profile for the additional £400k and the original £770k will be as follows – total spend profile shown is £1.17m:

BWF Kitchen and Bathroom – Spend Profile	
Financial Year	Spend
2022/23	£ 550,000.00
2023/24	£ 590,750.00
2024/25	£ 29,250.00
Total Spend	£1,170,000.00

7. Contribution to Strategic Outcomes

- 7.1 The works will deliver an additional 7 new kitchens and 21 new bathrooms to c.93 properties on the Broadwater Farm Estate. Many of the improved bathrooms will provide better access for residents with disabilities. 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 There are no procurement implications in this variation.

Finance

- 8.2 The original contract was for a maximum sum of £770,000 for 39 kitchen, 63 bathroom and associated works.

It was recognised in the October 2022 report that more works are likely to emerge as it was noted that 72 residents have not responded to the initial letters. Therefore, surveys were not carried out to these properties.

This contract extension is for the sum of £400k for additional 7 kitchens and 21 bathrooms to the programme (including specially designed units for disabled residents), and some works to communal areas costing £45k. This brings the estimated total cost of the contract to £1.2m.

It is estimated that this extension will add further 8-10 weeks to the programme, resulting in a revised completion date May/June 2023. The revised projected spend profile is as shown in table 6.11.

The initial contract averages at circa £7.5k per replaced unit while the extension contract averages at circa £12.6k per replaced unit. A combined average of £8.7k per replaced unit.

This spend can be contained within the Broad water farm (BWF) 2022/23 capital programme budget & MTFS.

Spend will be monitored throughout the project and reported as part of the quarterly capital spend reporting.

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 rules on modification of contracts as set out in Reg 72 of the Public Contracts Regulations 2015 apply. The variation is therefore governed by the Council's Contract Standing Orders.

Where the aggregate value of the contract and the variation is in excess of £500,000, the decision to approve the variation would ordinarily fall to Cabinet (CSO 10.02.1 (b) contracts valued at £500,000 or more). In-between meetings of the Cabinet, the Leader may take any such decision or allocate to the Cabinet Member with the relevant portfolio (CSO 16.02).

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

Equality

- 8.4 Having reviewed the Council's Equality Impact Assessment (EQIA) guidance, the need for an EQIA is not considered necessary as the proposed works to install 46 new kitchens and 84 new bathrooms to c.93 properties on the Broadwater Farm Estate, will not have a negative impact on protected groups, or people who are socio-economically disadvantaged.

9. Use of appendices

- 9.1. Not applicable

10. Local Government (Access to Information) Act 1985

Not applicable.