

Report for: Cabinet on 9 October 2018

Title: Birkbeck Lodge Emergency Temporary Accommodation Conversion Works

Report authorised by: Helen Fisher, Director of Housing, Regeneration & Planning

Lead Officer: Alan Benson, Head of Housing Strategy & Commissioning

Ward(s) affected: Hornsey

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This reports sets out a proposal to convert the ground floor of 2-152 Birkbeck Road into 22 units of emergency accommodation. This floor is now vacant following the closure of the Adult Day Care Centre and the Kurdish Community Centre relocating to more affordable premises in 2017.
- 1.2. This type of accommodation is needed to provide accommodation within the borough for households who approach the Council as homeless whilst initial assessments are carried out. This will allow both additional support to be given to these households and also reduce the need to use expensive nightly rate accommodation in or out of the borough.

2. Cabinet Member Introduction

- 2.1. Becoming homeless is often extremely distressing and unsettling and the Council has both a statutory and moral duty to help households at this time of stress. Frequently, the Council needs to place these households in emergency accommodation for an initial period, which can be both outside the borough and at a high cost to the Council.
- 2.2. The creation of Birkbeck Lodge will increase the Haringey's capacity to keep households within the borough during the critical first few weeks. This helps to minimise disruption and allows households to continue to access support networks, both formal and informal.
- 2.3. These units will be of a high standard with en-suite bathrooms and a modern kitchen but will only be used to provide initial emergency accommodation while the Council assesses a household's application and the help it can provide. Where longer term temporary accommodation is needed, households will be offered self-contained accommodation.
- 2.4. This proposal represents both an improvement in the service and support the Council provides to vulnerable households and a considerable saving to the Council with a reduction in expensive emergency accommodation. I therefore recommend this proposal for approval.

3. Recommendations

It is recommended that:

- 3.1. Cabinet approves the conversion of the ground floor of 2-152 Birkbeck Road into temporary accommodation.
- 3.2. Approves the Agreed Maximum Price (AMP) submitted by Engie Limited (Engie) (formally Keepmoat Ltd) for the Birkbeck Lodge Temporary Accommodation Conversion Works.
- 3.3. Approves the total professional fees of £62,951, which represents 6.42% of the contract sum.
- 3.4. Notes the total project costs of £1,043,495.
- 3.5. Authorises Haringey's Legal Department to issue a letter of intent for the amount of up to and not exceeding £98,054 being 10% of the contract sum under the Council's Contract Standing Orders (CSO) 9.07.3 allowing the planned work to start on site as soon as possible.

4. Reasons for decision

- 4.1. The Council uses emergency accommodation such as the type proposed at Birkbeck Lodge to house households who approach the Council as homeless, whilst Homes for Haringey continue to work with the household to explore their housing options. These additional bed spaces will reduce the need to procure expensive and dispersed short-term housing to accommodate households while their applications are being assessed.
- 4.2. The reasons for recommendations 3.2 and 3.5 is to enable the project to commence by issuing the letter of intent and, pending conclusion of the formal contract, the award of the contract to Engie

5. Alternative options considered

- 5.1. The option of doing nothing was rejected as this would leave the space unused and risks squatting and/or falling into long term disrepair.
- 5.2. The option of converting this space into permanent Council housing was considered, but there is a pressing need for more emergency accommodation in-borough for households who approach the Council as homeless. The proposed conversion would not prevent the Council from converting the space it permanent Council housing in the future.

6. Background information

- 6.1. The block 2-152 Birkbeck Road is a Council owned residential block of 75 homes with the ground floor previously occupied by an Adult Day Care Centre which was closed and the Kurdish Community Centre who relocated in more

affordable accommodation. These organisations leased the ground floor of the block from 1999, and handed the keys back to the Council in April 2017.

- 6.2. The proposed conversion will create 22 new double bed spaces which will be used to provide emergency accommodation for homeless households and those being assessed. The conversion was approved by Planning on 14th March 2018. Each unit will have individual shower and WC facilities. The development will include a self-contained wheelchair accessible unit and WC's to DDA compliance including internal ramps. The project details are as follows:

Number of dwellings in project:	1 Lodge with 22 new rooms
Total construction costs:	£980,544
Anticipated contract start on site:	7 January 2018
Anticipated contract completion:	31 st May 2019
Contract duration:	22 weeks
Contractor:	Engie Ltd

Proposed Work

- 6.3. The scope of the work is to refurbish and convert these vacant units to create 22 double bedrooms with en-suites for temporary accommodation. The package of works will include the upgrade of communal facilities, mechanical and electrical services and Fire Risk Assessment (FRA) works.
- 6.4. The building is to be refurbished in line with a specification of works and will comply with current fire and building control standards, with new fire compartmented bedrooms having interconnecting doors to accommodate large families with children.

Facilities

- 6.5. New fixed space heating shall be provided in all rooms, including new mechanically ventilated shower, washbasin and wc rooms. Heating will be provided by a central boiler room and hot water via heat interface units. The fuel supply will be via a quarterly credit meter on a landlord's supply, not a key or card meter.
- 6.6. The wall finishes and flooring of any WC areas shall be easily cleaned and hardwearing, the vinyl flooring will be well fitted and non-absorbent. En-suites will have artificial lighting and shall be adequately heated, and will be properly connected to the existing soil drainage system.
- 6.7. New kitchens will be provided with adequate space for food storage, an adequately sized refrigerator with freezer compartment, sinks and drainer for the number of occupants.

Management and Health and Safety

- 6.8. The premises will be fitted with a suitably sized office for staff managing the site.

- 6.9. An automatic fire detection and alarm system shall be provided to ensure early warning in the event of a fire.
- 6.10. A further access control system will be installed with CCTV cameras and relayed back to Broadwater Farm Lodge, this will allow 24 hr monitoring when outside normal working hours.
- 6.11. The AMP has been developed and priced by one of the Haringey Council Major Works Framework contractors, Engie Ltd, and has been validated by Homes for Haringey's internal Quantity Surveyor.

Consultation

- 6.12. Local residents and stakeholders were consulted as part of the planning application process for the change of use and a Frequently Asked Questions form was sent to all residents in the block. Any residents concerns were answered individually and they will be kept up to date with the project before and during the works.
- 6.13. During the consultation, residents' main concern was that they didn't want the ground floor to remain empty as this would leave it vulnerable to squatting. This scheme addresses this concern.

Tender

- 6.14. The Haringey Council Major Works Framework was tendered through the OJEU process. This consisted of an initial advert requesting expressions of interest from contractors. Contracts that expressed an interest were invited to complete a pre-qualification questionnaire (PPQ) which was used to establish the contractors to be invited to tender.
- 6.15. The tender invitation stated that only four contractors would be appointed to the Framework and that the two contracts that submitted the most economically advantageous tenders (MEAT) would be appointed to deliver years 1 and 2 of the Framework with the work allocated equally between them. The Council retained the right to allocate works to one of the reserved contractors based on the contractor's performance and workload.
- 6.16. On the second anniversary of the commencement of the Framework a mini tender was undertaken between the four contractors on the Framework and the two contractors that provided the MEAT would be awarded the works in equal shares in years 3 and 4 of the Framework.
- 6.17. The four contractors were invited to tender for the Framework based on their preliminaries, overhead and profit costs only as the works to be undertaken would be based on the agreed schedule of rates of the Supply Chain Management Group (SCMG).
- 6.18. This project forms part of the work allocated to Engie Ltd during the fourth year of the Framework. Works are usually allocated on the basis of equal financial amount each year, geographical location of the works involved and experience. This work was allocated to Engie Ltd on the basis that it is in

Engie's geographical location and Engie's previous experience; Engie having carried out similar works for the Council in the past.

- 6.19. Validations surveys have been completed by our in house Senior Quantity Surveyors. Engie Ltd has also undertaken detailed surveys and developed the AMP, which has been validated by Daniel Sackey, the Senior Quantity Surveyor for Homes for Haringey.
- 6.20. The initial works cost estimate for this project was £800,000 and the AMP is £980,544 including provisional sums, design fees and contingencies of £159,901. This is 23% above the original estimate, when excluding contingencies provisional sums and fees the original budget estimate is considered in line with the AMP.

Supervision and Management Costs

- 6.21. Fees and services have been set for this project in accordance with the Construction Related Consultancy Services Framework.
- 6.22. The total fees for this project are £62,951, which represents 6.42% of the contract sum.

Project Team

- Contractor – Engie Ltd
- Senior Quantity Surveyor – Homes for Haringey
- Clerk of Works – Homes for Haringey
- Principal Designers – Homes for Haringey
- Project Management services - Homes for Haringey

Leasehold Implications

- 6.23. There are no leaseholders contained within this project and leaseholders in the block above will not be affected as this will not affect their service charges.

Sustainability Comment

- 6.24. The procurement of materials and components to be used during the Capital Works programme will involve the selection of products that have a positive impact on the environment.
- 6.25. The scheme has been carefully designed where possible to allow for minimising waste during the construction and consideration given to the useful life of the products.
- 6.26. The contractor is registered and complies with the Considerate Constructors Scheme.

Conservation Areas

- 6.27. The properties in this project are not within a conservation area.

Health and Safety Implications

- 6.28. All the contractors who have been successful and accepted onto Construction line, have been assessed as competent under the Construction Health and Safety Assessment scheme (CHAS), which is an industry wide body. They also comply with the requirements of the Council's Health and Safety policy.
- 6.29. The Construction (Design and Management) Regulations 2015 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Principal Designer before works commence on site.

7. Contribution to strategic outcomes

- 7.1. This proposal supports the objectives of Priority 5 in the Corporate Plan – Creating homes where people choose to live and are able to thrive. In particular, the Corporate Plan notes, "*We will provide realistic and achievable options for people to find housing or alternative housing.*"
- 7.2. The proposal is also in line with Objective 2 of Haringey's Housing Strategy 2017-2022 Objective 2 – Improve support and help to prevent homelessness.

8. Statutory Officers comments

(Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. The contract was drawn from the Council's Major Works Framework Agreement and has been evaluated as being the most economically advantageous for this type of work.
- 8.2. The scheme is estimated to cost £1,043,495, inclusive of professional fees.
- 8.3. The property is HRA property. Thus the cost will be funded from the HRA capital budget. There is fund in this budget to cover this cost.
- 8.4. The property, prior to being empty, generated a total income of £16,500 per annum to the HRA, by way of rental income received from the Kurdish Advice Centre.
- 8.5. The conversion is estimated to generate an income sufficient to cover the running costs of the Hostel, in addition to this income, there is a benefit to the General Fund (GF) as this means a saving in the net cost of housing 22 homeless households in the GF.
- 8.6. There are no leaseholders within this contract therefore no leasehold recharges need to be considered for this project.

Procurement

- 8.7. Whilst Strategic Procurement (SP) has had no direct involvement in this procurement, it notes that the Haringey Council Major Works Framework was tendered through the OJEU process.
- 8.8. SP notes that this project forms part of work allocated to Engie Ltd during the fourth year of the Framework.
- 8.9. SP acknowledges that this Agreed Maximum Price (AMP) has been validated by the Senior HfH Quantity Surveyor.
- 8.10. SP acknowledges that the total cost of £1,043,495 is inclusive of professional fees.
- 8.11. SP has no objections to Engie's submission for the conversion of Birkbeck Lodge into temporary accommodation units for the agreed maximum price (AMP) of £980,544.
- 8.12. SP has no objections to the approval of the total professional fees of £62,951 which represents 6.42% of the contract sum.
- 8.13. SP has no objection under CSO 9.07.3 to approve the issuance of a Letter of Intent up to the value of £98,054 which is 10% of the contract sum.

Legal

- 8.14. The Assistant Director Corporate Governance has been consulted in the preparation of this report and comments as follows
- 8.15. At the Cabinet member signing on the 15 December 2017 the Cabinet Member for Housing, Regeneration and Planning delegated authority for approval of individual AMPs for contracts let under the Major Capital Works Framework (the "Framework") for the remainder of the duration of the Framework, up to the value of £6.5 million, to the Strategic Director Regeneration, Planning and Development after consultation with the Cabinet Members for Housing, Regeneration and Planning and for Finance and Health.
- 8.16. Pursuant to CSO 9.07.3 a Director may approve the issuance of a letter of Intent for the sum not exceeding £100,000 or 10% of the total contract price pending the execution of a formal contract if satisfied that it is in the best of interest of the Council to do so and as such the Strategic Director Regeneration, Planning and Development has the authority to approve the issuance of a Letter of Intent up to the value of £98,054 which is 10% of the contract sum.
- 8.17. The Assistant Director of Corporate Governance sees no legal reasons preventing the Strategic Director of Regeneration, Planning and Development from approving the recommendations in the report.

Equality

- 8.18. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- i. Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
 - ii. Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - iii. Foster good relations between people who share those characteristics and people who do not.
- 8.19. This report relates to the award of a contract for the conversion at Birkbeck Lodge into temporary accommodation for one of the most vulnerable groups in our community.
- 8.20. Provision of these units will increase the opportunity to place them within the borough and receive support while their applications are being assessed. This will particularly benefit protected groups such as BAME and female headed households who are over-represented in this client group.
- 8.21. The tendering process requires the contractors to provide their Equality and Diversity policy as part of their tender return to demonstrate their compliance with the equalities legislation.
- 8.22. An Equalities Impact Assessment, which covers the use of Birkbeck Lodge, was complete earlier in the year as part of the Supply Plan and Temporary Accommodation allocations policy.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

- 10.1. Link to planning application:
<http://www.planningservices.haringey.gov.uk/portal/servlets/ApplicationSearchServlet?PKID=324608>
- 10.2. Temporary accommodation placements policy:
https://www.minutes.haringey.gov.uk/documents/s88241/Supply%20Plan%20Cabinet%20report_Oct16%20App3%20TA%20EqIA%20v2%200.pdf