



ADVANCED PUBLICATION OF REPORTS

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members
and operational key decision makers.

Once signed all decisions will be published on the Council's
Publication of Decisions List.

- 1. NEW SOUTHGATE MAJOR WORKS - EXTERNAL ENVELOPING AND
ASSOCIATED REPAIRS COST INCREASE (Pages 1 - 10)**

This page is intentionally left blank

MUNICIPAL YEAR 2019/2020 REPORT NO.**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY****PORTFOLIO DECISION OF:**

Cllr Gina Needs
Cabinet Member for Social Housing

REPORT OF:

Executive Director
Place

Agenda – Part:1**KD Num: 5038**

**Subject: New Southgate Major Works –
External Enveloping and Associated
Repairs Cost Increase**

Wards: Southgate Green & Bowes

Contact officer and telephone number: Garry Knights 0208 132 0805

E mail: Garry.Knights@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1** This report sets out the reasons behind the increased proposed project costs to the New Southgate Major Works Scheme.
- 1.2** This report seeks approval for the increased contract sum caused by additional variations to this scheme.

2. RECOMMENDATIONS

It is recommended that the Cabinet Member for Social Housing;

- 2.1** Approves the increase in costs to the scheme.
- 2.2** See Part 2 report

3. BACKGROUND

3.1 The New Southgate Major Works scheme was awarded to Engie (previously known as Keepmoat Regeneration Limited) in February 2018 (please see report reference KD4424). The scheme originally comprised of external enveloping and communal works to 28 blocks, this included mechanical and engineering items and the upgrade of the incoming mains carried out by UKPN to 16 of these blocks. The works were originally programmed to start in April 2018 and complete in March 2019.

3.2 The original programme and contract sum has increases due to a number of reasons which are noted below.

1. Items were not allowed for within the original tender such as:
 - a. An additional two blocks were added to the programme.
 - b. The existing cavity wall insulation to one block was identified on the survey as insufficient and it was recommended to remove and reinstate.
 - c. The installation of AOV's to six blocks was recommended by Building Control to comply with fire regulations and resident safety.
 - d. The installation of block signage to all 30 blocks
 - e. Drainage for the flat to pitch roof conversions to the Bowes Road blocks, it was assumed that the current drains or the addition of a soakaway would be sufficient, however upon further investigation neither option was suitable
2. Additional work items were required to meet statutory compliance, including:
 - a. Asbestos removal following the survey of those areas that could only be accessed once works started on site.
 - b. Gas surveys were required following works being carried out around the boiler flues.
 - c. Works required to meet current fire regulations as noted above along with the installation of fire breaks within loft spaces
 - d. The installation of photo luminescent stair nosings to ensure the escape route is adequately lit up in an emergency
 - e. The associated works following UKPNs installation of new incoming electrical mains
3. Items that were within the original tender but required a change of specification
 - a. The installation of vinyl to a number of staircases and landings was agreed to replace the Watco floor paint

originally specified in these areas following assessment of the drying time and impact this would have on residents

- b. The change in specification of the hanging tiles to various blocks as those originally specified were no longer available

- 3.3 All additional works and proposed specification changes have been assessed by the external Contract Administration Consultants which includes Specialist Consultants to review and agree specification changes and a Quantity Survey to ensure the costs are deemed to be within current market rates.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options for consideration, but we are continuing to look at value engineering opportunities.
- 4.2 The contractor is on site therefore to reduce further additional costs, further delays and resident disruption the works listed above have started.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Not carrying out these works will result in leaving the project incomplete, our assets in poor condition and in need of further remedial works and leaving the blocks non-compliant.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The additional costs for this project will be included in the capital programme and will be funded from HRA capital reserves. These costs are included in the HRA 30 year business plan

6.2 Legal Implications

- 6.2.1 The Council further has power under s.111 Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Additionally, the Council is empowered to enter into contracts for the discharge of its legal powers (s.1 Local Government (Contracts) Act 1997). The Council moreover has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles.

- 6.2.2 Further, the Council has the power to alter, repair or improve its housing stock in accordance with s.9 Housing Act 1985.
- 6.2.3 The contract was originally awarded through a compliant OJEU procurement in accordance with the Public Contracts Regulations 2015 (PCRs) and the Council Contract Procedure Rules (CPRs).
- 6.2.4 As the contract value is above the relevant threshold under the PCRs, any variations to the original contract cannot be made without carrying out a new procurement which must fall within one of the exceptions listed in Regulation 72 PCRs.
- 6.2.5 It has been confirmed by the P&C Hub that the reasons for the additional works and expenditure fall within Regulation 72 PCRs, therefore there is a lawful basis for the contract to be varied.
- 6.2.6 As the contract value is above £250,000, according to the CPRs this report will constitute a Key Decision and the Key Decision process must be followed (as provided for under CPR 1.22.4).
- 6.2.7 All resulting contract variations and ancillary documentation shall be prepared and agreed by Legal Services. Due to the value of the variation, the variation shall be sealed on behalf of the Council in compliance with the CPRs (see CPR 17.3).

(Legal imps provided on 18 October 2019 by OD and updated on 08 November 2019 by MO'C).

6.3 Procurement Implications

The original appointment of the Contractor was approved via KD4424. Evidence of approval and the contract is held on the London Tenders Portal (LTP) DN217225 .

Any procurement (including variations/extensions to existing contracts) must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

Contracts may be modified without a new procurement procedure or re-advertisement in OJEU. Permissible grounds for amendment include the existence of suitable "clear, precise and unequivocal" review clauses in the contract; a need for additional supplies or services where a change of supplier is impossible and would cause significant inconvenience, or a need for additional deliveries due to unforeseen circumstances (both subject to 50% maximum increase in initial contract value).

The service must ensure that authority to extend/vary the contract has been obtained and evidence must be uploaded onto the LTP under the existing reference DN217225.

The contract extension must be uploaded onto the LTP and promoted to the Councils Contract Register under the existing LTP reference DN217225.

The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

6.4 Property Implications

There are no corporate property implications

7. KEY RISKS

Item	Risk	Mitigation	Residual Risk (High, Medium or Low)
1	Over run programme	Due to UKPN – no mitigation as no control over UKPN	High
2	Over spend	External Quantity Surveyor monitoring and approving additional costs	High
4	Quality Issues	Monitor works closely on site	Medium

No further comments or implications from risk management.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The programme will improve the quality of existing homes.

8.2 Sustain strong and healthy communities

Improving the existing homes where people desire to live will help to create and maintain strong sustainable communities.

8.3 Build our local economy to create a thriving place

Ensuring residents are able to fully participate in activities within their neighbourhood.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 It is not deemed relevant or proportionate to carry out an equality impact assessment/analysis for the approval of the cost increase to this scheme.

10. HEALTH AND SAFETY IMPLICATIONS

- 10.1 Work is notifiable under the CDM 2015 Regulations and appropriate appointments were made.
- 10.2 The Construction Phase Health and Safety Plan was issued and submitted for approval to the schemes PD. The Health and Safety Plan has been updated and compiled throughout the scheme and the file be issued upon completion.

11. HR IMPLICATIONS

No further comments or implications from HR.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 The scheme has ensured our blocks now meet compliance standards which has reduced any health and safety risk to our residents and with the installation of new windows we have created warmer homes, reduced fuel poverty and improved the physical health of the residents. The fabric of the building has been enhanced along with improving the individual block security measures.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank