

Report to the Cabinet



Report reference: C-045-2013/14
Date of meeting: 21 October 2013

**Epping Forest
District Council**

Portfolio: Housing
Subject: Variation of Contracts – Grove Court Hall, Waltham Abbey

Responsible Officer: Paul Pledger (01992 564248)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

(1) That it be noted, in accordance with Financial Regulations (Appendix B Clause 2.62), that the contract for the conversion and refurbishment works at Grove Court Hall, Waltham Abbey exceeded the Contract Sum by £9,803.41 (18%).

Executive Summary:

In April 2012, the Housing Portfolio Holder approved a tender for the refurbishment and various alterations at Grove Court Hall, Waltham Abbey, including disabled adaptations, in the sum of £55,140.45. The final account for the works has now been agreed. However, the value exceeds the original tender sum by £9,803.41 or 18%.

Reasons for Proposed Decision:

It is a requirement of Financial Regulations (Appendix B, Clause 2.62) that Officers prepare and submit reports, jointly with the Finance Director, to the Cabinet on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the lesser of 10% or £25,000.

Other Options for Action:

This report is for noting only, as required by the Council's Financial Regulations.

Background

1. The Residents' Hall at Grove Court, Waltham Abbey provides the older residents in the Grouped Scheme with a communal lounge similar to that provided at other Sheltered Housing Accommodation throughout the District. However, residents were unable to make full use of the hall due to a lack of disabled facilities, including a ramped level access to the front entrance door, insufficient turning circle to navigate the entrance lobby, no disabled sanitary facilities or kitchen.

2. Tenders were sought to convert the integrated garage to make the hall larger to facilitate a larger entrance hall, a disabled toilet and a larger accessible kitchen. Total Concept Building Services Ltd was awarded the contract based on a tender sum of £55,140.45 with a 15 week

contract period.

3. As the works progressed, a number of small variations were necessary which ultimately increased the overall cost of the works by an additional £9,803.41 in total. The main causes included:

- The cost of the automatic doors was around £2,700 more expensive than the provisional sum included in the contract.
- Additional asphalt work was required to the flank wall in order to stop rain penetration cost at an additional cost of £840
- The existing roof timber was damaged and showing significant amount of rot, which cost an additional £1,055
- Upon excavation it was found that the existing floor screed was very thin, therefore a specialist screed was required to match the existing screed at an extra cost of £1,820.
- Once work commenced it was discovered that the existing ceiling was unattached to the roof structure. This meant that existing plasterboard ceiling required replacing at an extra cost of £2,030.
- A variety of other variations made up the remaining £1,358.41

4. The Final Account sum agreed with the Main Contractor was £64,943.86.

5. It is a requirement of Financial Regulations (Appendix B, Clause 2.62) that Officers prepare and submit reports, jointly with the Finance Director, to the Cabinet on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the lesser of 10% or £25,000. It is therefore recommended that the position in relation to the increased costs associated with the contract for the refurbishment and various alterations at Grove Court Hall, Waltham Abbey, including disabled adaptations be noted.

Resource Implications:

The additional expenditure of £9,803.41 was funded from underspends elsewhere in the HRA Capital Programme for Structural Works.

Legal and Governance Implications:

This report is presented in accordance with Financial Regulations.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

Housing Portfolio Holder report HSG/013/2012/13 - Acceptance of Tenders – Refurbishment, alterations and disabled adaptations at Grove Court Hall, Waltham Abbey dated May 2012.

Impact Assessments:

Refer to Due Regard Record.

The main risks to the Council and or mitigation factors have been taken into account are:

Whilst a contingency sum of 5% was included in the contract, this extra cost was over and above the contingency sum allowed. All variations were issued in accordance with the terms of the contract, and the final account has been agreed with the Main Contractor. Therefore, the Council does not face any other risks associated with this contract.