



Report of: Executive Member for Housing and Development

Meeting of:	Date	Ward(s)
Executive	22 March 2018	All

Delete as appropriate	Exempt	Non-exempt	

APPENDIX B TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION

SUBJECT: Contract award for framework agreement for fire safety work to housing street properties and mansion blocks

1 Synopsis

- 1.01 The Council's street properties (and some older-style mansion blocks) have been found to require the installation of radio interlinked communal early warning fire detection systems, emergency lighting in communal areas and some upgrading of flat front entrance doors to achieve 30 minute's fire protection. This work is required to both the Council's directly-managed stock and the stock managed through the PFI contract with Partners.

2 Recommendation

- 2.01 To approve the award of contracts for the framework agreement for fire safety work to housing street properties to: ENGIE Regeneration Ltd (LOT 1 – north of the borough) and The Breyer Group (LOT 2 – south of the borough).

3 Background

- 3.01 Islington Council's street properties and some older-style mansion blocks have been risk assessed to ascertain the level of danger to occupants (and fire fighters) in the

event of a fire. Their risk rating is generally quite high as a result of their design and construction (timber floors and staircases, some four and five storeys in height).

- 3.02 The Council currently owns 7,702 street property units/flats in 3,543 houses within the borough; this is made up of 6,339 flats managed by Partners and 1,363 flats directly managed by the Council. The majority of the street properties are managed by Partners, however, it was not envisaged that fire protection work of this extent and nature would be required to be carried out when the contract with Partners was let, and thus there is no provision for it within that contract. There are also a number of older-style mansion blocks which require this work.
- 3.03 With regards the street properties that have remained under the Council's management, fire protection of this nature falls outside of any pre-existing contractual arrangements with existing contractors.
- 3.04 The nature of the work can be broken down into the following elements:
- Installation of a radio interlinked communal early warning fire detection system within each building. The system will comprise radio interlinked smoke detector(s) within communal entrance lobby/staircase areas at ceiling height, one on each level, radio interlinked with each other and heat detector(s) at ceiling height within each dwelling. This system will be independent of any local detection that may be in individual dwellings.
 - Installation of emergency lighting within communal areas of most buildings (dependent upon risk assessment) in areas where there is no natural light.
 - Individual flat entrance doors will be surveyed to ascertain if the existing door will provide 30-minute fire protection. If not, the necessary work will be specified. This may be limited to simply providing a self-closing device but could be as extensive as requiring a new door and frame to be fitted. Leaseholders will have the option to either have the council carry out works to their flat front entrance door or carry out the work themselves.
 - Landlord's electricity supply: some street properties have no landlord's electricity supply to the common parts. This will be installed as part of this project in order to power the early warning alarm systems and emergency lighting.
- 3.05 Consultation with regard to the nature of the proposed work has taken place with the London Fire Brigade and Partners. Consultation has also been carried out with leaseholders (see Appendix A). The law requires that leaseholders and any recognised tenants' associations must be consulted before the Council (as landlord) carries out any 'qualifying works'. If the consultation does not take place, the Council is unable to recover costs above the level of the statutory minimum amounts, and any additional costs would need to be met by the Council.
- 3.06 The contract requires the successful bidder to pay the London Living Wage.
- 3.07 Best value is being considered in terms of balancing the need to deliver this project quickly with the need to deliver it at a competitive price.

- 3.08 There are no TUPE, pension or staffing implications.
- 3.09 With regards price, tenderers were required to state their prices against a bespoke schedule of works.
- 3.10 The cost/quality was assessed on a percentage split of 70/30. The quality criteria were broken down into: proposed approach to programme of works (10%), proposed approach to resident engagement (5%), proposed approach to resource management (5%), proposed approach to social value (5%) and the proposed approach to health and safety (5%).
- 3.11 The tender was conducted in two stages using the restricted procedure. Forty-two organisations submitted selection questionnaires. In order to be invited to tender, organisations had to achieve the minimum requirements as stated in the selection questionnaire. Eleven organisations were invited to tender for Lot 1 and eight organisations were invited to tender for Lot 2. Four organisations that were invited to tender opted out of the process. Seven compliant ITT submissions were received for Lot 1 and seven compliant submissions were received for Lot 2. Engie and Breyer received the highest overall evaluation for Lot 1 and Lot 2 respectively (see exempt Appendix B).
- 3.12 The costs of the project exceed the current budget of £8.2m. The short-fall in the budget will be dealt with by delaying lower risk cyclical projects elsewhere in the borough. There is a high risk that access difficulties could delay the progress of the project. Failure to complete this work in a timely fashion could result in the Council being prosecuted in the event of a serious fire incident. The Council will therefore be taking an assertive approach towards access to both tenanted and leasehold flats.
- 3.13 The framework agreement will be for a maximum period of four years but the aim is to complete the majority of the work of the core contract within the first two years of the contract.

4 Financial implications

- 4.01 The 30-year stock condition survey includes £27m for the replacement/upgrade of external doors and £3m for smoke detectors. To the extent that the Business Plan reflects both the stock condition survey and other growth items (such as Kitchen and Bathroom price increases) it is anticipated that there will be sufficient resources, certainly in the short/medium term to fund the expenditure referred to in this report.
- 4.02 Over the short/medium term these costs can be accommodated within the Housing Revenue Account by swapping resources available in the earlier years, attributable to schemes that have slipped, for future resources associated with the external door & smoke detector programmes.
- 4.03 However, it should be noted that in the long term it is felt that there remains a Business Plan resourcing pressure in respect of the overall investment need.

5 Legal Implications

- 5.01 The Council owes a duty to the tenants and leaseholders of its street properties to ensure that the areas of and installations in the properties over which the Council retains control are kept in good repair and condition so that the properties are reasonably safe for their occupation (Section 11 Landlord and Tenant Act 1984, Health and Safety at Work etc. Act 1974, Occupiers Liability Acts 1957 and 1984 and Defective Premises Act 1976).
- 5.02 Further the Council has various statutory obligations in relation to fire protection within the common parts of residential properties (Regulatory Reform (Fire Safety) Order 2005/1541; Smoke and Carbon Monoxide Alarm (England) Regulations 2015/1693) and the interior of flats (Housing Act 2004). Accordingly, the Council has power to enter into contracts with providers of fire protection services under section 1.
- 5.03 The proposed contract is a contract for supply and installation. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £181,302.00 for supply contracts. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The framework agreement contracts have been procured in accordance with the Regulations using the restricted procedure.
- 5.04 The tenders have been evaluated in accordance with the evaluation model. Engie Regeneration Ltd and the Breyer Group received the highest overall ratings for Lots 1 and 2 respectively. Accordingly, the Executive may award contracts to those organisations provided it is reasonably satisfied that their tenders represent value for money for the Council. In reaching its decision, the Executive should take into account the information contained in this report and in the appendices.
- 5.05 The contracts are for a period in excess of 12 months and therefore will be qualifying long term agreements under section 20 of the Landlord and Tenant Act 1985. Accordingly, the Council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended). Subject to compliance with these consultation requirements, the council will be able to recover an appropriate proportion of the costs of the contracts from the leaseholders of the relevant properties pursuant to the service charges provision of their leases.

6 Environmental Implications

- 6.01 It is anticipated that the majority of the flat front entrance doors will not need to be replaced but merely upgraded. This means there will be minimum waste or need for recycling. Where doors need to be replaced, the contractor will be responsible for recycling the old doors. The new doors and frames should be made of sustainable materials where possible, for example the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC-certified timber).
- 6.02 The installation of a radio interlinked communal early warning fire detection system and emergency lighting will involve works to buildings, potentially including areas that

protected species may be using (e.g. nesting birds and bats in lofts). The contractor should take all necessary precautions to avoid disturbing these species when carrying out works. Any waste generated during the installations will also need to be disposed of legally and in accordance with the waste hierarchy.

- 6.03 The fire detection system will be: battery, with a 10-year life span, operated sited within the flat and are mains supply fed in the communal areas. Therefore, there is no need for annual replacement of standard alkaline batteries. The LED emergency light fittings are energy efficient, it will be low energy to minimise this impact they also have an automatic battery back-up should the mains supply fail.
- 6.04 A number of these properties are Grade 2 listed and/or in conservation areas. With the advance of technology of the smoke and heat detectors, no visible cable containment will be required, thus making minimal impact to the original features of the building.

7 Resident Impact Assessment

- 7.01 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 7.02 A Resident Impact Assessment has been carried out and as a result a duty will be placed on the Fire Safety Team to be aware of any resident in any affected property who has hearing impairment. The staff will work with such individuals on a case by case basis to ensure the alarm system installed will meet their needs or will install adapted/modified sounders and/or additional equipment.

8 Reasons for the decision

- 8.01 The procurement exercise outlined in this report is to allow the Council to appoint contractors to undertake essential fire safety works to the Council's street properties.

Appendices

Appendix A – Feedback received from leaseholders following consultation on fire safety work to street properties

-
- Appendix B – exempt from publication.

Background papers: None

Final report clearance:

Signed by:

Diarmuid Ward.

Executive Member for Housing and Development

Date: 6 March 2018

Report Author: Damian Dempsey

Tel: 020 7527 1795

Email: damian.dempsey@islington.gov.uk

Financial Implications Author: Lydia Hajimichael

Tel: 020 7527 5160

Email: lydia.hajimichael@islington.gov.uk

Legal Implications Author: David Daniels

Tel: 020 7527 3277

Email: david.daniels@islington.gov.uk