

Homes & Neighbourhoods  
Town Hall, N1 2UD

Report of: Acting Corporate Director of Homes and Neighbourhoods

Date: 9 April 2024

Wards: All

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## Subject: Procurement Strategy for Fire Safety Works to Street Properties

### 1 Synopsis

#### 1.1

This report seeks pre-tender approval for the procurement strategy for Fire Safety Works to street properties in accordance with the council's Procurement Rules.

#### 1.2

The fire safety improvement works to the council's street properties housing stock. These works are needed to ensure in the event of a fire residents are alerted and are able to adhere to the Immediate Evacuation Policy (IEP) covering the building in which they live.

#### 1.3

Failure to plan and carry out these important fire safety improvement works will compromise the Council's ability to satisfactorily fulfil its legal obligations, which may result in the London Fire Brigade (LFB), as the enforcing authority, serving Enforcement Notices upon the Council.

### 2 Recommendation

#### 2.1

To approve the procurement strategy for Fire Safety Works to street properties as outlined in this report.

### 3 Date the decision is to be taken

#### 3.1

9 April 2024.

## 4 Background

### 4.1 Nature of service

4.1.1 The Council is required to comply with current building regulations which outline the building safety requirements of the homes it manages for council tenants and leaseholders. Building regulations have been strengthened following the Grenfell Tower fire and publication of both the Fire Safety (England) Regulations 2022 and Building Safety Act 2022.

4.1.2 As a result of these new regulatory requirements, the Council needs to urgently complete the installation of various fire safety improvements within its street properties including but not limited to:

- an early warning heat and smoke alarm detection system.
- the installation of bespoke emergency lighting systems.
- the removal of existing fire doors and install new fully certified fire doorsets to flats and in the communal areas.
- the installation of new uprated electrical consumer units sited in purpose-built fire-rated meter cupboards.
- fire-stopping within communal areas that penetrate into flats.
- Class 0 decoration to the communal areas.
- safety glass (areas below 800mm in common part of escape route).
- flooring throughout common parts (subject to survey).

4.1.3 The Council uses the term 'street property' to define a significant proportion of its housing stock which form part of older, non-estate-based housing. The majority of these street properties were built in the Georgian, Victorian, and Edwardian periods and have been converted from single dwellings into flats. These street properties have proportionally higher risks associated to the spread of fire due to their construction and internal layouts. There are around 10,000 flats within 2,500 individual street properties.

4.1.4 The Council already has a contract in place with a contractor delivering capital improvement works to these street properties. The new building safety regulations were introduced after the existing contract was procured. The existing contractor will continue to deliver some of the new fire safety works needed for these street properties, as a result of the new regulations, the Council needs to secure additional capacity to deliver these works within the timescales required by the LFB.

4.1.5 To date the council has completed the necessary fire safety improvement works to 507 street properties. There remain 1,993 street properties awaiting completion of these necessary improvement works.

4.1.6 This report seeks authority to procure a further specialist contractor to assist with the completion of these essential fire safety works to 125 individual street

properties.

## 4.2 Estimated Value:

- 4.2.1 The estimated value of this new contract to deliver fire safety works to 125 street properties has an estimated value of £4,000,000. The new contract will be for a term of 24 months.
- 4.2.2 These works will be funded using Housing Revenue Accounts (HRA) Capital Works budgets for fire safety works to street properties.
- 4.2.3 Leaseholders will be recharged the full cost of any of the prescribed works carried out to the inside of their flat and the proportionate cost for works to the communal areas of the street property within which their flat is situated. Leaseholders will therefore be consulted about this procurement in compliance with the Section 20 leaseholder consultation.
- 4.2.4 Due to the specialised nature of the works required it is difficult to achieve delivery of specific reductions in spend. Contractors will be invited to outline as part of the tender process, how they propose to deliver value for money during the life of the contract. This might involve more efficient working practices and making use of new approved products as they become available.

## 4.3 Timetable

- 4.3.1 The outline estimated timetable for the completion of the procurement is as follows,
  - Approval of procurement strategy – March 2024.
  - Further competition exercise – April 2024.
  - Award of contract – September 2024.
  - Contract start date – October 2024.
  - Mobilisation of Contractor – November 2024.
  - Completion – November 2026.

## 4.4 Options Appraisal:

- 4.4.1 The following options have been considered as part of this procurement strategy:

<b>Do nothing</b>
Advantages: this would save the council the cost of investing in the works.
All landlords have a duty of care and obligations to ensure all residents homes meet current new legislations, current regulations, and British Standards. Due to

five recent fires in the last couple of years within Islington Street property flats, the Council has subsequently received five Notice of Deficiencies (NOD's) from the LFB where the LFB have found missing essential fire safety equipment/ systems within these flats and the common parts of these street properties. This option is therefore rejected.

Disadvantages: Under the regulations:

- Regulatory Reform Order (Fire Safety) 2005
- Fire Safety England 2022
- Housing Act 2004

### **In-house**

Advantages: would provide greater control over the work.

Disadvantages: this is not a viable option as the Council does not have an existing specialist in-house resource to deliver and oversee the work needed. There is not enough time to be able to recruit, mobilise. and the costs of doing so would be prohibitive. For these reasons, this option is rejected.

### **Tender exercise**

Advantages: the council would have ability to fully control the procurement process. More testing of the market as suppliers not on an existing framework agreement could submit a tender.

Disadvantages: this option would take a longer to complete. There is also a risk that the procurement may be unsuccessful if no or insufficient tenders are received. For these reasons, this option was rejected.

### **Further competition using an existing framework agreement**

Advantages: this option provides a quick and compliant route to access suitably qualified contractors. Fusion 21 framework agreement in pursuant of Lot 8, 9 passive fire protection, and Lot 10 Active Fire safety Compliance and Building Safety Framework. The requirements for conducting a further competition tender as set out in Schedule 13 of the framework agreement. has already conducted a pre-selection process to prevent unsuitable contractors joining the agreement. The consortium can also provide specialist resource to assist with the procurement exercise. A further competition between potential suppliers on the agreement helps the council secure value for money.

Given these benefits this is the recommended option.

Disadvantages: will take time to undertake. No guaranteed contractors on the framework agreement will bid for the contract. This risk is mitigated as an expression of interest has been completed and a number of contractors have responded positively.

## Collaboration with another local council

Advantages: there could be a financial saving achieved from for combining similar requirements with neighbouring boroughs into a larger contract.

Disadvantages: Other landlords are likely to have their own priorities and stipulate other requirements from a contract for any similar works which would need to be negotiated as part of any joint procurement strategy. This exercise would take significant time and staff resource to deliver. There is also increased risk of any procurement being unsuccessful. Given these reasons this option is rejected.

4.4.2 Following the options appraisal, the recommended procurement route is a further competition using contractors on three lots on the Fusion 21 Building Safety and Compliance framework agreement covering all elements of the contract specification:

Lot 8 - Passive Fire Protection - Fire Doors

Lot 9 Passive Fire Protection - Fire Stopping

Lot 10 Active Fire Safety.

Utilising the Fusion21 Framework Agreements has the following benefits:

- They are specifically designed for fire safety schedules of works.
- Contractors' prices have already been competitively tested when joining the agreements in a market where there is high demand for these services.
- Contractor competency has already been assessed.
- Fusion21 accommodates leaseholder consultations (re: Section 20).

## 4.5 Key Considerations:

4.5.1 The payment of London Living wage will be a condition of the contract.

4.5.2 The contractor will be required to increase their workforce capacity to deliver this project. They will be required to work in partnership with the Council iWork service in advance of job opportunities being advertised to assist with the recruitment of staff to help deliver this project, with a 'local first' approach where possible. Any job vacancies will also be advertised on the Islington jobs website.

4.5.3 The contractor will provide opportunities for apprenticeships and training of residents, targeted first at care experienced young people in Islington again working in partnership with the iWork team.

4.5.4 We will encourage the contractor to support the recruitment of people underrepresented in the industry including women and people from BAME communities.

- 4.5.5 The contractor's staff will be trained to spot and report any safeguarding concerns with residents they come into contact with, including training on the Make Every Contact Count (MECC) service.
- 4.5.6 The contractor will also have a role to play in the training/reminding of residents about fire safety requirements in their flat and the communal areas and how the residents should use the new equipment, importance of reporting faults etc. Our previous open fun-day event run in collaboration with the manufacturer of the fire safety equipment installed and the short talk workshop delivered to residents helped to demonstrate the importance of the Immediate Evacuation Policy and the equipment installed in their property. We intend to ask the new contractor to contribute to similar events.
- 4.5.7 The contractor will provide technical training to Building Control enabling a clear understanding of the specifications and how they adhere to the required Building Regulations and compliance standards. The contractor will also be encouraged to upskill the council repairs, cyclical testing, and compliance teams staff and Partners for Improvement technical staff to increase their skills and knowledge of the products installed to provide a confident maintenance programme or future repair.
- 4.5.8 The contractor will provide an evidenced policy commitment to a sustainable transport policy, underlining the use of low or no emissions vehicles and an evidenced policy commitment to reduction of waste generated by the service.
- 4.5.9 The Council's Fire Safety Works Teams (FSWT) will ensure that the Responsive Repairs Teams are briefed and will ensure that any training requirements for our own Mechanical and Electrical Compliance Team staff on the operation and/or the maintenance of the equipment once installed is carried out.
- 4.5.10 The ability to assess the wider condition of Islington Council housing stock during the fire safety survey stage is advantageous and valuable information for the council to ensure problems can be repaired proactively. The contractor will use this opportunity to identify any upgrade, unseen issues, or remedial works needed, for example, when working in the communal area or inside a dwelling if there are signs of damp or mould these defects will be reported back to the council to expedite a repair, or where possible added into the scope of work.
- 4.5.11 There are no expected issues relating to TUPE, pensions or staffing implications as this is a new contract.

#### **4.6 Evaluation:**

- 4.6.1 The preferred procurement route for this contract is further competition using the Fusion 21 framework agreement in pursuant of Lot 8, 9 passive fire protection, and Lot 10 Active Fire safety Compliance and Building Safety Framework. The requirements for conducting a further competition tender as set out in Schedule 13 of the framework agreement. The framework agreement expires on 26 April 2025. Contracts called off the framework agreement can continue beyond this date.

- 4.6.2 The award criteria that will be used in the further completion will be weighted at 30% cost and 70% quality. This will help ensure the council secures the Most Economically Advantageous Tender (MEAT).
- 4.6.3 The quality weighting will be further broken down into the following award criteria:  
 Proposed approach to project management - 20%  
 Proposed approach to quality assurance - 20%  
 Proposed approach to social value - 20%  
 Proposed approach to resident engagement - 10%

**4.7 Business Risks:**

- 4.7.1 There is a risk that the chosen contractor fails to deliver the contract to the required standards. This risk will be mitigated by the council through monthly meetings which will take place with an operational representative, the contractor, and a contract team representative to discuss overall performance and any matters arising. A quarterly meeting will also take place with higher level management to go through contractual matters, any escalations that could not be resolved at the monthly meeting, and social value obligations.
- 4.7.2 The Council have incorporated a robust quality management and execution plan to ensure that all elements of works are carried out to all specifications, installation guidelines and manufactures recommendations to ensure warranties are upheld. One of our requirements is for the contractor to issue their own quality and execution plan to be approved by the Council.
- 4.7.3 It is likely that there will be some difficulty to access all flats. The objective for the council is deliver all installations within the timeframe of this contract but we acknowledge this could be difficult to achieve for a small number of homes due to concerns from particular residents. The Fire Safety Works Team will work closely with homes and communities' teams and other support services to encourage and support residents with particular needs or vulnerabilities to provide access to their homes for the works to be completed.
- 4.7.4 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 4.7.5 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
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1. Nature of the service	Approve the procurement strategy for the installation of a range of fire safety works measures to street properties to comply with the Building Regulations.  See paragraph 4.1
2. Estimated value	The estimated value of the call-off contract will be dependent upon performance with a maximum budget of £4,000,000 spread over 24 months.  See paragraph 4.2
3. Timetable	Approval of strategy – March 24 Further Competition – April 24 Award of Contract – Sept 24 Contract start – Oct 24  See paragraph 4.3
4. Options appraisal for tender procedure including consideration of collaboration opportunities	The options considered are set out within the body of the report.  The recommended option is a further competition using Fusion21 Framework Agreements  See paragraphs 4.4
5. Consideration of: Social Benefit Clauses; London Living Wage; Best value; TUPE; Pensions and other staffing implications	Targeted employment, London Living Wage, and best value for the proposed scope of works.  See paragraphs 4.5.
6. Award criteria	The award criteria for the further competition are 30% cost and 70% quality.  See paragraph 4.6
7. Any business risks associated with entering the contract	Business risks stated within the report.  See paragraph 4.7
8. Any other relevant financial, legal, or other considerations.	The implications are set out at the end of the report.  See paragraph 5



## 5 Implications

### 5.1 Financial implications:

#### Direct call-off contract to successful tenderers

This requires a budget provision of £4.000m to appoint an additional contractor to support the delivery of Fire Safety Works to Street Properties. It is estimated that the £4.000m required is the gross total cost of works, and that funds will be recovered from leaseholders as appropriate when works are carried out in the communal areas of street properties where the flats are located.

A budget of £7.091m was set during the 2023-24 budget setting process to support this work on cost centre YHP0708. The table below demonstrates how this budget has been used to date - £0.355m has been allocated to PFI1 street properties (cost centre YHH1923), and a further £4.000m to the AJS contract (cost centre YHH1941) delivering further Fire Safety Works.

Budget Setting 2023-24 (£)	Compartmentation – interlinked detection and warning systems (YHP0708)	FSW to 29 PFI 1 Street Properties (YHH1923)	FSW to Street Properties AJS Limited (YHH1941)	Budget remaining in YHP0708
Budget 2023-24	1,955,000	-355,000	-1,600,000	0
Budget 2024-25	3,000,000	0	-2,400,000	600,000
Budget 2025-26	2,000,000	0	0	2,000,000
Budget 2026-27	136,561	0	0	136,561
<b>Total Budget</b>	<b>7,091,561</b>	<b>-355,000</b>	<b>-4,000,000</b>	<b>2,736,561</b>

This leaves £2.736m on budget centre YHP0708 which can be allocated to fund the works to be carried out under the proposed contract. The balance (£1.363m) can be met from accelerating budgets allocated in future years to Fire Safety works as part of the 2024/25 budget setting process. This process has been undertaken and has allocated budget at £0.5m per year from 2025/26.

Fees associated with the capitalisation of Property Services salaries will be accommodated within the capital salaries budget.

## **5.2 Legal Implications:**

The Council has various obligations under the Fire Safety (England) Regulations 2022 and Building Safety Act 2022 in relation to ensuring fire safety on its premises. The council has power to enter into contracts with contractors for fire safety works under section 1 of the Local Government (Contracts) Act 1997.

The proposed contract is a works contract which is below the threshold for application of the Public Contracts Regulations 2015 (the Regulations). Such contracts need to be procured with due regard to the principles of equal treatment, non-discrimination and transparency that underpin the Regulations. The Council's Procurement Rules also require contracts of this value to be subject to competitive tender.

The proposed procurement strategy, for a mini competition under the Fusion21 Building Safety and Compliance framework agreement complies with the principles underpinning the Regulations and the council's Procurement Rules.

The contract is for a period in excess of 12 months and therefore will be a qualifying long-term agreement 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).

## **5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

The installation involves an early warning heat and smoke alarm detection system, the emergency lighting systems, the removal of existing fire doors and the installation of new fully certified fire doorsets to flats and within the communal areas, the installation of new uprated electrical consumer units sited in purpose-built fire-rated meter cupboards. The fire door replacement programme will have environmental impacts that include energy used in the installation process, and in subsequent operations, vehicle journeys made by the contractor, material use for the new installations and the disposal of the old equipment and doorsets.

The removal of the existing fire doorsets is a positive environmental step forward, these are now to be replaced with solid timber doorsets. The old doorsets will be collected by a reputable Waste Collection contractor and disposed of at a registered Waste Collection Station. All the recyclable fittings will be dismantled and recycled, i.e., metal door handles, letterboxes, hinges, etc., the timber or

Glass Reinforced Plastic (GRP) door leaf's will be dismantled into its component parts and recycled.

The contractor shall ensure that waste materials are kept to a minimum and that all waste leaving all properties are reused or recycled where practicable. The contractor will have a duty of care to ensure that waste disposal is disposed of legally and in alignment with the waste hierarchy.

#### **5.4 Equalities Impact Assessment:**

- 5.4.1 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.

5.4.2 An Equalities Impact Assessment was completed on 12 October 2023 (see appendix 1). The main findings are:

- The delivery of the contract will have a positive impact on all residents including those with protected characteristics as the service is designed to ensure that the Council enhances the protection of residents' flat entrances. Communal areas outside flats will be enhanced allowing safe passage by residents in the event of a serious fire incident within these street properties. Using our vulnerability list will allow the fire safety team and contractor to prioritize and communicate early with those needing additional assistance and collaborate with Homes and Neighbourhoods and Partners for Improvement departments to ensure a holistic care plan is in place.
- The works will ensure the LFB can attend and fight the fire. These important fire safety works are necessary regardless of residents' employment/financial status.
- Diversity and equalities have been considered during this procurement process. All contractors are required to report how they will manage customers with any of the protected characteristics. This will include how they will engage and communicate with residents whilst delivering the works. Specific attention will be paid to arrangements they will put in place to ensure the contractor can communicate effectively with residents with any of the protected characteristics, e.g. they are expected to consider translation services for customers where English is not their first language, BSL translators for deaf and hard of hearing customers and take time to demonstrate extra care and patience with residents who are elderly or have mobility impairments.
- The contractor will be expected to ensure dignity and respect for customers regarding religious beliefs, e.g., by using protective covering for footwear within properties.
- All contractors must clearly explain how they will deliver services to ensure the health and safety of all residents and members of the public are protected and any additional health and safety measures they will put in place to ensure individuals with protected characteristics are protected sufficiently.
- It is a contractual requirement for contractors to work to Islington Council's policies and procedures, where equality, diversity, and an accessible service for all is factored into service delivery procedures.
- The prescribed fire safety works are required to ensure the Council complies with fire safety regulatory requirements/Building Regulations and needs to be carried out irrespective of tenants' employment/financial status.
- Consideration was given to enhancing the specification for the flat front entrance doors from 30 minutes' fire protection (FD30S) to sixty minutes (FD60S). It was evident, however, that FD60S doorsets are significantly heavier than FD30S doorsets and this would have had an unacceptable negative impact on some older and/or disabled residents in terms of their ability to use their front doors.

## 6 Conclusion and reasons for the decision

- 6.1 A new contract is required to appoint a contractor to ensure the Council fulfils its legal obligation as a landlord by installing a number of important fire safety measures. The recommended route to secure this contract is through a further competition amongst suitable contractors across multiple Lots on the Fusion 21 Building Safety and Compliance frameworks agreement.

## 7 Record of the decision

- 7.1 I have today decided to take the decision set out in Section 2 of this report for the reasons set out above.

### **Authorised by:**

**Acting Corporate Director of Homes and Neighbourhoods**

Date: Date the decision was taken

### **Appendices:**

- Appendix 1 - Equalities Impact Assessment.

### **Background papers:**

- None.

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