



CABINET

9th April 2025

Subject Heading:

Building Safety Works – Residential High-Rise Buildings

Cabinet Member:

Councillor Paul McGeary - Lead Member for Housing & Property

ELT Lead:

Neil Stubbings, Strategic Director of Place

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Policy context:

This report presents recommendations to undertake essential fire safety works to a number of the Council's high rise buildings to ensure their continued safety and the safety of our residents.

Financial summary:

This report seeks authority to commence a two-stage tender process for the fire safety improvement works to Havering Council's high-rise buildings. The indicative project budget is £13.4m.

Is this a Key Decision?

Yes, as expenditure or saving (including anticipated income) of £500,000 or more

When should this matter be reviewed?

N/A

Reviewing OSC:

Places

The subject matter of this report deals with the following Council Objectives

| | |
|---|---|
| People - Supporting our residents to stay safe and well | X |
| Place - A great place to live, work and enjoy | X |
| Resources - Enabling a resident-focused and resilient Council | |

SUMMARY

1. Following the implementation of the Building Safety Act 2022 in October 2023 and the introduction of the new Building Safety Regulator, the Council has registered each of its high-rise (18m+) residential buildings. These buildings are classified by the Building Safety Regulator as High Risk Buildings and for each of them, a Building Safety Case File has been prepared, as required by the Act.
2. The Council needs to undertake some building safety works to all ten of its older high-rise blocks, as detailed in each building's Building Safety Case File. The Blocks included are;
 1. Blk 1-53 Elizabeth House
 2. Blk 1-53 Mountbatten House
 3. Blk 1-53 Victoria House
 4. Blk 1-53 Edinburgh House
 5. Blk 1-48 Uphaving House
 6. Blk 3-52 Parkview House
 7. Blk 1-48 Overstrand House
 8. Blk 1-57 Kipling Towers
 9. Blk 1-57 Dryden Towers
 10. Blk 1-76 Highfield Towers.
3. The works are varied and complex and in some cases, may be disruptive to residents. They will therefore be difficult to design and manage and a significant amount of effort will need to be focussed on resident communications and liaison.
4. In order to help manage the complexity and associated risk, it is proposed to procure the works on the basis of a two-stage tender process. This will enable the contractor to be engaged early (Stage 1) and be involved in the development of designs, specifications, resident consultation and programming of the works before actually undertaking the works (Stage 2). The procurement team have advised tendering the works through a suitable public sector framework (the Fusion21 framework), to ensure only suitably experienced, pre-vetted contractors are invited to tender in a legally compliant manner. It is proposed to use Fusion21's tender portal for speed and efficiency.
5. The Pre-Construction Services (Stage 1) and the works (Stage 2) have a combined indicative value of £13.4 million.
6. It is essential that the Council deliver these works within the proposed timescales in order to act as a responsible landlord and demonstrate compliance, as failure to do so could result in fines and charges being brought against the Council for non-compliance.

RECOMMENDATIONS

For the reasons set out in the report, Cabinet is recommended to:

1. Approve the procurement of a two-stage tender process via Lot 1 of the Fusion 21 Refurbishment, Construction, New Build and Modular Buildings Framework for building safety remedial/improvement works to the Council's high-risk buildings, comprising Pre-Construction Services (Stage 1) and Works (Stage 2), with a total indicative value of £13.4 million.
2. Approve a waiver of the Council's default evaluation criteria of 70% Price: 30% Quality and instead award the contracts on the MEAT basis of a 60% Quality, 30% Price, and 10% Social Value weighting for the reasons set out in Section 4 of this report, Procurement Proposals.
3. Delegate the approval of the award of the Pre-Construction Services Agreement (Stage 1) and the works contract (Stage 2) to the Strategic Director of Place, acting in consultation with the Strategic Director of Resources and the Deputy Director of Legal & Governance.
4. Delegate the change of procurement route from a framework to a Dynamic Procurement system (DPS), if required, to the Strategic Director of Place.

REPORT DETAIL

1. BACKGROUND

- 1.1 The Building Safety Act 2022 introduced new roles and legal duties for people and organisations who are responsible for managing building safety risks in high-rise (18m+) residential buildings in England. These buildings are classified in the Building Safety Act as High Risk Buildings.
- 1.2 Each High Risk Building in England must have one clearly identifiable person, known as the principal accountable person (PAP), in this case Havering Council are the PAP for these buildings.
- 1.3 The PAP must: -
 - a. Register existing High Risk Buildings with the Building Safety Regulator, and
 - b. Prepare a Building Safety Case in anticipation of being asked to apply for a Building Assessment Certificate. The Building Safety Case must include various reports, some of which are likely to identify a need for works.

Officers can confirm that the above actions have been undertaken.

2. REASONS FOR THE WORKS

- 2.1 The works that have been identified need to be undertaken to improve the fire safety of each building to a more desirable level. These works are detailed in an action plan that is managed by the Council's Housing Compliance Team.
- 2.2 In order to deliver the works, the Council appointed Calfordseaden LLP, a multi-disciplinary construction consultancy firm. They have surveyed all ten of the Council's older HRBs and are currently developing outline designs and employer's requirements for the works.
- 2.3 It is proposed to deliver the following works through this contract:
- Replacement of non-compliant spandrel / window infill panels
 - New installations of automatic opening vents (AOVs) to fire escape stairwells and lobby landing areas
 - Removal of vertical ventilation shunt ducts where they breach fire compartmentation
 - Installation of new ventilation systems to replace removed systems
 - Fire stopping between flats
 - Installation of new LD1 fire/smoke alarms to flats
 - Installation of new sprinkler systems with secondary backup power supplies to all HRBs

3. FURTHER REASONS FOR THE WORKS

- 3.1 To align with an aspirational fire strategy for each building
- 3.2 The Building Safety Case for each building includes a description of the existing fire safety features that are present. This is akin to what is known as a fire strategy, which is typically produced when a new building is being designed and which forms part of the design information. It describes how the features inter-relate with each other to ensure the desired level of fire safety (a level usually set by the building regulations).
- 3.3 The Building Safety Case action plans for all of Havering Council's HRBs include recommendations for works that can broadly be categorised as follows:
- (a) Repairs (e.g. damaged fire safety related elements)
 - (b) Replacement of components (e.g. where there is no clear evidence of compliance with appropriate standards)
 - (c) Required improvements (e.g. fire safety related elements that need replacement)
 - (d) Recommended improvements (e.g. installation of sprinklers and LD1 alarms)
- 3.4 The requirement for works as outlined above has led to aspirational fire strategies for each of Havering Council's High Risk Buildings being commissioned. An aspirational fire strategy is a document that describes the existing and additional measures required to deliver an improved level of fire safety from that which is described in the building's current fire strategy. When the proposed works have been completed, the aspirational fire strategy will become the current fire strategy and should be retained for use by those who manage and maintain the building to help ensure the building's

fire safety features are properly understood. These improved fire strategies will be saved on file and used to manage the building safety and compliance for the life of the building.

- 3.5 Whilst the current building regulations do not apply retrospectively to existing buildings, these works will ensure that fire safety standards in the Council's High Risk Buildings are as close to current building regulations standards as one might reasonably expect. Undertaking these works will also ensure the Council is complying with the Building Safety Act.

4 PROCUREMENT PROPOSAL

- 4.1 There are some specific considerations that are relevant to the procurement of a suitable contractor to undertake these works. These are:

- Specialist nature of the work
- Ability to demonstrate competency in this type of work
- High standards of quality management
- Experience of similar works in occupied buildings
- Ability to meet the programme
- Design capability
- Experience of applying to the Building Safety Regulator for approval for works to HRBs

- 4.2 The Council's internal Procurement Team have been involved in the project and have advised on the best route to market.

- 4.3 The Procurement Team proposed to conduct a tendering exercise through a framework or a Dynamic Purchasing System (DPS). In the words of the Crown Commercial Service, "Frameworks help public and third sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections." DPSs are similar to frameworks, but allow suppliers to join and add new services at any point. Contractors appointed to these frameworks have already undergone vigorous checks on their experience and quality control processes. If an open tender process is used, there will be far more work required by the Council to thoroughly de-risk the contractor selection process, and it will be much more expensive and time-consuming as a result.

- 4.4 The Procurement Team identified three suitable framework providers for fire safety work. Each framework provider charges a fee which is calculated as a percentage of the works' costs. The frameworks are:

1. CHIC
2. Fusion21
3. LHC

- 4.5 Expressions of interest (EOI) were requested from contractors on each framework to ascertain which contractors were interested and could accommodate the proposed timescales, and thus which framework would produce the most competitive tender process.

Cabinet, 9th April 2025

- 4.6 All three frameworks provided good market testing results, however Fusion 21 stood out as being more attractive due to the low 2% fee, compared to 3% and 4% from LHC and CHIC. Ten of the contractors on the Fusion 21 framework confirmed their interest. All are large and well established contractors with relevant experience. There were a number of smaller contractors on the CHIC and LHC frameworks that were felt to be less likely to have good experience of all the aspects of the works.
- 4.7 All of the suppliers appointed to the Fusion21 Framework have gone through a rigorous evaluation process. The framework approval criteria is aligned with PAS 91 (Publicly Available Specification 91), supported by Construction line. All suppliers must pass the Selection Questionnaire to be appointed to the Framework. The Quality assessment amounted to 60% of the total score and covered a range of topics such as Health and Safety, Quality Assurance, Risk Control, Financial, Sustainability and Case Studies.
- 4.8 It is proposed to use the Fusion 21 framework secure online portal for the tender exercise for speed and efficiency.
- 4.9 It is not proposed to re-charge leaseholders for all elements of these works. The reasons for this are:
- a) These works are required principally to upgrade the fire safety of the building
 - b) On 28 June 2022, the leaseholder protections on building safety costs in England came into effect. For properties worth less than £175,000 (£325,000 in London), there is a re-charge cap set at zero for the majority of fire safety remedial works.
 - c) Leaseholders will be consulted in accordance with the Section 20 process and this will enable the Council to recover leasehold contributions for the new fire safety improvements. They include; fire alarm installations and a new sprinkler system in accordance with the terms of the leases.
 - d) In the event a leaseholder wishes to nominate a contractor to tender for the works then, if the nominated contractor is suitable, the procurement process may need to transfer to a DPS route to allow for this formal process.
- 4.10 The specialist nature of the works and the project-specific buildability issues favour two-stage tendering rather than single stage tendering. With the latter method, the client commissions a design from suitable specialist consultants and then invites contractors to submit a tender to deliver the works. However, there is more expertise on the contractor side, rather than with consultants, in both the design and execution of these types of works. It therefore makes sense for the contractor to be involved in the design stages under the management of the consultant, otherwise there is an increased risk that what the contractor is asked to build will not be feasible. Two-stage tendering allows this to happen, as the contractor is appointed under a Pre-Construction Services Agreement at Stage 1, to assist with completing the design and specification. When the design is complete, the contractor prices the works on an open book basis, applying the rates for overheads and profit they submitted with their tender to build up an overall price for the entirety of the works. The contractor is then appointed to undertake the works at Stage 2, once a contract sum has been agreed and the appointment has been approved.

Cabinet, 9th April 2025

- 4.11 The proposed contract for Stage 1 is a JCT Pre-Construction Services Agreement (PCSA). This will cover the professional services to undertake planning and design works.
- 4.12 Stage 2 will use the 2024 version of the JCT Design and Build Contract which includes amendments by JCT to cover the new BSA and the requirement for applications to the Building Safety Regulator. A schedule of amendments will be incorporated into the contracts to align with the Council's specific requirements.
- 4.13 The contractor will be required to take on the roles of Building Regulations Principal Designer and Building Regulations Principal Contractor, in addition to the roles of CDM Regulations Principal Contractor and Principal Designer. Ideally, they will have experience of making an application to the Building Safety Regulator for building regulations approval.
- 4.14 The Building Safety Regulator will also need evidence from the Council that all designers and contractors engaged on the works are competent. The selected contractor must be able to satisfy the requirement to produce evidence of competence.
- 4.15 The procurement proposal was approved at the Council's Gateway Review Group (GRG) on 23rd January 2025.
- 4.16 The tender documents for this procurement will be prepared by Calfordseaden specialist construction consultants.
- 4.17 Bids will be evaluated on price and quality on the basis of a 60% Quality, 30% Price, and 10% Social Value weighting in accordance with the Fusion21 framework rules and for the following reasons;
- I. Ensure they possess the necessary qualifications, competencies and experience to deliver the Project
 - II. To Minimize BSR Application delays and construction errors
 - III. To minimize safety risk
 - IV. To ensure project success
 - V. Improve productivity and reduce costs.
- 4.18 The tender evaluation will be carried out by two project managers from the Major Projects team and Calfordseaden, with the moderation by a member of the Council's Procurement team. The winning tender will be that which scores highest as the most economically advantageous tender (the MEAT score).
- 4.19 An Experian credit ratings check on the proposed contractor will be made prior to awarding the contract.

5 PROJECT DELIVERY & RISKS

- 5.1 The proposed project timetable is as follows:

| Task | Timeline with S.20 |
|--|-----------------------------|
| Section 20 stage 1 notices issued (expire after 30 days) | 17 March 2025 |
| Complete Employer's Requirements and tender documents | 17 th April 2025 |
| Invite tenders via Framework | 24 th April 2025 |

Cabinet, 9th April 2025

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|---|--|
| Complete tender evaluation | 5 th June 2025 |
| Executive Decision for award of contract approved by Strategic Director | 3 rd July 2025 |
| Notify bidders of outcome of tender | 4 th July 2025 |
| Section 20 stage 2 notices issued (expire after 30 days) | 11 July 2025 |
| Appoint contractor for Stage 1 under a PCSA | 4 th July 2025 |
| Appointed contractor to undertake surveys and investigations, and to develop designs in collaboration with consultant to: a) Obtain planning consent b) Submit Gateway 2 application for Building Regulations consent c) Ensure there is enough detail for the works to be priced and planned out. | 7 th July to 12 th November 2025 |
| Negotiate contract sum with contractor | 2 nd December 2025 |
| Obtain Building Regulations consent by: | 6 February 2026 |
| Draft Executive Decision for award of Stage 2 building contract | 15 December 2025 |
| Executive Decision for award of building contract signed by Strategic Director | 29 January 2026 |
| Appoint contractor for Stage 2 under a JCT D&B contract | 12 th February 2026 |
| Mobilisation | 13 th February to 2 nd April 2026 |
| Start of works on site | 3 rd April 2026 |
| Completion of works on site | 4 th May 2027 |

- 5.2 This is a tight timetable and relies on a number of matters being dealt with smoothly. Obtaining building regulations consent within the time allowed will be of particular concern and will be mitigated by meticulous preparation of the proposals and the application pack.

6. QUALITY

- 6.1 To ensure the highest standards of quality and performance within the supply chain, the Council will establish minimum standards for sub-contractors and include detailed quality-related questions as part of the tender process. These standards will be explicitly highlighted in the invitation documents, setting clear expectations for service delivery and quality. The Council will closely monitor compliance with these standards throughout the contract term, employing regular reviews and performance assessments to ensure that all requirements are consistently met and that the quality of the work remains high. This approach aims to achieve positive project outcomes while maintaining a robust and reliable supply chain.
- 6.2 The performance of the contract will be actively managed and monitored throughout the project by Calfordseaden, the in-house Project Manager and Clerk of Works. The Project Manager will oversee the overall progress and ensure that the project stays on track with its objectives, while the Clerk of Works will focus on quality control, verifying that the work meets the required standards and specifications. Together, they will ensure that any issues are promptly addressed, and that the project is delivered on time, within budget, and to the expected quality.

7. SOCIAL VALUE

- 7.1 The contractor's proposals for delivering Social Value within the London Borough of Havering will constitute 10% of the overall tender evaluation. This evaluation criterion will assess how the contractor's approach contributes to the community, including initiatives such as local employment opportunities, skills development, and other community benefits.
- 7.2 The Council will evaluate proposals based on the Social Value themes outlined in the Government's 2020 Social Value Model. This framework emphasises key areas, such as supporting local economic growth, enhancing social and community well-being, and promoting environmental sustainability.

8. RESIDENT LIAISON

- 8.1 Resident liaison will be led by the Council's own Resident Liaison Team. Residents will be involved in the steering of the project before, during and after works are undertaken.
- 8.2 The Employer's Requirements document will state that the contractor must provide a specified number of resident liaison officers to work on the contract, and their involvement will be overseen by the Council's Senior Resident Liaison Officer.

REASONS AND OPTIONS

9. REASONS FOR THE DECISION

1. The Council has a statutory and contractual obligation as a landlord to provide repairs, maintenance and compliance works to its properties. It is essential that Havering comply with the new BSA and therefore, there must be a provision in place to deliver these fire safety improvements.

Other options considered

1. The option of doing nothing was rejected on the grounds that the Council has a legal duty to undertake the fire safety work identified to each HRB within reasonable timescales.
2. Tendering via an open tender was rejected due to the complexity of the works and the need to find contractors who can demonstrate experience and knowledge in fire safety works and be commercially aware of the requirements under the BSA.

IMPLICATIONS AND RISKS

10. Financial implications and risks:

- 10.1 This report is seeking approval to commence the procurement process. The Pre-Construction Services (Stage 1) and Works (Stage 2) have an indicative budget of £13.4m for works to be carried out across 10 High Rise Blocks outlined within this report.
- 10.2 This Cabinet Report proposes to use the Fusion 21 Framework. It should be noted that whilst the fee for this Framework is the lowest, it is the contractor who would pay this and any transference of this cost will be within the successful bidder's price. The paper also includes a decision to potentially switch to a DPS from the Framework option should this become preferred.
- 10.3 The HRA Capital Programme was approved by Full Council in March 2025 for which this project is included within. Due to the timing of the decisions, design and procurement there may be a requirement to re-profile the allocations at either a future Cabinet or the next budget planning cycle.
- 10.4 In addition, and for information, the associated capital costs of the project are outlined below along with the estimated profile of the £13.4m this decision relates to:

| Building Safety Works | 25/26 | 26/27 | 27/28 | Total |
|------------------------------|--------------|--------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Design & Build procurement | 600 | 7,000 | 5,800 | 13,400 |
| Consultancy | 120 | 120 | 60 | 300 |
| Project Team (internal) | 197 | 197 | 197 | 591 |
| Project Overview | 917 | 7,317 | 6,057 | 14,291 |

- 10.5 As with schemes of this nature, there is a risk of cost increase, for which the project has set aside an appropriate contingency. The consultant and project team will also need to mitigate any risk associated with having a contractor design their own build. The financing of the project is expected to be a mixture of HRA Major Repairs Reserve, HRA Borrowing and Leaseholder contributions (within regulatory remit).
- 10.6 There are 128 Leaseholders within the 10 blocks accounting for 24% of the flats. It is therefore important that the funding of the block is fairly attributed between the landlord and leaseholders. Leaseholders are expected to contribute to the project funding with exception to the points made in this report. It will therefore be important that the project clearly separates these components to aid the S20 process and settlement of the final accounts. As an estimate, the cost of the alarm systems and sprinkler systems on average per leaseholder is £15,000. Furthermore, with multiple schemes in train, leaseholders will want to understand their liabilities as a whole rather than on a project by project basis.
- 10.7 The project's impact on the HRA revenue budget is likely to require increased compliance budget due to the rise in new components (e.g. Fire Alarms needing to be tested and sprinkler systems). It is anticipated that remedial works will be minimal

initially before slowly rising year on year after completion. Budgetary changes will be reflected in the relevant future budget setting cycle.

11. LEGAL IMPLICATIONS AND RISKS

- 11.1 The Council has the power to procure the contract under s111 of the Local Government Act 1972, which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 11.2 The Council also has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The recommendation sought within this report is in accordance with this power.
- 11.3 The total estimated value of the contract is £13.4 million, which is above the threshold for works under the Public Contracts Regulations 2015 (PCR). The contract is therefore subject to the full PCR regime.
- 11.4 The Fusion21 framework is a PCR compliant framework. As a local authority, the Council is entitled to call-off from this framework. The procurement process complies with the requirements of the PCR.
- 11.5 Officers must ensure they follow the framework process for selecting a contractor.
- 11.6 For the reasons set out above, the Council may procure the contract.

12. HUMAN RESOURCES IMPLICATIONS AND RISKS

- 12.1 The recommendations outlined in this report do not present any identifiable HR risks or implications that would impact the Council or its workforce. The proposed actions are designed to be implemented within existing frameworks and do not foresee any adverse effects on human resources or operational practices.

13. EQUALITIES IMPLICATIONS AND RISKS

- 13.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:
- (i) The need to eliminate discrimination, harassment, victimisation, and any other conduct prohibited by or under the Equality Act 2010;
 - (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not; and
 - (iii) The need to foster good relations between those who have protected characteristics and those who do not.

Note: Protected characteristics include age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity, and gender reassignment.

- 13.2 The Council is committed to all of the above in the provision, procurement, and commissioning of its services, and the employment of its workforce. Additionally, the Council is dedicated to enhancing the quality of life and wellbeing for all Havering residents with regard to socio-economic and health determinants.
- 13.3 An EqHIA (Equality and Health Impact Assessment) has not been completed and is not required for this decision, but will be completed for the Award
- 13.4 The Council seeks to ensure equality, inclusion, and dignity for all.
- 13.5 There are no equalities and social inclusion implications and risks associated with this decision.

14. HEALTH AND WELLBEING IMPLICATIONS AND RISKS

- 14.1 The proposed building safety works are essential to ensure residents are able to live safely and comfortably in their homes which supports / promotes good health and wellbeing.
- 14.2 Poor quality housing can have a serious negative impact on an individual's health and wellbeing and a significant negative impact on communities.
- 14.3 The Council is responsible for improving and protecting health and wellbeing of local residents under the Health and Social Care Act 2012.
- 14.4 This contract will support the aims and delivery of the Housing Asset Management Strategy by ensuring that the Council provides the right homes for our residents, which are affordable, safe and of high quality, provide good communities in which to live and work, whilst meeting the challenges of zero carbon and building safety across the estates.

14.5 ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS

- 14.1 Environmental and Climate Change implications of delivery of the contract will be assessed through the contract award as part of the quality evaluation process; tenderers will be evaluated upon their proposals to reduce the environmental impact and carbon footprint of how the work is delivered, such as local supply chains, electric vehicles, waste reduction and recycling and so on.
- 14.2 Sustainability of materials will be built into the specifications by ensuring the manufacturers comply with BES 6001 "Responsible Sourcing of Construction Products", to prove that their products have been made with constituent materials that have been responsibly sourced.

BACKGROUND PAPERS

None

APPENDICES

None