

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

Date: 28 September 2023

Subject: Award of contract for the major refurbishment of 1-69 Linacre Court W6 and the construction of a new community centre to the west of the tower

Report author: Vince Conway, Senior Programme Manager, Capital Delivery

Responsible Director: Jon Pickstone, Strategic Director for Economy

SUMMARY

This report seeks approval to award a contract for the major refurbishment of 1-69 Linacre Court W6 and the construction of a new community centre to the west of the tower.

The scheme was included in the Procurement Strategy, approved by Cabinet on December 22, 2022, which identified sites for investment during the period 2023-2025.

Linacre Court, Great Church Lane is an eighteen-storey tower block built in 1965 and provides 69 homes.

The project is seeking to address the main issue of the existing windows, which at 30 years old have reached the end of their service life. Other works to the building fabric include concrete and brickwork repairs to ensure homes are safe, secure and wind and weathertight. The project will also provide a new purpose-built community centre.

In accordance with the approved procurement strategy the contract has been procured via a call off from the South East Consortium's ("SEC") suite of public sector frameworks, using a mini-competition process in accordance with the competition requirements set out in the Council's Contract Standing Orders ("CSOs").

The recommendations have the support of the Departmental Management Team including the Director of Housing and the Assistant Director, Residents and Building Safety.

RECOMMENDATIONS

1. To note that Appendices 1-3 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in

paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

2. That the Cabinet Member for Housing and Homelessness approves the appointment of Breyer Group PLC via the South East Consortium Internal and External Works Framework Lot 1b (Major Refurbishment over £1m) (“SEC Framework”), to undertake major refurbishment works to Linacre Court W6 for a sum of £1,756,991.46 (ex vat). The project is expected to start on site on 20 November 2023 with an estimated completion date of 7 June 2024.
3. That the Cabinet Member for Housing and Homelessness, approves the contingency sum detailed in exempt Appendix 3 to deal with any unforeseen works that may arise during the delivery of the project.
4. To note that the formal award of the contracts will not be made until completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act 1985.

Wards Affected: Avonmore

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The proposed works will improve and maintain the standard of council homes, thus supporting the council in its strategic function as a social housing landlord of providing the opportunity of a decent home to its residents. Housing is a prime influence on quality of life, life expectancy, opportunities for work, education, leisure etc. It is critical to economic development, educational achievement, public health, and community cohesion. The new building is consistent with objectives within the Local Plan creating access to good quality community spaces, services, amenities, and infrastructure that accommodate, encourage, and strengthen communities, increasing active participation and social integration, and addressing social isolation.
Creating a compassionate council	Investment in social housing enables the council to fulfil its landlord function and provide good-quality homes to local people that are safe, secure, and genuinely affordable. The new building will be a multi-use community facility

	used to support a wide range of local activities.
Doing things with local residents, not to them	Residents have been fully consulted during the preparation of this scheme, and this will continue through to progression to site, and final delivery. The consultation will continue post-award to include site set-up arrangements and further information on the delivery stage. Residents will be balloted to confirm preferred communal redecorations. The new community centre aspect of the project has been initiated by and developed with the Linacre Court Tenants and Residents Association with additional input from both current users of the existing inadequate facility and prospective users of its proposed replacement.
Being ruthlessly financially efficient	The project has been competitively tendered and will be awarded on the basis of most economically advantageous tender. There will be robust contract management and a strong site presence to ensure quality standards and value for money.
Taking pride in H&F	The evaluation criteria have required contractors to give details of their approach to energy consumption, use of sustainable materials, transport plan, site waste management, and noise pollution. The project includes significant landscaping of the area surrounding the new centre to provide a safe, pleasant, and functional setting. The building will be screened by attractive trees and shrub planting.
Rising to the challenge of the climate and ecological emergency	The works include various proposals in line with the council's climate change targets including new A-rated double-glazed windows with solar control coating. The new building will conform to all current standards for energy efficiency including insulated roof and walls, A-rated double-glazed windows, and a renewable heating system.

Financial Impact

The report seeks approval to procure a contractor to deliver the major refurbishment works to Linacre Court as well as the construction of a new community centre next to the towers.

The works are anticipated to be fully capital in nature as they will make a direct improvement to asset quality and extend the lifecycle and in the case of the community hall, will be creating a new capital asset. The total cost of the project is £1.757m with the refurbishment work element being £1.411m and the Community Centre £0.346m.

A Credit Safe report was run for Breyer Group PLC on 26/09/2023, which provided a risk score of 73, above the Council's minimum of 50 as well as an annual contract limit of £16.000m, more than sufficient for the contract proposed in this report of £1.757m.

Formal award of the contract will not be made until the completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act. There are a total of 16 leaseholders at Linacre Court and the estimated cost that can be recovered from them is £0.382m which is detailed in Appendix 2.

The HRA 4-Year Capital Programme contains a budget allocation within the Major Refurbishment Works division of £7.541m and the works are intended to be funded from this allocation.

Implications prepared by: Llywelyn Jonas, Principal Accountant – Housing Capital, 26/09/2023

Verified by: Danny Rochford, Head of Finance (HRA and The Economy), 27/9/23

Legal Implications

The Council has a duty to maintain its housing stock as part of its functions as a local housing authority under the Housing Act 1985. It therefore has the legal power to undertake these works of refurbishment.

The Contract value is below EU thresholds so the Public Contracts Regulations 2015 do not apply.

The Council's Contract Standing Orders (CSOs) do apply and the competition requirements have been complied with by running a mini competition using South East Consortium Internal and External Works Framework Lot 1b to make the appointment.

Under CSO 21.5 all contract awards over £100,000 must be submitted to the Contracts Assurance Board.

Under CSO 21.1 the relevant Cabinet Member can make the Contract Award.

Some of the works will be undertaken to properties belonging to leaseholders. In order to be able to recharge the owners the Council needs to undertake the process

of consultation as required by the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003. This is detailed in paragraph 30 below and will need to be done and observations considered before the contracts are signed.

The award of this contract is a “key decision” for the purposes of Article 12.3 of the Council’s constitution. As required, the relevant details of the proposed award were advertised on the Council’s website on 14 June 2023.

Implications prepared by: Joginder Bola, Senior Solicitor (Contracts & Procurement),
22 September 2023

Background Papers Used in Preparing This Report

NONE

DETAILED ANALYSIS

Reasons for Decision

1. A procurement strategy for this project was approved by Cabinet in December 2022
2. The decision above is required to appoint the successful contractor to carry out the works required in these properties.

Property

3. Linacre Court is an eighteen-storey tower block constructed in 1965 providing 69 flats, 16 of which have been sold under the right to buy. The block is situated on Great Church Lane adjacent to the A4 at the eastern end of the Hammersmith flyover. It is managed by the South Hammersmith housing management area and is in Avonmore ward.

Community Hall

4. A new community hall is part of the investment plans. The Linacre Court Tenants and Residents Association is currently using a small converted WC on the ground floor of the tower as a community hall. This is not fit-for-purpose with inadequate space and facilities for the services currently provided and restricting the potential for additional services in the future.
5. Officers have looked at various options with residents and concluded that a new purpose-built building would best serve the needs of residents and the wider community. There is ample space for a new building to the west of the block and the project also provides an opportunity to enhance the estate environment.

6. The new community hall will be added to the HRA asset register on completion. Following the passing of the 12 month defects liability period future maintenance will be carried out by the council's DLO and specialist mechanical and electrical contractors as appropriate.

Refurbishment of the Tower Block

7. The Council is required to maintain its housing stock in good repair, providing quality homes that are safe and secure and meet tenant aspirations.
8. Linacre Court was included in the Procurement Strategy approved by December 22 Cabinet which identified sites for investment during the period 2023-2025.
9. The project will address that the existing windows in the tower, at 30 years old, have reached the end of their service life. Other works to the building fabric include concrete and brickwork repairs to ensure homes are safe, secure and wind and weathertight.

Tender Process

10. In accordance with the approved strategy, the procurement has been undertaken through the SEC framework by way of a mini competition under the Internal and External Works framework Lot 1b (major refurbishment works over £1,000,000).
11. Expressions of interest were sought from the eleven suppliers on the framework with eight asking to be included in the process. An invitation to tender was published on the CapitalEsourcing portal on 23 June 2023 with an original closing date of 4 August 2023, extended to 11 August 2023. Tender submissions were received from three suppliers.
12. The tender appraisal panel evaluated all submissions in accordance with the mini-competition set out in the Invitation to Tender ("ITT") using most economically advantageous tender ("MEAT") criterion with a weighting of 60% to qualitative and technical aspects of the tender submission and 40% to price.
13. The table below sets out the scores achieved by each supplier as assessed by the evaluation panel. Further scoring information is provided at exempt Appendix 1.

Overall Ranking	Contractor	Value of tender	Price Score	Price Rank	Quality Score	Quality Rank	Total Weighted Score
1 st	Breyer Group PLC	£1,756,991.46	100.00	1st	76.00	1st	85.60
2 nd	Tenderer 2	£2,350,279.50	74.76	3rd	72.995	2nd	73.70
3 rd	Tenderer 3	£2,267,198.23	77.50	2nd	71.127	3rd	73.67

14. Based on the evaluation process carried out in accordance with the approved procurement strategy and Invitation to Tender, officers therefore recommend acceptance of the tender submitted by Breyer Group PLC.

Equality Implications

15. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any protected groups, under the Equality Act 2010.

Risk Management Implications

16. A risk register will be maintained by the contract administrator for this project with appropriate contingency measures in place for any identified risks. Robust project controls and monitoring will be maintained throughout the programme of works to ensure timely delivery, within the financial envelope and to the quality standards specified. The project has been tendered via a competitive procedure which will help to demonstrate that value for money is secured through the project, which is in line with council objective of being ruthlessly financially efficient. The contract will not be awarded until the section 20 consultation with leaseholders has been concluded, which mitigates the risk of the Council not being able to bill leaseholders for their share of the cost of the works.

Implications to be verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance

Climate and Ecological Emergency Implications

17. The works to the tower block include the replacement of existing windows with new A-rated double-glazed units with solar control coating. Ventilation to all flats will be removed via the replacement of extract fans to kitchens and bathrooms.
18. The heating and hot water system for the new community centre comes under the contractor design portion of the specification. Contractors will be required to provide a solution in accordance with the design guide issued by the London Energy Transformation Initiative (LETI) which requires heating and hot water generation to be fossil fuel free.
19. The new building will conform to current standards for energy efficiency including fully insulated roof and walls, A-rated double-glazed windows to the north and south elevations and a triple-glazed system to the south and west elevations. All appliances installed as part of the fit-out will be A-rated.

Implications verified by: Hinesh Mehta, Assistant Director of Climate Change, 25/09/2023

Local Economy and Social Value Implications

20. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed.
21. It is recommended that the commissioner works with the supplier and the Council's Social Value Officer to ensure a delivery plan is in place to realise the Social Value commitments made by the supplier.
22. It is recommended that the commissioner works with the Legal Service to ensure appropriate social value clauses are included in the contract so that the council can enforce its right to financial remedies if social value commitments are not delivered.

Implications verified by: Oliur Rahman, Head of Employment and Skills, 22 September 2023

Procurement implications

23. The results of the evaluation process (ITT_17159) have been verified against the e-tendering system.
24. A contract shall be created in the contracts register and a signed copy of the contract uploaded, to ensure compliance with statutory transparency requirements.
25. Contract Award Notices shall be published once mobilised.

Implications to be verified by:

Digital Services Implications

26. IT Implications: no direct IT implications are considered to arise from this report as it seeks approval to award a contract for the refurbishment of various council-owned void properties. Should this not be the case, for example, by requiring new systems to be procured or existing systems to be modified, Digital Services should be consulted.
27. IM Implications: a Data Privacy Impact Assessment (DPIA) will need to be completed to ensure all potential data protection risks arising from this proposal are properly assessed with mitigating actions agreed and implemented.
28. Breyer Group PLC will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
29. Any contracts arising from this report will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

Implications verified by: Cinar Altun, Strategy Lead, Digital Services, 25.09.23

Consultation

30. There has been ongoing consultation with residents to explain the nature and scope of the works, programme, and broad timescales. Residents will receive further correspondence prior to work starting on site, updating them regarding the programme, the scope of works and the level of support in place for residents from officers within the Capital Delivery Team.
31. There are a total of 16 leaseholders in Linacre Court and they have been notified in accordance with statutory consultation legislation. Notices of intent were sent out on 14 November 2022 and expired 19 December 2022. The Notices of Estimate were issued on 15 September 2023 and the consultation period ends on 18 October 2023. The contract will not be issued until expiry of the Section 20 notice period and the satisfactory conclusion of any observations received.
32. The total estimated charges to leaseholders based on the recommended contract sum plus contingency and internal management fees is £0.382m. Further details are shown in Appendix 2.
33. The council offers a range of repayment options to leaseholders with extended interest free periods for those facing higher bills.

LIST OF APPENDICES (ALL EXEMPT)

Appendix 1: Details of tender analysis

Appendix 2: Details of estimated leaseholder recharges

Appendix 3: Risk Register Contingency Amounts