

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Executive Director of Finance and Corporate Services in consultation with Cabinet Member for Housing and Homelessness

Date: 27 September 2024

Subject: Fire Risk Assessment Services

Report of: Cabinet Member for Housing and Homelessness

Report author: Nicholas Marco-Wadey, Head of Contract Governance (Housing)

Responsible Assistant Director: Richard Buckley, Assistant Director of Building and Resident Safety

SUMMARY

In July 2023, the council appointed a new fire safety consultant (Faithorn Farrell Timms LLP) to undertake Fire Risk Assessments of our housing stock. We procured this contractor by compliant direct award via the Consultants Framework, LOT 8 (Fire Consultancy Service) established by London Borough of Hammersmith and Fulham Council. These services are a key feature of the Council's fire safety strategy providing assurance and transparency to residents of the fire safety status of their building, and any required safety works and are a regulatory requirement required to ensure building fire safety is safely monitored and managed.

The consultant does not believe that this contract is commercially viable to them owing to their commercial model and are thus seeking a mutual termination We therefore need a contractor who can absorb this characteristic fluctuation of volumes of fire risk assessments into their delivery model.

On that basis, the client team have liaised with the 2nd place bidder 'Ventro Ltd' on the Consultants Framework, Lot 8 (Fire Consultancy Service) to determine whether they can deliver a Fire Risk Assessment (FRA) programme for us, whilst factoring in the volume fluctuation dynamic. Ventro Ltd have confirmed that they can and provided further evidence to support this statement and therefore we now wish to progress with a direct award to this contractor.

We will also seek to mutually terminate the contract with Faithorn Farrell Timms LLP as soon as governance has been approved regarding this decision.

RECOMMENDATIONS

For the Executive Director of Finance and Corporate Service in consultation with the Cabinet member for Housing and Homelessness to approve:

1. The procurement strategy for the use of the Council's Consultancy Service Framework for the appointment of a fire safety consultant.
2. The award of contract to Ventro Ltd for delivering FRA Services in relation to fire safety compliance subject to a maximum total cost of £360,000 over a period of 24 months.
3. Terminate our existing FRA contract with Faithorn Farrell Timms LLP, effective-immediately.

Wards Affected: (All)

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The outcomes of this contract work towards ensuring that our housing is safe from fire risks. The provision of safe housing is crucial for the wellbeing and safety outcomes of H and F residents and thus is building a better environment for all.
Creating a compassionate council	Ensuring that our building fire safety is safely monitored and managed in accordance with the council's fire safety strategy and fire safety regulations. The appointment of a fire safety consultant is crucial in maintaining this outcome.
Doing things with local residents, not to them	Comprehensive engagement to ensure the council's residents have a clear understanding of the works to be undertaken and the long-term benefits this will provide.
Being ruthlessly financially efficient	This contract will be awarded via a competitively procured framework to the supplier who have signed up to the framework and were the highest ranked supplier who is capable of providing the service. This is in line with the objective of being ruthlessly financially efficient
Taking pride in H&F	It is important that the Council provides tenants with homes to be proud of which have surrounding communal infrastructure that is well monitored and managed.
Rising to the challenge of the climate and ecological emergency	Monitoring and managing fire safety of our buildings

FINANCIAL IMPACT

The report seeks approval to appoint a contractor, Ventro Ltd, to deliver FRAs of the Council's housing stock, at a total cost of £360,000. The services are anticipated to commence by the end of August 2024 and will be for a duration of 24 months. Payments will be made in instalments on the completion of each FRA. Supplier performance will be monitored by service colleagues, and a 5% penalty will be applied to payments for each FRA that is 14 days past its target completion date.

The report also seeks to mutually terminate the contract with the previously appointed fire safety consultant, Faithhorn Farrell Timms LLP, on the basis that this supplier has confirmed they are unable to deliver all aspects of the FRA programme.

The HRA Asset Management 4-Year Capital Programme for 2024-28 was approved by Cabinet in February 2024 and contained a budget provision for the fire safety compliance programme, of £14.712m across financial years 2024/25 to 2027/28. The cost of the proposed scheme will be funded from approved uncommitted funding on fire risk assessments, which has been allocated to the Fire Safety team.

A Credit Safe Report run on 3rd July 2024 on the supplier Ventro Ltd, provided a credit score of 60 (low risk and above the Council's minimum threshold score of 51), and an annual contract limit of £2.2m, which is sufficient for the contract to be awarded and in view of the suggested contract value being higher than the value of the procurement.

The works are anticipated to be wholly capital in nature as the FRAs are a key factor in ensuring the Council assets are compliant with regulations and therefore operating according to the intended design, they will also advise where works would be needed to meet this requirement.

Finance officers will work closely with the budget holders to monitor spend within the agreed budget envelope and will report updates to the financial position via the quarterly Capital Programme Monitor.

Implications prepared by: Anjeli Chadha, Principal Accountant – Housing Capital, 3 July 2024

Verified by: Danny Rochford, Head of Finance, 3 July 2024

LEGAL IMPLICATIONS

The Council needs to commission these assessments in order to comply with its statutory duties under the Regulatory Reform (Fire Safety) Order 2005 and the Fire Safety (England) Regulations 2022.

This is a public services contract under the Public Contracts Regulations 2015 (PCR). The use of the Council's Consultancy Framework which was let in accordance with the PCR complies with the regulations.

This is a high value contract under the Council's Contract Standing Orders. The use of the Council's framework is a compliant method of procurement for the purposes of the CSOs. Since the first placed consultant is no longer in a position to undertake the work, the framework allows the Council to approach and appoint the next placed consultant.

Because of the proposed appointment of a new consultant the contract with the previous consultant needs to be formally terminated.

The award of this contract is a key decision in accordance with the Council's constitution and needs to be included in the key decision list on the Council's website.

John Sharland, Assistant Director of Legal Services, 3 July 2024

Background Papers Used in Preparing This Report

N/A

DETAILED ANALYSIS

Proposals and Analysis of Options

Option 1: Do nothing

Doing nothing is not an option because FRAs are a key feature of the Council's fire safety strategy and are required under Regulations for certain types of building. Therefore, not appointing a fire safety consultant would expose the Council and residents to fire safety risk.

Option 2: Deliver the Supplies, Services, and/or Works In-House (Make/Buy Decision)

This is a compliance requirement which the Council do not have the capacity and expertise required in-house to deliver the full requirement in appropriate time.

Option 3: Appoint a Supplier via a competitive tender exercise

A competitive tender process could be carried out to identify a suitable supplier to deliver these services, however, doing so would delay the ongoing delivery of FRA services in relation to fire safety compliance. This is not recommended because it would impact the delivery of the fire safety programme.

Option 4: Direct Award the contract to the 2nd place bidder on the London Borough of Hammersmith and Fulham Consultancy Services Framework Lot 8 – Fire Consultancy Services (preferred option)

The direct award call-off method under LBHF Consultancy Services Framework was selected as the preferred option to meet the Council's needs. This framework is the preferred route for the procurement of consultancy services within housing after it was signed off in spring 2023.

The LBHF Consultancy Services Framework is divided into eight (8) lots and Lot 8 (Fire Consultancy Service) was found suitable because this lot covers Type 1, 2, 3 and 4 Fire Risk Assessments.

The appointed suppliers under Lot 8 of the framework based on their rankings are:

- (i) Faithorn Farrell Timms LLP.
- (ii) Ventro Limited
- (iii) Keegans Limited
- (iv) Tetra Consulting Limited.

The framework permits direct award to the Supplier that is assessed as being the most economically advantageous Supplier based on their rank. The supplier rank is based on the highest final scores (Price and Quality) during the ITT stage to secure a place on the Framework

Schedule 3, Part A, paragraph J, of the framework permits award to a supplier other than the top ranked, where the top ranked supplier confirms they are unable to or not interested in providing the service.

Ventro Limited have been chosen based on their position as the second placed bidder.

REASONS FOR DECISION

1. To appointment a fire safety consultant to undertake FRA Services across our housing stock at a cost that constitutes good value for money.
2. The current consultant seeks to mutually terminate our current FRA Contract.

EQUALITY IMPLICATIONS

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

Yvonne Okiyo, Strategic Lead Equity, Diversity and Inclusion, 19 July 2024

RISK MANAGEMENT IMPLICATIONS

4. There is a financial and programme risk that, despite assurances by the supplier Ventro Ltd that they will be unable or be unwilling to complete the contract due to the 'no-access' dynamic. To protect LBH&F it is therefore recommended that the performance of the engagement is closely monitored and that terms are included in the contract including guarantees and possible payback clauses should Ventro Ltd seek to back out of the engagement before completion.

5. There is a programme risk that Ventro Ltd will not deliver the quality service necessary due to attempt to increase their return. It is therefore recommended that a thorough Service Level Agreement (SLA) is included as part of the contract and that performance is monitored throughout the engagement.

Jules Binney, Risk and Assurance Manager, 2nd July 2024

PROCUREMENT IMPLICATIONS

6. This report seeks approval to appoint Ventro Ltd for the delivery of FRA Services in relation to fire safety compliance subject to a maximum total cost of £360,000 over a period of 24 months.
7. In line with CSO 19.1, a call-off can be made through LBHF Consultancy Services Framework, Lot 8 (Fire Consultancy Service) to award the contract.
8. In accordance with CSO 18.1 the SLT Member in consultation with the relevant Cabinet Member shall approve the award of contract.
9. A contract shall be concluded before the commencement of services (CSO 15.7) and an electronic copy of the completed contract shall be uploaded to the Contracts Register along with a copy of the award report (CSO 15.8).
10. The Contract documentation must be concluded (including the formal execution of contracts by all parties) before its commencement. (CSO 21.9) and an electronic copy of the completed (dated) Contract must be uploaded to the Contracts Register along with a copy of the award report (CSO 21.10).
11. A Contract Award Notice must be published to Contracts Finder, to satisfy the requirements of the Public Contracts Regulations 2015 for contracts equal to and over £30,000 (including VAT). This must be completed using the Council's eProcurement portal.
12. A named contract manager must be allocated to the contract on the Council's eProcurement portal and given activities which have led to the termination of the current contract, it is recommended a closer period of contract management be observed in the short-to medium term of the contract.

Chris Everett, Category Lead – Procurement and Commercial, 18/07/2024

LOCAL ECONOMY AND SOCIAL VALUE IMPLICATIONS

13. The provision of fire door risk assessments is an area of compliance servicing that is well established.
14. Fire risk assessments can be delivered by small and medium sized enterprises however it is important to consider the size of the FRA programme to ensure that the supplier has sufficient capacity to complete the required volume of monthly FRA's in line with our compliance deadlines.

15. On that basis, we require a contractor who is large enough to have enough inhouse capacity to deliver against this volume.
16. That said, in time, this contractor, through their social value matrix, will look to recruit a H and F based fire risk assessor and therefore we are paying consideration to local economy.
17. In terms of social value commitments, this contractor has proposed social value delivery of £42,770.24 (11.8%). This will be achieved through employing local staff and community engagement via offering work placements and career advice.
18. The service will ensure that a social value delivery clause is inserted into the contract which sets out monitoring and management processes as well as penalties for non-delivery.

Verified by Oliur Rahman, Head of Employment and Skills, 12 July 2024

LIST OF APPENDICES

None