LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Sukvinder Kalsi, Executive Director Finance and Corporate Services

in consultation with Councillor Frances Umeh, Cabinet Member for

Housing and Homelessness

Date: 21/07/2025

Subject: Appointment of a Replacement Contractor to Complete Works to

Linacre Court W6 including new community centre

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

SUMMARY

This report seeks approval for the direct award of a contract for the completion of major works to Linacre Court W6 following the original contractor's entry into administration.

RECOMMENDATIONS

- 1. To agree that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that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 Executive Director for Finance and Corporate Services, in consultation with the Cabinet Member for Housing and Homelessness, approves the award of a contract to Greyline Group Ltd. in the sum of £438,013.09. The works have a 20 week programme and are expected to start during August 2025 and complete during December 2025.
- 3. That the Executive Director for Finance and Corporate Services, in consultation with the Cabinet Member for Housing and Homelessness, approves the contingency sum detailed in exempt Appendix 1 to deal with any unforeseen matters that may arise.

Wards Affected: Avonmore

Our Values	Summary of how this report aligns to the <u>H&F</u> <u>Corporate Plan</u> and the H&F Values
Building shared prosperity	The proposed works will improve and maintain the standard of London Borough of Hammersmith and Fulham Council's (the "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.

Our Values	Summary of how this report aligns to the H&F <u>Corporate Plan</u> and the H&F Values
	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 delivery of this scheme to date and have been kept up to date with developments since works stopped. Residents are obviously keen to see works start again as soon as possible. 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 contractor's submission has been assessed in detail and is judged to represent value for money.
Taking pride in H&F	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

Our Values	Summary of how this report aligns to the <u>H&F</u> <u>Corporate Plan</u> and the H&F Values
	including insulated roof and walls, A-rated double-glazed windows, and a renewable heating system.

Financial Impact

This report requests approval to appoint a replacement contractor, Greyline Group Ltd., to complete major refurbishment works to Linacre Court following the original contractor's entry into administration. The works are expected to complete in the 2025/26 financial year, and the estimated cost of the works is £438,013. The report also seeks approval to set aside a provision within the Housing Revenue Account (HRA) Capital Programme for the contingency sum detailed in Appendix 1.

Payments will be made to the contractor based on the completion of works to a satisfactory standard, which will be monitored by the Capital Delivery team's Project Managers and the external consultants.

The HRA Asset Management 4-Year Capital Programme and Q3 2024/25 budget variations was approved by Cabinet in February 2025 and contained a budget provision for major refurbishment works of £34.3m across financial years 2025/26 to 2028/29. The cost of the works in this report will be funded through bringing forward a HRA Capital Programme budget set aside for major refurbishment works of £438,013 from the 2028/29 financial year. This proposed reprofiling of the budget will be subject to Cabinet approval as part of the Q1 2025/26 Capital Programme Monitor report.

A Credit Safe Report run on 30 May 2025 on the supplier Greyline Group Ltd. provided a credit score of 79 (very low risk and above the Council's minimum threshold score of 51), and a suggested contract limit of £4,050,000, which is above the value of the procurement in this report.

The works are capital in nature as they are major refurbishment works that are expected to enhance the value of the asset. Of the total cost of the works, the contractor is expected to carry out external landscaping works towards the end of the programme. This is referenced in paragraph 4 of the Proposals and Analysis of Options section in this report. The cost of landscaping works is estimated at £6,500 and will be capitalisable on the basis that the works include site preparation that are expected to enhance the natural draining of the land and therefore bring the new community centre into a useable asset. Any subsequent external landscaping works will be a revenue cost. 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.

Completed by: Anjeli Chadha, Principal Accountant – Housing Capital, 5th June 2025

Verified by James Newman, AD Finance, 25 June 2025

Legal Implications

The value of this contract is below the Procurement Act 2023 threshold for works and the above threshold requirements of the Procurement Act 2023 do not apply.

The Council's Contract Standing Orders (CSOs) do apply and a waiver of CSOs necessitating a competitive process has been approved, although the value is subject to reconsideration by the Contracts Assurance Board (CAB) alongside this report, due to a change from what was originally approved, on the grounds that the contract is for works that are required in circumstances of extreme urgency that could not reasonably have been foreseen.

Where the report concerns the award of a Contract in excess of £300,000 (including VAT) in value or the expenditure is otherwise significant, then it is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website. The award decision cannot be implemented without the expiry of the call-in period for that decision as shown on the website.

Joginder Bola, Senior Solicitor (Contracts and Procurement), 02.06.2025

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

- 1. In October 2023 the Cabinet Member for Housing and Homelessness approved the appointment of Breyer Group plc (Breyer) via Lot 1b (Major Refurbishment over £1m) of the South East Consortium Internal and External Works Framework (the "Framework"), to undertake major refurbishment works to 1-69 Linacre Court W6. The works comprise major refurbishment of the residential tower block and the construction of a new community centre on adjacent land. The contract started in January 2024.
- 2. On 1 April 2025 Breyer filed a notice of appointment of an administrator due to financial difficulties. Breyer therefore ceased trading as of this date and works on Linacre Court stopped.
- 3. The works to the tower block are substantially complete with isolated snagging and minor redecorations outstanding. The community hall building has been constructed with minor items of work pending to the roof and windows.
- 4. However, the internal works have been limited with progress needed for mechanical and electrical services, heating system, kitchen facilities, WC, and

- finishes to walls and floors. External landscaping works to bring the new community centre into use are scheduled for the end of the programme.
- 5. It is in the interests of the Council and residents to appoint a contractor to complete the works as quickly as possible and officers have taken steps to progress this in a compliant manner.
- 6. A waiver of the CSOs necessitating a competitive process has been approved on the grounds that the contract is for works that are required in circumstances of extreme urgency that could not reasonably have been foreseen.
- 7. Greyline Group Ltd. is currently working on void properties in the borough and have previously successfully delivered various insurance-related projects to a high standard. Greyline Group Ltd. met with officers at Linacre Court on 30 April 2025 to review the site and better understand the Council's requirements, not only in relation to the outstanding works but also assuming responsibility for the defects liability period on works already completed.

Reasons for Decision

- 8. This award report is submitted for approval by the Cabinet Member, in accordance with paragraph 18 of the CSOs.
- 9. A decision is required to progress the appointment of a contractor to complete the outstanding works and bring an important asset into use.

Equality Implications

10. An Equalities Impact Assessment is included at Appendix 2. 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.

Verified by: Yvonne Okiyo, Strategic lead for equity diversity and inclusion, 16/6/25

Risk Management Implications

- 11. There is a significant financial risk that any bidder will determine that costs to resolve the incomplete work are significantly higher than projected by Breyer.
- 12. This risk should be reduced. It is recommended that the maximum expenditure is specified as a precondition of engagement, or that any additional costs are agreed in advance by LBHF prior to engagement.
- 13. There is a financial risk that projections for lettings and rent are not correct and that funds cannot be recouped.

- 14. This risk should be accepted, and that the situation regarding tenancy is monitored.
- 15. There is an operational risk that the time to complete the work is due to the contractor not being able to mobilise quickly, or effectively.
- 16. This risk should be accepted. It is recommended that the delivery is closely managed, and that the contractor's capability is closely monitored.
- 17. There is a risk that the delivery from the contractor is stretched leading to a negative impact other delivery including voids.
- 18. This risk should be accepted. It is recommended that the delivery is closely managed, and that the contractor's capability is closely monitored.

Jules Binney, Risk and Assurance Manager, 5th June 2025

Climate and Ecological Emergency Implications

- 19. The works to the tower block are essentially complete and have included the replacement of existing windows with new A-rated double-glazed units with solar control coating and improved ventilation to all flats via the replacement of extract fans to kitchens and bathrooms.
- 20. The new community building conforms 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. The internal specification includes the installation of a MVHR (Mechanical Ventilation with Heat Recovery) system, low-energy lighting, and A-rated appliances.

Verified by: Meghan Kingsley-Walsh, Heat Decarbonisation Lead, 6th June 2025

Procurement Implications

- 21. The Procurement and Commercial team have confirmed this Contract Award is written in accordance with the waiver due to be presented to CAB along with this report. Any further waivers for this requirement will be subject to the rules of aggregation and the requirements of the Procurement Act 2023 may become applicable, based on the aggregated value.
- 22. 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 capitalEsourcing eProcurement portal.
- 23. The contract must be added to the capitalEsourcing eProcurement portal, to ensure it is published on the Council's Contract Register in line with the

- legislated transparency obligations, and all applicable legal notices must be published within their legislated deadlines.
- 24. A named contract manager must be allocated to the contract on the Council's capitalEsourcing eProcurement portal.

Chris Everett, Category Lead – Procurement and Commercial, 2nd June 2025

ICT and Information Management (required for any changes to IT systems)

- 25. **IT Implications:** No direct IT implications are considered to arise from this report as it seeks approval to award a contract for the direct award of a contract to Greyline Group Ltd. to complete major works at Linacre Court W6 after the original contractor entered administration. 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.
- 26. **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.
- 27. Greyline Group Ltd. will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
- 28. 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.

Vincen Arivannoor, Strategic Relationship Manager, 6th June 2025

Local Economy and Social Value

- 29. Due to the immediate need to appoint a provider, and a waiver to the competitive tender process having been approved, it is recommended that a formal Social Value process should not be undertaken as part of this procurement.
- 30. Due to the value of the contract, it is still recommended that Social Value delivery is encouraged from the supplier as part of this contract.
- 31. The proposed contractor, Greyline Group Ltd., have already been in extensive talks with the Council regarding their Social Value commitments on the other contracts they hold at the time of this comment, with a view to consolidate their offer into one package across the various lots of the Voids contract.
- 32. It is therefore recommended that a discussion is held with the contractor, Social Value Officer and the commissioning lead to determine what Social Value for

- this contract is proportional, and if suitable, whether it can be included in the supplier's overall commitments they have made with the Council.
- 33. It is recommended that the Commissioning lead works closely with the Social Value Officer and Legal teams to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to remedies if social value commitments are not delivered.

Harry Buck, Social Value Officer (Procurement), 6th June 2025

LIST OF APPENDICES

Exempt Appendix 1 – Risk Register Contingency Amounts Appendix 2 – Equalities Impact Assessment

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Appendix 2 H&F Equality Impact Assessment

Overall Information	Details of Full Equality Impact Analysis
Financial Year and	2025-26 Q1
Quarter	
Name and details of	Title of EIA: Appointment of a Replacement Contractor to Complete Works to Linacre Court W6
policy, strategy,	
function, project,	Short summary: EIA in support of proposal for the direct award of a contract for the completion of major works to
activity, or programme	Linacre Court W6 following the original contractor's entry into administration.
Lead Officer	Name: Vince Conway
	Position: Senior Programme Officer, Capital Delivery
	Email: vince.conway@lbhf.gov.uk
	Telephone No: 07776 672481
Date of completion of	04 / 06 / 25
final EIA	

Section 02	Scoping of Full EIA		
Plan for completion	Desktop exercise carried out by report author		
Analyse the impact of the policy, strategy, function, project, activity, or programme	more than one pr	act of the policy on the protected characteristics (including where people / groups rotected characteristic). You should use this to determine whether the policy will have impact on equality, giving due regard to relevance and proportionality.	
достор, от рас у	Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
	Age	The project does not contain any specific provisions for age, all residents of Linacre Court will benefit from the improvements to the tower block. The	Positive

	provision of a new community centre will be intergenerational but has the potential to be used by particular age groups at different times.	
Disability	There is no current facility for residents to hold meetings or community events. The new community centre will be fully accessible so will be of benefit to people with mobility issues. The design complies with current Building Regulations on accessibility and meets requirements of the Equality Act 2010	Positive
Gender reassignment	The project does not contain any specific provisions for transitioning or transgender people	Neutral
Marriage and Civil Partnership	The project does not contain any specific provisions affecting marriage or civil partnership	Neutral
Pregnancy and maternity	The project does not contain any specific provisions affecting pregnancy and maternity, the new facility has the potential for use for childcare or parent groups.	Positive
Race	The project does not contain any specific provisions regarding race, the new facility has the potential for use by diverse racial/ethnic groups	Positive
Religion/belief (including non-belief)	The project does not contain any specific provisions for religious/non-religious groups but the new facility has the potential for use by both faith-based or non-faith-based community groups	Positive
Sex	The project does not contain any specific provisions for men or women, the new facility has the potential for use by both men and women	Neutral
Sexual Orientation	The project does not contain any specific provisions for lesbian, gay, bisexual, or heterosexual people but the new facility has the potential for use by LGBTQ+ residents	Positive

Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

No

Will it affect Children's Rights, as defined by the UNCRC (1992)?

No

Section 03	Analysis of relevant data		
	Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data		
	and information and where possible, be disaggregated by different equality strands.		
Documents and data	N/A		
reviewed			
New research	N/A		

Section 04	Consultation
Consultation	There has been ongoing consultation with residents to explain the nature and scope of the works, programme, and broad timescales. Since the original contractor's administration residents have been kept abreast of plans to engage a new contractor.
Analysis of consultation outcomes	

Section 05	Analysis of impact and outcomes	
Analysis	Resident satisfaction surveys are undertaken post-completion of works	

Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	

Section 07	Action Plan					
Action Plan	Note: You will only	need to use this sed	ction if you have ide	entified actions as a	result of your analy	sis
	•		•			
	Issue identified	Action (s) to be	When	Lead officer and	Expected	Date added to
		taken		department	outcome	business/service
		tanton		a opartinont	Catoonio	plan
						Plan

Section 08	Agreement, publication and monitoring		
Senior Managers' sign-	Name: Richard Buckley		
off	Position: Assistant Director, Resident and building safety		
	Email: Richard.buckley@lbhf.gov.uk		
	Telephone No: 07769882207		
	Considered at relevant DMT:		
Key Decision Report	Date of report to Executive Director Finance and Corporate Services: June 2025		
(if relevant)	Key equalities issues have been included: Yes		
Equalities Advice	lame: Yvonne Okiyo		
(where involved)	Position: Strategic lead for equity diversity and inclusion		
	Date advice / guidance given: 16 June 2025		
	Email: Yvonne.okiyo@lbhf.gov.uk		
	Telephone No: 07824 836 012		