

**Name of meeting: Cabinet**

**Date: 11 April 2023**

**Title of report:** Procurement of fire safety remedial works to Council Housing 6-storey, low-rise and retirement living scheme blocks

**Purpose of report:** Cabinet are asked to approve the revised approach to the procurement and delivery of fire safety remedial works to 6-storey, low rise and retirement living scheme blocks and to endorse the direct award of contract for Hebden Court and Buckden Court to Fortem Solutions Limited.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? Decisions having a particularly significant effect on a single ward may also be treated as if they were key decisions.</b>	<b>Yes</b>  The decision will result in spending of over £250k per annum and will affect two or more wards.
<b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b>	<b>Key Decision – Yes</b>  <b>Public Report</b>  <b>Private Appendix – Yes Appendix 1</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>  <b>Is it also signed off by the Service Director for Finance?</b>  <b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>David Shepherd 8 March 2023</b>  <b>Eamonn Croston 21 March 2023</b>  <b>Julie Muscroft 27 March 2023</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Councillor Cathy Scott, Housing and Democracy</b>

**Electoral wards affected: All**

**Ward councillors consulted: No**

**Public or private: Public report with private Appendix 1**

Appendix 1 is private in accordance with Schedule 12A Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 namely it contains information relating to the financial and business affairs of third parties (including the Authority holding that information). It is considered that the disclosure of the information would adversely affect those third parties including the Authority and therefore the public interest in maintaining the exemption, which would protect the rights of an individual or the Authority, outweighs the public interest in disclosing the information and providing greater openness and transparency in relation to public expenditure in the Authority's decision making.

**Public or private: Public with Private appendix**

**Has GDPR been considered? Yes**

## **1. Summary**

- 1.1 Remedial fire safety works are required to council housing low-rise, 6-storey and retirement living scheme blocks. The works required vary in cost and extent and the development of design, specification and procurement requirements are at differing stages.
- 1.2 A contract for fire safety improvements to low-rise residential blocks was tendered in 2021 and the award approved by Cabinet on 5 April 2022. Following contract negotiations at pre-contract stage, it was mutually agreed not to proceed because contract changes requested would have resulted in material changes outside of the original scope of the procurement. This report sets out the new approach to delivering these works.
- 1.3 There are mitigations in place to manage risk and safety in the affected buildings and these will be reviewed as the extent of works required becomes clearer and as programmes for delivery are firmed up.
- 1.4 If the recommendations are supported engagement with residents can commence and packages of works taken forward through procurement and delivery.

## **2. Information required to take a decision**

### **2.1 Background**

- 2.1.1 All social landlords are responsible for ensuring the safety of tenants and required to undertake regular non-intrusive fire risk assessments (FRAs) to housing (generally flats) with communal areas on a regular basis. FRAs identify risks and actions required and grade these into high, medium and low categories. High risk actions should be dealt with within 7 days, medium risk within 3 – 6 months and low risk 1 year – 10 years. FRAs cover all aspects of fire safety from management actions to more extensive remedial works. Non-intrusive FRAs, by their nature, only identify visible risks and issues and to fully understand the extent of remedial work required to improve fire safety, intrusive surveys are required.
- 2.1.2 There are currently 4,971 known medium and low risk actions due in low-rise, 6-storey and retirement living scheme (RLS) blocks identified through non-intrusive FRAs. The known works along with extrapolated actions were tendered as one package under the title of fire safety improvements to low-rise residential blocks and included actions for 6-storey and retirement living scheme blocks.
- 2.1.3 At its meeting on 5 April 2022 Cabinet agreed the award of a contract for fire safety improvements to low-rise residential blocks to Fortem Solutions Limited. The contract sum was based on a schedule of rates of medium and low priority items of work deemed necessary from non-intrusive FRAs across low-rise, 6-storey and retirement living scheme blocks. The schedules were based on both real and extrapolated actions from FRAs but did not represent the full scope of works required. The contract included provisions for the

contractor to carry out intrusive FRAs to ascertain the full extent of works required and to design, specify and deliver these; the total cost of the contract was therefore not fully understood and posed a financial risk of escalating contract costs.

2.1.4 The works were reviewed in June 2022 to further consider their packaging to ensure they could be delivered and managed prior to entering into the contract. Through this review and discussions with the successful contractor, a number of issues were identified that represented material changes to the original tender and it became clear that the procurement process could not be concluded without requiring a significant change to be made to either the published scope or contract value. As this would not comply with the principles of equal treatment, transparency and proportionality the preferred option was not to take the contract award forward. It was agreed that a smaller package of works from the original tender would be considered for procuring through a direct award framework to Fortem Solutions Limited on the provision that the council could demonstrate that it was achieving value for money.

2.1.5 The Council had appointed, AHR, one of its surveying consultants to carry out intrusive and extensive surveys of 6-storey and retirement living scheme blocks. These surveys encompassed structural, mechanical and electrical, and condition issues in addition to fire safety. The surveys of 6-storey blocks were completed in August 2022 and reports and recommendations were issued to the Council in September 2022. The surveys identified mandatory, highly recommended and recommended works to all twelve 6-storey blocks.

The mandatory fire safety works to the blocks are:

- installation of sprinkler systems
- installation/ extension/ upgrade of automatic fire detection and alarm system
- installation of automatic opening vents
- replacement of stairwell glazing and partitions
- provision of fire stopping
- works to provide fire protection to floors (at five blocks)

The highly recommended fire safety works to the blocks are:

- replacement of external wall insulation (at ten blocks)
- installation/ extension/ upgrade of evacuation alert system

In addition there are highly recommended works relating to condition and structure, which are:

- re-roofing
- replacement of windows and doors (at ten blocks)

The recommended works are:

- replacement of external wall insulation (at two blocks)

- replacement of windows and doors (at two blocks)

## 2.2 Options

2.2.1 It is proposed that the packages of work under the previous tender be taken forward under three distinct and separate programmes, one for each of the block types, to support an approach that enables risks, costs and delivery to be well managed. The three programmes are at differing stages and need to be de-coupled from one another and dealt with separately. The 3 programmes will therefore be:

- 6-storey blocks
- Retirement Living Scheme blocks
- Low-rise blocks

2.2.2 For the 6-storey blocks, all surveys are complete and specification and tender documents are being drawn up by AHR. It is considered that the scope of works should include all mandatory and highly recommended works (detailed at 2.1.5 above) for fire safety, condition and structure. The inclusion of recommended works should be considered further as detailed proposals are developed to fully appreciate whether they are necessary and affordable.

2.2.3 The inclusion of the condition and structural works in the 6-storey packages is considered both necessary and advisable. Replacing windows and roofs at the same time as external wall insulation as there will be scaffold erected makes good economic sense and also adopts a 'fabric first' approach to decarbonising the council's social housing stock. Additionally, the replacement of windows will help support effective design detailing for the external wall insulation. The reroofing of the buildings is needed as they are at the end of their useful lives and future maintenance costs are likely to grow.

2.2.4 An additional item to be considered in the scope of work is the opportunity to remove existing gas supply and convert these blocks to electricity. The move away from gas will support decarbonisation of our estate and help make these buildings more ready to obtain power from renewable and sustainable energy sources. As with the replacement of windows, removal of external gas risers will support effective design detailing of the external wall insulation and reduce the risk of fire.

2.2.5 The intention is to package the blocks based on them being located close to one another, so contractor site set up and management and our management is as efficient as possible and to represent a scope and value that is attractive to contractors and affordable within the context of the Housing Revenue Account's 30 year business plan. The packages are also prioritised to address higher risk blocks first. The packages proposed are:

Package 1	Hebden Court Buckden Court
Package 2	Malham Court Burnsall Court Fern Lea Flats

Package 3	Church View house Granby Flats Swan Court
Package 4	Wain Court Fare Hill Flats
Package 5	King Cliffe Flats Fernside Court

2.2.6 Recognising the need to progress with the fire safety works and to ensure the safety of residents in the longer term (this will negate the short-term mitigations currently in place), a business case that proposes a direct award with Fortem Solutions Limited for two of the 6-storey blocks has been completed. This was presented to the Council's Contract Assurance and Resilience Board on 16 February who sought further information on how the case represented value for money and this has now been incorporated into the business case. The business case was signed off by the Head of Procurement and the Head of Risk and Assurance on 10 March 2023. The contract will be awarded using an existing competitively tendered framework to ensure value for money and ensure compliance with procurement regulations. There are a number of frameworks which are potentially suitable, and following evaluation, the intention is to award under B2G services Framework.

2.2.7 To further ensure value for money, the development of costings for the scheme will be led by AHR, the council's consultant. Scheme costs will be developed using an open book approach with Fortem Solutions Limited and their supply chain to obtain realistic costs. These will be cross-referenced and benchmarked with both published industry data and recently completed/procured schemes for similar works by AHR before being agreed.

2.2.8 The remaining ten 6-storey blocks will be competitively tendered in the packages shown above. A Design and Build contract will be used to ensure that design and risk liability and management is appropriately apportioned and managed. AHR will remain as client advisors for the duration of the schemes and contractors will need to provide their own specialist design teams. This arrangement will help to ensure that we exercise the rigour and due diligence necessary under the Building Safety Act in the design and delivery of works and ensure that the golden thread required to maintain a building safety case is achieved.

2.2.9 For RLS, AHR have carried out general condition surveys and modelled all the blocks. Specialist surveys for services, structures and fire are being undertaken and are due to complete by the end of the calendar year. The works required to retirement living scheme blocks are not expected to be as extensive as those to 6-storey blocks. The approach to packaging works and contract arrangements for RLS will be the same as for the 6-storey blocks and all the blocks will be competitively tendered.

2.2.10 For the low-rise blocks, the works identified (known actions) from non-intrusive FRAs are being developed into packages to be put out to tender by

July 2023. This will close off the majority of known FRA actions currently outstanding. This timescale is based on one off projects being tendered and a procurement strategy to support this is being developed. The procurement strategy will look at future arrangements for works arising from FRAs and the need for further survey work.

## 2.3 Cost breakdown

2.3.1 Indicative costs for one 6-storey block have been developed by AHRs cost consultant. The costs have been developed to reflect mandatory, highly-recommended and recommended works and includes for options that will contribute to wider Council targets/ outcomes for decarbonisation and net zero by removing gas supplies from the buildings.

2.3.2 For the nineteen (eighteen subject to decisions about Sycamore Grange) RLS costs will be developed once the survey work is complete in December 2023. The costs for individual schemes are likely to vary because of the different sizes and layouts of the schemes and the blocks that make them up.

2.3.3 Indicative costs for works to the low-rise are being worked up as part of development of packages for tender.

2.3.4 Capital budget provision has been made to 2030/31 for the delivery of fire safety remedial works to the 6 storey, low rise and retirement living scheme blocks. There is also capital provision for additional building safety work to 2030/31. These projections do not include external funding sources beyond 2023/24 and it is likely that in future years there will be funding available (e.g. the Social Housing Decarbonisation Fund that the council is already engaged with) for a range of schemes that are included in the plan.

## 2.4 Timescale

2.4.1 Timescales for each of the programmes have been developed to reflect the proposed approach and are set out below. The direct award of an initial package of blocks to Fortem Solutions Limited provides a start on site of July 2023. Were this package to be competitively tendered the project would be further delayed, and a start on site would be around April 2024.

### 6-storey blocks

Direct award to Fortem	
Framework appointment process/ award	January 2023 – April 2023
Develop pricing and method statements/ delivery proposals	January 2023 – April 2023
Develop resident engagement strategy and materials	Mar 2023 – May 2023
Lead-in period	May - June 2023
Delivery	July 2023 – July 2024

Package 2	Malham Court Burnsall Court Fern Lea Flats	To commence pricing package development Autumn 2023, with a view to commence
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		within financial year 2024/25, extending into 2025/26.
Package 3	Church View House Granby Flats Swan Court	To commence within financial year 2026/27 and extend into 2027/28.
Package 4	Wain Court Fare Hill Flats	To commence within financial year 2027/28 and extend into 2028/29.
Package 5	King Cliffe Flats Fernside Court	To commence within financial year 2028/29 and extend into 2029/30. This will allow defects periods to be mopped in the financial year of 30/31.

### Retirement Living Schemes

Specialist surveys completed and reports issued	December 2023
Review by council client team	December 2023 – January 2024
Final report and capital expenditure approval	January – February 2024
Technical design, procurement	March – December 2024

We are discussing the programme for RLS with AHR to see whether phasing the return of reports would be possible. This could reduce the time taken to make a start on delivery and whilst the total scheme costs across all properties would not be visible, robust mitigations (e.g. sprinkler system) are in place and an incremental approach would be more manageable in the context of both staff and construction industry capacity to deliver and manage the works.

### Low-rise blocks

Specification and tender documents developed	February – June 2023
Procurement of works packages	July – October 2023
Pre-contract period and lead-in	November 2023 – March 2024
Start on site	April 2024

The timescales for low-rise works packages have been developed based on tendering for work as one-off projects. The development of specifications will help to support the development of a procurement strategy for future works arising from FRAs.

## 2.5 Expected impact/ outcomes, benefits & risks (how they will be managed)

2.5.1 The delivery of fire safety improvement works to these buildings will help to ensure and improve the safety and comfort of residents. They will also help us understand what helps residents feel safe and unsafe and to address this in the works delivered as well as future management and maintenance practices and plans.

- 2.5.2 The works will help us to ensure compliance with the Home Standard, Building and Fire Safety legislation. It should be noted that whilst some requirements of the Building Safety Act currently only apply to high-risk buildings (those of 18m or 7 storeys or more), it is expected that these will eventually be extended to other buildings and by undertaking these works now we can ensure future compliance should the law change.
- 2.5.3 The works offer opportunities to contribute to the council's decarbonisation ambitions and the achievement of net zero as well as reducing residents living costs by improving the SAP rating and thermal efficiency of buildings and reducing the reliance on fossil fuels. The majority of blocks included are currently served by gas for cooking and heating. The options appraisal for the works will look at moving from gas to other more sustainable energy sources including district heating and electricity. The changes to external wall insulation will help to maintain a good SAP rating keeping homes warm and dry, and reducing reliance on additional heating.
- 2.5.4 The programmes will be used to lead on a more integrated approach to programme and project management, working across technical and delivery specialisms within the Building Safety and Assets teams. Delivery will look to take a proportionate and balanced approach to risk, cost and quality. Governance and processes will focus on residents as well as scheme requirements and engagement and transparency will be key. The identification and management of benefits will be developed through these programmes to input to new models for the teams. The initial direct award will enable some early learning about the solutions and approaches that work for residents, and are cost effective in terms of delivery, as well as learning for council staff more generally in delivering such complex schemes with residents in occupation.

### **3 Implications for the Council**

#### **3.1 Working with People**

- 3.1.1 In Homes and Neighbourhoods, putting tenants at the heart of the decisions affecting them is central to the way we work. The delivery of these works offers a response to building safety issues that, although currently mitigated, will in the longer term offer greater levels of assurance. Engagement with tenants to develop the proposals, manage delivery and the upkeep of buildings in future is critical in achieving successful outcomes.

#### **3.2 Working with Partners**

- 3.2.1 West Yorkshire Fire and Rescue Service (WYFRS) are involved in managing and mitigating ongoing risks in these buildings. The impact of the works on the safety of buildings will reduce and change these risks and WYFRS will help the development of proposals through advice and guidance on best practice and designing to support their response to incidents.

#### **3.3 Place Based Working**

- 3.3.1 The proposals are informed by intelligence and evidence about the safety of homes. Strategies and plans for engagement and delivery will be developed using learning from other similar projects such as the high-rise blocks at Berry

Brow and Harold Wilson Court. Proposals will also be developed by working with ward members and tailored to the needs of Kirklees as a place and the individual needs of its distinct communities.

### 3.4 Climate Change and Air Quality

3.4.1 The impact of proposals will vary according to the works planned. For those blocks where external wall insulation or heating/ cooking energy sources will be replaced this is likely to lead to a net reduction in carbon emissions over their lifetimes. The climate impact of the removal, reuse, recycling or disposal of existing materials has not been quantified and section 3.7.3 sets out proposals to use this programme to develop learning and intelligence in this area.

### 3.5 Improving outcomes for children

3.5.1 For children living in homes affected by the works their safety and living conditions will be improved. This should in turn lead to better physical and mental health.

### 3.6 Financial Implications for the people living or working in Kirklees

3.6.1 Where the fabric of a building is improved and brought up to more modern standards, this should have an impact on the efficiency of the property and support lower energy usage by residents. This will reduce the costs to residents of running their homes and support them to cope with the cost of living.

### 3.7 Other (eg Integrated Impact Assessment (IIA)/Legal/Financial or Human Resources) Consultees and their opinions

3.7.1 A Stage 1 IIA has been completed and a Stage 2 IIA is not required.

Theme	Calculated Scores						Stage 2 Assessment Required
	Proposal	Impact	P + I	Mitigation	Evidence	M + E	
Equalities	4	4.2	8.2	0	2	2	No
Environment		4	4	5	2	7	No

3.7.2 The proposals have a largely neutral effect on equalities, with disability being the protected characteristic most likely to be impacted. Proposals will ensure that where changes are made to building elements or layouts that they are done in a way that is accessible and enables full, safe and proper use by people with disabilities. Designs will take account of guidance on best practice as well as statutory requirements in relation to dementia, physical and visual disabilities, and impairments.

3.7.3 The Environmental impact of proposals is positive with some unknowns that need to be investigated further. We plan to use some of the schemes to gather learning and intelligence on the environmental impact of building refurbishments. We will look to quantify and minimise the carbon impact of removal, re-use and recycling of existing materials. We will also assess the carbon impact of new materials and different construction and delivery

methods. This will help us to develop toolkits and specifications for future schemes that will help to manage environmental impact in the most appropriate way.

- 3.7.4 The current HRA medium term financial plan includes significant provision, or around £80m for a range of capital fire safety remedial works, and other building safety work to 2030/31. The initial proposals set out in this report can be accommodated within the approved HRA capital budget plans; as further phases of the programmes are developed, potential external funding opportunities will be explored and incorporated where feasible and the HRA capital plan will updated as appropriate.

#### **4 Consultation**

- 4.1 If the proposals are agreed then the council will need to formally engage with residents about the plans and how this will affect them. Engagement will be tailored to the different cohorts of residents involved in the schemes and will start in May 2023.
- 4.2 Some aspects of schemes will require planning permission and where this is the case, formal consultation will take place.
- 4.3 Portfolio Holder for Democracy and Housing was briefed on this report on 21 March 2023. Cllr Scott is fully supportive of the proposals set out in this report
- 4.4 The council's Tenant Advisory and Grants Panel will be briefed on these proposals at their meeting on 29 March 2023.

#### **5 Engagement**

- 5.1 If Cabinet approve the proposed approach to packaging and delivery of the works, the council will need to formally engage with tenants about the plans and how this will affect them. If agreed, this is anticipated to start in May 2023 for the two initial 6-storey blocks. An engagement and communication strategy is being developed for the programmes of work; progressing this in a timely manner and working with residents to manage their needs will be essential.
- 5.2 For 6-storey blocks, works are likely to be capable of being carried out with residents in occupation, though respite provision may be required. Through engagement we will understand the individual needs of residents and households so that we can develop plans in a way that minimises disruption and works with residents to support them through the build period.
- 5.3 A Fire Safety Engagement team is in place and has a good track record of engagement with residents in high-rise buildings. This team will work with the project team(s) and contractor(s) to manage communication with residents. Open days/ drop ins, face to face visits, printed and electronic materials will be used to engage with the widest possible number of people affected and garner their views on the proposed works. FAQs and information packs will be provided at different stages during lead-in and delivery.

- 5.4 The contractor will have Resident Liaison Officers as part of their team, working with the councils Quality Liaison Officers they will manage day to day communication during the build period and work with residents to ensure that our approach is tailored to their needs, e.g. through supporting the use of respite (and decant) properties should they be needed.

## **6 Next steps and timelines**

Subject to Cabinet approval the development of designs and tender documents will be progressed to the timelines shown at item 2.4 and engagement with residents will commence and continue through the development and delivery of the works.

## **7 Officer recommendations and reasons**

7.1 It is recommended that Cabinet:

7.1.1 Approve the direct award of fire remedial works to two 6-storey blocks to Fortem Solutions Ltd.

7.1.2 Agree the approach to the packaging and delivery of the remaining ten 6-storey blocks, retirement living schemes and low-rise blocks.

7.1.3 Authorise formal engagement with affected residents as set out in section 5.

7.1.4 Delegate authority to the Strategic Director Growth and Regeneration and the Service Director, Finance to sign off and agree the final costs prior to contract award for the direct award to Fortem Solutions Limited.

7.1.5 Delegate authority to the Strategic Director Growth and Regeneration in consultation with the Service Director, Legal and Governance to award future tenders for packages, subject to the production of a robust and affordable business case.

7.1.6 Note the results of the Stage 1 Integrated Impact Assessment.

## **8 Cabinet Portfolio Holder's recommendations**

The Cabinet Portfolio Holder agrees with the officer's recommendations and reasons set out in section 7 above.

## **9 Contact officer**

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## **Background Papers and History of Decisions**

On 5 April 2022, Cabinet resolved:

- 1) That approval be given to the appointment of Fortem Solutions Limited for fire safety improvements to low rise residential blocks within Kirklees District.
- 2) That authority be delegated to the Service Director Homes and Neighbourhoods to sign off the final contract sum within a tolerance of 5% of the approved tender sum

[Cabinet Contract Award fire safety improvements to low rise blocks.pdf](#)

[kirklees.gov.uk](http://kirklees.gov.uk) 5 April 2022

[Decision - Contract Award; Fire Safety improvements to low rise residential blocks district wide | Kirklees Council](#)

## **10 Service Director responsible**

Naz Parkar, Service Director, Homes and Neighbourhoods

**Buckden Court**



North Elevation



East elevation – showing gas riser

**Hebden Court**



South facing elevations



South elevation showing gas riser