

## **CABINET MEMBER DECISION 12 OCTOBER 2021**

**Report title:** Purser House – Refurbishment of vacant former community centre to form 3 x 2 bed flats

**Wards:** Tulse Hill

**Portfolio:** Councillor Maria Kay, Cabinet Member for Housing and Homelessness

**Report Authorised by:** Bayo Dosunmu: Strategic Director for Resident Services

**Contact for enquiries:**

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### **REPORT SUMMARY**

This report recommends the appointment of Breyer Group Plc to undertake the internal refurbishment of the former community centre into three, 2-bedroom self-contained flats, following a restricted tender. No Section 20 consultation is required for the works.

### **FINANCE SUMMARY**

The proposed bid price of the contract is £464,185.27 with expenditure being incurred over the financial year 2021/22. The works will be funded from a realignment of the existing Lambeth Housing Standard capital programme budget for 2021/22.

### **Recommendation**

1. To award Breyer Group Plc the contract with a value of £464,185.27 from November 2021 for twelve months for works consisting of the internal refurbishment of the previous community centre at Purser House to form three self-contained flats for social rent.
2. To approve a contingency of 20% of the contract sum amounting to £92,837.05. This brings the total budget allocation is £557,022.32.

### **REASONS FOR EXEMPTION FROM DISCLOSURE**

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person (including the authority holding that information).

## **1. CONTEXT**

- 1.1 The vacant community centre is located on the ground floor of Purser House which forms part of the Tulse Hill estate, a mixed tenure estate comprising of 882 homes. The centre has been vacant for 12 months or more, with the residents now using facilities elsewhere on the estate for community functions. The community centre was previously three flats and converted over 10 years ago, the actual date of which is not known. The centre offers itself for conversion back to residential, for which planning permission has been obtained.
- 1.2 The requirement for refurbishment works services fits with the Council's vision of 'Future Growth Plan' because a key target is to achieve better quality housing and invest in our communities, in order to achieve strong and sustainable neighbourhoods. This appointment will support the Council in successfully delivering its 2021/22 programmes.

## **2. PROPOSAL AND REASONS**

- 2.1 The Procurement Strategy paper recommended tenders be sought from Construction Line Gold Standard accredited contractors. Following receipt of tenders, the proposal is to award the contract for the delivery of Capital Works to Breyer Group Plc.
- 2.2 With the expiry of the Lambeth Housing Standard (LHS) framework, Lambeth appraised the available procurement options and determined that the procurement of tenders via Construction Line contractors would best meet the Council's requirements. Five contractors expressed an interest in tendering.
- 2.3 Five contractors expressing an interest, were invited to submit their tenders with a return date of 22 March 2021. Five contractors responded with detailed tenders. The tenders were assessed on 70% pricing and 30% quality. Scoring of the tenders was undertaken by Lambeth staff members, together with an independent consultant in consultation with the procurement team. The full breakdown of the tenders and the scoring is contained in Part II of this paper.
- 2.4 The preferred bidder is Breyer Group Plc, which submitted the most economically advantageous tender and have extensive experience in the works which we are asking them to deliver.
- 2.5 The purpose of the procurement exercise was to:
  - Appoint a contractor to deliver a construction project in accordance with a detailed specification of works.
  - Ensure effective Delivery of Housing Improvement works across the council's assets.
  - Obtain value for money through an open tender process and maximise savings.
  - To achieve some of the Council's commitments set out in its Borough Plan.
  - To Improve homes for its residents, partners, and communities.
  - To create new homes for social rent.
- 2.6 The Business case was approved on 29 October 2020. The Procurement Strategy approved on 8 December 2020.

*Conflict of interest*

- 2.7 It is confirmed that a declaration of interest has been completed and signed by all evaluation panel members.

#### Due Diligence

- 2.8 Breyer Group Plc have previously delivered similar contracts over the past five years. A satisfactory Dunn and Bradstreet reference has been undertaken by the council.
- 2.9 Breyer Group Plc have the suitable experience and expertise to undertake the works and provide value for money in delivering the proposed contract.

#### **Contract Management**

The appointed contractor will be required to provide weekly reports and attend monthly update meetings. The meetings will include but not limited to any omissions and additions to the contract, variations to cash flow, issues with access. A risk register shall be reviewed monthly along with cash flow.

A stipulation in the contract will be that all invoices be reviewed and approved by the council's contract administrator (external surveyors) and Lambeth's project manager. As per the terms of the contract, a retention payment will be held as a requirement of the defects procedure.

### **3. FINANCE**

- 3.1 The sum of £464,185.27 was the most economically advantageous price received.
- 3.2 The works proposed in this report are to be financed from a realignment of the existing Lambeth Housing Standard capital programme budget for 2021/22.
- 3.3 The cost of borrowing and the revenue implications are affordable within the HRA 30-year business plan.

### **4. LEGAL AND DEMOCRACY**

- 4.1 The authority to approve the recommendation in this report is delegated to the Cabinet Member for Housing and Homelessness.
- 4.2 Section 9 of the Housing Act 1985 confers a power on the local housing authority for its area to provide housing accommodation converting buildings into houses, on land acquired by them for the purposes of exercising its provision of housing accommodation. Section 19 of the act confers a power on the local housing authority to appropriate for the same purposes any land for the time being vested in it or at its disposal, and the authority have the same powers in relation to land so appropriated as they have in relation to land acquired by them under section 9 of the act.
- 4.3 The value of the proposed works is below the threshold at which the Council is obliged to publish a contract notice in Find a Tender and then conduct one of the procurement procedures prescribed by the Public Contracts Regulations. In running a competitive tendering exercise for below threshold contracts the Council may restrict the list of contractors invited to tender to a pre-selected group, such as Constructionline. The Council is required to award the contract to the most economically advantageous tender.
- 4.4 This proposed key decision was entered in the Forward Plan on 24 May 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the

decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

## 5. CONSULTATION AND CO-PRODUCTION

5.1 There has been consultation with Ward Councillors and residents before the tenders were obtained and throughout the planning process. All parties support the project.

## 6. RISK MANAGEMENT

6.1 A risk register shall be in place throughout the duration of the contract and shall be reviewed monthly by the project team and the senior project managers.

All works will be inspected by Lambeth Housing Officers to ensure the contractor meets Lambeth expectations in terms of quality, Health and Safety and price. Costing for the works will be out of an agreed budget.

**Table 1 – Risk Register**

Item	Risk	Likelihood	Impact	Control Measures
1	Management of contractors' performance	Medium	If project is delayed, this would have a direct impact on the overall programme for meeting the Council's housing investment target.	Performance will be undertaken at monthly meetings with the Capital Works team, which shall review the project cost and programme. Increase contingency for structural works
2	Contractor unable to deliver service with timeframes	Low	Reputational damage against the Council arising out of late commencement or delivery of works.	Performance will be undertaken at monthly meetings with the Capital Works team, which shall review the project cost and programme
3	Changes in project staff	Medium	Lack of continuity on the management of project, possible delays, and increased cost	Detailed handover meetings to be held when staff do change. Maintain adequate records of decisions taken - develop a decision register.
4	Any delay in this appointment leading to contractor unable to deliver against programme	Low	Reputational damage against the Council for late commencement or delivery of works.	A timeline with specific performance measures forms part of the instruction. This will be measured by the works team and the associate director.
5	GDPR	Low	Reputational damage against the Council for the disclosure of data	Maintain adequate records of decisions taken - develop risk register to include GDPR, review monthly

6	Brexit	Low	Lack of operative/materials on projects, possible delays, and increased cost	Develop risk register to include Brexit, review monthly.
7	Business Continuity Plan	Low	If individual projects are delayed or cost increased, this would have a direct impact on the overall programme for meeting the Council's housing investment target	Business Continuity Plan for the contract sought from the Supplier and that it integrates with Lambeth's Business Continuity arrangements.
8	Contractor failure to deliver works	Low	Potential increase in the cost of works. Reputational damage to the council. Resident dissatisfaction.	Robust referencing before contact agreed including financial and trading references. Robust contract management.
9	Covid	Medium	Potential delay in labour and materials. Delay in commencement of works. Loss of rental revenue	Contractor to confirm before contract signed, lead in time for materials and operative's availability

## 7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An EIA has been produced for the 2020 housing procurement project – including major works. The report consulted and received feedback from lead officers in Strategy and Communications – all of which have been incorporated. The Director of Housing gave approval for its onward submission to the equalities panel.
- 7.2 The equalities panel concluded there would be no adverse impact on equality in the borough and in fact it offers opportunity to enhance recruitment of residents, training, and various apprenticeship programmes.
- 7.3 Residents now have access to an updated, modern facility elsewhere on the estate for their community functions and so, this development should not adversely affect them.

## 8 COMMUNITY SAFETY

- 8.1 The proposed instruction to undertake internal refurbishment of a former community centre will lead to three new homes being created in what was a redundant and vacant area. By taking a vacant space and converting them to flats, removes the anti-social behaviour that vacant spaces/homes can sometimes attract. An enhanced, developed space is likely to improve safety within neighbourhoods and generate a stronger sense of feeling safe.

## 9 ORGANISATIONAL IMPLICATIONS

### Environmental

9.1 The local and immediate environment shall be improved considerably by the works, which may include some or all the following:

- The proposal returns a vacant space into much needed residential homes at social rents
- The removal of vacant units from the council's void register
- Removal of a vacant units that had attracted anti-social behaviour
- An enhanced environment for residents
- The proposal will provide three cycle storage units providing an alternative means of transport
- The re-use of land and buildings are key issues within the Government's policies addressing sustainability. The footprint of the proposed development falls within the previously developed land. The proposed development is being developed on the existing spaces which therefor falls within previously developed land.
- Breyer is committed to sustainability and aim to minimise waste sent to landfill while maximising reuse and recycling. It is recognised the amount of waste generated is a product of the design and material specification as well as site practices.
- Breyer is registered with the Environment Agency as an upper tier waste carrier (Registration Nr CBDU227220).
- A Site Waste Management Plan (SWMP) during mobilisation which will remain live through to end of the project. The SWMP will ensure that waste generated is kept to a minimum and complies with WRAP guidelines
- Skips will be collected by Breyer waste management partner and taken to their recycling facility where the waste will be sorted, and majority recycled. If space allows, shall segregate waste on site
- A commitment to select materials with the lowest embodied carbon available and meet relevant sustainable certification standards.
- Disposal of materials according to the waste hierarchy, the contract will show a commitment to recycling waste and providing evidence from the contractor

In undertaking such works the Council will contribute towards its objective by being carbon neutral by 2030, by improving the buildings efficiency with improvements to thermal insulation, windows, and doors, which will reduce energy consumption.

### **Health**

9.2 The Contractor shall at all times comply with the requirements of the Health and Safety at Work, etc. Act. 1974, the Management of Health and Safety at Work Regulations 1992 (including the provision by the Contractor of a copy of its risk assessment under these Regulations when requested by the Council), and of other Acts, Regulations, including CDM Regulations, Orders or rules of law pertaining to health and safety in respect of the Works.

### **Staffing and accommodation**

9.3 There are no staffing or accommodation issues impacting on this recommendation.

### **Responsible Procurement:**

9.4 *Good Quality Jobs with Fair Pay and Decent Working Conditions*

The Living Wage (as accredited with the Living-Wage Foundation) for directly employed and sub-contractors will be required by the terms and conditions of the proposed contract.

The Modern Slavery Act (2015) applies to this procurement. Provision shall be made in the terms and conditions of the contract.

- 9.5 *Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group*  
The proposed procurement does not lend itself to 'Quality Apprenticeships/Trainee Positions, Targeted Employment and Lambeth Priority Group, as this is a short-term contract under 52 weeks.
- 9.6 *Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030*  
The proposed procurement for works and goods lends itself to reducing emissions either through reducing vehicle emissions and CO2 emissions. This is set out in specifically in the terms and conditions of the draft tender documents and whilst it is an objective for the council, it cannot be imposed on the contractor for this contract.
- 9.7 *Single Use Plastics*  
The successful contractor shall be expected to have a confirmed and live policy for the use of plastics and packaging, which has been provided.
- 9.8 *Positive Health and Wellbeing*  
Any successful contractor with more than 250 staff will be subject to the London Healthy Workplace Charter or equivalent, signing of the Time for Change Employers Pledge and Suicide Prevention Strategies all of which have been incorporated in the terms and conditions.
- 9.9 *Other Offers (Innovation)*  
The contract will require the supplier to contribute 1% of its contract turnover (social value levy) to the council's Social Value Fund – used to fund social and environmental initiatives and improve equality within Lambeth.

## 10 TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

<b>Activity</b>	<b>Proposed Date</b>
Date published on Forward Plan	24 May 2021
Cabinet Member Briefing - report	04 August 2021
Publication on Decisions online	04 October 2021
Cabinet Member Decision	12 October 2021
End of Call-in Period	20 October 2021
Standstill Period	20 October 2021
Execution of Contract	30 October 2021
Mobilisation Period for Contract	03 November 2021
Commencement of Contract	08 November 2021

<b>Audit Trail</b>				
<b>Name and Position/Title</b>	<b>Lambeth Directorate</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in paragraph:</b>
Councillor Maria Kay	Cabinet Member for Housing and Homelessness	04/08/2021	27/09//021	
Cllr Mary Atkins, Cllr Ben Kind, Cllr Marcia Cameron	Ward Councillors	July 2021	Ongoing consultation with Cllrs via monthly meetings with Housing	Regular meeting with Cllrs throughout the procurement process.
Bayo Dosunmu Strategic Director	Resident Services	08/09/2021	20/09/2021	
Neil Euesden, Director	Housing Services	08/09/2021	08/09/2021	
Andrew Ramsden, Finance	Finance and Property	19/05/2021	03/06/2021	3
David Thomas, Legal Services	Legal and Governance	19/05/2021	26/05/2021	4
Maria Burton, Democratic Services	Legal and Governance	01/09/2021	03/09/2021	4
Jennifer Rhoden, Procurement Category Manager	Finance and Property	04/06/2021	07/06/2021	Throughout
Leena Khatri, Sustainability Officer	Finance and Property	19/05/2021	24/05/2021	6

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	June 2021
<b>Report deadline</b>	N/A
<b>Date final report sent</b>	N/A
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	Yes
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	24/5/2021
<b>Key decision reasons</b>	2. Expenditure, income, or savings in excess of £500,000.
<b>Background information</b>	Housing Service Delivery – Equality Impact Assessment (EqIA) <a href="http://modern.gov.lambeth.gov.uk/documents/s126236/Appendix%20Aii%20EqIA-%20Feedback%20Form.pdf">http://modern.gov.lambeth.gov.uk/documents/s126236/Appendix%20Aii%20EqIA-%20Feedback%20Form.pdf</a>
<b>Appendices</b>	None

**APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION**

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Garry Dickson, Head of Programme Management

**I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Councillor Maria Kay  
Cabinet Member for Housing and Homelessness

**Any declarations of interest (or exemptions granted):** None

**Any conflicts of interest:** None.

**Any dispensations:** None