

DECISION MAKER: Director of Housing and Safer Communities	DATE 12 th March 2025	ITEM NO
TITLE: Variation Report: Contract for Fire Remediation Works Programme	WARD(S): All	
CHIEF OFFICER: Director of Housing and Safer Communities	CABINET MEMBER: Housing, Neighbourhoods and Homelessness	
DECISION CLASSIFICATION <ul style="list-style-type: none"> • Key Decision: Added to Forward Plan on 16th January 2025 • Subject to Call-in • Non-exempt report 	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes	

I. Decision required

This report makes the following recommendations to the decision-maker:

- I.1. To agree the variation of the contract with Total Maintenance Contractors Ltd (TMC) (Company number 14666598) for an additional period of two (2) years following the date of approval of this report, at an estimated cost of up to £3,405,000 (excluding VAT) for undertaking a programme of critical remedial works arising from fire risk assessments.
- I.2 To note that the Council currently has approximately 6,000 outstanding actions and so, additional resource is required to reduce the outstanding actions which have been put into a programme of works.
- I.3 To authorise the variation in accordance with CSO 25.
- I.4 To note that the previous contract with TMC for fire remedial works was awarded from June 2024 until July 2025 for a value of £450,000. This was varied for an additional £545,000 in August 2024. The total variations will increase the aggregate value of the award to £4,400,000.

Agreed / Not Agreed

Signed.....

Date:.....

Jamie Carswell, Director of Housing and Safer Communities

2. Links to Our Greenwich missions

2.1 This report relates to the Council's agreed missions as follows:

Everyone in Greenwich is safer, and feels safer

The Council as landlord has a duty of care towards its residents. Carrying out a compliance-based programme of works in relation to fire safety to remedy the breaches identified by the Regulator demonstrates the Council's commitment to keeping resident's homes safe.

People in Greenwich have access to a safe and secure home that meets their needs

The Council prioritises the safety and welfare of its residents and is committed to meeting its statutory obligations for providing safe housing. This contract will allow prioritisation and rapid action against a number of remedial works identified through fire risk assessments to ensure resident safety.

3. Purpose of Report and Executive Summary

3.1 This report seeks agreement to direct award a contract to TMC for delivering of a fire remedial programme of works in Council owned and managed homes.

3.2 Compliance with high standards of safety are critical for the Council, particularly relating to fire risks following the Grenfell tragedy in June 2017. Whilst works have been ongoing since that time. TMC have been instrumental in the progress of the reduction of over 2,000 actions so far. However, progress has been slower than ideal, and it has been difficult to engage individual specialist contractors in a market where demand is higher than supply. Following the Council's self-referral to the Regulator, actions have been escalated and this report requests approval to the direct award of a contract to resolve at pace a number of outstanding actions.

3.3 The proposed contract will run alongside the Wates contract for the higher value works and will enable the Council to continue to resolve smaller but still critical programmed works in relation to fire safety without further delay.

4. Introduction and Background

- 4.1 The Council self-referred to the Regulator in May 2022 for non-compliance in the areas of Fire safety, Electrical and Asbestos. Following this, the Regulator issued the Council with a Regulatory Notice on 16th August 2022 that highlighted serious breaches with the potential for serious detriment to the Council's tenants.
- 4.2 The Council now must meet with the Regulator monthly to demonstrate that the necessary actions are being taken to achieve compliance and provide assurances that residents homes are safe.
- 4.3 The Council has provided the regulator with a programme of works which in this report is seeking approval to manage this and demonstrate efficiencies and reduction of actions with the aim to have the notice lifted in 2025.
- 4.4 Fire safety continues to be a key concern for the Council and the Regulator with a significant number of outstanding actions that must be remedied as a matter of urgency.
- 4.5 Whilst a contract for the larger remedial works has already been assigned to Wates, there are programmed smaller works that officers determined could be resolved in parallel to improve the Council's performance in this matter.
- 4.6 Therefore, TMC were awarded a contract of £450,000 in June 2024 and this was varied in August 2024 under the old CSO regime for an additional £545,000. In this time they have completed over 1,500 actions which has had a huge impact on our reporting action reductions to the regulator. CSO 33.1 under the old CSO regime permitted variations of works contracts up to £1,000,000 (£1m) without a corporate decision report. However, to enable TMC to progress further, and for our outstanding actions to be closed additional funding is required.
- 4.7 The type of works completed and to be included in the recommended award include:
- Fire stopping works;
 - Fire renewal works to communal areas;
 - Communal fire door replacements
 - Quality fire door checks;
 - Fire door repairs;
 - Quality checking actions for completion;
 - Remove combustible and any unsafe items from communal areas;

- Repairs to communal areas as required; and
- Front entrance door inspections on our 7 high rise tranche one blocks.

4.8 The type of programmed works that still need to be carried out include:

- Chute hoppers;
- Coal hoppers;
- Cables and trunking;
- Fire stopping; and
- Front and communal door remediation works and replacements.

4.9 TMC have shown efficiencies and capabilities in the previous actions carried out. In terms of potential reductions in the number of outstanding actions, TMC can help reduce a bulk of actions in a timescale that can have an impact on our journey to have the Council's Regulator Notice lifted.

4.10 The risk of not awarding this contract would mean the Council would be unable to maintain continued delivery of critical remedial works arising from fire risk assessments. This means the outstanding actions stated in paragraph 1.2 would remain unresolved which in turn would undermine the Council's ability to deliver against its mission values. Fire safety is currently an area of risk for the Council due to interaction with the Regulator and the self-referral made. TMC have the competence and capability to deliver the works and have made a difference in reducing the number of outstanding actions. In relation to the remaining outstanding actions there are no identified risks and so, no need for risk mitigation plans. However, risks will be carefully monitored by the delivery team and any issues will be discussed at regular project team meetings to ensure that risks are managed effectively.

4.11 In terms of value for money, although this would be a direct award without competition, the number of actions and speed at which these actions have been carried out warrants the value of using TMC to resolve the outstanding actions as part of the continuing programme of fire remedial works.

4.12 Work will be allocated in batches based on the programme of works defined to the Regulator and the limit of what areas we require them to focus on. This will allow the Council to monitor and record every batch and check the standard of workmanship before authorising the contractor to proceed with the next area of works.

4.13 TMC have confirmed they have the available capacity to deliver the Council's fire remedial works programme and are in a position to mobilise

immediately. TMC have all certification requirements in place to continue with these additional works immediately.

- 4.14 TMC have consistently given us value for money in all areas of works. They are considerably cheaper than other contractors as they have minimal overheads and no prelims, they charge a day rate and quote-based works. Their costs are benchmarked against other RBG contractors.
- 4.15 During the contract period a competitive procurement exercise will be undertaken to appoint a contractor for undertaking any future fire remedial works programme linked to fire risk assessments and their outcomes.

5. Available Options

5.1 Option 1: Do nothing

Doing nothing is not an option. If no contract is awarded for delivering these works, then there would continue to be a high number of outstanding actions and the Council would be unable to fulfil its duty of care obligations towards its residents. This would not be in line with the Council's mission values of *"Everyone in Greenwich is safer, and feels safer"*, and *"People in Greenwich have access to a safe and secure home that meets their needs"*. Not having a contract to deliver these works would mean that some of these works would default to the Wates contract, which is likely to be more expensive and unachievable in the period expected of the regulator.

5.2 Option 2: Carry out an open procurement exercise

Commencing a new tender exercise will unduly delay progress and would be resource intensive during a time when the current focus within Repairs & Investment (R&I) is to prioritise compliance actions from the Regulatory Notice. In view of the Regulatory Notice and the delivery timescales, this option would not deliver the best value. Additionally, if a new contractor is appointed, then they would require time to become familiar with the Council's programme for fire remedial works and to build stakeholder relationships.

5.3 Option 3: Direct award to TMC (preferred option)

This is the preferred option. In view of the Regulatory Notice, and to resolve the outstanding actions, a direct award is the most practical way to appoint a contractor and to avoid time and cost implications in relation to switching

contractors. On this occasion, there is a benefit to the Council of continuing with TMC. TMC has been working with the Council for some time, are familiar with the Council's fire remedial works programme and have developed strong relationships with key stakeholders.

5.4 Option 4: Delivering the works in-house

This option is not feasible because the Council does not have the resources and expertise to deliver specialist works of this nature.

6. Preferred Option

6.1 For the reasons set out in paragraph 5.3, Option 3 (Direct award to TMC) is the preferred option.

7. Reasons for Recommendations

7.1 Options 1, 2 and 4 are not recommended for the reasons set out in paragraphs 5.1, 5.2, and 5.4. Option 3 is recommended for the reasons explained in paragraph 5.3. Additionally, TMC has close knowledge of the works from which added value can be secured and they are in a position to mobilise immediately.

7.2 TMC is already working with the Council and therefore have developed effective relationships with key stakeholders. They are a small company with ability to mobilise immediately to carry out these actions, they are within 10 miles of the borough.

7.3 By not agreeing to the direct award report to enable these crucial fire actions to be carried out, puts RBG at risk of its compliance obligations.

8. Consultation Results

8.1 No consultation has taken place for this tender as we anticipate all works will apply to non-dwellings only.

9. Next Steps: Communication and Implementation of the Decision

9.1 Following approval of this report the contract will be awarded, and the contractor will be notified of the Council's decision.

10. Cross-Cutting Issues and Implications

Issues	Implications	Sign-off
<p>Legal including Human Rights Act</p>	<p><i>The Director of Housing and Safer Communities is requested to approve the variation of contract with Total Maintenance Contractors Ltd (TMC) (Company number 14666598) to undertake the programme of critical remedial works arising from fire risk assessments. This variation will increase the contract period by an additional two years to 31 July 2027, for a further award of £3,405,000. In addition to the variation in August 2024 for a further £545,000, the total variations represent a 877.778% increase in the value of the original contract, to £4,400,000.</i></p> <p>Compliance with Contract Standing Orders (CSOs) and Public Contract Regulations 2015 (PCRs)</p> <p><i>CSO 3.1 states that all purchasing shall be conducted in accordance with National Law and all relevant statutory provisions, relevant and applicable procurement legislation and the Council's Constitution including these CSOs, the Council's Financial Regulations and Directorate Scheme of Delegation. CSO 3.2 states that in the event of conflict between the above, the National Law and other UK legislation will take precedence, then the Council's Constitution, the Council's Procurement Manual and guidelines, policies and procedures.</i></p>	<p>Seun George, Contracts and Procurement Lawyer, 28/02/2025 Ref: 100048</p>

Issues	Implications	Sign-off
	<p><i>This variation does not fall within the remit of the PCRs 2015 because the value of the original contract award was below the relevant National Threshold for works contracts.</i></p> <p><i>In accordance with CSO 25.5 the Chief Officer can approve this contract following the recommendations of the Corporate Procurement Board and subject to the publication and call-in requirements relating to Key Decisions.</i></p> <p>Best Value <i>Under the Local Government Act 1999 the Council is required to achieve the best value in the exercise of its functions. In reaching a decision, the Chief Officer must take into account the reasons for the variation of this contract as set out in the body of the report and the Council's fiduciary duty to achieve Best Value.</i></p> <p>Human Rights <i>Under the Human Rights Act 1998 local authorities have a duty to promote and protect human rights. The variation of this contract does not have legal implications under the Human Rights Act 1998.</i></p> <p>Consult Legal <i>The report author should consult with the legal department regarding the drafting and execution of the deed of variation.</i></p>	
<p>Finance and other resources</p>	<p>The Director of Housing and Safer Communities is requested to agree to the direct award of a contract to Total Maintenance Contractors Ltd (TMC) for a period of two years following the date of approval of this report, at an estimated cost</p>	<p>Jason Coniam, Accountancy Business Change Manager, 28 February 2025</p>

Issues	Implications	Sign-off
	<p>of up to £3,405,000 for undertaking a programme of critical remedial works arising from fire risk assessments.</p> <p>Cabinet at its meeting of 17 February 2022 agreed a budget of £23,567,263 for Boroughwide Building and Fire Safety Works (G12), of which £12,572,263 is available. Funding of £3,405,000 will be earmarked against this budget.</p> <p>TMC were originally appointed, without competition, in the value of £15,000 to undertake a small test contract of up to 400 remedial actions. A number of direct awards without competition have taken place since this original non-competitive appointment, including the proposal in this report, which now has a contract aggregate value of £4,400,000.</p> <p>The Director should be satisfied that in making this decision, in the absence of a competitive tender process, the report establishes that the Council has evidently tested and demonstrates that this contract provides value for money and is market comparable in light of the number of direct awards to TMC and associated consolidated value, relative to the original non-competitive appointment.</p> <p>Option I indicates if this contract was not awarded some of this work would default to the separate Wates contract, suggesting this is likely to be more expensive for these smaller works. The report does not provide comparative costing/rates to test this value for money assumption and therefore, the Director should be satisfied the report provides the evidence for the</p>	

Issues	Implications	Sign-off
	decision maker to agree this presumption is accurate.	
Equalities	<p>The decisions recommended through this paper have a remote or low relevance to the Equality Act. There is no apparent equality impact on end users.</p> <p>The report links to the following commitments as set out in the Council's Equality and Equity Charter and the Council's Equality Objectives 2020-2024 by inspiring trust and confidence in all the borough have to offer.</p>	Deborah Dack, Project Manager – Compliance, 24 th January 2025
Climate change	This report makes no contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020	Deborah Dack, Project Manager – Compliance, 24 th January 2025
Risk Management	Key risks in relation to the proposal in this report, together with applicable mitigating actions have been considered and set out in the Background section above. The risks will be monitored and managed in line with the Council's risk management Toolkit.	Deborah Dack, Project Manager – Compliance, 24 th January 2025
Community Engagement	<p>Although we have not carried out any community engagement on this specific request for a direct award report we are in the process of carrying our specific engagement with regards to Building Safety and have continue to provide updates to residents on works within our blocks. Our residents have been advised that we are already using TMC to carry out works on our behalf.</p> <p>In line with the Community Engagement Pledge dated 24th July 2024, the recommendations in this report relate to fire safety, which in turn would benefit the residents. The report demonstrates the Council's commitment to resolving the</p>	Deborah Dack, Project Manager – Compliance, 24 th January 2025

Issues	Implications	Sign-off
	outstanding fire safety actions which would contribute to the safety and welfare of residents and the wider community served.	
Procurement & Social Value	The decision in this report relates to appointing TMC via a direct award to undertake fire remedial works. The contract value is £3,095,000 (excluding VAT), which is below the threshold for works contracts under the procurement regulations. Since the works relate to fire safety, and considering the fact that TMC have demonstrated their capability to deliver the works, in this instance, a direct award makes sense. This award meets the requirements of CSO 22.2.3(c) on the grounds that the urgency of the procurement justifies a direct award because it outweighs the harm and risks associated with not following a competitive process.	Dominic D'Souza, Sr. Strategic Procurement Business Partner, 24 th January 2025
Health and Safety	This work will assist with providing a safer environment for residents of the borough. Ensuring that the buildings they live in are safe and compliant with the regulations.	Deborah Dack, Project Manager – Compliance, 24 th January 2025

11. **Report Appendices**

11.1 None

12. **Background Papers**

12.1 None

Report Author: Deborah Dack, Compliance Project Manager

Tel No: 020 8921 6139

Email: Deborah.Dack@royalgreenwich.gov.uk

Reporting to: Susan Murray, Head of Landlord Risk and Compliance

Tel No: 020 8921 5833

Email: Susan.Murray@royalgreenwich.gov.uk

Chief Officer: Jamie Carswell, Director of Housing and Safer Communities
Tel No: 020 8921 8291
Email: Jamie.Carswell@royalgreenwich.gov.uk