

# North Lanarkshire Council Report

## Communities and Housing Committee

approval  noting

Ref BL/BE

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## Tower strategy; NTP Stage 2 Works

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### Executive Summary

The purpose of this report is to notify committee regarding the award of the contract for the stage 2 remedial works to Mears following the phase 1 and 2 structural survey results identified within the Michael Dyson Associates Limited (MDA Limited) structural survey reports for the council's tower stock. The intention to use the Negotiated Tender direct award procedure (NTP) was reported to the Enterprise and Housing committee on 14 November 2018. The award has been made to Mears utilising the Council's NTP procedure as the contract could not be tendered competitively within the timeframe and programme proposed for the project. The use of the NTP procedure was identified as the most appropriate procurement route to deliver this project to avoid the risk of further delay and to ensure the continued safety of our tower blocks.

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### Recommendations

It is recommended that the Committee notes the action taken to award the contract for the stage 2 remedial works to Mears using the councils NTP direct award procedure.

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### Supporting Documents

**Council business plan to 2020** The stage 2 remedial works will contribute to meeting the council's Business Plan Priority Outcome of Improving economic outcomes and opportunities and the specific objective of ensuring safe high quality accommodation for the life span of the existing tower blocks.

## **1. Background**

- 1.1 A significant proportion of the council's total housing stock (11.1%) is within multi-storey blocks of flats. The council has just over 4,000 properties within 48 multi-storey blocks. 57% of all the tower stock is in Motherwell, where flats within tower blocks accounts for nearly 40% of all council stock in the area. Coatbridge has the second highest proportion of tower stock, accounting for around a third (34%) of all tower accommodation. Only 6 properties have been purchased under the Right to buy, across 5 tower blocks in Motherwell.
- 1.2 The council has a Tower Strategy in place to effectively manage and maintain its multi-storey flats and ensure their safety and security. The specific objectives of the Tower Strategy are:
- To ensure that all the tower blocks are as safe and secure as possible
  - To ensure that all the tower blocks are maintained in a good condition and are as energy efficient as possible
  - To ensure the blocks are sustainable and attractive to both current and future tenants
  - To improve the health and wellbeing of tower residents
- 1.3 In order to meet the timescale required for this project to maximise tenant safety, it was decided to adopt the negotiated tendering procedure.
- 1.4 The works identified within stage 2 cover the remaining 44 tower blocks as Members will recall that a full tender exercise has been completed to carrying out investment works in the 4 towers in Coatbridge at Merryston, Blairgrove, Millbrae and Glen Courts.

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## **2. Report**

- 2.1 An action plan has been developed with proposals to close out the issues identified from both the MDA phase 1 and 2 surveys and the SFRS findings from their visits and checks of communal areas in the towers.

The remedial works within the action plan will be carried out in 3 stages;

- Stage 1; This work is nearing completion and was carried out through the existing strategic partnership works agreement and the costs associated with these works is forecast to be approximately £200k.
- Stage 2; This work consists of upgrading all front doors, common area door screens and fire escape doors to current standard where required, as well as fire stopping inside the tenants homes and common areas and testing and upgrading emergency lighting as required. The specification and costs of this exercise has been agreed with our colleagues in Building Standards and the Scottish Fire and Rescue Service and a pilot exercise in 2 blocks has been completed.

This work is will be undertaken as a direct capital contract award through the NTP procedure to Mears due to the urgency following the tragic events of Grenfell in June 2017. There is also potential for updated specifications following advice from regulatory bodies and the need to be able to react to this change quickly to ensure continuity on the programme. The cost is forecast to be circa £7.9m subject to final agreement of the specifications, i.e. £2.2k per property including common area fire stopping and electrical works. The duration of this work at this stage will be approximately 12/18 months.

By procuring the works through the NTP procedure using the works agreement as the main driver for ensuring value for money (VFM) provides the quickest route to delivery to further enhance the safety of our tenants within our tower stock.

- Stage 3; This work will be the retro-fitting of sprinkler systems as approved by Committee in February 2018 and is going through the design and tender stage at present.
- 2.2 Following agreement to utilise the NTP procedure at the Enterprise and Housing committee on 14 November 2018, documents were prepared and a negotiated tender was submitted by Mears for the stage 2 remedial works. The budget cost for works proposed is circa. £7.9 million subject to validation of installation costs. An exercise has been carried out to review the current schedule of rates contained within the works agreement to ensure value for money is being achieved, including external benchmarking exercises where appropriate.
- 2.4 The total value for the NTP's is circa £7.9m subject to final agreement of the specifications and re-measure, this is considered to be the best value available to ensure the proposals are delivered in the programmed timescales.
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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland**

The Investment Programme will account for measures that will reduce inequalities of outcome via a number of activities relating to design parameters including:

- Structural Safety
- Fire integrity of structure
- Fire Protection Systems
- Enhanced means of safe escape

#### **3.2 Equality impact Assessment**

There is no requirement for an Equality Impact Assessment at this time.

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## **4. Implications**

### **4.1 Financial Impact**

The award of the contract to Mears is considered to represent value for money to the Council and is a standalone contract out with the current works agreement. (However, the works agreement was utilised as one of the vehicles to ensure VFM was being achieved). The contract will be funded through the Housing Revenue Account Mainstream Capital programme over financial years 18/19, 19/20 and 20/21.

### **4.2 HR/Policy/Legislative Impact**

The contract has been awarded in accordance with the council's Contract Standing Orders.

### **4.3 Environmental Impact**

The works contract will ensure that the impact on the Council's carbon footprint is mitigated. The specifications incorporated within the contract documentation will: deliver reduced energy need; encourage sustainable construction; promote health and wellbeing; reduce waste and resources through effective storage, collection and composting of waste and recyclable materials and; include measures which will reduce CO2 emissions.

### **4.4 Risk Impact**

Risk associated with the Investment Programme is managed within the Communities & Housing Resources Risk Register process. By undertaking detailed Survey Investigation and other relevant site assessments prior to proceeding with the development of any particular tower block, the council is mitigating the risk of unforeseen costs relating to existing conditions, although this risk cannot be eliminated entirely.

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## **5. Measures of success**

5.1 The contract will ensure that the impact on the Council's carbon footprint is mitigated. The specifications incorporated within the contract documentation will: encourage sustainable construction; promote health and wellbeing; reduce waste and resources through effective storage, collection and composting of waste and recyclable materials and; include measures which will reduce CO2 emissions.

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