

THURSDAY, 25 JANUARY 2018

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES****BUILDING CONTRACT FOR THE REINSTATEMENT OF 14 & 15 MADRONA  
FOLLOWING A FIRE****EXEMPT INFORMATION**

Non-Confidential

**PURPOSE**

This report seeks authority to enter in a standard form of building contract for the reinstatement of 14 & 15 Madrona following a fire.

**RECOMMENDATIONS**

It is recommended that Cabinet :-

- Delegate authority to the Corporate Director (Communities) and the Portfolio Holder for Housing Services to enter into a building contract for the reinstatement of 14 & 15 Madrona following a tendering exercise to be conducted by Tamworth Borough Council's insurers.

**EXECUTIVE SUMMARY**

A major fire occurred at the property known as 14 Madrona, Amington in December 2016, the fire caused extensive damage to the property leaving it requiring a full rebuild, there was also damage to the neighbouring property (15 Madrona) leaving it uninhabitable. Immediately following the fire the properties were passed over to our insurers (Zurich) and their loss adjusters (Crawfords) to manage the reinstatement process. Crawfords have now produced a schedule of works for the reinstatement of 14 Madrona and for the works required at 15 Madrona. Crawfords with the authority of Zurich will procure and project manage the works through to completion. Zurich have agreed the extent of the works with Crawfords and will cover costs (less our excess of £10,000) through our insurance policy.

Although the rebuild costs will be largely met by our insurers, Tamworth Borough Council as the insured party and building owner is required to enter into contract with the builder appointed to complete the rebuild. Under financial guidance Cabinet approval is required to enter into formal contracts.

**Procurement**

The procurement process is being managed by the loss adjusters [Crawfords] appointed by our insurers [Zurich]. Crawfords have produced the specification of works and have agreed the details with Tamworth Borough Council and with Zurich. To comply with the requirements of the insurers the loss adjuster will invite tenders from four contractors on their approved list. Upon receipt of the tenders they will recommend awarding of the contract to rebuild. As the insured party and owner of the building the building contract will be between Tamworth Borough Council and the contractor.

## **Project Management**

Once a contract has been awarded the loss adjuster will project manage the reinstatement works and will arrange for the completed properties to be handed back to Tamworth Borough Council ready for occupation

## **RESOURCE IMPLICATIONS**

The excess on our insurance policy for fire damage is £10,000.00, this will be met from the HRA Self Insurance Reserve . The remaining costs arising from the claim will be met by our insurers. The final reinstatement costs will not be known until the loss adjuster has completed their tender process.

The project management of the reinstatement works will be conducted by the loss adjusters appointed by the insurers; their fees will be met through the insurance claim.

The Housing Management Team can seek to recover rental losses through the insurers, a detailed claim will need to be submitted.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Although the procurement process is being managed by the loss adjusters appointed by our insurers the construction contract will be between Tamworth Borough Council and the contractor selected by the loss adjuster; to comply with financial guidance Cabinet approval is required to enter into a contract.

## **SUSTAINABILITY IMPLICATIONS**

No sustainability issues have been identified.

## **BACKGROUND INFORMATION**

There is no additional background information for this matter.

## **REPORT AUTHOR**

- Paul Weston, Head of Asset Management.

## **LIST OF BACKGROUND PAPERS**

None

## **APPENDICES**

None