



Havering

L O N D O N B O R O U G H

OVERVIEW & SCRUTINY BOARD AGENDA

7.30 pm

Wednesday
19 January 2022

Havering Town Hall,
Main Road, Romford

Members 16: Quorum 6

COUNCILLORS:

Conservative Group (8)

Ray Best
Philippa Crowder
Judith Holt
Sally Miller
Nisha Patel
Christine Smith
Maggie Themistocli
Michael White (Vice-Chair)

Residents' Group (2)

Ray Morgon
Barry Mugglestone

Upminster & Cranham Residents' Group (2)

Linda Hawthorn
Christopher Wilkins

Independent Residents' Group (2)

Natasha Summers
Graham Williamson

Labour Group (1)

Keith Darvill

North Havering Residents Group (1)

Darren Wise (Chairman)

For information about the meeting please contact:

Anthony Clements 01708 433065
anthony.clements@oneSource.co.uk

Overview & Scrutiny Board, 19 January 2022

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

OVERVIEW AND SCRUTINY BOARD

Under the Localism Act 2011 (s. 9F) each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements.

The Overview and Scrutiny Board acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees can be coordinated to avoid duplication and to ensure that areas of priority are being reviewed. The Board also scrutinises general management matters relating to the Council and further details are given in the terms of reference below. The Overview and Scrutiny Board has oversight of performance information submitted to the Council's executive and also leads on scrutiny of the Council budget and associated information. All requisitions or 'call-ins' of executive decisions are dealt with by the Board.

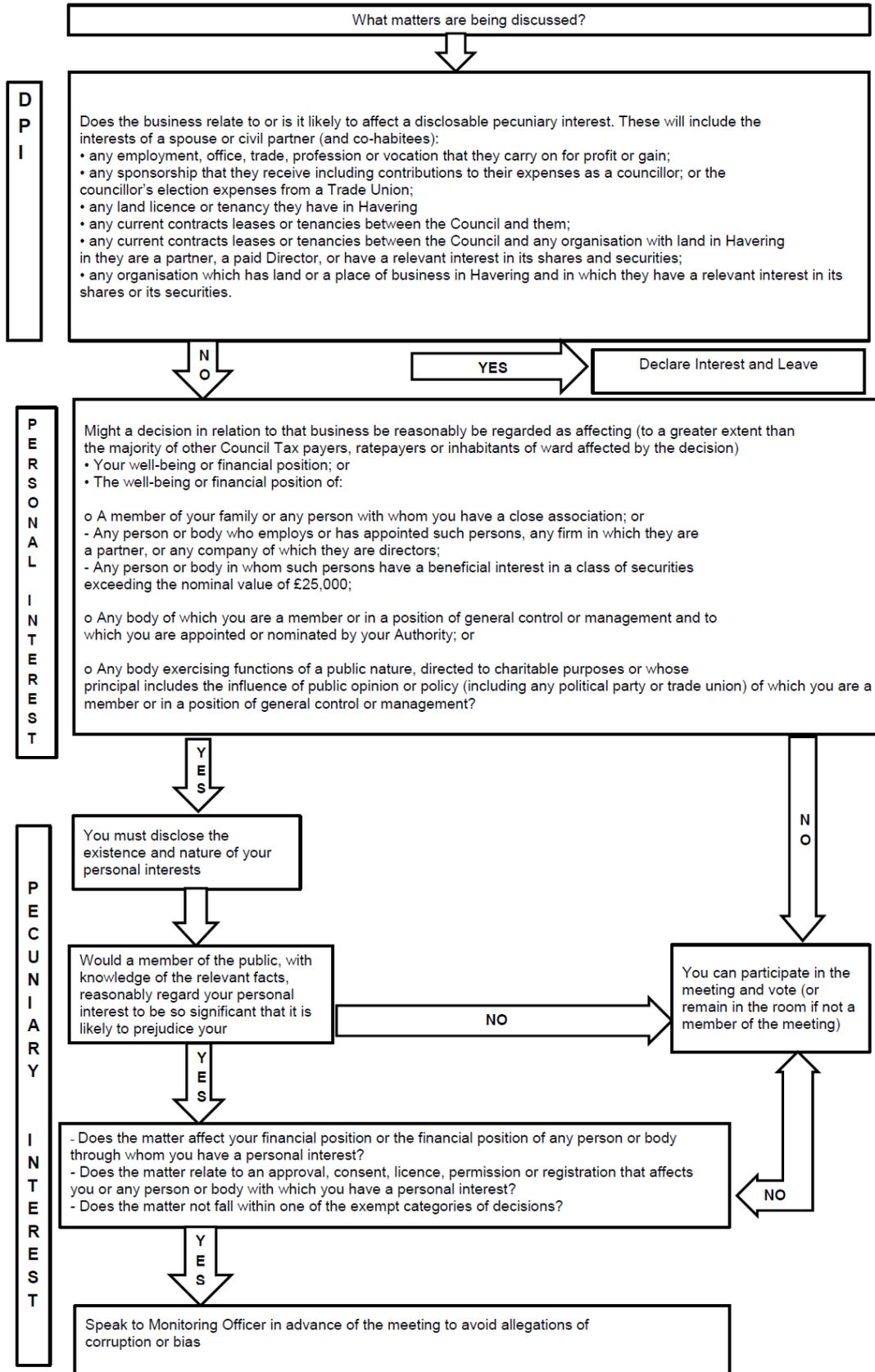
The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

Terms of Reference:

The areas scrutinised by the Board are:

- Strategy and commissioning
- Partnerships with Business
- Customer access
- E-government and ICT
- Finance (although each committee is responsible for budget processes that affect its area of oversight)
- Human resources
- Asset Management
- Property resources
- Facilities Management
- Communications
- Democratic Services
- Social inclusion
- Councillor Call for Action
-

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 REQUISITION OF CABINET DECISION: AWARD OF CONTRACT FOR HOUSING REPAIRS AND VOIDS (Pages 1 - 16)

Report attached (exempt appendix and grounds not available press or public).

Zena Smith
Democratic and Election Services Manager

Overview & Scrutiny Board

19 January 2022

REPORT

Subject Heading:

Call-in of an Executive Decision – Award of Contract for Housing Repairs and Voids

SLT Lead:

Alison McKane – Interim Monitoring Officer

Report Author and contact details:

Anthony Clements Principal Democratic Services Officer
anthony.clements@onesource.co.uk

Policy context:

The report deals with a statutory process.

Financial summary:

There is no significant financial impact from the statutory processes as these requirements are being met by existing budgets.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by six Members representing more than one Group (Councillors Keith Davill, Tele Lawal, Paul McGeary, Ray Morgon, Chris Wilkins and Graham Williamson have called-in the Key Executive (Cabinet) Decision dated 15 December 2021.

The grounds for the requisition are attached and officers will give a response to these at the meeting.

RECOMMENDATION

That the Board considers the requisition of the Key Executive (Cabinet) Decision and determines whether to uphold it.

REPORT DETAIL

As per Appendices

- Grounds for requisition
- Cabinet report

OVERVIEW AND SCRUTINY BOARD, 19 JANUARY 2022 – GROUNDS OF REQUISITION ON AWARD OF CONTRACT FOR HOUSING REPAIRS AND VOIDS

The reason for the 'Call in' are as follows:-

1. The lack of detail on the full specification of the Contract, together with any guarantees and penalties.
2. The lack of detail on the due diligence carried out by the Council on the new contractor.
3. The lack of detail on the number of Council and PSL properties the contract relates to and what adjustments will have to be made in the next ten years on increasing number of properties.
4. The lack of detail on the reasons for the delay (beyond the Council control) in the new contract.
5. The lack of detail on how maintenance of communal areas will be provided and the costs involved.
6. The lack of detail on how the new contract will be operated and how this will be communicated to residents.
7. The lack of detail on the number of smaller support contractors being employed by Mears Limited and how they will be performance managed?
8. Part 3.5 of the 'Report Detail' refers to "a much clearer price per property and price per void model with less ambiguity ". There is a lack of detail as to how these benefits are to be achieved and the impact of them on service delivery, together with anticipated level of voids.
9. Part 3.6 of the report states "there is significant work to complete which will require resource commitment from Havering ". There is a lack of detail on this aspect including the cost of such commitment.
10. With regard to "Other options considered" (Part 5). There is a lack of detail on whether bringing this service back in house was considered? If not, why not?
11. The lack of detail on how many operatives may be included in the TUPE transfer?
12. The lack of detail on the "out of hours" service and any price adjustments for this service.

This page is intentionally left blank

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



CABINET

PARTIALLY EXEMPT

Appendix 1 to this report is exempt by virtue of paragraph 3 and 5 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information); and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CABINET	15th December 2021
Subject Heading:	Award of Contract for Housing Repairs and Voids
Cabinet Member:	Councillor Chapman, lead member for Housing
SLT Lead:	Patrick Odling-Smee, Director of Housing
Report Author and contact details:	Garry Knights, AD of Housing Property Services Garry.knights@havering.gov.uk 01708 432834
Policy context:	The statutory requirement to maintain our homes to a decent standard.
Financial summary:	The estimates cost of the contract will be annually £5.8million, £58million over the 10 year term.
Is this a Key Decision?	(a) Expenditure or saving (including anticipated income) of £500,000 or more (c) Significant effect on two or more Wards

When should this matter be reviewed?

The contract is for 10 years with annual reviews.

Reviewing OSC:

Town and Communities Overview and Scrutiny Sub Committee

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

1.
 - 1.1. As part of the Council's responsibility as a landlord, the Council has a duty to undertake repairs and maintenance works to its HRA housing stock.
 - 1.2. The existing contract with Breyer ends in the early part of 2022 and the Council has undertaken a procurement exercise to appoint a new contractor to carry out repair and voids works across the borough.
 - 1.3. This report presents to Cabinet details of the procurement of the contract through which the service will be delivered.
 - 1.4. Monies have been allocated within the HRA business plan and the General Fund to deliver the service.

RECOMMENDATIONS

2. For the reasons set out in the report and its appendices Cabinet is recommended to;
 - approve the award of a contract to Mears Ltd for a 10 year contract at the annual value of £5.8m to deliver the repairs, maintenance and voids works throughout the borough.

REPORT DETAIL

3. Background

- 3.1. A report to Cabinet made a decision to undertake a Public Contracts compliant exercise to procure a new 10 year contract for the provision of repairs, maintenance and voids works to our HRA Housing Stock and works to PSL properties, which is currently provided by Breyers and a number of smaller support contractors.
- 3.2. This exercise was due to have been completed in July 2021 with the new contract starting in November 2021, however due to reasons beyond the Councils control there have been some delays to the anticipated timetable.
- 3.3. The Council undertook the procurement through a staged procurement approach;
 - initial SQ stage (Selection Questionnaire) which was completed in December 2020, 15 bidders were reduced to 8 through our evaluation panel and Customers scoring their returns
 - a second ISDS Stage (invitation to submit detailed solution) which was completed in February 2021, 8 bidders were reduced to 4 through technical returns which was combined with cost proposals
 - a CD stage (competitive dialogue) at which the Council and contractors could discuss the project to determine areas which require clarification. This stage is not scored and did not affect the outcome. This was completed in July 2021
 - a final ISFT stage (invitation to submit final tender) which ended in October 2021
- 3.4. Further details on the procurement and scoring is contained in exempt Appendix 1.
- 3.5. The new contract includes a much clearer price per property (PPP) and price per void (PPV) model, with less areas of ambiguity and also includes a price per property approach for our Private Sector Leased (PSL) stock.

- 3.6. As part of the tender return the contractors were required to provide a detailed mobilisation plan. There is a significant work to complete which will require resource commitment from Havering, a project manager has been allocated from the corporate IT service.
- 3.7. The incumbent contractor, Breyer, have confirmed that a number of staff will transfer to Mears as part of a TUPE transfer on go live, the exact numbers will form part of the mobilisation and demobilisation of the contract. This has no impact on existing Council staff.
- 3.8. Officers anticipate contract commencement from January 2022 with go live from April 2022.

REASONS AND OPTIONS

4. Reasons for the decision:

- 4.1. The Council has a statutory and contractual obligation as a landlord to provide repairs and maintenance works to our properties, we therefore must have a provision in place to deliver this.
- 4.2. Following an option appraisal to determine the most suitable approach, which was presented to Cabinet in 2020, plus an extensive procurement exercise in accordance with the Public Contract Regulations 2015 (as amended) , supported and validated by external consultants, Mears were successful in their bid and approval is required to appoint.

5. Other options considered:

- 5.1. Extend the existing contract with Breyer – we have already utilised the extension periods given in the Breyer contract and therefore had no additional provision to extend, this option was therefore discounted.
- 5.2. Do nothing – given that we have a duty to provide a repairs service this was not a viable option and was discounted.
- 5.3. Procure works on a job by job basis – given the volume of repairs required this was not deemed a viable option and discounted.
- 5.4. An options appraisal was included in the report to Cabinet for pre procurement approval.

IMPLICATIONS AND RISKS

6. Financial implications and risks:

- 6.1. The contract will be funded from the HRA and General Fund from existing budgets and cost have been incorporated into the HRA business plan.
- 6.2. There are a small number of operatives who may be included in the TUPE transfer between providers and who had previously been direct employees of the council, and subject to previous TUPE transfer, there is a small ongoing pension liability which has been included in the HRA budgets.
- 6.3. Further financial implication are contained in exempt Appendix 1

7. Legal implications and risks:

- 7.1. This report seeks approval to award the contract for works on council housing properties throughout the Borough in the sum of £5.8m per annum. The value is above public procurement threshold for works, (£4,733,252). The scheme is fully funded from the HRA.
- 7.2. Officers have confirmed that the procurement complies with the Council's Contract Procedure Rules set out in the Council Constitution.
- 7.3. The Housing Revenue Account (HRA) specifically accounts for spending and income relating to the management and maintenance of council-owned housing stock. The services procured under this contract will cover various properties all located within the London Borough of Havering owned or managed through the HRA as set out in the section 74 of the Local Government and Housing Act 1989.
- 7.4. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory constraints. Together with the specific duty to maintain HRA assets the contract may be procured in accordance with these powers.
- 7.5. Due to the value and in accordance with the Councils Constitution the Contract will need to be sealed.
- 7.6. Further legal implication are contained in exempt Appendix 1

8. Human Resources implications and risks:

- 8.1. None.

9. Equalities implications and risks:

- 9.1. Under section 149 of the Equality Act 2010, the Council has a duty when exercising its functions. This includes outsourcing services by awarding a contract to an outside body, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.2. “Due regard” is the regard that is appropriate in all the circumstances. The weight to be attached to each need is a matter for the Council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged.
- 9.3. The awarding of this contract will enable the council to maintain its housing stock to a high standard and improve the quality of the customer services that the tenants receive. Tenants with protected characteristics are over-represented in social housing so this new contract will have a positive impact on their well-being.

10. Health and Well-being implications and Risks

- 10.1. Provision of an effective housing repairs service is essential to ensure residents are able to safely and comfortably use their homes, being provided with good quality services which support promote good health and wellbeing
- 10.2. Poor quality housing has been shown to have serious negative impacts on individual’s health and wellbeing and a significant negative impact on communities
- 10.3. The council is responsible for improving and protecting health and wellbeing of local residents under the Health and Social Care Act 2012
- 10.4. This contract will support the aims and delivery of the Housing Asset Management Strategy ensuring that the Council provide the right homes for our resident which are affordable, safe and of high quality, provide good communities in which to live and work, whilst meeting the challenges of zero carbon and building safety across the estates.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank