

Notice of KEY Executive Decision containing exempt information

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| Subject Heading: | Kitchen & Bathroom Refurbishment – 5 Year Programme |
| Cabinet Member: | Councillor Joshua Chapman – Lead Member for Housing |
| SLT Lead: | Patrick Odling-Smee – Director of Housing Services |
| Report Author and contact details: | Robert Ditsell – Programme Delivery Projects Surveyor Tel: 01708 434700 Email: Robert.Ditsell@havering.gov.uk |
| Policy context: | Supports the outcomes within the London Borough of Havering's Corporate plan. <u>Places.</u> Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe. |
| Financial summary: | The total cost of the contract is £6,300,000, over a 5 year period and will be funded from Housing Revenue Account Capital Programme, Project Code: C28470 Tasks 2.0 & 3.0. |
| Reason decision is Key | Expenditure being £6,300,000 |
| Date notice given of intended decision: | 14 th February 2020 |
| Exempt information & Grounds | Appendix 1 – by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006. Information relating to the financial or business affairs of any particular person (including the authority holding that information). |

Key Executive Decision – Part Exempt Report

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| Relevant OSC: | Overview and Scrutiny Board |
| Is it an urgent decision? | No |
| Is this decision exempt from being called-in? | No |

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

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|-------------------------------|-------------------------------------|
| 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"/> |

Part A – Report seeking decision

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| DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION |
| Following a tender exercise, officers seek approval for the award of a contract for Kitchen & Bathroom Refurbishments – 5 Year Programme as set out in Exempt Appendix 1 |
| AUTHORITY UNDER WHICH DECISION IS MADE |
| <p>Part 3 (Responsibility for Functions), Paragraph 2 and Paragraph 2.5 (h) of the Council's Constitution as follows:</p> <p>The following Functions may be delegated to individual Cabinet members by the Leader:</p> <p>To award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and less than £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.</p> |
| STATEMENT OF THE REASONS FOR THE DECISION |
| <ol style="list-style-type: none">1. Housing Services have identified via our Asset Management System a number of dwellings that require Kitchen and or Bathroom refurbishments throughout the Borough.2. The works will improve the welfare of the Council's residents, reduce the need for responsive repair works to their homes and increase the useable life of the Council's Housing stock. In turn, this should increase the potential for a longer period of rental income from those homes.3. We have undertaken a procurement exercise via the Capital E-sourcing procurement system through call-off contracts from the London Housing Consortium (LHC)'s Whole House Refurbishment and Improvements (WH2) framework. The tender returns were evaluated on both quality and price and the ratio was 50% price 50% quality.4. The total cost of the contract £6,300,000. The procurement process was in accordance with the Council's Contracts Procedure Rules (CPR).5. Performance of the contract will be managed and monitored throughout by the Programme Delivery Project Surveyor and the Clerk of Works6. It is anticipated that works will commence on the 17th March 2021.7. Tenderers were called off the LHC framework and we received six submissions. The evaluators were three members of the Programme Delivery Team within Housing Services and the moderator was a member of the Strategic Procurement Unit. |

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8. Details of the scores achieved by each bid and the recommendation for award are set out in Appendix 1

OTHER OPTIONS CONSIDERED AND REJECTED

1. Officers have considered tendering for replacement Kitchens and Bathrooms as stand alone projects each financial year.
2. However, due to the time this process takes, this would delay delivery of works over the financial year. In addition tendering this way, could mean a number of different contractors delivering the works within the borough.
3. Procuring one contract with one contractor for 5 years would provide the Council with greater cost certainty, longer sustained periods of works delivery and better relationships with our customers.
4. Do Nothing – Rejected on the grounds that the Council has a duty to maintain its homes in a habitable condition

PRE-DECISION CONSULTATION

This request was raised on i-Decision 14th Feb 2020 and has since been issued out to all business partners by our Programme Office team.

Checkpoint Panel approved the intended procurement on 4th June 2020 and approved the intended contract award on 21st December 2020

These are works to Council-owned and tenanted properties only and the requirements of Section 20 of the Landlord and Tenant Act 1985 as amended by S151 of the Commonhold and Leasehold Reform Act 2002 do not apply.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Howard

Designation: Programme Delivery Manager

Signature:



Date: 22nd December 2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Housing Revenue Account (HRA) specifically accounts for spending and income relating to the management and maintenance of council-owned housing stock. The proposed works relate to Council owned or managed properties funded through the HRA as set out in the section 74 of the Local Government and Housing Act 1989.
2. The Council is a local authority and a best value authority with duties and powers to make arrangements to secure continuous improvement in the way it exercises its functions, pursuant to Part I of the Local Government Act 1999. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions, including the matters set out in this report.
3. Under paragraph 2.5 (Functions [which] may be delegated to individual Cabinet members by the Leader) of Part 3 [Responsibility for Functions] of the Council's Constitution, individual Cabinet members may have delegated authority "*to award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts of a value above £5,000,000 and less than £10,000,000*".
4. The contract value is over the EU threshold for works contracts (currently £4,551,413) and would generally necessitate publication of a Contract Notice in the Official Journal of the European Union (OJEU) as well as an advertisement on Contracts Finder. However officer's use of an OJEU compliant framework, under which the Council is part of an identifiable group cited in the published contract notice, satisfies the PCR 2015 requirement for genuine competition.
5. On 21st December 2020, the (Checkpoint) Gateway Stage 02 review panel recommended approval to proceed with the intended procurement activity, in accordance with the Contract Procedure Rules.
6. Legal officers are available to assist the client department in finalising the terms and conditions of the proposed contract

FINANCIAL IMPLICATIONS AND RISKS

The total cost of the contract is £6,300,000, over a 5 year period and will be funded from Housing Revenue Account Capital Programme, Project Code: C28470 Tasks 2.0 & 3.0.

Contract

The award of this contract will help the Council to keep the stock in good order; clearly failure to keep the housing stock in serviceable condition could lead to further financial liabilities being incurred. The contract form proposed is the JCT 2016 Measured Term Works Contract which is an industry standard for contracts of this size and type.

Financial Stability

As required by the Councils Contract Procedure Rules a financial has been carried out on the proposed contractor and they are classed as Below Average Risk.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The procurement process will be carried out in accordance with the Council's Contract Procurement Rules. The proposed contractor will be expected to comply with the Council's policies with regards to the promotion of equality and diversity in service delivery and employment practice.

See Appendix 2 for the Equality and Health Impact Assessment

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| BACKGROUND PAPERS | |
|--------------------------|--|
| None | |

| APPENDICIES | |
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| Appendix 1 Tender Results and Recommendations | Exempt |
| Appendix 2 Equality and Health Impact Assessment | |

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name: **Councillor Joshua Chapman**

Cabinet Portfolio held: **Lead Member for Housing**

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____