

Notice of KEY Executive Decision (Special Urgency)

Subject Heading:	Extension of responsive repairs contract
Cabinet Member:	Cllr Joshua Chapman Cabinet Member for Housing
SLT Lead:	Patrick Odling-Smee Director of Housing
Report Author and contact details:	Garry Knights Assistant Director of Property Services Garry.knights@havering.gov.uk 01708 432834
Policy context:	Housing Policy
Financial summary:	The cost of the extension is estimated at £2.5m as is fully funded from existing HRA budgets
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more Significant effect on two or more Wards
Date notice given of intended decision:	This is a decision pursuant to para 11 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, made under “special urgency” with the consent of the Chair of the Overview and Scrutiny Board.

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Relevant OSC:	
Is it an urgent decision?	Yes
Is this decision exempt from being called-in?	<i>Yes, due to Special Urgency</i>

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"/>

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

In March 2014 the Council entered into a 5 year contract with Breyers for the provision of repairs and maintenance service across our HRA housing properties. This contract included the provision for extending the contract for a further 2 years which was exercised via a key decision in December 2018.

Because of delays to the procurement of the new contract we need to further extend the contract until January 2022.

This report seeks approval for that extension.

Recommendation

For the reasons set out in the report and its appendices, the member of SLT is recommended to agree a variation of the contract for Responsive Repairs Services with Breyer Group PLC (“Breyer”) to extend the duration of the contract to January 2022 commencing 1st April 2021.

AUTHORITY UNDER WHICH DECISION IS MADE

The Councils Constitution provides at part 3, Responsibilities and Function, Para 3.3 Powers of Members of the Senior Leadership Team

Contract powers (a) To approve commencement of a tendering process for all contracts above a total contract value £500,000. (b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

This decision is required under “Special Urgency” to allow the Council to plan and undertake effective strategies for continued working and service delivery.

The current repairs contract, including the extension, is due to come to an end in March 2021.

We are currently at the Competitive Dialogue stage of the exercise to procure a Contractor to deliver the new housing repairs and voids service, procurement commenced in late 2020.

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The commencement of the procurement activity was delayed for two principle reasons;

1. Given the changes of having recruited a permanent Housing Management team it was felt that a full options appraisal should be undertaken prior to commencing the procurement activity which would ensure the best delivery model was identified, this was presented to cabinet in August 2020
2. The Covid outbreak slowed the process of producing the documentation required to tender and the market indicated it was unsure of how to price works during the pandemic and a delay whilst the situation stabilised was considered appropriate

These factors have meant that the OJEU procurement exercise, including all necessary standstill periods and a realistic mobilisation and demobilisation period, will delay the start of the new contract until January 2022.

To ensure that we have a continuation of service for our residents it is therefore necessary to further extend the existing contract until the successful completion of the ongoing procurement exercise.

Breyer, the incumbent, has agreed to continue to delivering the service on existing terms.

The cost of an extension to January 2022 is estimated at £2.5m which is already budgeted for within the HRA.

There are not anticipated being any additional costs associated with this approach and it represents the lowest risk option for LBH and our customers. All existing IT infrastructure, data links, specification etc will remain in place and operational.

OTHER OPTIONS CONSIDERED AND REJECTED

Two alternative options were considered and rejected;

1. Do nothing and leave the Council without provision for a day to day repairs service. This would leave the council at risk financially, reputational and at risk from sanctions from the regulator. It would also leave residents without a route to deal with repair issues.
2. Procure a short term contract with another contractor. This would require the demobilisation of the existing contract and mobilisation of a new short term contract which would be extremely disruptive and difficult and would likely result

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in a significant reduction in level of service to our customers. It would also likely add additional abortive costs. There would also be TUPE implications and pension liabilities which would need to be resolved.

PRE-DECISION CONSULTATION

Consultation was carried out with residents prior to award of the existing contract. Residents have been involved in the procurement exercise for the new contract

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

Name: Garry Knights

Designation: Assistant Director of Housing Property Services

Signature:



Date: 30/03/2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report recommends the extension of the incumbent contract while the council deals with the ongoing procurement exercise.

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.

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.

The Council as landlord has The Council is able to rely on Reg 72 of the Public Contracts Regulations 2015 (as amended) in granting this contract extension.

Further legal imps are drafted in exempt Appendix 1 to this report.

FINANCIAL IMPLICATIONS AND RISKS

Extending the Responsive Repairs contract with Breyer Group until January 2022 has an estimated cost of around £2.5m. These works are already budgeted for within the HRA.

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

There are no Human Resources implications for the Council as employer.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

Under section 149 of the Equality Act 2010, the Council has a duty when exercising its functions. This includes 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

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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.

“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.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Contract extension will ensure continuation of service and reduce any associated anxiety that may arise from non provision of repair service. Apart from that there are no further health and wellbeing implications relating to the proposed decision.

BACKGROUND PAPERS

None

APPENDICES

Exempt Appendix 1 – Legal Advice

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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

Details of decision maker

Signed



Name: Patrick Odling-Smee

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 6/4/21

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____