

Notice of KEY Executive Decision

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.

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.

Key Executive Decision

Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more (c) Significant effect on two or more Wards
Date notice given of intended decision:	November 2021
Relevant OSC:	Town and Communities Overview and Scrutiny Sub-Committee
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

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"/>

Key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in the report and its appendices it 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.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's constitution, Section 2 "Executive Functions"

The Leader of the Council is responsible for arranging for the exercise of all executive functions and may by way of written notice delegate Executive functions to:

1. Cabinet
2. A committee of the Cabinet
3. Individual Cabinet Members
4. Staff
5. Joint Committees

And may exercise any Executive functions personally provided notice is given to the Proper Officer.

In this instance as per 2.1 (p)

General Functions of Cabinet:

(p) To award all contracts above a total contract value of £10,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

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.

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.

The Council undertook the procurement through a staged procurement approach;

Key Executive Decision

- 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

Further details on the procurement and scoring is contained in exempt Appendix 1.

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.

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.

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.

Officers anticipate contract commencement from January 2022 with go live from April 2022.

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.

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.

This report presents to Cabinet details of the procurement of the contract through which the service will be delivered.

Monies have been allocated within the HRA business plan and the General Fund to deliver the service.

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.

Key Executive Decision

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.

OTHER OPTIONS CONSIDERED AND REJECTED

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.

Do nothing – given that we have a duty to provide a repairs service this was not a viable option and was discounted.

Procure works on a job by job basis – given the volume of repairs required this was not deemed a viable option and discounted.

An options appraisal was included in the report to Cabinet for pre procurement approval.

PRE-DECISION CONSULTATION

Residents have been involved in the specification of the contract and evaluation of tenders.

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

Name: Patrick Odling-Smee,

Designation: Director of Housing

Signature:



Date: 15/12/21

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The contract will be funded from the HRA and General Fund from existing budgets and cost have been incorporated into the HRA business plan.

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.

Further financial implication are contained in exempt Appendix 1

FINANCIAL IMPLICATIONS AND RISKS

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.

Officers have confirmed that the procurement complies with the Council's Contract Procedure Rules set out in the Council Constitution.

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.

Due to the value and in accordance with the Councils Constitution the Contract will need to be sealed.

Further legal implication are contained in exempt Appendix 1

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

None

Key Executive Decision

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 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.

“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.

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.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

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

Poor quality housing has been shown to have serious negative impacts on individual’s health and wellbeing and a significant negative impact on communities

The council is responsible for improving and protecting health and wellbeing of local residents under the Health and Social Care Act 2012

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.

BACKGROUND PAPERS

Exempt Appendix 1 - Award of Contract for Housing Repairs and Voids

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with my authority as the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Councillor Damian White

Cabinet Portfolio held: Leader of the Council

CMT Member title:

Head of Service title

Other manager title:

Date: 27.01.22

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 _____