



CABINET

Subject Heading:

Roof Replacements 24/25

Cabinet Member:

Councillor Paul McGeary - Lead Member for Housing & Property

ELT Lead:

Neil Stubbings, Strategic Director of Place

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Policy context:

The statutory requirement to maintain our homes to a decent standard

Places.

Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe

This work supports the Housing Asset Management Strategy 2021-26 and is identified within the HRA Business Plan approved by Cabinet in February 2024

Financial summary:

The anticipated total contract cost is approximately £4,000,000 to be met from the Housing Revenue Account ('HRA') Capital budget.

Is this a Key Decision?

Yes, as expenditure or saving (including anticipated income) of £500,000 or more

When should this matter be reviewed?

N/A

Reviewing OSC:

Places

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

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

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SUMMARY

As part of the Council's responsibility as a landlord, the Council has a duty to undertake repairs and maintenance works to its Housing Revenue Account (HRA) housing stock. This report presents to Cabinet details of the proposed tender process to re-procure this service and seeks approval to procure and delegated approval to the subsequent award of contract.

The current HRA annual capital budget for primary roofing works is around £2.6 million per annum. The purpose of this contract is to allow the replacement of roofs to properties ensuring the Council's Decent Homes standards are met.

This is to be an interim contract intended to continue delivery of roofing works whilst Housing Services undertake a more extensive procurement exercise which will deliver works of this nature from 2026/27 onwards.

Monies have been identified within the HRA 30-year business plan and contract spend will be aligned with business priorities and approved budgets on an annual basis.

RECOMMENDATIONS

For the reasons set out in the report and its appendices, Cabinet is recommended to;

- a) Approve the procurement of a contract with a total value of up to £4,000,000 to the end of Financial Year 25/26, for the replacement of roofs to HRA properties across the Council.
- b) Delegate approval of the award of the contract, contract terms and completion to the Strategic Director of Place, acting in consultation with the Strategic Director of Resources and the Deputy Director of Legal & Governance

REPORT DETAIL

1. Background

- 1.1. The Council is committed to ensuring that all social housing properties meet the Decent Homes Standard, which includes maintaining key elements, such as roofs, to a high standard. The general lifespan of a pitched roof covering is typically 70, depending on the materials used and the exposure to weather conditions. As many of the properties in the Council's housing stock approach or exceed this lifespan, the need for roof replacement becomes increasingly urgent.
- 1.2. As roofs reach the end of their expected service life, their ability to provide adequate protection from the elements diminishes, leading to increased risks of leaks, structural damage, and energy inefficiency. Proactively replacing these roofs as they near the end of their lifespan is essential to maintaining the properties in a condition that meets the Decent Homes Standard and ensures the long-term safety and comfort of residents.
- 1.3. The existing arrangements for renewing roofing on Housing Revenue Account (HRA) properties are set to expire in December 2024. To ensure continuity in maintaining the Council's housing stock, it is crucial to secure a new contract for roof replacements. This procurement process will enable the Council to appoint a contractor to carry out necessary pitched roof replacements across properties throughout the Borough as part of the HRA Capital Programme. The contract will cover the period from January 2025 to April 2026, providing an interim solution while the Council prepares to implement a longer-term roofing maintenance contract beyond this timeframe. This approach ensures that the Council continues to meet its obligations under the Decent Homes Standard without interruption.
- 1.4. Replacing the roofs in a timely manner is crucial to prevent further deterioration of the properties, which could lead to more extensive and costly repairs in the future. Ensuring that roofs are in good condition is essential for maintaining the overall integrity of the buildings, preventing moisture ingress, and improving energy efficiency. A proactive approach to roof replacement aligns with the Council's commitment to providing safe, comfortable, and energy-efficient homes for its residents.
- 1.5. The condition of a property's roof directly affects the living conditions of residents, including their comfort, health, and safety. By investing in roof replacement, the Council aims to improve the quality of life for tenants, reduce their energy bills, and ensure their homes are secure and weatherproof. While roof replacement represents a significant upfront cost, it is a cost-effective solution in the long term, reducing the need for ongoing repairs and maintenance. Investing in new roofing now will extend the lifespan of the properties, enhance their value, and support the Council's strategic goals of sustainable asset management.
- 1.6. All roof replacement works carried out under this contract will strictly adhere to current Building and Fire Safety Regulations. This ensures that the upgraded roofing systems not only improve the durability and energy efficiency of the properties but also meet all legal safety requirements.

1.7. The works identified as necessary as part of this contract are to street properties only. As such, it is important to note that these roof replacement works are not subject to Section 20 Leasehold consultation. This allows the Council to proceed with the procurement and execution of the works without the need for formal consultation with leaseholders.

2. Procurement Proposals

2.1. The proposal is to commence the roof replacement contract in January 2025, with a value of up to £4 million, which will enable works on up to 300 properties, subject to the Council's evolving needs and requirements. The procurement proposal was approved at the Council's Commercial Gateway Review Group (GRG) on 12th July 2024.

2.2. The proposed contract has a potential total value of £4 million. Since this amount is below the threshold established by the Public Contracts Regulations (PCRs) 2015, it does not require compliance with these regulations. Instead, the procurement process will be carried out in accordance with the Council's Contracts Procedure Rules (CPRs) whilst still complying with the principles of the PCRs 2015. This approach ensures that while the procurement adheres to the necessary procedural standards, it remains streamlined and suited to the scale of the project. The CPRs will guide all stages of the procurement to ensure transparency, fairness, and value for money throughout the process.

2.3. The procurement process will be carried out as a restricted tender through the Fusion Procurement Portal, in accordance with the CPRs. For procurements valued above £500,000 but below the threshold set by the Public Contracts Regulations, the CPRs mandate that a minimum of seven qualified organisations be selected and invited to tender. This approach ensures a competitive and transparent process, allowing the Council to assess a diverse range of proposals and achieve the best value for the contract.

2.4. All selected contractors will be required to be registered on Constructionline, a widely recognised register for pre-qualified contractors and consultants in the UK construction industry. Constructionline provides a vetted database of contractors, ensuring that all bidders meet industry standards and possess the necessary qualifications and credentials to undertake the work.

2.5. Tender evaluation will be carried out by two surveyors within the Programme Delivery Team:

- i. The surveyors will individually score the submission for each quality question. The score allocated to each quality question will then be moderated to identify a consensus final score.
- ii. All quality questions will be weighted according to their relative importance in the performance of the works. The weightings are specified by each question. We will ask for one overall fixed price for the works.
- iii. Moderation will be chaired by a member of the Corporate Procurement team.

2.6. Financial checks will be conducted prior to awarding the contract to ensure that the proposed contractor is financially viable for the project. This will include an Experian

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credit check, which will assess the contractor's financial stability and ability to manage the project's financial demands effectively.

2.7. Bids will be evaluated based on a scoring system of 70% price, 20% quality, and 10% social value. This approach balances cost considerations with the importance of high-quality work and the broader impact of the project on the community.

2.8. The proposed project timetable is as follows:

Finalise procurement and draft contract documents	September 2024
Invite tenders	October 2024
Receive and evaluate tenders	November 2024
Make proposals for appointments, gain internal approval to the proposals	December 2024
Notify bidders of outcome of tender	December 2024
Finalise contract documents	December 2024
Start of works	January 2025
Completion of works	March 2026

3. Project Delivery & Risks

3.1. To ensure the highest standards of quality and performance within the supply chain, the Council will establish minimum standards for sub-contractors and include detailed quality-related questions as part of the tender process. These standards will be explicitly highlighted in the invitation documents, setting clear expectations for service delivery and quality. The Council will closely monitor compliance with these standards throughout the contract term, employing regular reviews and performance assessments to ensure that all requirements are consistently met and that the quality of work remains high. This approach aims to enhance overall project outcomes and maintain a robust, reliable supply chain.

3.2. The performance of the contract will be actively managed and monitored throughout the project by the Programme Delivery Project Manager and the Clerk of Works. The Programme Delivery Project Manager will oversee the overall progress and ensure that the project stays on track with its objectives, while the Clerk of Works will focus on quality control, verifying that the work meets the required standards and specifications. Together, they will ensure that any issues are promptly addressed, and that the project is delivered on time, within budget, and to the expected quality.

4. Added Social Value

- 4.1. The contractor's proposals for delivering Social Value within Havering will constitute 10% of the overall tender evaluation. This evaluation criterion will assess how the contractor's approach contributes to the community, including initiatives such as local employment opportunities, skills development, and other community benefits. This focus ensures that the project not only meets its technical and financial objectives but also delivers meaningful positive impacts for the local area.
- 4.2. The Council will evaluate proposals based on the Social Value themes outlined in the Government's 2020 Social Value Model. This framework emphasises key areas such as supporting local economic growth, enhancing social and community well-being, and promoting environmental sustainability. By aligning with these themes, the Council ensures that the contractor's approach not only meets project requirements but also delivers significant benefits to the community and contributes positively to broader social and environmental goals.

5. Proposed Contract

- 5.1. The contract form is the JCT Measured Term Contract which is a form of contract designed for use by employers who have a regular flow of maintenance, minor works and improvements projects that they would like to be carried out by a single contractor over a specified period of time.
- 5.2. The proposed contract form offers several benefits tailored to our needs. This contract structure does not guarantee a fixed amount of work, allowing flexibility in the scope of services provided. It enables precise measurement of work completed, ensuring that expenditure remains controlled and aligned with actual requirements. Importantly, despite setting a maximum value of £4 million, there is no commitment to spend this full amount. Instead, the contract allows for responsive adjustments based on ongoing surveys and budgetary considerations. This approach maximises cost efficiency while maintaining the capability to address varying levels of maintenance needs across Council housing stock.
- 5.3. The Council has incorporated a schedule of amendments into the contract to align with our specific requirements. One crucial addition is a termination clause, granting the Council the right to terminate the contract under specific circumstances. These include instances where the contractor suspends, disrupts, or unreasonably delays work without justification, or fails to proceed regularly and diligently with instructed tasks. This clause ensures that contractual obligations are upheld, maintaining accountability and safeguarding the Council's interests in delivering efficient and timely services to our residents.

REASONS AND OPTIONS

Reasons for the decision:

1. The Council has a statutory and contractual obligation as a landlord to provide repairs, maintenance and compliance works to its properties as well as meet the Decent Homes Standards, and therefore must have a provision in place to deliver this.

Other options considered:

1. The option of doing nothing was rejected on the grounds that this work is required to maintain the housing stock and to reduce the need for responsive repair works.
2. Tendering through a framework was rejected on the basis that the framework will bring additional fees and thereby reducing the number of roofs that can be delivered within the budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

1. This report is seeking approval to commence the procurement process and does not contain any financial implications at this moment in time. It is anticipated that the contract will cost in the region of £4,000,000, which will be funded from HRA Capital Programme, Cost Code C38700. This figure will be confirmed and the contract awarded via a separate Executive Decision.

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 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.
2. Housing Services seek to procure these works in accordance with the Council's responsibilities as a landlord as well various other Health and Safety legislation.
3. The proposed contract value is below the threshold for Works contracts and accordingly does not fall within the full rigours of the Public Contracts Regulations 2015 (as amended).

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4. However, the procurement must still comply with the Council CPRs which requires the Council to use Constructionline to invite at least 7 organisations to tender. The proposed procurement process has already been set out in the body of this report and conforms with the CPRs.

Human Resources implications and risks:

1. The recommendations outlined in this report do not present any identifiable HR risks or implications that would impact the Council or its workforce. The proposed actions are designed to be implemented within existing frameworks and do not foresee any adverse effects on human resources or operational practices.

Equalities implications and risks:

1. 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:
 - 1.1. The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - 1.2. The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - 1.3. Foster good relations between those who have protected characteristics and those who do not.
2. Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.
3. 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.
4. 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. An equality impact assessment has been undertaken.
5. The Council will seek to ensure that socio-economic status will not dictate health and safety outcomes for occupants of new and existing homes.

Health and Wellbeing implications and Risks

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.
2. Poor quality housing can have a serious negative impact on an individual's health and wellbeing and a significant negative impact on communities.

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

Environmental and Climate Change Implications

1. Environmental and Climate Change implications of delivery of the contract will be assessed through contract award as part of the Quality evaluation process; tenderers will be evaluated upon their proposals to reduce the environmental impact and carbon footprint of how the work is delivered, such as local supply chains, electric vehicles, waste reduction and recycling and so on.
2. Sustainability of materials will be built into the specifications by ensuring the manufacturers comply with BES 6001 “Responsible Sourcing of Construction Products”, to prove that their products have been made with constituent materials that have been responsibly sourced.
3. Insulating homes decreases the amount of fuel needed to heat them, reducing carbon emissions, and therefore helping to achieve the Council’s aim to become carbon neutral by 2040.

BACKGROUND PAPERS

- 1.1. HRA Business Plan update, Budget 2024/25 & Capital Programme 2024/25–2028/29.
- 1.2. Housing Services Asset Management Strategy 2021-2026.

APPENDICES

- 1.1. Appendix 1: Equality & Health Impact Assessment (EqHIA)