

## Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to the financial or business affairs of any particular person (including the authority holding that information), and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

<b>Subject Heading:</b>	Roof Replacements 24/25 – Contract Award
<b>Decision Maker:</b>	Neil Stubbings, Strategic Director of Place
<b>Cabinet Member:</b>	Councillor Paul McGeary, Lead Member for Housing & Property
<b>ELT Lead:</b>	Neil Stubbings, Strategic Director of Place
<b>Report Author and contact details:</b>	Husnain Mazhar Quantity Surveyor Housing Services <a href="mailto:Husnain.mazhar@havering.gov.uk">Husnain.mazhar@havering.gov.uk</a> 07966303701
<b>Policy context:</b>	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
<b>Financial summary:</b>	The anticipated contract cost is a maximum of £4 million, which will be

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	funded from the Housing Revenue Account (HRA) Capital Programme.
<b>Reason decision is Key</b>	Yes, as expenditure or saving (including anticipated income) of £500,000 or more
<b>Date notice given of intended decision:</b>	13 January 2025
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Places
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

**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

X

Resources - Enabling a resident-focused and resilient Council

## **Part A – Report seeking decision**

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

Approve the award of a contract to Elm Site Services Limited up to the maximum value of £4 million to deliver roof replacements and associated works in respect of HRA properties across the Council.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

The Authority for this decision is derived from the Cabinet meeting on 25th September 2024, *Roof Replacements 2024/25*, where it was agreed that the approval of the award of the contract, contract terms and completion should be delegated to the Strategic Director of Place, acting in consultation with the Strategic Director of Resources and the Deputy Director of Legal & Governance:

### **STATEMENT OF THE REASONS FOR THE DECISION**

1. The existing arrangements for renewing roofing on Housing Revenue Account (HRA) properties have come to an end. To ensure continuity in maintaining the Council's housing stock, it is crucial to secure a new contract for roof replacements. This procurement process was intended to 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 February 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.
2. Following the Cabinet approval on 25<sup>th</sup> September 2024, the procurement process was 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 ensured a competitive and transparent process, allowing the Council to assess a diverse range of proposals and achieve the best value for the contract.
3. All selected contractors were 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.
4. Out of the seven contractors who were invited to participate in the bidding process, five responded by submitting their proposals.
5. The tender evaluation process was conducted by the Council's Officers, ensuring a thorough and fair assessment of the submitted bids. To uphold transparency and maintain adherence to procurement standards, the evaluation was further reviewed and moderated by the Council's Internal Procurement Team.

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6. Bids were evaluated based on a scoring system that allocated 70% to price, 20% to quality, and 10% to social value. This approach balanced cost considerations with the importance of delivering high-quality work and the broader impact of the project on the community.
7. The Tender Results Report (Appendix 1) provided a comprehensive analysis of both the quantitative data (cost) and qualitative data (quality) submitted by all the bidders. It also included detailed information on each of the selection criteria used in the evaluation process.
8. It should be noted that the price submitted in the tender was determined based on the selection of properties to identify the most competitive contractor. The contract value of £4 million is aligned with the available budgets.
9. Elm Site Services Limited emerged as the highest-scoring bidder, and it is recommended that they be awarded the contract. The scores achieved by each bid are detailed in Exempt Appendix 1.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

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.

### **PRE-DECISION CONSULTATION**

1. No formal consultation was required. All relevant internal Business Partners have been consulted

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

Name: Husnain Mazhar

Designation: Quantity Surveyor

Signature: Husnain

Date: 16/01/2025

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

- 1.1. The Council has statutory requirements to undertake repairs and maintain its HRA housing stock under the Landlord and Tenant Act 1985, Housing Act 2004 and the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994.
- 1.2. The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The arrangements now sought are in accordance with these powers.
- 1.3. The Council is a contracting authority for the purpose of the Public Contracts Regulations 2015 (as amended) (PCR). The total contract value is estimated up to £4 million. The value of the procured contract will be below the works threshold for the purposes of the PCR 2015 of £5,372,609 (incl of VAT). 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). 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 procurement process was undertaken in accordance with the CPRs.
- 1.4. 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 award of the contract and execution of the works without the need for formal consultation with leaseholders.
- 1.5. For the reasons set above, the Council may award the contract to Elm Site Services Limited.

### **FINANCIAL IMPLICATIONS AND RISKS**

- 1.1. This contract will be funded from the HRA Capital Programme, with the 2025/26 budget included in the draft HRA Business Plan, which is due to go to Cabinet in February for approval.
- 1.2. As a “measured term” contract, works orders are raised for projects or programmes, but the contractor is not guaranteed all or any work and has no claim to compensation if orders are not forthcoming or do not meet the indicative contract value of £4 million. There is no contractual commitment to this value and the work will be awarded in line with the available budget.
- 1.3. A financial check has been carried out on Elm Site Services Limited, using Experian and they were considered very low risk.

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

- 1.1. There are no HR implications and no incumbent contractor and as such there are no TUPE implications.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

- 1.1. 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.
- 1.2. “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.
- 1.3. 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.

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### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

- 1.1. 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.
- 1.2. Poor quality housing can have a serious negative impacts on individual's health and wellbeing and a significant negative impact on communities.
- 1.3. The Council is responsible for improving and protecting health and wellbeing of local residents under the Health and Social Care Act 2012.
- 1.4. These contracts 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.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

- 1.1. Environmental and Climate Change implications of delivery of the contract has been assessed through contract award as part of the Quality evaluation process; tenderers have been 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.
- 1.2. Sustainability is central to Elm Site Services' operations, and this project will align with Havering's carbon reduction goals. By upgrading loft insulation, we will improve thermal performance, reducing heating costs and carbon emissions for council homes. All insulation will follow Approved Document L of the Building Regulations, ensuring energy efficiency. Waste management is a key priority, with old roof coverings and timber being responsibly disposed of in line with BS EN ISO 14001:2015 standards. Recyclable materials will be diverted from landfill and repurposed for community initiatives, such as using reclaimed timber in local workshops. Scaffolding will meet BS EN 12811-1:2003 safety and efficiency standards, minimising disruption to residents.
- 1.3. Roofing materials will be selected for their durability and environmental credentials, following BS 5534:2014+A2:2018 standards for pitched roof design. These practices will ensure the project contributes significantly to the sustainability goals of the borough, proving Elm Site Services' commitment to environmental responsibility.

### **BACKGROUND PAPERS**

**None**

### **APPENDICES**

**Appendix 1 – Tender Evaluation Summary – Exempt**

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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

Neil Stubbings  
Strategic Director of Place

Date: 20<sup>th</sup> February 2025

**Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_