

Notice of KEY Executive Decision

Subject Heading:	Increase in the existing Kitchen & Bathroom refurbishment contract value of up to £1.75m and extend term to end of October 2026
Decision Maker:	Councillor Paul McGeary, Lead Member for Housing & Property
Cabinet Member:	Councillor Paul McGeary, Lead Member for Housing & Property
ELT Lead:	Neil Stubbings, Strategic Director of Place
Report Author and contact details:	Robert Ditsell, Project Manager Housing Services Robert.ditsell@havering.gov.uk
Policy context:	The statutory requirement to maintain our homes to a decent standard. 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 proposed increase in value of up to £1,750,000 would result in the total contract value of £8,050,000.
Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	24 th December 2025

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Relevant Overview & Scrutiny Committee:	Place OSSC
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

~~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

This report is seeking approval from the Lead Member for Housing & Property to:

- Vary the contract with Mears Limited dated 1st April 2021 for the provision of kitchen and bathroom refurbishment works, to increase the maximum contract value by up to £1,750,000, bringing the total to £8,050,000; and
- Extend the contract for 6 months up to October 2026

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 Responsibility for Functions

3.3.8 To approve the commencement of the tender process, to award contracts, agree extensions of contract terms where the value of such matter is between £1,000,000 and £2,000,000 subject to consultation with the Strategic Director of Resources.

STATEMENT OF THE REASONS FOR THE DECISION

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 Council entered into a 5-year contract with Mears Limited on 1st April 2021 to undertake kitchen and bathroom refurbishment works, at an original contract value of £6,300,000.

The Council now wishes to extend the contract for a further six months. This is required due to enhanced spend at periods throughout the contract term as a result of further allocated properties requiring refurbishment.

This has resulted in a projected shortfall of between £400,000 and £500,000 in the current blanket purchase agreement value, which is due to end in March 2026.

The additional money allocation will enable continuation of delivery of works into quarter one and two of 2026/2027, utilising our existing contract and delivery partner, Mears, whilst the new strategic contract is being awarded and then mobilised.

The Council is in the process of awarding a number of long-term Major Works contracts through which these services will be delivered in future.

The procurement was through a Competitive Dialogue process, which began with a contract notice in February 2025 and which concluded with evaluation of final submissions in January 2026.

Award of those contracts is currently going through the appropriate governance process.

Due to some slippage in the procurement process and a longer than anticipated mobilisation period, those contracts will not be live until later in 2026.

An extension is required until the council can commence the major works framework. This interim arrangement will ensure that there is a contractor in place to continue critical works and maintain momentum during the transition. Extending the existing contract will provide the necessary support and continuity until the new contracts are fully operational, allowing the council to effectively address ongoing maintenance and safety needs without interruption.

As a Measured Term contract, the Council is under no obligation to place orders with the existing contractor once the new contracts are fully mobilised, but the extension sought provides reassurance that service delivery will not be impacted.

The current contractor demonstrated consistent, satisfactory performance throughout the five-year period. Quality assessments and performance reviews confirmed that the work met both regulatory standards and the council's expectations for quality and safety.

Appointing a replacement contractor for a short interim period would disrupt continuity of service. The time required to procure and mobilise an alternative provider would exceed the short extension period now sought, meaning that a change of contractor would not be feasible within the required timeframe. In addition, a break in delivery

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would place the Council at risk of failing to deliver works or spend allocated funds in period 2026/2027.

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

OTHER OPTIONS CONSIDERED AND REJECTED

1. Not to allocate further monies to existing contract.

Impact – not all properties needing refurbishments will have works completed.

2. Not to extend current contract with Mears.

Impact – there could be up to a 6 month period of no delivery of refurbishments in period 2026/2027.

Impact - The allocated budget would be at risk of underspend.

PRE-DECISION CONSULTATION

Democratic services and Business partners – as part of this report.

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

Name: Robert Ditsell

Designation: Project Manager

Signature:



Date: 6th January 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to vary the contract for works under Section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

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The Council also 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 constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The original value of the contract is above the applicable public procurement threshold for services contracts for the purposes of the Public Contracts Regulations 2015 (PCR 2015), and as such, the contract is caught by the full PCR regime.

The contract particulars do not permit an extension of time, and so a contract variation is required.

Reg 72(1)(b) of the PCR 2015 permits modifications where additional works/services are required that were not included in the original procurement, where a change of contractor is not possible for economic or technical reasons, or would cause significant inconvenience or substantial duplication of costs. This is provided that the price increase does not exceed 50% of the original contract value, which it does not here.

As set out in this report, officers have confirmed that a change in contractor is not possible for operational and economic reasons. Accordingly, the conditions of Regulation 72(1)(b) are met.

On the same basis, the requirements of paragraph 19.1(ii) of the Council's Contract Procedure Rules, which mirrors Regulation 72(1)(b), are also satisfied.

For the reasons set out above, the Council may vary the contract.

FINANCIAL IMPLICATIONS AND RISKS

The Council entered a 5-year contract with Mears Limited to undertake Kitchen and Bathroom refurbishment works. The original contract value was for £6,300,000. This is an annual value of £1.26m.

The proposal seeks to increase the maximum contract value by up to £1,750,000 resulting to a total value of £8,050,000 and to extend the contract for 6 months up to October 2026.

The request is twofold. The first is to increase the number of properties requiring refurbishment within 2025/26, the estimate is to increase the number of properties by 83 units at an assumed rate of £6,000 on average. This has led to a need to increase the contract value by £0.500m. This can be contained within the HRA Capital Programme budget.

The second element is to extend the contract by 6 months to October 2026 to ensure the continuity of the service. The value of this extension is £1.25m, which aims to complete up to 208 renovations in the first half of 2026/27. This sum has been included in next year's HRA Business Plan, under the Decent Homes Project. This was presented to Cabinet on 28th January 2026 and was approved.

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The expectation is that the new provider contract will be in operation by October 2026 and therefore a further extension request is not anticipated, however, there is always a risk of this.

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

The recommendations made in this report do not appear to 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.

An EqHIA (Equality and Health Impact Assessment) was carried out at point of contract award, and we deem there to be no change for this extension request.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are no equalities and social inclusion implications and risks associated with this decision.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There are no direct health and wellbeing implications arising from the recommendations of this report.

Ensuring the council can continue to deliver necessary home renovations will support health and wellbeing of residents, given association with housing quality.

Upon initial contract award an EqHIA was completed which did not identify any significant risks to health and there is no anticipated change to this.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

This report does not contain any implications or risks to climate change as this is an existing contract.

BACKGROUND PAPERS

None

APPENDICES

None

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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

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

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 _____