

Notice of Non-key Executive Decision

Subject Heading:	Out of Hours Service – 12-month Contract Extension and a Contract variation
Decision Maker:	Paul Walker – Interim Director of Housing & Property
Cabinet Member:	Councillor Paul McGeary - Cabinet Member for Housing & Property
SLT Lead:	Neil Stubbings - Strategic Director of Place
Report Author and contact details:	Katri Wilson Assistant Director Supported Housing Katri.wilson@havering.gov.uk Telephone 01708 434581
Policy context:	The Housing Revenue Budget and Capital Programme Review 2026/27 -2030/31. The General Fund Budget for 2026/27.
Financial summary:	This proposed contract extension and contract variation have a total value £154,896 and will be part funded by the Housing Revenue Account and the General Fund, as appropriate.
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision.

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

People - Things that matter for residents X

Place - A great place to live, work and enjoy X

Resources - A well run Council that delivers for People and Place.

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, the Interim Director of Housing & Property is recommended to:

- a. Extend the current OOH contract with Pinnacle Connect Ltd from 1 April 2026 to 31 March 2027, as provided for within the existing contract, excluding the Housing Repairs out of hours calls.
- b. Approve a contract variation with Mears Group, as provided for within their existing contract, to deliver the Housing Repairs out of hours call service, from 1st April 2026 to 31 March 2027.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

Scheme 3.3.3

Powers common to all Strategic Directors

4. Contract powers

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions.)

As sub-delegated by Neil Stubbings, Executive Director of Place, to Paul Walker, Interim Director Housing & Property.

STATEMENT OF THE REASONS FOR THE DECISION

Background

The Council operates a corporate Out of Hours (OOH) emergency response service, handling approximately 25,000 calls per year across 29 service areas. These include Housing Repairs, Social Care emergencies, Homelessness, Highways, Environmental Health, Civil Contingencies, Street Lighting, Trees, Stray Dogs and safeguarding related calls.

Following a full competitive procurement, a contract was awarded to Pinnacle Connect Ltd, commencing 1 April 2021 for a duration of five years, with a two-year optional extension. The current contract is due to expire on 31st March 2026 unless extended.

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The service remains essential for ensuring residents can report emergencies 24/7 and that appropriate interventions can be coordinated without undue delay.

Performance

Pinnacle have generally performed well over the period of their contract, with monthly call answering KPIs being met. That said, issues concerning staffing shortages, migration to Windows 11, and some unusually high call volumes, have resulted in variable performance in the latter part of this financial year.

Proposal

Many things have changed since the original out of hours contract was awarded about five years ago. In Housing, we have seen the introduction of Consumer Standards by the Regulator of Social Housing and more recently the introduction of new legislation dealing with housing defects; Awaabs Law, for example, has recently come into force and this requires reports of defects to be dealt with within strict timescales.

Given this, it is felt that it would be beneficial, from a customer perspective, for Mears, who deliver the Housing Repairs Contract, to receive repairs calls directly out of hours. They already receive all repairs calls within normal working hours. This should enable the out of hours housing repairs calls to be dealt with in the most efficient way possible.

It is therefore proposed that a contract variation be made to bring this into effect from 1st April 2026, for a period of one year.

This change will reduce call volumes handled by Pinnacle Connect Ltd, and this along with revised performance monitoring arrangements, should also enable them to deliver as required under their contract.

It is therefore proposed to activate the contract extension clause and extend the OOH contract with Pinnacle Connect Ltd, excluding Housing repairs calls, from 1 April 2026, for a period of one year.

The performance of both Mears and Pinnacle will be closely monitored and this will have a bearing on how the out of hours service is delivered beyond the 12-month arrangements previously described.

That said, some market research has been undertaken which indicates that there might be market interest in delivering a bundle of call handling services, including:

- *Telecare calls
- *Building Alarm calls
- *Out of hours calls.

It is therefore proposed to go out to the market to see if there is a suitable provider which might be able to deliver this bundle of services. This will be subject to separate governance.

The approach set out in this report will maintain service stability, avoids the risks and costs of conducting a full procurement prematurely, and support effective forward

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planning while the Council examines a revised service model for future commissioning.

Financial Implications

The cost of the proposed out of hours call service to be provided by Mears will be approximately £60,296 in 2026/27. This will be met by the Housing Revenue Account. The cost of the proposed out of hours call service to be provided by Pinnacle will be approximately £94,600 in 2026/27. This will be a cost for those services that are within the General Fund.

The cost of the original out of hours service was quite low and it has not kept pace with inflation and other costs, but the consideration of a one-year contract extension has enabled these issues to be addressed. This would normally cause a small budget pressure, but a provision of £40K has been set aside for one year, which can be drawn on as necessary.

The precise cost of this to each service, will only be known towards the end of the 2026/27 financial year and will be based on proportionate usage as it is now.

The tendering exercise previously referred to, will help to shape how the future out of hours call handling services are delivered in the future, but this will be a matter for future consideration.

Conclusion

Given the foregoing, it is proposed to:

Make a contract variation to the existing repairs contract with Mears, such that they provide an out of hours emergency service in relation to housing repairs from 1st April 2026 to 31st March 2027.

And

A one-year extension of the Out of Hours Emergency Contact Service contract, excluding Housing repairs calls, with Pinnacle Connect Ltd, extending service delivery from 1 April 2026 to 31 March 2027.

OTHER OPTIONS CONSIDERED AND REJECTED

The option of not extending the contract with Pinnacle Connect Ltd was considered, but this was rejected due a desire to undertake a wider procurement exercise, which will take time and cannot be completed before 1st April 2026.

The option of leaving all out of hours calls with Pinnacle was considered, but given recent changes in legislation concerning housing repairs, it was felt on balance, that a better customer service should be able to be obtained by asking Mears to handle the out of hours housing repair calls.

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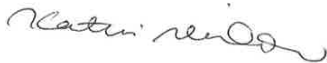
PRE-DECISION CONSULTATION

Engagement has taken place with a number of relevant key stakeholders.

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

Name: Katri Wilson

Designation: Assistant Director Housing Operations



Signature:

Date: 12th February 2026

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The extension of the Pinnacle Connect Contract is permissible under the original contract and is compliant with procurement regulations. The extension options are provided for within the original contract.

The Out of Hours Call services is within scope of the original Mears Contract and therefore the variation to include the out of hours calls for Housing Repairs is permissible under the Contract and is compliant with the Public Contracts Regulations 2015, under which the contracts were originally procured.

Variation agreements for the contracts shall be prepared by Legal.

FINANCIAL IMPLICATIONS AND RISKS

In April 2021, the Council entered a 5-year corporate Out of Hours (OOH) emergency response service contract with Pinnacle Connect Ltd, with a two-year optional extension. This proposal seeks to do the following:

A) Approve the activation of the contract extension clause to extend the out of hours contract with Pinnacle Connect Ltd for a period of 12 months effective from the 1st April 2026.

B) Approve the variation to the terms of the corporate out of hours contract to exclude all housing repairs calls for a period of 12 months effective from 1st April 2026.

C) Approve the variation to the Mears Group's contract, as provided for in their existing contract, to include the delivery of the Housing Repairs out of hours service from 1st April 2026-31st March 2027

The costs of the 12-month extension of the Out of hours contract (excluding housing repairs calls) with Pinnacle is estimated at £94,600 to be met by the General Fund and will continue being rechargeable to each service area in proportion with the out of hour call usage by each service. This is a proportional increase on the current year costs due to service costs having increased over the last five years since the contract commenced. The cost of Mears Group delivering the out of hours service of £60,296 for 12 months commencing 1st April 2026 will be met by the Housing Revenue Account and will be rechargeable to the cost of Responsive Repairs. This is within the HRA budget.

Risks: A carry forward request has been submitted to cover the cost increase in the extension in respect to the General Fund services. Should this not be granted, then services will need to mitigate the contractual increases in year. There is no contingency plan in place, if Mears are unable to deliver the service to the required standard or if this results in service deterioration.

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:

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- (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, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

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.

There are no equalities implications arising from this decision.

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

There are potential workforce implications arising from the proposed service variation and contract extension. A full TUPE assessment will be undertaken with HR and Legal to determine whether any employees may be subject to transfer because of the movement of housing repairs out-of-hours calls from Pinnacle Connect Ltd to Mears Group. The Council will ensure that any statutory consultation and workforce information requirements are met where applicable.

Commissioners will seek assurance that both providers have sufficient trained staffing capacity, appropriate wellbeing support and safeguarding training to deliver a resilient 24/7 service. HR will also support future commissioning considerations to assess workforce implications of any new bundled service model.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no Environmental and Climate Change Implications and Risks arising from this decision.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering Council is committed to protecting and promoting the health and wellbeing of residents.

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There are no direct health and wellbeing implications arising from the recommended decisions to extend the current OOH contract with Pinnacle and to vary the Mears Group contract for out of hours housing repairs service.

Ensuring that the Council has out of hours provision in place will help to protect health and wellbeing or minimise harm to any residents experiencing urgent or emergency situations, by ensuring that necessary support can be provide in an appropriate time frame, regardless of when the issue arises.

BACKGROUND PAPERS

Out of Hours Contract.

APPENDICIES

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

Details of decision maker

Signed



Paul Walker

Interim Director of Housing & Property

Date: 6th March 2026

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____