

## Notice of KEY Executive Decision

<b>Subject Heading:</b>	Contract value increase and contract extension for roof replacements
<b>Decision Maker:</b>	Councillor Paul McGeary, Lead Member for Housing & Property
<b>Cabinet Member:</b>	Councillor Paul McGeary, Lead Member for Housing & Property
<b>SLT Lead:</b>	Neil Stubbings, Strategic Director of Place
<b>Report Author and contact details:</b>	Husnain Mazhar Quantity Surveyor Housing Services Husnain.mazhar@havering.gov.uk 07966303701
<b>Policy context:</b>	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  This work supports the Housing Asset Management Strategy 2021-26 and is identified within the HRA Business Plan.
<b>Financial summary:</b>	The proposed increase in value of £1,950,000 would bring the total contract value to £5.95m. This funding is included in the HRA Business Plan.

<b>Reason decision is Key</b>	It is a Key Decision as Expenditure will be £500,000 or more.
<b>Date notice given of intended decision:</b>	10 <sup>th</sup> October 2025.
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Place
<b>Is it an urgent decision?</b>	N/A
<b>Is this decision exempt from being called-in?</b>	No

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

People - Things that matter for residents

Place - A great place to live, work and enjoy

X

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

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in the report, the Cabinet Member for Housing and Property is recommended to agree to extend the contract term of the existing contract for the delivery of roof replacements and associated works with Elm Site Services Limited to the 31<sup>st</sup> of October 2026 at the value of £1.95 million for the extension of the contract to enable the completion of works to additional properties.

### AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 (Responsibility for Functions), Paragraph 2 and Paragraph 2.5 (h) of the Council's Constitution as follows:

*The following Functions may be delegated to individual Cabinet members by the Leader:*

*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

#### 1. Background

- 1.1. Through the Asset Management System, Housing & Property has identified a Borough-wide need for roof replacements to properties. Following a competitive procurement process, the Council awarded a contract to Elm Site Services Limited commencing on 8<sup>th</sup> April 2025 to carry out these works.
- 1.2. Replacing the roofs in a timely manner had been crucial to preventing further deterioration of the properties, which leads to more extensive and costly repairs later. Maintaining roofs in good condition has been essential for preserving the overall integrity of the buildings, avoiding moisture ingress, and improving energy efficiency. A proactive approach to roof replacement has aligned with the Council's commitment to providing safe, comfortable, and energy-efficient homes for its residents.
- 1.3. The condition of a property's roof has directly influenced the living conditions of residents, affecting their comfort, health, and safety. By investing in roof replacement, the Council has sought to improve tenants' quality of life, reduce their energy bills, and ensure their homes are secure and weatherproof. Although roof replacement has represented a significant upfront cost, it has been a cost-effective long-term solution, reducing the need for ongoing repairs

and maintenance. Investing in new roofing at that time has extended the lifespan of the properties, enhanced their value, and supported the Council's strategic goals for sustainable asset management.

## **2. Rationale for Increasing Contract Value and Extending Contract**

- 2.1. The Council is currently progressing a procurement exercise for a long term major works contract, which will incorporate the delivery of roof replacement programmes across the relevant housing stock. The proposed contract award is proceeding through the Council's established governance and approval processes to ensure full compliance with procurement regulations and internal decision-making requirements.
- 2.2. Due to slippage within the procurement timetable, together with a mobilisation period that is anticipated to be longer than originally forecast, the new contract is not expected to become operational until later in 2026. As a result, the existing roof replacement contract must be extended to maintain continuity of service and ensure that planned works continue to be delivered without interruption. This extension will enable the Council to sustain programme momentum, meet its asset management obligations, and avoid any disruption to residents while the new contractual arrangements are finalised and mobilised.
- 2.3. As the existing roofing contract is due to expire at the end of March 2026, a failure to extend the existing contract may result in a gap in provision and significantly limit the Council's ability to deliver roofing works during the interim period. Extending the current contract will ensure continuity of service and enable essential roofing works to continue without interruption, particularly where urgent repairs or replacement are required.
- 2.4. The increase in the contract value is justified on the basis that the Council is satisfied with the quality and performance of the works delivered to date. As the programme progresses, additional properties requiring roof replacement are identified, and expanding the scope of the existing contract is the most efficient and consistent way to address these needs.
- 2.5. This extension and associated increase in contract value is intended solely as a mechanism to enable the continued delivery of the roofing programme, which is already budgeted for within the HRA Capital Programme, until the new contract is procured and fully in place. This approach ensures continuity of service and avoids any interruption to planned works.

## **3. Existing Contract**

- 3.1. The contract form is the JCT Measured Term Contract, which is a type of contract designed for use by employers who have a regular flow of maintenance, minor works, and improvement projects that they want to be carried out by a single contractor over a specified period.

3.2. The proposed increase in the maximum contract value offers several benefits aligned with our needs. This contract structure does not guarantee a fixed amount of work, providing flexibility in the scope of services delivered. It enables precise measurement of completed works, ensuring that expenditure remains controlled and proportionate to actual requirements.

3.3. It is to be noted that £1.95 million represents the maximum estimated value for the proposed increase, based on the attribute and condition data held within the Keystone asset database. The Council will retain full control over the properties and works instructed under the contract. The contractor will survey and price only the properties issued to them, using their tendered rates, and the Council will review all quotes, measurements, and pricing to ensure the correct rates have been applied before issuing Works Orders in line with approved budgets.

#### **4. Procurement and Project Risks**

4.1. The proposed increase in the maximum contract value will enable the Council to continue the programme of roof replacements across the properties identified as requiring works. This increase will support the continued delivery of high-quality, cost-effective replacements by retaining the contractor who originally won the tender, ensuring consistency and maintaining the standard of works.

#### **5. Added Social Value**

5.1. The proposed increase in the contract value will result in a proportionate increase in the social value delivered by the contractor, in line with the commitments set out in their original tender proposals. This ensures that the Council continues to receive added community benefits as the volume of works increases. Maintaining this partnership supports the Council's wider objectives for social responsibility and community development while ensuring that the contractor remains invested in delivering positive outcomes for residents.

5.2. Elm Site Services Limited is a local Small or Medium sized Enterprise that has demonstrated a strong commitment to supporting communities in Havering through activities such as sponsorship of local Harold Hill Christmas lights, sponsoring photography at Lond Service awards, providing 12 months of support for well-being events. Their ongoing engagement contributes positively to the local economy and wider community initiatives.

#### **6. Reasons for the decision**

6.1. The Council has a statutory and contractual obligation as a landlord to provide repairs, maintenance and compliance works to its properties and therefore must have a provision in place to deliver this.

6.2. The contractor has continued to perform to a satisfactory standard, consistently meeting the Council's requirements to date. As the need for ongoing maintenance and improvement works remains, their expertise is still essential. It is therefore recommended that the maximum contract value be increased to

support uninterrupted delivery and to sustain the quality of service achieved so far.

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

#### **1. Do Nothing Approach**

- 1.1. The option to take no action and allow the contract to continue without amendment was considered but rejected, as the current contract value would not be sufficient to cover the additional properties that have been identified.
- 1.2. Allowing the current contract to expire without an extension would create a gap in service delivery, preventing essential roofing works from being undertaken during the interim period.

#### **2. Re-Tender**

- 2.1. Re-tendering the contract was not considered a viable option due to the additional time and costs involved in undertaking a new procurement process. Initiating a new tender exercise would result in significant delays, and by the time the process is completed, and a new contractor is mobilised, a considerable amount of time would have been lost. This would leave insufficient time for the new contractor to carry out the required works before the strategic alliance is mobilised. In addition, such a short contract period would likely not be attractive to potential bidders, which could limit market interest and reduce competition.

### **PRE-DECISION CONSULTATION**

1. No formal public consultation has been undertaken, as the proposals relate to contractual and operational matters.
2. The properties to be delivered under this continuation of the contract are all street properties. As a result, no Section 20 consultation is required.

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

Name: Husnain Mazhar

Designation: Quantity Surveyor, Property Services

Signature: Husnain

Date: 05/01/2026



## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

- 1.1. The Council is the owner and landlord of certain residential properties. The Council has responsibilities as a landlord. The Council has statutory requirements to undertake repairs and maintain its Housing Revenue Account 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. The Council is making a decision to extend a contract for roof replacements and associated works for that purpose.
- 1.2. The Council has power to extend the contract through 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, or through its general power of competence in section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.
- 1.3. Regulation 72(b) of the Public Contracts Regulations 2015 allows a modification of a contract for additional works, services or supplies of up to 50% of the value of the original contract, if a change of contractor can not be made for economical or technical reasons and would cause significant inconvenience or duplication of costs to the Council. The value of the proposed extension of £1 950 000 is below 50% of the contract's original value of £4 000 000. Changing to a new contractor for the period of April 2026 to October 2026 would be uneconomical and cause a significant inconvenience and duplication of costs to the Council. Therefore, the Council can make the proposed extension in accordance with regulation 72(b).
- 1.4. For the reasons set out above, the Council can extend the contract.

### FINANCIAL IMPLICATIONS AND RISKS

- 1.1. In April 2025, the authority entered into a one year contract with Elm Site Services Limited, to provide an interim solution while the Council prepared to implement a longer-term roofing maintenance contract. The contract had a maximum value of £4.0 million.
- 1.2. This paper is requesting an extension to the existing arrangement, with the contract value being increased by £1.950 million, to £5.950 million. On average, this will cover approximately 150 roofs at a cost of £13,000 per job.
- 1.3. The authority is currently undertaking the procurement for a long-term roofing contract which, allowing for adequate mobilisation, is expected to commence in November 2026. As the existing roofing contract with Elm Site Services Ltd, is due to expire at the end of March 2026, without the extension of the current

contract this would otherwise result in a gap in provision and significantly limit the authority's ability to deliver roofing works during the interim period. Extending the current contract will ensure continuity of service and enable essential roofing works to continue without interruption, particularly where urgent repairs or replacement are required.

#### 1.4 Table of Original Profiled Budget and Expenditure.

Years	Profiled Budget		Total Budget (£000)	Spend by year (£000)
	Cabinet Report (£000)	New Funding Proposal (£000)		
2024/25	500		500	499
2025/26	3,500		3,500	3,299 <i>to date</i>
2026/27		1,950	1,950	
	<b>4,000</b>	<b>1,950</b>	<b>5,950</b>	<b>3,797</b>

1.5. The contractual increase of £1.95 million is contained within the 2026/27 Housing Revenue Account (HRA) Business Plan, which was approved by Cabinet on the 28th January 2026, but will be subject to Full Council approval in March 2026. For transparency, the roofing element of the HRA Capital Programme Budget is below:

HRA Capital Programme	2026/27 £'000	2027/28 £'000	2028/29 £'000
Roofing	3,300	4,300	4,530
<b>Total</b>	<b>3,300</b>	<b>4,300</b>	<b>4,530</b>

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

1.1. There are no HR implications and there are no Transfer of Undertakings (Protection of Employment) Regulations 2006 implications as this is an extension of contract with the incumbent contractor.

### **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 serious negative impacts on individuals' 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. This contract supports the aims and delivery of the Housing Asset Management Strategy ensuring that the Council provides the right homes for its 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 have been assessed through contract award as part of the Quality evaluation process; tenderers were 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. Elm Site Services Limited have committed to supporting Havering's 2040 zero carbon commitment and creating greener more sustainable communities.

### **BACKGROUND PAPERS**

None.

### **APPENDICES**

None.

## **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

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 \_\_\_\_\_