

## Notice of Non-Key Executive Decision

<b>Subject Heading:</b>	Contract award for Multiple Loft Conversions.
<b>Decision Maker:</b>	Paul Walker, Interim Director of Housing & Property.
<b>Cabinet Member:</b>	Cllr Paul McGeary, Cabinet Member for Housing & Property.
<b>SLT Lead:</b>	Neil Stubbings, Strategic Director of Place.
<b>Report Author and contact details:</b>	James Wallis, Project manager, Property Services. Email: james.t.wallis@havering.gov.uk Tel: 07714648301
<b>Policy context:</b>	Supports the People Theme - People are helped to live independent, socially connected and healthier lives.
<b>Financial summary:</b>	The maximum value of the contract is £338,000 which will be funded from the Housing Revenue Account, Capital Programme.
<b>Relevant Overview &amp; Scrutiny Sub Committee:</b>	Place OSSC.
<b>Is this decision exempt from being called-in?</b>	The decision will be exempt from call in as it is a Non key Decision.

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**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 detailed in this report the Interim Director of Housing & Property is recommended to agree to:

1. Approve the award of a works contract, valued at £338,000 to Elm Site Services Ltd (Company No. 05109035) for the delivery of multiple loft conversions and associated works across various Council properties. The contract award follows the successful completion of a Request for Quotation (RFQ) exercise undertaken through Havering Council's secure online tendering system, Fusion. The works are due to commence on 1<sup>st</sup> May 2026 and will be concluded by April 2028.

### AUTHORITY UNDER WHICH DECISION IS MADE

#### Part 3 of the Council's Constitution

3.3 Scheme of Delegation – functions delegated to officers

**Scheme 3.3.3** - Powers common to all Strategic Directors

#### 4. Contracts

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

### STATEMENT OF THE REASONS FOR THE DECISION

1. This project involves the procurement of a JCT Measured Term Contract to deliver six loft conversion projects across existing general needs housing stock within the London Borough of Havering (LBH). The works are being proposed in response to the increasing demand for larger family homes and are supported by Havering's Housing Choice and Applications Manager. The loft conversions will increase the habitable space within the properties, creating additional housing and re-housing opportunities for larger households, while also increasing rental income and enhancing the overall asset value of the Council's housing stock. The works will further improve the energy performance of the properties, supporting the Council's commitment to meeting government net zero carbon targets.
2. A generic tender specification was prepared to procure this contract, covering all areas of works and potential requirements that may need to be priced across a range of property types. Once a property is allocated for conversion, the relevant agreed rates will be applied to the specific scope of works for that property. Planning approval will be secured through permitted development, with a Certificate of Lawfulness obtained for each conversion, alongside full Building

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Regulations approval confirming the detailed scope of works prior to commencement on-site.

3. In line with LBH Procurement Guidelines, quotations were requested via the Council's FUSION procurement portal, with six contractors invited to submit bids. All contractors were provided with a five-week period to prepare and submit their quotations and complete all required documentation in compliance with the RFQ. Five quotations were received. The successful contractor was selected following an evaluation based on both quality and price, using the agreed weighting criteria of 70 percent price, 20 percent quality and 10 percent social value.
4. The RFQ was issued as a closed request due to the specialist nature of the works. The contractors invited to quote are experienced providers with proven expertise in this field and who have previously delivered building works on behalf of the London Borough of Havering to a high standard. All five invited contractors submitted a compliant quotation which was evaluated as part of the procurement process.
5. All returned RFQ submissions were reviewed and checked for completeness, including verification of any mathematical errors and the identification of any irregularities within the submitted rates.
6. Elm Site Services Ltd submitted the quotation that offers the best value for money, with a total value of £338,000, which includes £35,000 in provisional and contingency sums to allow for any unforeseen works. Elm Site Services Ltd is an experienced contractor that has previously delivered several significant improvement projects on behalf of the London Borough of Havering, including roof replacement programmes, where their service delivery and overall performance have been of a high standard. . The scores for the procurement exercise carried are set out below:

Overall Total Score	Tender Prices	Technical score (30%)	Cost score (70%)	Total out of 100%	Rankings
Contractor A	£373,924.00	24.00	57.51	81.51	2nd
<b>Elm Site Services</b>	<b>£307,181.75</b>	<b>22.00</b>	<b>70.00</b>	<b>92.00</b>	<b>1st</b>
Contractor C	£459,669.41	22.00	46.78	68.78	4th
Contractor D	£381,377.01	18.00	56.38	74.38	3rd
Contractor E	£543,223.90	27.00	39.58	66.58	5th

7. All works will comply with current Building Regulations, and the required applications will be submitted prior to commencement of the works. The works will be inspected at the relevant stages by the Local Authority Building Control inspector, with each stage signed off accordingly and a Building Control completion certificate issued upon completion of the works. Party wall notices have not been issued as no works are proposed to any party walls.
8. Minimum standards for sub-contractors will be introduced by the Council to ensure the quality of the supply chain, and key service and quality requirements will be closely monitored throughout the duration of the contract by the Council's Clerk of Works.

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9. Performance of the contract will be managed and monitored throughout the project by the Programme Delivery Project Surveyor, alongside the Council's Clerk of Works, to ensure that the required quality standards are achieved.
10. The RFQ was evaluated based on a weighting of 70 percent price, 20 percent quality and 10 percent social value, and Elm Site Services Ltd achieved the highest overall score. This approach ensures that the successful quotation represents the best value for money for Havering Council.

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

#### **Option 1: Do Nothing**

Do nothing - Ruled out as the demands on housing are as such that more suitable or larger properties are now required to meet demand.

#### **Option 2 – Purchase new larger Homes**

Ruled out on costs, as it is considerably cheaper and faster to convert the existing properties with the proposed loft conversions.

### **PRE-DECISION CONSULTATION**

No formal consultation is required with respect to the recommendations in this report.

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

Name: James Wallis

Designation: Project manager

Signature: *J. Wallis*

Date: 16/03/2026

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

**LEGAL IMPLICATIONS AND RISKS**

1. This report seeks approval for a works contract valued at £338,000 to be awarded to Elm Site Services Ltd (Company No. 05109035) for the delivery of multiple loft conversions and associated works to Council owned residential properties.
2. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything that individuals generally may do, subject to statutory limitations. The arrangements now sought are in accordance with these powers.
3. Additionally, under section 111 of the Local Government Act 1972 the Council has the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The proposed contract award falls within these powers.
4. The proposed contract value is £338,000 and is below the applicable procurement threshold for works contracts and therefore the procurement process does not fall within the full scope of the Procurement Act 2023. However, the procurement process has been undertaken in accordance with the Council's Contract Procedure Rules (CPR). In line with CPR requirements, quotations were obtained through the Council's e-tendering system using a Request for Quotation (RFQ) procedure, with five suitably experienced contractors invited to submit bids.
5. Following evaluation of the submissions, Elm Site Services Ltd achieved the highest overall score and therefore offers the most advantageous quotation to the Council.
6. For the reasons set out above, the Council may award the contract to Elm Site Services Ltd.

**FINANCIAL IMPLICATIONS AND RISKS**

1. This report is seeking a contract award for two years via the JCT Minor Works Contract 2016 to Elm Site Services Limited. The maximum value of the contract will be £338,000 and will be funded through the existing Housing Revenue Account Capital Programme. Meaning on average £56,000 per property for loft conversion and energy efficiency improvements to the roof.
2. Once a property has been selected for conversion, detailed drawings will be prepared and issued to the contractor, who will price the works in accordance with the agreed rates submitted as part of the RFQ. The proposed price will then be reviewed and assessed by the Council's project team and, subject to approval, a works order will be issued to the contractor.

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3. The project intends to make improvements to six existing vacant Social Housing properties within the Housing Revenue Account (HRA) by converting their loft space into an additional bedroom whilst making the property more energy efficient. The properties will be selected as and when suitable void stock arises but they will need to meet certain criteria.
4. A cost benefit analysis has been completed considering factors such as increased rental income, future property values, investment required, future renovations and more. This analysis confirms an expected value for money return for the HRA. In addition, improved home efficiency will mean lower energy costs for the tenants. Converting 2 to 3 bedroom properties offer better financial value than 3 to 4 bedroom and it would be preferable to select semi or detached properties over terraced units.
5. This project has potential to indirectly reduce pressures within the authority's Temporary Accommodation budget by relocating larger families into the converted stock, which would have both social and economic benefits.
6. This project will pilot the loft conversion approach alongside other methods to increase capacity within the Housing Revenue Account such as acquisitions, new builds and extensions. Having secured a competitive price and within the allocated budget provision this scheme should provide value for money providing it is delivered effectively as planned.

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

1. The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.
2. TUPE (Transfer of Undertakings (Protection of Employment) Regulations) will not apply as there will be no transferring staff.

### **EQUALITIES AND SOCIAL INCLUSION 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:
  - (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.

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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 was 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.
5. The Council has considered the Public Sector Equality Duty under the Equality Act 2010. While a full Equality and Health Impact Assessment (EHIA) is not required, the project is expected to have a positive impact by increasing the availability of larger family homes, helping to alleviate overcrowding and improve wellbeing. The procurement process ensured that contractors adhered to the Council's equality and diversity policies, and social value outcomes will be monitored throughout the contract.

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

None.

### **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

**Details of decision maker**

Signed



Paul Walker  
Interim Director of Housing & Property

Date: 20<sup>th</sup> April 2026

**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 \_\_\_\_\_