

Notice of NON KEY Executive Decision containing exempt information and confidential appendix

This Executive Decision Report is part exempt, and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial information/valuation and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	Contract award for 8 Hamilton Drive - Redevelopment
Decision Maker:	Paul Walker, Interim Director of Housing & Property
Cabinet Member:	Lead Member for Housing & Property
SLT Lead:	Neil Stubbings, Strategic Director of Place
Report Author and contact details:	Joe Tizard, Project Manager, Property Services Email: Joe.tizard@hvering.gov.uk Tel: 01708 432 092
Policy context:	The statutory requirement to provide 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 HRA Business Plan, Capital Programme Update, Housing Asset Management Plan and the Havering Corporate Plan 2024-2027.
Financial summary:	The value of the contract is £450,000 which will be funded from the Housing Revenue Account, Capital Programme.
Relevant Overview & Scrutiny Sub Committee:	Place OSSC.

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Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision.
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Non-key Executive Decision

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 Director of Housing & Property is recommended to agree to:

1. Award a works contract of £450,000 to Elm Site Services Limited (company no. 05109035) to complete the redevelopment 8 Hamilton Drive, which is a Council owned property, (the Property) following the successful tender exercise completed via Havering's secure online tendering system "Fusion".

Note: The works are due to commence in May 2026 and will be completed within 36 weeks from the commencement date.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 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

Sub-delegation on 3 April 2024 from the Strategic Director of Place to Director of Property for all functions under Scheme 3.3.3.

STATEMENT OF THE REASONS FOR THE DECISION

1. The proposal is to redevelop 8 Hamilton Drive, which was a non-traditional construction with underlying structural issues. Following the demolition in January 2023, a planning application to rebuild a new sustainable 5-bedroom family home was being approved on 20.06.23. This report seeks approval to award a contract to Elm Site Services Limited to undertake the works.
2. Planning permission has been granted to complete this project and full building regulations approval has also been received. These approved documents, plans and specification were used within the RFQ.
3. Following ED1 approval to seek quotations via Havering's secure Fusion Portal, five contractors were invited to quote (RFQ) for the works with a pre-tender estimate of £350,000, which excluded contingency cost calculations. However, the quotes received were higher than our pre tender estimate which is due to the inclusion of the contingency sum as well as increase in material costs. We have broken down and evaluated all the costs and feel that the lowest quote does offer

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Having good value for money based on the extensive work involved in the full refurbishment.

4. Contractors were selected from Construction-line for the RFQ process which was issued on the 2nd December 2024 and three tenders were received by the deadline of 24th January 2025.
5. All returned RFQ documents were reviewed and checked including any mathematical errors and irregularities in the rates. Tender analysis and evaluation is detailed in appendix 1 which is exempt.
6. Elm Site Services Limited submitted the most economically advantageous tender, offering excellent value at £428,901.85. They are a highly experienced contractor with a strong track record of delivering major improvement projects for Havering, consistently providing high-quality service and performance. To allow for provisional items and any unforeseen works, we have included a contract sum of £450,000.
7. All works will comply with current Building Regulations approval, applications for which have already been submitted and will result in a Local Authority inspector signing each stage of the work off and a Building Control compliance certificate being issued on completion. Party wall notices have not been issued as no works are taking place to party walls.
8. Minimum standards for sub-contractors will be introduced by the Council in order to improve the quality of the supply chain and the key service and quality requirements will be closely monitored throughout the duration of the contract by the Council's Clerk of Works.
9. Performance of the contract will be managed and monitored throughout the project by the Programme Delivery Project Surveyor and a Clerk of Works to ensure quality is achieved.
10. A tender based on 70%-30% price-quality was in the best interest of the Council as quality is likely to vary amongst different sized contractors, analysis based on 70%-30% price-quality ensures best value for money.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Repair existing building

There was an option to repair the building but that was not financially viable and we would still be left with a non-traditional precast reinforced concrete home which would not meet the health and safety requirements in particular, modern thermal performance standards which could result in damp and mould. This option was considered and rejected before the demolition of the site and therefore no longer relevant.

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Option 2: Procure through a Framework

Considered and rejected on the grounds that value for money will be achieved through a restricted competition, inviting 5 tenderers who are on ConstructionLine as dictated by the Council's Contract Procedure Rules.

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: Joe Tizard

Designation: Project Manager

Signature:

A handwritten signature in black ink, appearing to read 'Joe Tizard', written over a horizontal line.

Date: 25/03/2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. This report seeks approval for a works contract of £450,000 to be awarded to Elm Site Services Limited
2. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, subject to statutory limitations.
3. Additionally, under section 111 of the Local Government Act 1972 the Council has the power to do anything ancillary to or which facilitates any of its functions. The contract may be awarded in accordance with these powers.
4. The proposed contract value is estimated to be £450,000 and is below the applicable procurement threshold for works contracts and accordingly the procurement process does not fall within the rigours of the Public Contract Regulations (as amended) 2015. The body of the report confirms that officers have complied with the Contract Procedure Rules when tendering for these works and the contract is to be awarded to the most economically advantageous tender.
5. For the reasons set out above, the Council may award the contract to Elm Site Services Limited.

FINANCIAL IMPLICATIONS AND RISKS

1. This report is seeking permission to award a contract for the construction of a new five-bedroom family home using a JCT Minor Works Contract 2016 to Elm Site Services Limited. The project is to be funded from the existing HRA Capital Programme with an allocation of £450,000 to be spent in financial year 2026/27. The work is expected to take approximately eight months with officer time allocated in bringing the asset to fruition.
2. The capital budget is already in place and is expected to be financed by HRA Borrowing. RtB receipts could be applied but these are earmarked first for Regeneration and Acquisitions.
3. 8 Hamilton Drive was structurally unstable and required substantial capital investment to bring it back to a lettable standard, the decision was taken by Havering's senior management team to redevelop the site to provide a much-needed larger family home. Due to the structural instability, demolition costs and site hoarding have been incurred in 2023.
4. Once completed, the property is estimated to be worth in the region of £800,000 to £900,000 at market value. Internally, the land currently is estimated at £400,000. The authority only has two other 5-bedroom properties in the area

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and there is high demand for this size of property. Planning Permission has been sought and approved in June 2023 ahead of the contract procurement process.

5. The property is expected to be rented rather than sold due to the high demand on the housing register. A cost benefit analysis has been completed considering factors such as increased rental income, future property values, investment required and future renovations. This analysis confirms that the HRA would benefit from this proposal. In addition, improved home efficiency will mean lower energy costs for the tenants.
6. As this is a new property, the authority can choose to apply Social Rent or Affordable Rent. Both options are viable from the appraisal, however, the affordable rent option would provide more income to the HRA which would increase its overall sustainability.
7. This project has potential to indirectly reduce pressures within the authority's Temporary Accommodation (TA) budget by relocating larger families into the converted stock, which would have both social and economic benefits. The potential cost avoidance value is estimated at approximately £6,000 per annum which would benefit the General Fund where TA resides.
8. A financial check has been carried out on Elm Site Services Limited, Company No. 05109035, using Experian and they are considered very low risk.

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

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.

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.

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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) is usually carried out and on this occasion isn't required.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are not equalities and social inclusion implications and risks associated with this decision

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

None.

BACKGROUND PAPERS

None.

APPENDICES

Appendix A - Tender Evaluation (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



Paul Walker
Interim Director of Housing & Property

Date: 7th 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 _____