

Notice of Non-KEY Executive Decision containing exempt information

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 Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	Authority to award a contract to support the mobilisation of Major Works contracts and the HRA Strategic Alliance
Decision Maker:	Paul Walker – Interim Director of Housing and Property
Cabinet Member:	Cllr Robert Whitton – Cabinet Member for Regeneration
SLT Lead:	Neil Stubbings - Strategic Director of Place
Report Author and contact details:	Mark Howard – Planned Works Manager Mark.howard@havering.gov.uk
Policy context:	Housing Asset Management Plan HRA Business Plan & Capital Programme
Financial summary:	This proposed contract has a value of £64,000 and will be funded from the 2026/27 HRA Compliance and Resident Safety Revenue Budget.
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision.

Non-key Executive 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.

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 and Property is recommended to:

- a. Approve the use of the Constellia neutral vendor agreement.
- b. Make a direct award of contract to Lumensol Limited (company registration number 11349433) at a value of £63,670, via the Constellia Limited contract, to assist with the mobilisation of the Strategic Alliance of HRA contracts, starting in May 2026, to act as Alliance Manager for year 1 of that alliance and to assist with the mobilisation of the three Major Works contracts, all to start in August 2026.

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.)

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

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STATEMENT OF THE REASONS FOR THE DECISION

Over the last three years, officers within Housing & Property and Procurement have been working with Lumensol Limited to procure a number of key long-term works and services contracts to maintain HRA homes for the next 10+ years.

The overall strategy behind that procurement is that the service providers work in partnership with the Council and each other to create a Strategic Alliance where the whole is larger than the sum of the parts.

Through engagement during the procurement process, it has become apparent that all of the successful providers are keen for the alliance to work, but that several have experienced similar arrangements which have floundered due to poor foundations.

Including the current repairs and voids contract, which is expected to form part of the alliance (the new heating and electrical providers are co-locating with Mears), the estimated value of the Strategic Alliance, before inflation, is approximately £580m over the term of 10+6 years.

It is therefore important, now that the last three major works elements of that alliance have been approved and are mobilising, that the correct contract management structures and procedures are in place, and that the Strategic Alliance itself has the appropriate governance and direction.

Lumensol Limited have assisted the Council throughout the procurement of these contracts and so are uniquely placed to understand the contractual obligations on all parties, and the ethos and expectations behind the alliance.

Lumensol were asked to provide a fee quote, at competitively tendered framework rates, to provide further assistance to officers in the following areas:

- Mapping the current roles, responsibilities and procedures of the Planned Works team against those necessary to successfully contract manage the new Major Works contracts, and to advise where there is any misalignment.
- To audit operation of those contracts in year 1 to ensure that all parties understand and are complying with their contractual obligations and that the Council is receiving value for money.
- To act as the Alliance Manager for the first year of the Strategic Alliance, overseeing its birth and putting in place the rules and procedures which officers can then continue.

The fee quote is attached as Exempt Appendix 1 and the relevant sections are:

- 2.2 - Mobilisation and Implementation of the Contractual Arrangements for Major Works and Regeneration
- 2.3.2 – Annual Review Process
- 2.4 – Alliance Manager and Mobilisation of the Alliance.

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The fees for these services are set out in Section 2.6 of the attached appendix, but it should be noted that Lumensol will not be commissioned to carry out the Quarterly Retrospective Audits referenced in Section 2.6.4.

As a Registered Provider, the Council must demonstrate a strategic approach to managing properties to meet the Regulator of Social Housing's consumer standards and other statutory health and safety obligations. This approach will support the establishment of the Strategic Alliance of HRA contracts to be delivered over the next 10 to 16 years.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1 - Do nothing

This is not considered to be a viable option. The Strategic Alliance of HRA contracts has taken several years from initial approval through to the procurement and award of the final parts in the form of three Major Works contracts.

It is important that these three contracts are effectively mobilised and that the overall Strategic Alliance, which will encompass ten separate contractors delivering HRA Works and Services over the next 10+ years, is correctly established and governed in order to realise the full benefits of joined-up partnership working.

Option 2 - Undertake the development of the Strategic Alliance using only internal resource

This is not considered to be a viable option. Lumensol Limited have specialist expertise and experience in the establishment of exactly this sort of alliance structure and have assisted the Council in the procurement of all but one of the alliance contracts.

Internal resources are insufficient, and insufficiently knowledgeable in this area, to carry out this work well and efficiently.

Lumensol Limited will assist with the establishment and Year One governance of the Strategic Alliance during which time Council officers will ensure that they develop the necessary skills to govern the alliance in future years.

Option 3 – Procure an alternative provider to provide the required assistance

This option was considered, but Lumensol Limited have in-depth knowledge of the specific requirements of these contracts, and excellent knowledge of the existing Council structure and operational procedures.

For another provider to come in at this stage would require a lengthy familiarisation process which would not be cost or time effective.

All three options were considered and rejected for the reasons given.

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PRE-DECISION CONSULTATION

None.

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

Name: Mark Howard
Designation: Planned Works Manager

Signature:



Date: 27th March 2026

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. 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 properties of Secure Tenants in the Local Housing Authorities (Right to Repair) Regulations 1994. The Council has procured a number of long-term contracts which are intended to operate as a Strategic Alliance and is seeking assistance to establish the Year 1 framework for the operation of that alliance.
2. The Council has power to award the contract under s111 of the Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
3. The contract value falls below the relevant threshold set out in the Procurement Act 2023 (PA23), and is therefore not subject to the full implications of PA23.
4. The contract is to be awarded through the Council's Constellia neutral vendor arrangement, as permitted by CPR 15.2. This framework permits awards either through mini-competition or a direct award. Officers have followed the relevant procedure and recommend directly awarding the contract to Lumensol Limited.
5. The Council is a Best Value authority and has a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". As set out in this report, officers consider the proposals achieve Best Value.
6. For the reasons set above, the Council may award the proposed contract to Lumensol Limited.

FINANCIAL IMPLICATIONS AND RISKS

This report seeks approval for the procurement and subsequent award of a contract to assist in the development of the Councils Housing Services Strategic Alliance of Planned and Responsive works and services contracts.

The contract has a value of £63,670, based on a fee quote from Lumensol Limited and will be funded from the 2026/27 Housing Revenue Account (HRA) Compliance and Resident Safety revenue budget.

As a Registered Provider, the Council must demonstrate a strategic approach to managing properties to meet the Regulator of Social Housing's consumer standards and other statutory health and safety obligations. This approach will support the establishment of the Strategic Alliance of HRA contracts through which the majority of the HRA Capital and Revenue programmes will be delivered for the next 10+ years.

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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, 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.

HR IMPLICATIONS AND RISKS

There are no HR implications arising from this decision.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no Environmental and Climate Change implications arising directly from this report.

The appointment of Lumensol Limited to support in the successful establishment of the HRA's Strategic Alliance of contracts will ensure that the forecast benefits of that alliance are realised, in areas such as:

- More effective packaging of works contracts
- Shared supply chains
- Contractor co-location
- Commonality of construction materials
- Joined-up provision of Social Value initiatives.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There are no Health and Wellbeing implications arising from this decision.

BACKGROUND PAPERS

None

APPENDICIES

Exempt Appendix 1 – Lumensol Limited Fee Proposal

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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 and Property

Date: 21st May 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 _____