



London Borough of Enfield

Report Title	Boroughwide Storage Heater Contract Award
Report to	Strategic Director of Housing & Regeneration, Joanne Drew
Executive Director / Director	Joanne Drew, Strategic Director of Housing & Regeneration
Report Author	Hannah Ashley Fraser, Service Director – Homes
Ward(s) affected	All
Key Decision Number	5723
Classification	Part I and Part II (Para 3)
Reason for exemption	Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. To obtain approval to award the Boroughwide Storage Heating Contract for one year.

Recommendations

- I. That approval be given to award one contract for the Boroughwide Storage Heating Programme to the contractor listed in Restricted Appendix 1 utilising a compliant framework.
- II. To note the budget of 3.12M which includes contract sum and contingency.

Background and Options

2. The current Boroughwide Storage Heater programme is due to end in March 2024. The 24-25 Capital Programme has identified the need to continue with the storage heating upgrade programme to ensure the Council achieves the Decent Homes Standard and energy performance objectives.
3. This new contract will deliver heating and energy efficiency improvements to circa 300 properties in 24/25. These properties have been identified from the Asset Management Database.
4. The scope of works is to replace storage heaters that are failing energy efficiency standards and that do not meet Decent Homes Standard.
5. Following the completion of the Storage Heater Programme, decency figures will increase by 2.97%.
6. This programme does not include works to leasehold properties.
7. To complete the outstanding Storage Heaters Programme and comply with the Council's Contract Procedure Rules (CPR's) the council recommends the award through a compliant framework direct award route with the contractors who have delivered previous replacements in the borough.

Preferred Option and Reasons for Preferred Option

8. The preferred option is to continue to work with the contractor with proven experience in delivering these replacement programmes through a compliant framework using the direct award option.
9. The primary reason for adopting this approach is:
 - a. To provide a consistent product which will ensure long term maintenance is simplified and gives opportunity for enhanced economies of scale. This can also simplify the training of maintenance operatives to reduce the risk of future repairs impacting the integrity of the fire door and therefore fire safety.
 - b. To provide continuity of service and delivery with minimal interruption in delivery.

10. The pricing of the works by the current contractor within the new framework are competitive. While a separately tendered procurement may obtain lower rates this cannot be guaranteed.
11. The council is required to allocate less resource to the procurement process through a framework appointment as the framework provider has undertaken extensive due diligence of the contractor and the product to be installed.

Relevance to Council Plans and Strategies

12. The contract will support the following objectives from the Council Plan:
 - a. **More and better homes:** the programme will improve the quality and safety of existing homes and therefore positively impact on the wellbeing and quality of life for our residents
 - b. **Sustain healthy and safe communities:** improving the existing homes where people desire to live will help to create and maintain healthy and confident communities.
 - c. **An economy that works for everyone:** ensuring residents can fully participate in activities within their neighbourhood

Financial Implications

13. The budget for these contracts was approved as part of the rent setting report in February 2024, these costs are included in the HRA 30year business plan.

Legal Implications

14. The Council has the power under section 1(1) Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. The Council has the power to alter, repair or improve its housing stock in accordance with section 9 of the Housing Act 1985. Under section 11 of the Landlord & Tenant Act 1985 the Council has repairing obligations in respect of properties which are occupied by its tenants and these obligations cover the structure, exterior including drains, gutters, external pipes, installations in homes including water, gas, electricity and sanitation and installations for space heating and heating water. Further, under section 111 Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions. The recommendations in this report are in accordance with these powers.
15. External law firm Devonshire's has been advising on this project to ensure compliance from a legal perspective and will draft the contract (JCT MTC)

under the supervision of the client team. Internal Legal's role will be execution (sealing) only without further review of Devonshire's work.

16. This has been categorised as a works contract, the value of which is below the threshold at which the Public Contracts Regulations 2015 apply to the procurement. The procurement must still be carried out in accordance with the Council's Contract Procurement Rules (CPRs). The use of a framework is a compliant route to award, provided that the Council can legitimately use the framework and the award process complies with the terms of the framework. The terms of the call-off contract must be consistent with the framework, and in a form approved by Legal Services on behalf of the Director of Law and Governance.
17. Due to the value of the contract being over £1,000,000, CPR 7.2 stipulates 'sufficient security' (e.g., a performance bond or parent company guarantee) from the Supplier must be obtained to manage risk. Evidence of the form of security required, or why no security was required, must be stored, and retained on the E-Tendering Portal for audit purposes.

Equalities Implications

18. An equalities impact assessment has been undertaken and is appended to this report.
19. The works will be delivered to social housing stock and will benefit residents irrespective of their protected characteristics.
20. Individual requirements are addressed prior to starting on site to ensure all relevant individual circumstances are considered during the works.
21. Development of disabilities following the completion of the works and any required adaptations will be managed under the council's existing aids and adaptations referrals process. The terms and conditions of the contract will require adherence with the Equalities Act and contractors will be required to share their Equality, Diversity, and Inclusion policy to assure the council of their recruitment policies.
22. Engagement with residents will be undertaken by the Contractor in accordance with their processes for resident engagement and liaison.

Environmental and Climate Change Implications

23. The works will provide improved environmental performance by providing modern facilities. Current installations are required to meet current regulations, and this will result in improvements in energy efficiency performance of resident's homes.
24. The contract will require with the minimum criteria of the councils sustainable and ethical procurement policy to be met.

Public Health Implications

25. Good homes are a necessity for human health, the award of this contract will help secure this. Residents of adequately heated properties are far less likely to develop respiratory and associated conditions or suffer from acute exacerbations of those. In turn helping to reduce the number of preventable referrals to both hospital and residential social care.
26. The work will contribute towards reducing heating bills, sustaining tenancies, reducing fuel poverty, and improving the environment for the residents of the borough.
27. Any measures which alleviate relative or absolute poverty within the borough, including fuel poverty, will in turn reduce the chance of developing poor health and chronic conditions, which again would contribute to embedding inequality and poverty.

Safeguarding Implications

28. The works will require Contractors to enter resident's homes and therefore the Contract Documents require Disclosure & Barring Services (DBS) and adherence with the Councils Safeguarding Policy.
29. In addition to the above the Contractor is required to provide a dedicated Resident Liaison Officer (RLO) whose role is to ensure that residents needs are reflected in the processes adopted by the Contractors.

Procurement Implications

30. Direct award procurement to be carried out via e-Tendering system. As the procurement is not led by Procurement Services, ultimate accountability for procurement compliance lies with Housing Services including Framework Due Diligence completion.
31. Gateway 3a Direct Award Report was presented and endorsed at Procurement Assurance Group on the 10/04/2024 and it is attached to this report.
32. As the contract is over £1,000,000 the supplier must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of the Councils Contract Procedure Rules.
33. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of the executed contract must be undertaken on the London Tenders Portal including future management of the contract.
34. As this contract will be over £500,000, the CPR's state that the contract must have a nominated contract manager in the Council's e-Tendering portal. Contracts over £500,000 must show evidence of contract management of

KPI's to ensure VFM throughout the lifetime of the contract. The contract will be managed in line with the Contract Management Framework and evidence of robust contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment shall be uploaded into the Council's e-Tendering portal.

35. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

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Appendices:

Appendix 1 Restricted Appendix (Confidential)
Appendix 2 Equalities Impact Assessment