



London Borough of Enfield

Report Title	Operational KD Report for Contract Award – Material Supply (Council Housing Repairs)
Report to	Strategic Director of Housing and Regeneration – Joanne Drew
Date of Report	3 rd June 2024
Cabinet Member	Cllr Guzel – Cabinet Member for Housing
Executive Director / Director	Strategic Director of Housing and Regeneration: Joanne Drew
Report Author	Hannah Ashley Fraser – Service Director Council Homes
Ward(s) affected	All
Key Decision Number	5722
Classification	Part 1 Public and Part 2 Private
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 a Contract for Material Supply for Council Housing Repairs.

Recommendations

- I. Approval to award and enter into a contact with “Contractor A” for Material Supply for Council Housing Repairs for up to 5 years (an initial period of 3 years, then potential 2 year extension) for the contract price detailed in the confidential appendix.
- II. Approval of the total budget including the contract price, the contingency sum and inflationary allowance detailed in the confidential appendix
- III. Delegate to the Service Director – Council Housing Homes the authority for the extension of the contract after the initial period of 3 years for a further 2 years in single year increments.

Background and Options

2. The Council Plan 2023-26 approved by Cabinet on 8th February 2023 has a priority of providing more and better homes. This includes ensuring the council housing stock is maintained effectively.
3. As a landlord the council must meet its statutory obligations to maintain it’s properties including repair responsibilities.
4. In June 2019, Cabinet approved the in-sourcing of the Housing Repairs Service (KD4868). This service was launched in May 2020 and has internal operatives that are able to manage a range of repairs.
5. To deliver the repairs required to council homes, a materials supply contract is required.
6. Repairs are carried across all council properties, as well as repairs in Housing Gateway properties and temporary accommodation.
7. The contractor commits to contribute 0.5% of contract spend to a community fund, which can then be allocated to social value priorities important to council housing residents. The Community Investment Panel, including resident representatives will seek suggestions from all stakeholders on opportunities for investment and allocate initiatives to be delivered as part of this committed value.
8. Where repairs are undertaken in communal areas of housing blocks with leaseholder properties, leaseholders are required to contribute to the cost of these through a service charge. Each repair will have an element of labour, materials and other costs (e.g. fuel). Following review of previous material costs (for financial year 23-24) for communal repairs it is not expected that costs for materials will exceed £100 per leaseholder, per year, therefore consultation has not been undertaken.

Preferred Option and Reasons For Preferred Option

9. Following market analysis and available procurement routes, it is recommended to award a materials supply and managed service contract via and framework compliant with the Public Contract Regulations.
10. Multiple procurement options were considered:
 - a. Use of a suitable consortia framework agreement, with appointment via direct award or mini tender.
 - b. Unilateral tendering utilising the open process – rejected due to the increased cost and resources required to develop contract documents and run the procurement process
 - c. Unilateral tendering utilising the restricted process – rejected due to the increased cost and resources required to develop contract documents and run the procurement process
11. Using a framework can save time and money, while still delivering a service specified to local requirements. Under this route contractors are assessed for suitability prior to joining the framework and have signed up to pre-agreed terms and conditions. Standard documentation is also provided as well as support from the framework itself. As the nature of the contract requirement is repeatable in nature, it is judged to represent a quicker route to market and save internal resources developing contract documents and procuring in line with the necessary procurement regulations.

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. Strong, 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. This report is requesting for approval to award and enter into contract with “Contractor A” for Material Supply (Council Housing Repairs).
14. To approve a total estimated budget of £2.96m which includes contingency at 10%.
15. The full implications of the project can be found in the confidential appendix

Legal Implications

16. 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 and 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. The Council also has the power under section 1(1) of the 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. 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.
17. As the materials supply and managed service being procured is in connection with residential buildings, officers must ensure that the materials/services meet or exceed all residential fire safety standards required by statutory requirements, including the Building Safety Act 2022 and Fire Safety Act 2021.
18. The value of the contract exceeds the relevant EU threshold, which means that the Public Contracts Regulations 2015 (PCR 2015) apply to the procurement. 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 Council must also be satisfied that the contract award complies with its obligations regarding best value in accordance with the Local Government Act 1999.
19. 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. It must also be executed under seal.
20. In the event that the proposed contracts involved the processing of residents' personal data, as the controller of the personal data the Council must ensure that the contractor, as processor, has provided sufficient guarantees to implement appropriate technical and organisational measures and has a privacy notice to meet the requirements of the UK GDPR. Further, the contract must include the mandatory contractual clauses under article 28 of the UK GDPR.
21. The Council's Contract Procedure Rules (CPRs) provide that where the value of the contract is £1m and above, contractors must be required to provide sufficient security in one of the forms outlined in CRP 7.3. If the contractor cannot provide such security, the Executive Director of Resources must approve such a decision, with reasons and risk mitigation measures set out in the relevant authority report, prior to the contract award.

Equalities Implications

22. An Equality Impact Assessment has been undertaken and appended to this report. It has been assessed that this contract will have no significant impact on those with protected characteristics.
23. The materials will be used to deliver repairs boroughwide to various homes and will benefit residents irrespective of the protected characteristics of the residents.
24. The provision of materials is not a customer facing contract and therefore no policies and procedures relating to Equality Diversity and Inclusion within recruitment processes are judged to be required.

Environmental and Climate Change Implications

25. This contract will meet the Minimum requirements of Enfield's Sustainable and Ethical Procurement Policy, with a commitment to explore Enhanced and Preferred standards for this contract during the contract period to help reduce the Council's carbon footprint.

Public Health Implications

26. The contract will contribute to improve the living conditions of those residents that receive repairs. This aligns with the provisions of the Enfield Joint Health and Wellbeing Strategy, which refers to the importance of housing quality as a determinant of health.

Procurement Implications

27. Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015), along with the Council's Sustainable and Ethical Procurement Policy.
28. The proposed utilisation of the Pretium Materials Supply and Managed Services Framework (ref. Ech 958) will need to go through the Procurement Services Assurance process and the necessary Gate Report prepared for endorsement. The lead officer within the Service Area must keep records of approvals to proceed with the proposed award to evidence compliance with the rules.
29. Due diligence will need to be carried out on the proposed Framework to confirm this is legally compliant. This will ensure the Council is in adherence with the CPR's and Public Contracts Regulations, confirmation should also be recorded on the Council's Due Diligence register.
30. 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 Council's Contract Procedure Rules. If the contractor cannot provide such security, the Executive Director of Resources must approve such a decision,

with reasons and risk mitigation measures set out in the relevant authority report, prior to the award of the contract.

31. The service must ensure that authority to procure has been obtained and must be uploaded onto the London Tenders Portal.
32. The procurement and 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.
33. 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.
34. The Service Area has completed the Contract Management Tiering tool and the project has been classified as Silver . 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
Appendix 2 Equality Impact Assessment

Background Papers

None

Departmental reference number, if relevant: N/A