

MINUTES OF CABINET MEMBER SIGNING MEETING HELD ON FRIDAY, 24TH FEBRUARY, 2023, 2.00 - 2.15 PM

PRESENT: Councillor Dana Carlin, Cabinet Member for Housing Services, Private Renters, and Planning.

In attendance: Cheryl Baker, Head of Repairs and Maintenance, and Fiona Rae, Principal Committee Co-ordinator.

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. AWARD OF GENERAL BUILD CONTRACTS FOR RESPONSIVE REPAIRS, VOIDS AND DISREPAIRS PROCURED VIA LONDON CONSORTIUM PROGRAMME

The Cabinet Member for Cabinet Member for Housing Services, Private Renters, and Planning considered the report which sought approval to award a contract for building and general build work, for a term of two years. The contract would commence on 1st March 2023 and would end on 28th February 2025. The contract awarded would be up to the value of £2 million to Kind Diamond Build Consortium Limited for the provision of void repairs, disrepair works and responsive repairs to support Haringey Repairs Service and will be procured via a direct award that was permissible under the Council's London Construction Programme.

It was noted that £2.5 million was the maximum sum permitted to be awarded within the London Construction Programme on a direct award basis. This contract would be awarded at a value of £2 million, this was to allow Haringey Repairs Service (HRS) to draw down services from the contractor in accordance with the framework. The historical volumes and average value of works had been used to calculate the contract value of £2 million. The contract would provide HRS with support during peaks of demand in voids and to support the service in carrying out works as a result of a disrepair claim. This would support the operations where HRS did not have the capacity and where the Direct Labour Organisation (DLO) did not have the capability to carry out specialist works (such as scaffolding) and would also assist in resolving the current void and disrepair backlog. The works would be funded via the repairs and maintenance budgets.

The Cabinet Member was also asked to give authority to issue a legal letter of intent for this contract, which should not exceed £100,000 or 10% of the total contact price, whichever was the higher value. The report was written in line with the Council's

Contract Standing Order (CSO) 9.07.1(d) (All contracts valued at £500,000 (five hundred thousand pounds) or more at the time of award may only be awarded, assigned, or novated by the Cabinet and standing order 7.01 (b) by selecting one or more contractors from a Framework or similar arrangement.

In response to a query about supply chains from the Cabinet Member, the Head of Repairs and Maintenance confirmed that a smaller award of £499,000 had already been made in order to provide some initial flexibility. This was the second award which would be for £2 million and would generate additional capacity. It was stated that further awards would be required and that various providers would be sought to ensure that there was sufficient capacity in the system. It was added that performance would be monitored.

The Cabinet Member RESOLVED

1. To approve the direct award of the contract to Kind Diamond Build Consortium Limited for up to the value of £2 million, for period of two years from the London Construction Programme (LCP) to undertake void repairs and disrepair works.
2. To delegate authority to approve the final commercial terms to the Director of Placemaking and Housing.
3. To give authority to issue a legal letter of intent for this contract, which shall not exceed £100,000 or 10% of the total contact price, whichever is the higher value.

Reasons for decision

To meet our repair obligations required to carry out repairs to our customers' homes and void properties to ensure that they are well maintained and safe.

There are currently 305 disrepairs cases which, based on an average cost of £3.5k, equates to £1.1m which require contractor resource to deliver. Carrying out this work in a timely fashion would mean that a reduction in compensation payments made in connection with disrepairs would be achieved.

There is currently a backlog of 200 voids and based on the average cost to carry out void works of £5.6k, this equates to £1.1m which require contractor support to deliver.

Whilst the value of this contract at £2m does not have the financial capacity to deliver all the outstanding disrepair and void backlog cases, it would go some way to support the operational delivery and assist in the reduction of the backlog cases. The remainder of the cases will be delivered by other contractors and specialist services which are being procured separately.

The market conditions have negatively impacted on interest when we have gone to market to procure supply chain in the last two years. Equally, retention of staff to support and increase capacity within HRS to keep up with the increased demand across the service currently has been challenging. In order for the DLO to get to a stable state in managing the incoming demand, supply chain support is required.

Four contracts were awarded at the end of 2021 and in early 2022 to a single supplier, this has identified the need for multiple contractors to support HRS. This award is the second of these contracts. Procurement of the supply chain will continue with other general builders and specialist services, such as damp and timber preservation along with scaffolding contracts, being procured in addition to this contract. These will support the delivery of reduction of the current void and disrepair cases along with damp and mould cases.

In July 2021, a report went to Homes for Haringey Board providing an overview of the supply chain position detailing that many of the contracts had exceeded their maximum contract value. The report also set out a procurement strategy to procure services of contractors moving forward.

Due to the market conditions and internal resources this was not implemented. A further contractor was procured in January 2022 as detailed in paragraph 3.4 of this report; however, they do not have the capacity to undertake works required and have informed us that they are no longer able to undertake the work at the tendered value.

Procurement of the supply chain will continue with other general builders and specialist services being procured in addition to this contract to support the delivery of reduction of the current void and disrepair cases along with damp and mould cases.

Alternative options considered

Do Nothing – There is insufficient DLO and supply chain resource currently and therefore this is not an option. Due to the Councils repairing obligations and disrepair protocol. Delays in carrying out void repairs will increase the demand for temporary accommodation and will impact on rent loss. Delays in carrying out disrepairs will result in the council being in breach of legal obligations in connection with disrepair claims and attract higher repair costs. Delays in addressing the responsive repairs backlog will impact on customer satisfaction and will pose a reputational and health and safety risk to our customers and housing stock.

In House delivery – Recruitment for core trades is on-going, however, some of the works are of a specialist and complex nature which the workforce do not have the capacity or the capability to deliver. There is also a peak workload due to historic issues with insufficient supply-chain which need to be resolved. Equally, the backlog of demand and the recruitment market are both currently challenging and therefore it will be difficult to increase workforce capacity quickly. Any additional workforce resource will also require additional supervisor capacity and additional fleet.

Seek to procure and gain further depth in the supply chain by carrying out a procurement exercise utilising the South-East Consortium Dynamic Purchasing System to enter into contract with appropriate contractors. This work has commenced but attracts a longer lead in period and it is anticipated that this will result in contracts awarded to the expected value of £10m for a three-year period.

CABINET MEMBER: Cllr Dana Carlin

Signed by Cabinet Member

Date ...24 February 2023.....