

NOTICE OF MEETING

CABINET MEMBER SIGNING

**Thursday, 13th June, 2024, 2.30 pm - First Floor, Alexandra House,
10 Station Road, London, N22 7TR (watch the live meeting [here](#))**

Members: Councillor Sarah Williams

Quorum: 3

1. FILMING AT MEETINGS

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under agenda item 7 and 10).

4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

5. DEPUTATIONS / PETITIONS / QUESTIONS

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

6. AWARD OF ELECTRICAL INSPECTION REPORTS CONTRACT 2024 - 2029 (PAGES 1 - 12)

7. NEW ITEMS OF URGENT BUSINESS

As per item 3

8. EXCLUSION OF THE PRESS AND PUBLIC

Item 9 is likely to be subject to a motion to exclude the press and public from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

9. EXEMPT - AWARD OF ELECTRICAL INSPECTION REPORTS CONTRACT 2024 - 2029. (PAGES 13 - 16)

10. NEW ITEMS OF EXEMPT URGENT BUSINESS

As per item 3.

Nazyer Choudhury, Principal Committee Co-Ordinator

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Wednesday, 05 June 2024

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Report for: Cabinet Member for Housing Services, Private Renters, and Planning

Item number: 6

Title: Award of Electrical Inspection Reports Contract 2024 - 2029.

Report authorised by : David Joyce – Director of Placemaking & Housing.

Lead Officer: Scott Kay – Head of Residential Building Safety.

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. This report seeks approval in accordance with CSO. 9.07.1 (d) to award a contract for up to five years for the provision of planned maintenance, repairs and testing Electrical Installation Condition Reports (EICR) compliance for domestic electrical and communal electrical distribution systems.

2. Cabinet Member Introduction.

NA

3. Recommendations

The Cabinet Member for is asked:

- 3.1 To approve the award of a contract and associated expenditure for the provision of planned maintenance, repairs and testing of Electrical Installation Condition Reports (EICR) for domestic and communal electrical distribution systems for an initial two (2) years, plus up to three (3) annual extensions of one (1) year each (total maximum five (5) years), for a total maximum contract value of **£5,893,605.30**, subject to contract requirements with a proposed start date of **1st July 2024**, a JCT Measured Term 2016 will be used.
- 3.2 To delegate the three annual extensions of one year each, to the Director of Placemaking & Housing in consultation and agreement with the Cabinet Member for Housing Services, Private Renters, and Planning.

4. Reasons for decision

- 4.1 Haringey implemented 2 temporary EICR contracts in September 2022 to complete the backlog of overdue and non-compliant EICRs, which were subsequently self-reported to the Regulator For Social Housing and committed to completing via a Voluntary Undertaking in April 2023.
- 4.2 These contracts are coming to an end in March 2024 and a new contract requires to be put in place to continue with the EICR programme.
- 4.3 The 18th Edition Wiring Regulations - IET BS7671 require landlords to undertake regular electrical condition reports and recommend that they are undertaken at least every 5-years, or upon new tenancies, within homes, and communal areas.
- 4.4 Haringey has at the time of writing this report, 15,023 dwellings and 789 communal systems (15,812 total) that require periodic inspections at least once every 5 years. These numbers will fluctuate based on changes in stock and management responsibility, e.g. sales, acquisitions, and demolition. Therefore, under this contract we require on average to undertake 3159 inspections every year. There are also, approximately 350 voids per year that also require testing when a new tenancy is commenced. However, this is undertaken by the voids team and is funded separately, through the voids budget.
- 4.5 We do not undertake EICRs in leasehold properties and there are no leasehold implications for communal tests as the costs of each inspection, as detailed in the Exempt part of this report, once every 5 years, is significantly below the annual threshold for a Qualifying Long-Term Agreement. Leaseholder contributions to costs for communal testing will be re-charged through normal service charges and are below the S20 consultation threshold. Any major works resulting would be consulted on separately as part of a major works or planned programme consultation.
- 4.6 Haringey does not currently have the in-house resource capacity and capability to deliver the required programme of EICRs alongside the level of responsive repairs and voids works due to staff turnover. However, Haringey will continue to deliver the electrical responsive repairs through its in-house team and will continue to review the potential for bringing EICRs and other works back in house as and when it can recruit the required resources.
- 4.7 Haringey needs to maintain the current programme of EICRs through external contractors under this new contract to ensure we maintain compliance with the regulations and to minimise the risk to residents, staff, and properties from electric shock and/or fire, due to properties without a valid EICR.

- 4.8 Valid electrical inspection condition reports enable us to demonstrate compliance with regulatory requirements, by identifying and/or preventing significant electrical hazards. It also supports the requirements of the Building Safety Bill 2022 and The Fire Safety Act 2021, ensuring they do not contribute to the risk and spread of fire in multi-storey, multi-occupancy rented accommodation.

5. Alternative options considered.

- 5.1 Do nothing. This would mean that the current contract would expire, and we would not be able to undertake the required 5 yearly testing programme. Furthermore, it would leave the residents subject to living in buildings where there could be electrical safety issues that go unrecorded and unremedied if we do not undertake electrical inspections and improvement works. In addition, the Council would not be compliant with the Electrical Regulations, and could be found to be in breach of the Regulator for Social Housing's Home Standard.
- 5.2 Extend the current contract. This is legally possible under the Council's constitution and Cabinet authority; however, it is not viable as this was initially procured and awarded on a fixed term basis and has already been extended following Cabinet approval on the basis that we would tender a longer-term contract to replace it.
- 5.3 Undertake all the work in-house. This option is not currently viable due to the current lack of specialist skills available in the market for Haringey to recruit. However, this is the intention in the longer-term and will be kept constantly under review.

6. Background information

- 6.1 The Institute of Engineering & Technology (IET) Wiring Regulations - British Standard 7671 were updated to the 18th Edition, in 2018. This edition recommends that both dwellings and communal areas are inspected every 5 years as a minimum. Previous recommendations were 5 years for communal areas and 10 years for dwellings.
- 6.2. In 2020, Homes for Haringey's Property Compliance Task and Finish Group agreed a three-year programme to ensure that all properties have a Satisfactory EICR less than 5-years old.
- 6.3 In order to deliver this Electrical Inspection programme, which includes completing urgent and high-risk actions and upgrading of smoke and heat alarms within properties, Haringey Council requires the support of specialist electrical contractors.
- 6.4 Following initial identification that the programme had fallen behind schedule in September 2022, compliance was confirmed at 39.6%. Immediate action was

taken to put in place a temporary contract to deliver the programme within an 18-month target period.

- 6.5 Following a Compliance Health Check in December 2022, Haringey Council self-referred to the Regulator for Social Housing. This referral included the issues regarding non-compliance for Electrical Safety.
- 6.6 As a result Haringey provided a Voluntary Undertaking to recover its position with regard to electrical and fire safety and to improve overall compliance as part of its wider Housing Improvement Plan. By the end of February 2024 Haringey has completed just under nine thousands of the overdue inspections reports to improve its compliance for electrical inspections to over 95%.
- 6.7 Apart from 467 properties that are outstanding as of March 2024, where residents repeatedly refused to allow access despite repeated attempts, (we will continue to attempt contact and where necessary, progress through legal routes), the programme has been hugely successful.
- 6.8 This award is critical to maintaining this position and demonstrating our commitment to a sustainably high level of compliance and safety for residents. The programme will be the start of a new rolling 5-year programme of future inspections to be in place to maintain the safety of residents to the required regulatory standards that we have recently achieved under our Voluntary Undertaking and Housing Improvement Plan.
- 6.9 Failure to undertake EICRs may be subject to enforcement action by the Building Safety Regulator, the Regulator for Social Housing, and potential subsequent prosecution by the Health & Safety Executive (HSE) should an incident occur.
- 6.10 The expenditure profile of the programme under this contract is set out in the Exempt part of this report, based on a smoothed programme from year 2 (2025/26). This allows for the budgets to be adjusted to ensure a consistent volume in delivery over the last 4 years of this contract and beyond.
- 6.11 If we do not smooth the programme, then the EICRs will be due based on their current anniversary date. Given approximately 60% of the programme has been delivered in the past 18 months this would create a huge spike in demand and cost in years 2027 to 2029.
- 6.12 Within the scope of work is the facility and requirement for the contractor to undertake Category (Cat) 1 and Category 2 works identified as an outcome of the testing. This means that Haringey shall only receive satisfactory certificates under this programme. Unsatisfactory certificates can be legitimately accepted; however, this incurs additional administrative cost, time and risk of non-compliance, as subsequent works and works records will need to be aligned with, and incorporated in, the unsatisfactory EICR document, to evidence that it is now satisfactory. Therefore, it is easier and more cost effective to undertake Cat 1 & 2 works at the time.

- 6.13 Cat 1, are works of an urgent health and safety nature that need to be immediately rectified. Cat 2, are those that could lead to health and safety risks and are not compliant with current standards. These need to be completed within a reasonable timescale following the inspection and must not be ignored.
- 6.14 In order to ensure value for money we will implement robust management and quality assurance processes to ensure all charged for works are accurate and necessary, e.g., through sample testing and post inspections as well as requiring photographic evidence from the contractors. Regular contract meetings will track progress and contractor performance, as will an annual review process.
- 6.15 The decision to let the contract on an initial 2-years plus 3 annual extensions allows flexibility to determine the contract after two years if appropriate to bring the service back in house subject to a suitable business case and recruitment and retention of sufficient and competent resources. The initial two-year period provides the contractors with a level of assurance and return on their investment in mobilising and delivering the contract initially.
- 6.16 With the support of Strategic Procurement and Legal Services, tender documentation was prepared, that included a copy of the JCT Measured Term Contract 2016 with Haringey standard Schedule of amendments (v2 24.10.2023)
- 6.17 The Invitation to Tender issued to 92 suppliers via the London Construction Programme (LCP) Minor Works DPS on 28/09/23.
- 6.18 On 26/10/23, nine tender submissions were received. These were reviewed by Strategic Procurement for validation before the Price, Social Value and Quality submissions were distributed to the evaluators on the same day.
- 6.19 The Price evaluation was completed by two Council Officers who were separate to the Quality evaluators. During the evaluation process, it was noted that there were discrepancies between the tender submissions, which did not allow for a fair evaluation. Therefore, with the support of Strategic Procurement, the Pricing Document was revised and reissued to the tenderers on 24/11/23, with a return deadline of 30/11/23. All tenderers completed the revised document and returned through the DPS within the deadline.
- 6.20 Following a budget review exercise, it was identified that the original invitation to tender was based on historic spend over the catch-up programme, and not the new programme. Clarifications were issued on 16/01/2024 and tenderers were invited to re-submit prices by 23/01/2024. All tenderers submitted revised prices through the DPS within the deadline.
- 6.21 During the Quality evaluation process, it was confirmed that contractors G, H & I did not provide the full suite of required certification. Tenderers were given the opportunity to provide the missing certification and on 14/11/23 a clarification message was sent via the DPS requesting the missing documentation by 15/11/23. Contractor H & I did not provide the certification within the deadline.

Therefore, both tenderers were eliminated from the evaluation process. Both tenderers were notified of their elimination via a letter issued on the portal.

- 6.22 The Quality evaluations were subsequently completed by three Council Officers, who were separate to the Price evaluators; each Officer scored the tenderers' Method Statements independently and sent their evaluations to the Procurement Officer to collate for the Moderation. The quality moderation was hosted by the Procurement Officer on 30/11/23 where the final quality scores for each tenderer were determined.
- 6.23 Following the moderation meeting held 30/11/2023 by Strategic Procurement tender G failed to meet the minimum quality threshold score of 30%, scoring 23.40% and was eliminated from further evaluation.
- 6.24 The Social Value evaluation was completed by the Social Value Portal Team. Clarifications on the tenderers Social Value submissions were issued on 02/11/23 on the DPS, with a response deadline of 06/11/23. All tenderers provided a response within the deadline. The Social Value Portal completed the evaluation and provided their scores and feedback to the Procurement Officer on 10/11/23.
- 6.25 The final scores for tenderers are outlined in the table below. The submissions were evaluated on a 60% Quality, 10% Social Value, 30% Price basis.

Tenderer	Quality (%)	Social Value (%)	Price (%)	Total
A	54.60	7.22	29.13	90.95
B	50.40	5.44	30.00	85.84
C	45.60	6.26	25.62	77.48
D	43.80	8.50	23.37	75.67
E	45.60	1.52	23.50	70.62
F	33.00	3.09	22.02	58.11
G	23.40	Eliminated from Evaluation.		
H	0	Eliminated from Evaluation.		
I	0	Eliminated from Evaluation.		

- 6.26 Based on the scores above, the Most Economically Advantageous Tender (MEAT) is Tenderer A, scoring highest for Quality and second highest for Price, and Social Value. Despite being second on price and social value, Tenderer A has demonstrated excellent knowledge and experience in their Method Statement response, whilst remaining competitive in price, and a maintaining a strong Social Value focus.
- 6.27 The total contract value is made up of multiple workstreams. This, along with the expenditure profile, is set out in the Table 3 of the Exempt part of this report.
- 6.28 Competitively tendering the new contract through Haringey's London Construction Programme to over 92 potential suppliers ensures that the wider market is engaged and that current market rates are reflected. Tenderer A was

not the most competitive in terms of price but was the highest in terms of quality. When assessed as a whole, this means that Haringey will get the most value from each one pound spent on this programme compared to the other bidders. The rates tendered also compare favourably to those incurred under the existing programme, with a reduction of approximately 8% in the base rate for an electrical inspection condition report.

- 6.29 The programme has previously been delivered by Haringey Repairs Service. Much of the previous programme was capitalised due to the amount of upgrade and improvement works carried out. Having now completed the recovery programme, the future programme will include a mix of revenue and capital expenditure as detailed in the table set out in the Exempt part of this report.
- 6.30 The costs of this service have been identified and discussed with Finance colleges for the new budget requirements for the Mechanical & Electrical team responsible for the delivery of the programme.
- 6.31 As such a virement from the Reserve was requested and approved in May 2024 for £651k of revenue funding for 2024/25 only. Capital elements will be funded from existing capital programme provision. These sums differ slightly from those shown in the afore mentioned table, which have been subject to further analysis. Future programme funding will be incorporated within the annual budget setting process.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes?

- 7.1 This project will help to deliver theme 5 of the Corporate delivery Plan. A borough where everyone has a safe, sustainable, stable, and affordable home.

8. Carbon and Climate Change

- 8.1 The implementation of this contract will ensure that our residential electrical systems and installations are safe and in good working order. Having compliant and safe systems ensure they are working in an efficient manner which contributes to reducing electricity demand from inefficient and possibly overloaded or badly insulated wiring.
- 8.2 Older and inefficient circuits can cause damage to appliances and lead to unnecessary failure or replacement of appliances that would otherwise have remained operational and effective. This will therefore reduce the waste and additional carbon emissions resulting from purchasing new unnecessary appliances.
- 8.3 The programme of inspections repairs and upgrades may be used to identify and improve opportunities for residents to install more efficient light bulbs and appliances through the provision of suitable fittings and circuits.

- 8..4 All materials and components used in the programme will comply with current standards and regulations which include energy reduction and carbon efficiency requirements aligned to applicable British and European standards.
- 8.5 All of our contractors engaged in such service provision require and maintain modern efficient vehicles to ensure service delivery and commercial efficiency.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

9.1 Finance

This contract covers the whole of council's dwellings - units of circa 15,000 units and will include inspection and works to dwellings and communal areas.

The total value of the contracts is £5.89m; for a combined total of 5 years (initial 2 years plus 3 annual extensions).

The works are of both capital and revenue in nature and as such the cost will be split between revenue and capital and funded accordingly.

The total cost in 2024/25 will be contained within the approved revenue and capital budgets for 2024/25.

Further finance comments are contained in the exempt report.

9.2 Procurement

Strategic Procurement (SP) note that this report relates to the approval to award a contract for up to five years for the provision of planned maintenance, repairs and testing Electrical Installation Condition Reports (EICR) compliance for domestic electrical and communal electrical distribution systems.

SP note that a competitive tender was launched via the LCP's Minor Works DPS. The adopted procurement is in line with Contract Standing Order (CSO) 9.04.1(b) and Regulation 34 of the Public Contract Regulations.

The Tenderers' bid submissions were evaluated in accordance with the scoring methodology contained within the published Invitation to tender document.

The outcome of the procurement demonstrates value for money.

SP support the recommendation to approve the award in accordance with CSO. 9.07.1 (d)

9.3 Head of Legal & Governance [Derron Jarell – Senior Lawyer]

The Assistance Director for Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report. The process described in the report is in line with the Council's Contract Standing Orders (**CSOs**) 7.01(b) and 9.07.1(d).

As a social landlord, the Council has statutory obligations to ensure appropriate repairs and maintenance of its housing stock is undertaken to enable it to meet that statutory duty.

The Council is responsible for making sure the structure of rented property is kept in good condition (which includes the walls, ceiling, roof, and windows); gas and electricity appliances work safely; and shared parts of a building or housing estate are kept in good condition.

The Council's Tenancy or Lease Agreements set out express terms in relation to both the rights and obligations of the Landlord and the Tenant regarding repair and maintenance responsibilities.

In addition, repairing obligations are implied in certain circumstances pursuant to a range of legislation such as the Defective Premises Act 1972 and the Landlord and Tenant Act 1985. Failure to comply with these implied terms can result in a civil claim for damages and specific performance. A claim for compensation can also be made under the Housing Act 1985. Claims in common law nuisance or negligence can similarly arise. Allegations of statutory nuisance can also be pleaded in the Magistrates' Court under the Environmental Protection Act 1990 where this is evidence to support such a claim. A housing conditions claim may include a personal injury element.

The Homes (Fitness for Human Habitation) Act 2018 contains implied covenants that residential rented accommodation is provided and maintained in a state of fitness for human habitation.

Finally, the Council also has power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

Pursuant to CSOs 7.01(b) and 9.07.1(d) Cabinet may award, assign, or novate contracts valued more than £500,000 (five hundred thousand pounds). Cabinet is being asked to approve the award and associated expenditure for the provision of planned maintenance, repairs and testing of Electrical Installation Condition Reports (EICR) for domestic and communal electrical distribution systems for an initial two (2) years, plus up to three (3) annual extensions of one (1) year each (total maximum five (5) years), for a total maximum contract value of **£5,893,605.30**, subject to Cabinet approval with a proposed start date of **1st April 2024**, a JCT Measured Term 2016 will be used.

The proposed contracts are subject to the Public Contracts Regulations 2015 ("PCRs") as their estimated value is above the financial threshold for public works and public services under the PCRs. The Procurement team have indicated that a open procedure and access to the LCP's Minor Works DPS be used to procure the proposed contracts. These procedures are compliant procurement routes under CSO 9.04.1(b) and Regulation 34 of the PCRs.

When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the procurement process.

The Assistance Director for Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Director from approving the recommendations in the report.

9.4 Equality

The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socio-economic status as a local protected characteristic.

The purpose of this decision is to approve the award of the contract for the Electrical Inspection Reports Contract for Haringey Council, to support our Building safety & Compliance and in-house Electrical Team with carrying out critical safety inspections and associated works.

Given that the aim of this decision is to continue to support resident safety through the delivery of our electrical safety programmes, we do not predict any negative equalities implications resulting from this decision.

As an organisation carrying out a public function on behalf of a public body, the Contractor who is awarded the contract will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the major works does not result in any preventable or disproportionate inequality.

10. Use of Appendices

NA

11. Background papers

NA

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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