NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE – CALL IN MEETING

Thursday, 3rd December, 2026, 7.00 pm - George Meehan House 294 High Road High Road N22 8JZ (watch the live meeting, Here and watch the recording here)

Councillors: Lucia das Neves (Chair), Luke Cawley-Harrison (Vice-Chair), Anne Gray, Marc Jenner and Adam Small

Co-optees/Non Voting Members: Christine Cordon (North Harringay Primary School) (Co-Optee) and Camilla Borwick-Fox (Ferry Lane School) (Co-Optee)

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

3. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item below).

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/PRESENTATIONS/QUESTIONS

This being a special call in meeting, deputations and Petitions must relate to the call in decision.

6. CALL IN APPROVAL TO EXTEND CURRENT HIGHWAYS AND STREET LIGHTING CONTRACTS AND APPROVAL OF THE PROCUREMENT STRATEGY FOR A FUTURE COMBINED HIGHWAYS AND STREET LIGHTING CONTRACT (PAGES 1 - 24)

1. Joint Report of the Monitoring Officer and Section 151 Officer on the Call In - **To follow**
2. Public Cabinet report - Approval to extend current Highways and Street Lighting Contracts and approval of the procurement strategy for a future combined Highways and Street Lighting Contract- attached
3. Cabinet Minutes –attached
4. Copy of the Call In - attached
5. Report of the Corporate Director for Environment and Resident Experience responding to the Call in – **To follow**

7. EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph 3 and Part 1, schedule 12A of the Local Government Act.

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

8. EXEMPT INFORMATION APPROVAL TO EXTEND CURRENT HIGHWAYS AND STREET LIGHTING CONTRACTS AND APPROVAL OF THE PROCUREMENT STRATEGY FOR A FUTURE COMBINED HIGHWAYS AND STREET LIGHTING CONTRACT (PAGES 25 - 64)

To consider exempt information pertaining to item 6 of the agenda.

Ayshe Simsek
Democratic Services and Scrutiny Manager
0208 489 2929
Tel – 0208 489 5896
Email: dominic.obrien@haringey.gov.uk

Fiona Alderman
Director of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Wednesday, 25 November 2026

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Agenda Item 6

Report for:	Cabinet - 10 November 2026
Title:	Approval to extend current Highways and Street Lighting Contracts and approval of the procurement strategy for a future combined Highways and Street Lighting Contract
Report Authorised by:	Barry Francis, Corporate Director of Environment and Resident Experience
Lead Officer:	Simi Shah - Head of Highways and Traffic
Ward(s) affected:	All
Report for Key/Non-Key Decision:	Key Decision

1 Describe the Issues Now Under Consideration

1.1 This report seeks Cabinet approval to increase the value of the current Highways Maintenance and Minor Improvement Works Term contract prior to the expiry date, to further extend both the current Highways Maintenance and Minor Improvement Works Term Contract and the Street Lighting Term Maintenance Contract, and the resulting estimated additional levels of spend.

1.2 The report also seeks Cabinet approval to a proposed procurement strategy for a combined longer-term Highways and Streetlighting Works Term contract to replace these current separate contracts which will subsequently allow for tender action for the new combined contract to proceed.

1.3 The existing Highway Maintenance and Minor Improvement Works Term Contract and Street Lighting Term Maintenance Contract with Marlborough Highways Ltd were initially awarded to Marlborough Highways Ltd in March 2020 and October 2019 respectively.

1.4 Further Cabinet approvals in January 2023, July 2024, and July 2025, allowed both these contracts to be extended in accordance with the provisions of the original contracts; the existing contractor having met performance requirements within both contracts. However, these contracts are currently due to expire on 30th June 2027.

1.5 A 12-month extension to both contracts is proposed having regard for current uncertainties due to global economic turbulence, and the likelihood that full re-procurement at this time may result in increased tender pricing to reflect resulting risk particularly in terms of materials, energy, and transport costs. It also allows time for a review of the future long-term procurement strategy in the context of the council's emerging new Corporate Delivery Plan.

Haringey LONDON

2 Cabinet Member Introduction

2.1 Our streets and public spaces are among the Council's most valuable assets. They connect people to jobs, schools, shops, parks, healthcare and one another, and play a vital role in shaping the quality of life of everyone who lives, works and visits Haringey

2.2 We know that Investing in our public realm helps people choose more sustainable ways to travel, supports local economic activity, and enables residents to live healthier and more connected lives.

2.3 *The requirements set out in our highway and street lighting works contracts ensure that contractors recycle at least 95% of waste materials and measure carbon emissions in order understand and to reduce them going forwards, which contributes to our commitment to addressing climate change.*

2.4 *As part of the procurement process, bidders will be required to submit their proposed social value commitments, which will be aligned to the key themes of 'Responding to the climate emergency' and 'Place and economy', with each theme containing a range of outcomes and metrics. Performance will be monitored and reported throughout the life of the contract via the social value portal. Our ambitions on climate action, active travel and thriving local communities are central, whether it's our pavements and roads or any other service or council asset.*

2.5 *This report recommends a short-term extension of the current highway works and street lighting contracts, alongside a procurement strategy for a new longer-term contract, to ensure the delivery of high-quality services while advancing our administration's environmental and social objectives.*

3 Recommendations

It is recommended that Cabinet:

3.1 Approves the variation of the existing Highways and Minor Improvement Works Term Contract from £98m to £105m over the current period of the contract up to 30 June 2027 and a further variation of this contract beyond 30th June 2027 for a maximum period of 12 months to 30th June 2028 with an estimated additional value of works of £5m in accordance with CSO 2.01(d) (The cabinet approve any Variation or Extension with an aggregate of £500,000 or more)**.**

3.2 Approves the variation of the existing Street Lighting Works Term Contract beyond 30th June 2027 for a maximum period of 12 months to 30th June 2028 with an estimated additional value of works of £2M in accordance with CSO 2.01(d) (The cabinet approve any Variation or Extension with an aggregate of £500,000 or more).

3.3 Approves the commencement of a procurement exercise in accordance with CSO 2.01(b) (The Cabinet approve commencing a procurement exercise for proposed Contracts valued at £500,000 or more)**.**

4 Reasons for Decision

4.1 It is the statutory duty of a council as a highway authority to keep the infrastructure in good repair to allow the safe progress of pedestrians, cyclists, and ordinary traffic. It is therefore essential to maintain contractual arrangements to ensure the delivery of the Council's highway and street lighting related capital and revenue funded works programmes while also progressing longer term procurement arrangements.

5 Alternative Options Considered

5.1 Doing nothing is not an option, due to the need to ensure the ongoing delivery of the extensive highway and traffic related programmes required over the next few years.

5.2 Full procurement of new contractual arrangements to operate from the current expiry date of 30 June 2027 are not recommended in the current climate of economic uncertainty.

5.3 The possibility of insourcing part or all the works was the subject of a detailed investigation in 2023 which concluded it was not viable, as described in more detail in sections 6.15 to 6.18 below.

6 Background Information

The Current Contracts

6.1 On 9 July 2019, Cabinet awarded a Street Lighting term contract to Marlborough Highways Ltd. The contract was initially awarded for a period of 4 years commencing 1 October 2019 and ending on 30 September 2023 but was the subject of Cabinet approvals on January 2023 and July 2025 to further extensions, finally to 30 June 2027 for which there was provision within the contract.

6.2 On 20 March 2020 Cabinet approved the award of a separate contract for the maintenance of the Council's highway to the same contractor this also being the subject of a Cabinet approval to a further extension on 16 July 2024 to 30 June 2027.

6.3 While not committing the Council to any specific level of spend, with the exception of the annual street lighting service activity charges, these contracts, which include priced schedules of rates, against which works are measured and valued, and the associated terms and conditions, allow the ongoing commissioning of packages of capital and revenue funded works rather than requiring further procurement procedures for all new packages of works.

6.4 The contracts provide for works to be carried out anywhere within Haringey including on non-public highways land such as for housing or in park areas that might include paving, drainage, resurfacing and street lighting works.

6.5 Most of the works are funded through the Council's capital and revenue programmes together with any additional funding from external bodies including developers through legal agreements, Transport for London (TfL), Department for Transport (DfT), Environment Agency) (EA), and Greater London Authority (GLA).

Performance of the Existing Contractor

6.6 The award of extensions to the current contracts has been dependent upon the satisfactory performance of the contractor. Officers continue to review the ongoing performance of the current contractor in respect of both the highways and street lighting contracts having regard for both key performance indicators (KPIs) that were included in the contracts covering timely delivery of works, quality of the services provided, accuracy of invoicing, and health and safety.

6.7 The contractor has been able to match or exceed the key performance Indicator (KPI) targets including stretch targets relating to the delivery of key operations. In addition, the contractor's ability to respond to changing workloads and to develop sound working relationships with officers has also been demonstrated.

6.8 Despite industry shortages, the contractor has also been able to maintain a competent management and workforce framework and worked with Council officers to identify and implement service improvements and innovation including sustainability initiatives where methods of working and materials used were concerned.

6.9 In addition to the performance management framework incorporated within the contracts, the contractor has also progressed a range of initiatives to complement the services delivered and which were included in a list of targets agreed during the initial mobilisation that have added social value to the contracts. This included working with the Haringey Works team to offer training, employment, and apprentice opportunities to Haringey's residents.

6.10 There would be no changes to the schedule of rates resulting from the proposed further extensions other than those allowed for in the contracts.

Increases in the Estimated Value of Highway Works

6.11 The earlier approved estimated value of this contract of £98m was based upon the historic spend. However, actual expenditure is dependent upon approved capital and revenue expenditure for relevant individual projects and programmes. The subsequent actual spend has exceeded the earlier estimates with the value of spend to the end of the current contract (on 30th June 2027) now estimated to be up to £105m. This has been due to a combination of significant inflationary rises in cost together with increases in the annual investment in highway assets, and in success in obtaining additional partnership and placemaking investment in public realm improvements as well as increases in funding from TfL for active travel programmes that is also being delivered through this contract.

Increases in the Value of Street Lighting Works

6.12 The approved estimated expenditure over the current period of the contract expiring in June 2027 is £22.8m. Should approval be given to the proposed extension, it is estimated that an additional spend of £2m will occur over the period of this extension.

Summary of Current and Extension Contract Values

6.13 The amendments to the value of the current highway contract and additional expenditure required within the proposed extension to both the highway works and street lighting contracts are set out in the table below.

Contract	Years	Current Value	Spend to date	Remaining value	Additional funding to be requested	Estimated extension value (2027-28)	Estimated total contract value
Highways	2020-27	98m	80.64m	17.36m	7m	5m	110m
Street Lighting	2019-27	22.8m	18.57m	4.23m	-	2m	24.8m

Insourcing Review

6.14 The proposed strategy has taken into consideration the outcome of an earlier investigation as to the possibility of insourcing part, or all, of the highway maintenance and improvement works. This investigation, including a more recent update, is discussed in greater detail in the body of the draft strategy. Two options for insourcing the works, through a hybrid working arrangement with a term contractor, and a fully insourced model were considered.

6.15 These options were appraised in 2023 using the Council's 'enabling framework' and compared with the option of continuing to deliver all the works through a term contractor.

6.16 It was concluded that the running costs of either insourcing option would be substantially higher than delivering all the works through a term contractor which would result in less works being delivered. Besides the comparative cost, other considerations included the current lack of internal resources and skill sets to deliver such works, including management and supervision of works, problems of recruiting and retaining operational staff, and reconciliation of market pay rates with Council pay scales.

6.17 A recent update of the earlier review was carried out and confirmed that the operating conditions and resulting relative costs remained unchanged.

Proposed Longer Term Procurement Strategy

6.18 The draft strategy (attached in the (exempt) Part B Appendix 1 to this report) sets out a proposal to engage a single contractor to carry out both highway and street lighting maintenance and improvements works having regard for the substantial synergy between the two kinds of work and the resulting administrative benefits.

6.19 The maximum contract term would be 8 years, made up of an initial 4-year term and two 2-year extensions subject to satisfactory performance of the successful contractor.

6.20 The strategy sets out the objectives of the procurement, the nature of the requirements, the market analysis undertaken, and the resulting preferred procurement option.

6.21 Compliance with social value performance targets will ensure that the contract actively contributes to the borough's long-term goals.

6.22 Tender evaluation will take into consideration a combination of commercial, quality, and social value using potential weighting of 65%/25%/10% split.

6.23 Subject to Cabinet approval to the draft procurement strategy, an indicative timetable for the full procurement process is set out in Section 14 of the Procurement Strategy in Appendix 1 located in Part B. Should the indicative target date of 1 April 2028 for commencement of the new contract be achieved, the proposed extensions to the existing contracts can be reduced to align to the start of the new contract, subject to the appropriate notice period being met with the existing contractor.

7 Contribution to Strategic Outcomes

7.1 The highway improvement works and street lighting maintenance contracts play a key role in the delivery of the Council's strategic objectives through seeking to facilitating sustainability, equity, community benefit, and resilience through contract delivery. The Council thereby seeks to ensure that every pound spent on the borough's roads and footways also advances wider social and environmental objectives. The contract will contribute to key vision and related objectives within the Haringey 2035 Vision including:

- Quality of life in all parts of the borough through cleaner, greener and safer neighbourhoods by improving the public realm.
- Supporting greener choices through supporting active travel and inclusive mobility by maintaining and expanding cycleways, footways, and accessible crossings.

8 Carbon and Climate Change

8.1 The new contractor's performance will be monitored against a target of recycling 95% waste.

8.2 The carbon produced in carrying out works will be reported to the council and the new contractor will also be expected to progress a range of measures to reduce carbon emissions, thereby reflecting objectives within the theme of "Responding to Climate Emergencies" within the earlier Corporate Delivery Plan including "the trialling and actual use of lower carbon materials and treatments in highway maintenance and improvement schemes."

9 Statutory officers' comments (Chief Finance Officer, Head of Procurement, Director of Legal and Governance, Equalities)

Procurement

9.1 Strategic Procurement notes the contents of this report.

Budget Increase Request Within the Official Contract Period

9.2 The current approved budget for the highway improvement works contract will not cover the delivery of works up to 30th June 2027 due to inflationary cost pressures and increased investments in highway assets, public realm improvements and active travel programmes.

9.3 During this official contract period an amount of £7m is required to deliver the agreed contract up to 30th June 2027. A further amount of £5m is required to deliver services up to 30th June 2028. The highway improvement works contract will therefore be varied under Regulation 72(1)(b) of the Public Contracts Regulations (PCR 2015) and CSO's 18.03.3 & 2.01(d).

Extension of Contracts Beyond Official Expiry

9.4 The Council's Highways Maintenance and Minor Improvement works, and Street lighting Term Maintenance contract will expire on 30th June 2027. Both contracts are delivered by Marlborough Highways Ltd.

9.5 The Council require both contracts to continue beyond their official expiry up to a period of 12 months in accordance with CSO ,18.03.3 & 2.01(d). The extensions to both contracts are proposed to ensure continuity of service while the Council reviews its long-term procurement approach and priorities.

9.6 The conditions of Regulation 72 of the Public Contracts Regulations (PCR 2015) have been considered, and the proposed extension is permissible under Regulation 72(1)(b) for highway works contract and 72(5)(a)(b) for street lighting works contract.

- Spend allocated - **£5M** during the extension of the highways contract,
- Spend allocated - **£2M** during the extension of the street lighting contract

New Procurement (Highways and Street Lighting Contract)

9.7 The Council intends to award a new contract by June 2028 through a competitive tender process.

9.8 The Council's delivery options are being explored and as part of this it engaged with the market in September 2026 to gain more insight to improve the delivery model and procurement process.

9.9 The current preferred route to market is the Competitive Flexible Procedure. However, the Council therefore reserves the right to utilise another compliant route to market where appropriate. The Council's routes to market are set out within CSO's 7,8,9,10,11 &12.

9.10 SP will work with the service to drive the procurement, including social value delivery forward. SP recommends the approval of the extension, budget increase and the commencement of a new procurement in accordance with CSO's 18.02.1,18.03.3,2.01(b) & 2.01(d).

Legal

9.11 The Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

9.12 The works contracts are subject to the provisions of the Public Contracts Regulations 2105 (the Regulations). Any modification of the contract must comply with one of the safe harbours set out in Reg 72 of the Regulations.

9.13 The extension of the street lighting contract is permitted under Reg 72 (5) (a) & (b) i.e. the de minimis rule.

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9.14 The additional spend on the existing highways contract plus the further extension to the highways works contract is permitted under Reg 72 (1) (b) which says that a modification without a procurement is permitted where additional works, services or supplies by the existing contractor have become necessary and were not included in the initial procurement, where a change of contractor -

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract.

9.15 Cabinet has power to approve the recommendations for contract extensions and additional spend under CCSO 2.01 d) (approval of variation or extension with an aggregate value of £500,000 or more).

9.16 Cabinet has power to approve the commencement of a procurement valued at £500,000 or more (CSO2.01 b).

9.17 The Director of Legal and Governance confirms that there are no legal reasons preventing Cabinet from approving the recommendations in this report.

Finance

9.18 This report seeks Cabinet approval to extend the existing contracts with Marlborough Highways Ltd until June 2028 and to procure a new long-term combined highways and streetlighting contract from July 2028. The proposed approach is expected to deliver efficiency savings through the consolidation of the two existing contracts into a single contract arrangement.

9.19 In March 2020, Cabinet awarded the Highways Maintenance and Minor Improvement Works Contract to Marlborough Highways Ltd for a term ending in June 2025. Subsequent Cabinet approvals extended the contract to 30 June 2027, resulting in an aggregate contract value of £98 million. However, an additional £7 million is required to cover expenditure up to 30 June 2027, reflecting inflationary cost increases and increased annual investment in highway assets.

9.20 This report also seeks approval to further extend the Highways Maintenance and Minor Improvement Works Contract with Marlborough Highways Ltd from 1 July 2027 to 30 June 2028 at an estimated value of £5 million. Subject to approval, the aggregate contract value will increase to £110 million. Expenditure during the extension period will be capped at £5 million.

9.21 Cabinet awarded the Street Lighting Works Contract to Marlborough Highways Ltd in July 2019 for a term ending in September 2023. Subsequent Cabinet approvals extended the contract to 30 June 2027, resulting in an aggregate contract value of £22.8 million.

9.22 This report seeks approval to further extend the Street Lighting Works Contract with Marlborough Highways Ltd from July 2027 to June 2028 at a value of £2 million. Subject to approval, the aggregate contract value will increase to £24.8 million.

9.23 The contracts will be funded through the Council's approved capital and revenue programmes, together with external funding sources including Section 106 developer contributions, Transport for London, the Department for Transport, the Environment Agency, and the Greater London Authority.

9.24 The proposed contract value increases and extensions are expected to provide sufficient contractual and financial cover until June 2028, allowing time for the procurement and mobilisation of a new long-term combined highways contract.

9.25 The proposed contract values represent maximum expenditure limits and do not commit the Council to spending at that level. The only fixed financial commitment under the new contract relates to the delivery of the four core services set out in the procurement strategy, and these annual costs can be met from existing revenue budgets for highways and street lighting maintenance. All other works will be commissioned on an as-required basis through pre-agreed schedules of rates, with works instructed, measured and valued in accordance with the contract. This arrangement enables the Council to continue delivering both capital and revenue-funded works efficiently, without the need to undertake separate procurement exercises for individual projects or work packages.

Social Value

9.26 As part of the procurement for the new joint contract, bidders will be required to submit their proposed social value commitments as part of their tender response. The Council will use its approved TOMs (Themes, Outcomes and Measures) Framework to assess, quantify, and monitor the social value offered and delivered throughout the contract term.

9.27 Social value commitments will be aligned to the framework's key themes of Work, Economy, Planet and Community, with each theme comprising a range of outcomes and measures designed to support the Council's wider social, economic, and environmental objectives.

9.28 The successful bidder will be expected to deliver measurable social value outcomes against the agreed commitments, with performance monitored and reported throughout the life of the contract via the social value portal.

Equalities

9.29 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 those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

9.30 The three parts of the duty applies 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.

9.31 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.32 The decision seeks approval to extensions to the current highway and street lighting works contracts, with adjusted estimated spends, together with approval for the procurement of a new contract.

9.33 By the inclusion of social value requirements via the TOMS framework within the new contract, this will ensure the Council achieves its wider social value objectives.

9.34 The key beneficial aspects of the works that the contractor will carry out include:

- Improved access to facilities including hospital and medical support centres, schools, libraries, and community centres that will benefit Haringey residents and visitors. especially those with protected characteristics such as older people, disabled people, and children.
- Safer roads with lesser congestion and reduced levels of pollution are likely to benefit people such as pregnant women, older and/or disabled people with respiratory illnesses.
- Improved lighting that will benefit all Haringey residents and specifically benefit some protected groups that are known to feel less safe at night

including women, young adults, older people and disabled people (particularly those who are visually impaired).

- Some works will involve measures to ensure the ongoing safe movement of all road users including temporary diversions and restrictions to the use of footways, However, such works will be complemented by measures to ensure the ongoing safe movement of all road users and having particular regards to disabled and visually impaired people.

9.35 As bodies carrying out a public function on behalf of a public authority, contractors will be required to have due regard for the need to achieve the three aims of the Public Sector Equality Duty, noted above. Arrangements will be in place to monitor the performance of the contractor and ensure that any reasonably possible measures are taken to address any issues that may occur that may have a disproportionate negative impact on any groups who share the protected characteristics.

10 Use of Appendices

Part B Appendix 1 – Draft Procurement Strategy – Highways and Street Lighting Term Maintenance Contract (**Exempt** – **Not for publication** by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This appendix is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any person (including the authority holding that information).

11 Local Government (Access to Information) Act 1985

N/A

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ITEM 13 - APPROVAL TO EXTEND CURRENT HIGHWAYS AND STREET LIGHTING CONTRACTS AND APPROVAL OF THE PROCUREMENT STRATEGY FOR A FUTURE COMBINED HIGHWAYS AND STREET LIGHTING CONTRACT

The Cabinet Member for Climate Action and Transport introduced the report.

The Cabinet Member explained that the Council's streets and public spaces were important assets. They connected people to employment, education, retail centres, parks, healthcare services and each other, and played a significant role in supporting the daily activities of residents, workers and visitors within Haringey.

Investment in the public realm supported sustainable travel choices, local economic activity, and opportunities for residents to lead healthier and more connected lives.

It was explained that the requirements set out in the highway and street lighting works contracts required contractors to recycle at least 95% of waste materials and to measure carbon emissions to better understand and reduce their environmental impact over time. These measures supported the Council's approach to environmental sustainability. As part of the procurement process, bidders were required to submit proposed social value commitments aligned to the themes of ‘Responding to the Climate Emergency’ and ‘Place and Economy’. Each theme contained a range of outcomes and metrics. Performance was monitored and reported throughout the life of the contract via the Social Value Portal.

The Cabinet Member explained the proposals for a short-term extension of the existing highway works and street lighting contracts, alongside a procurement strategy for a new longer-term contract, to support the continued delivery of highway and street lighting services.

Following questions from Councillor Cawley-Harrison the following information was shared:

- There were concerns raised regarding adherence to procurement timetables, particularly citing that the contract had already been extended, and that the report cited economic uncertainty as a reason for extension. It was additionally noted that the questioner had concerns that the report did not contain sufficient benchmarking or evidence bases to be able to justify extension.
- It was explained by officers that there had been soft market testing undertaken for future procurement of a subsequent newly procured contract which would be brought back to Cabinet for future decision making. It was explained that the request to extend the contract provided officers with sufficient time to undertake a full and detailed procurement exercise.
- It was stressed by officers that the proposed extension had received due and sufficient legal and procurement advice to ensure that it was compliant with all

statutory requirements.

RESOLVED:

That Cabinet, following consideration of the exempt information:

1. Approved a variation to the existing Highways and Minor Improvement Works Term Contract, increasing its value from £98 million to £105 million for the remaining period of the contract to 30 June 2027, and approve a further variation beyond 30 June 2027 for a maximum period of 12 months to 30 June 2028, with an estimated additional value of £5 million, in accordance with CSO 2.01(d), which required Cabinet approval for any variation or extension with an aggregate value of £500,000 or more.

2. Approved a variation to the existing Street Lighting Works Term Contract beyond 30 June 2027 for a maximum period of 12 months to 30 June 2028, with an estimated additional value of £2 million, in accordance with CSO 2.01(d), which required Cabinet approval for any variation or extension with an aggregate value of £500,000 or more.

3. Approved the commencement of a procurement exercise in accordance with CSO 2.01(b), which required Cabinet approval before commencing a procurement exercise for proposed contracts valued at £500,000 or more.

Reasons for the Decision

As the highway authority, the Council had a statutory duty to maintain highway infrastructure in a safe condition for pedestrians, cyclists, and other road users. It was therefore necessary to maintain appropriate contractual arrangements to support delivery of the Council's highways and street lighting capital and revenue programmes, while also progressing longer-term procurement arrangements for future service delivery.

Alternative Options Considered

The option of taking no action was not considered viable, given the requirement to ensure the continued delivery of a substantial programme of highway, traffic management, and street lighting works over the coming years.

Procuring entirely new contractual arrangements to commence immediately following the expiry of the existing contracts on 30 June 2027 was considered but was not recommended in light of prevailing economic uncertainty and market conditions.

The option of bringing some or all of the works in-house had previously been the subject of a detailed review undertaken in 2023. The review concluded that the existing delivery model continued to offer the most effective and efficient means of

delivering the required works and services, taking into account operational requirements, resource implications, and value for money considerations.

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‘CALL IN’ OF DECISIONS OF THE CABINET

This form is to be used for the ‘calling in’ of decisions of the above bodies, in accordance with the procedure set out in Part 4 Section H.2 of the Constitution.

TITLE OF MEETING	Cabinet
DATE OF MEETING	Tuesday 10th November 2026
MINUTE No. AND TITLE OF ITEM	13. Approval to extend current Highways and Street Lighting Contracts and approval of the procurement strategy for a future combined Highways and Street Lighting Contract

1. Reason for Call-In/Is it claimed to be outside the policy or budget framework?

Outside the Policy or Budget Framework?

No

Reasons for call-in:

Reason 1 - Failure to Act on Previously Agreed Timetables and Lack of Substantive Justification

- Cabinet has already utilised the pre-existing contractual extension allowances built into both original tenders, exercising the two year extension to the Highways Maintenance contract (July 2024) taking it to its maximum seven-year term in June 2027, and two prior extensions to the Street Lighting contract (January 2023 and July 2025), taking it also to June 2027, expressly to align both expiry dates for a joint competitive tender. This decision is now making further extensions beyond the official contract expiry dates in June 2027, without properly evidencing the reasons this is necessary.
- The Cabinet report in July 2024 to extend the Highways and Maintenance contract states that ‘At the end of the extended contract in June 2027, a new procurement will have had to take place looking at options for procuring a new Highways contract. Such an exercise is likely to take up to 18month [sic] so it is something that would ideally need to have started at the beginning of the 2026 calendar year.’ No evidence has been provided that this work took place, and it is clear that the council’s view in July 2024 was that there was sufficient time and known deadlines to undertake a full, competitive tender by June 2027.

- 9.18 of the report states that an extension to June 2028 will allow consolidation of two existing contracts, but no evidence is presented that a contract extension is necessary in order to achieve consolidation. The dates the contracts were ending were known well in advance, and one of the main reasons given for the extension of the Street Lighting contract in July 2025 to June 2027 was to allow 'the highways and street lighting contracts to be let in parallel timelines' under a joint competitive tender. The same argument should not be used again for further extensions.
- The extensions to the contracts rely on two further reasons, one being the phrase 'economic uncertainty', a term which is not defined in terms of any metrics, and is completely unevidenced.
- The report states at 9.7 that the council intends to award a new contract through a competitive tender process by June 2028, but there is no evidence presented that economic conditions are expected to be more benign by this date.
- Both the July 2024 decision to extend the Highways Maintenance contract and the July 2025 decision to extend the Street Lighting contract also cited 'uncertainties within the market' as grounds for extending within the contract; further evidencing that a further extension of the contract provides no guarantee, or even likelihood, of more benign market conditions. Contracts cannot simply be extended *ad infinitum* on the basis of market conditions, or unevidenced changing future conditions. The use of market conditions to justify previous decisions discredits this as reasoning for these further extensions.
- The second reason, allowing time for a review of the long-term procurement strategy, does not constitute a valid reason for a contract extension: under Procurement Regulations, allowing time to review a long-term procurement strategy does not justify bypassing open competition and internal administrative delays do not satisfy statutory procurement modification gateways.
- The final expiry dates of these contracts have been known for seven and eight years respectively, so more time due to unforeseen circumstances cannot credibly be claimed.
- Under Article 12.02 of the Constitution, Cabinet decisions must be proportionate, supported by professional advice, and based on clear, evidenced rationale with reasons given. Presenting a general reasoning of "economic uncertainty" without any evidence from market-testing (despite indicating some market engagement in September), zero benchmark metrics, and indeed no evidentiary documentation whatsoever, falls far short of that standard and would therefore be in breach of the constitution.

Reason 2 - Non-compliance with Public Contract Regulations

- The extension to the Highways Contract is asserted to be in compliance with Public Contracts Regulations (PCR 2015), Regulation

72(1)(b), but nothing in the Cabinet report evidences compliance with the conditions set out in said clause.

- The council has made two decisions relating to this contract, the first an uplift to the current contract, and second an extension to the current contract beyond the original contract scope that both fall outside the cited regulation. Regulation 72(1)(b) applies only to 'additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement'. Neither an uplift in costs, nor a simple extension, constitute 'additional works' under this clause.
- Regulation 72(1)(b)(i) and (ii) are specifically stated as the legal reasons that this is permissible, but the council has provided no evidence that changing contractors cannot be done for technical or economic reasons, nor would cause significant inconvenience or substantial duplication of costs. Given there are many companies in the market that can offer these services, this legal test cannot be based on assumptions. It must be evidence-based for contract law, but this has not been presented to Cabinet.

- The extension to the Street Lighting Maintenance Contract is asserted to be in compliance with Public Contracts Regulations (PCR 2015), Regulation 72(5)(a) and (b) - the De Minimis Gateway - but this contract does not satisfy this criterion.
    - This contract was originally agreed on a £12m spend across the 8 year term. The council's previous two extensions increased the contract value initially to £20m and then further to £22.8m. To qualify under the de minimis gateway, a modification must sit below the statutory UK procurement threshold and below a value of 10% for services or 15% for works of the original £12m contract value (therefore £1.2m or £1.8m respectively). As this proposed extension is valued at £2m, it breaches both thresholds, and given the works provided would be considered a services contract (in accordance with Regulation 4(1) of PCR around mixed contracts) as this was initially contracted primarily as a maintenance contract, the lower threshold would apply.
- In failing to meet the criteria set out in the Cabinet report, these contract modifications would be breaching Regulation 72(9) by failing to run a new procurement procedure and exposing the Council to an ineffectiveness challenge under Regulation 99.

Reason 3 - Use of Exempt Information / Lack of Public Oversight

- The report states that the "Draft Procurement Strategy – Highways and Street Lighting Term Maintenance Contract" has been attached as an exempt paper, based on Schedule 12A of the Local Government Act 1972, in that it contains information relating to the financial or business affairs of any person (including the authority holding that information). However this deprives members and residents of the information

needed to scrutinise and assess this decision, and why a change of direction has been made compared to previous Cabinet decisions.

- The council's constitution sets out that decision making should take "a presumption in favour of openness". Exempting the entire document, suggests that every word of every paragraph has information relating to financial or business affairs. This is almost certainly not the case, and therefore this document should have been published with the relevant information redacted, to ensure compliance with a presumption in favour of openness.
- There is also no indication presented suggesting that information which may have altered arguments relating to Reason 1 - Lack of evidence for decision being taken, was included in the exempt papers, as this was not referenced. However, indications were given at Cabinet under questioning that market testing was carried out at some point and there is a reference to some soft testing. If this was included in exempt papers, then these decisions should be reviewed and scrutinised by the OSC. If this information was presented in neither the public nor exempt papers, then this forms a crucial lack of evidence submitted to the Cabinet for the decision being made.

2. Variation of Action Proposed

Overview and Scrutiny Committee is asked to refer the decision back to Cabinet for reconsideration with the following recommendations:

- Cabinet should obtain and publish independent legal advice from a contract law specialist detailing how each contract (including both the in-contract ceiling rise and the 12-month extension to 30 June 2028 for Highways Maintenance, and the further extension for Street Lighting) meets the specific legal tests in PCR 2015 Regulation 72 against the arguments set out in this call-in, confirming that there is no credible basis for ambiguity or legal challenge, and if it is unable to do so then formally reject this decision to protect the council against legal challenge.
- Review the exempt papers against the Schedule 12A public interest test and publish a redacted version (including the Draft Procurement Strategy, detailed costings, and commercial risk assessment) with only genuinely sensitive commercial information blacked out, in line with the recent decision notice of the Cabinet held on Friday, 13th November, 2026.
- Publish details of market testing and the evidence that this extension option scores highest on substantive metrics compared with other options, and provides clear and significant best value for money for the council against an open tender. Where this is unevidenced, Cabinet should approve an immediate open tender process for a combined Highways and Street Lighting Contract.

Overview and Scrutiny Committee is further asked to recommend to Cabinet:

- That the council provides senior officer training on:
    - Writing Cabinet Reports with sufficient detail for Cabinet to provide an informed and reasoned decision with all alternative options considered and for the public to be assured of the same, including detailing clear evidence basis in all Cabinet Reports and alongside Cabinet Recommendations;
    - The fact that that contract extensions beyond the scope of the original contract should be used only as an absolute exception, only where they provide very clear value for money to the council, and should be rigorously tested and evidenced in public against open tender before being put forward as a preferred option;
    - The prioritisation of public interest when separating information in a report, and a reporting hierarchy of public publication, followed by redaction, followed by exemption;
- That the council agrees that vague terms such as “economic uncertainty” or “market conditions” without robust evidence to back this up, are not permissible reasons for contracts to be awarded/not-awarded/extended/renewed/replaced, and this will not be used for future Cabinet decisions.
- That the council agrees that a failure to carry out either procurement exercises or market testing with sufficient advance timing to allow for open tender/procurement, regardless of resourcing issues, is not a legally-acceptable reason for contracts to be awarded/not-awarded/extended/renewed/replaced except in very specific circumstances - for example an existing contract has been curtailed by the collapse of a contract provider.

Signed:

Councillor Luke Cawley-Harrison

Countersigned:

1. Councillor Tony Powell
2. Councillor Karolina Braun
3. Councillor Imad Ahmed
4. Councillor Dawn Barnes

Date Submitted: 17/11/2026

Date Received :
(to be completed by the Democratic Services Manager)

Notes:

1. Please send this form to:

   Ayshe Simsek(on behalf of the Proper Officer)
   Acting Democratic Services and Scrutiny Manager
   5th Floor
   River Park House
   225 High Road, Wood Green, London N22 8HQ
   Tel: 8489 2920
   Fax: 020 8881 5218

   This form must be received by the Acting Democratic Services and Scrutiny Manager by 10.00 a.m. on the fifth working day following publication of the minutes.

2. The proper officer will forward all timely and proper call-in requests to the Chair of the Overview and Scrutiny Committee and notify the decision taker and the relevant Director.

3. A decision will be implemented after the expiry of ten working days following the Chair of Overview and Scrutiny Committee's receipt of a call-in request, unless a meeting of the Overview and Scrutiny Committee takes place during the 10 day period.

4. If a call-in request claims that a decision is contrary to the policy or budget framework, the Proper Officer will forward the call-in requests to the Monitoring Officer and /or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall outside the policy or budget framework.

- The extension is claimed to be permitted under Public Contracts Regulations 2105, Reg 72 (5) (a) & (b), stating that a contract can be modified “where the value of the modification is below both of the following values:—
    - (a)the relevant threshold mentioned in regulation 5, and
    - (b)10% of the initial contract value for service and supply contracts and 15% of the initial contract value for works contracts, provided that the modification does not alter the overall nature of the contract or framework agreement.

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

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