

Report for: Cabinet – 19 July 2022

Title: Partnering Contracts Strategy for Housing Major Works

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Lead Officer: Judith Page, Assistant Director of Housing Property Services

Ward(s) affected: All Wards

Report for Key/Non-Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This paper sets out the strategy for improving the way in which the capital investment in the Council's housing stock is procured and delivered. The purpose of this strategy is not only delivering the core objectives of the Council's Housing Investment programme ensuring that all of the stock meets the Decent Homes Standard by 2025 and this is maintained going forward; that all Council owned homes have a minimum of an EPC B by 2035 and that statutory safety standards are maintained in all of our blocks. It also aims to ensure, that alongside the core objectives, £800 million of investment delivers to the wider borough plan objectives. These include providing employment and training opportunities; supporting and enabling SME supply-chain in the borough to benefit from the investment and involving our residents at all stages in the procurement and delivery process.
- 1.2. The proposal is that the Council enters into four partnering contracts to deliver the Capital Programme for the improvement works to Haringey owned housing stock between 2023 and March 2034. The estimated value of this work is circa £800 million for this 10-year period.
- 1.3. This reports requests approval of this strategic approach. In line with the approved Asset Management Strategy, it assumes holistic delivery of works to existing properties and the works will include Decent Homes; energy improvements to deliver the Borough's zero carbon targets; delivery of regeneration works to the existing blocks on Broadwater Farm. The procurement will also include the provision to deliver new homes, where it would be expedient to do this alongside planned investment, including infill, conversions, or rooftop developments on our estates. Within the tender we will allow for all Haringey owned buildings and not just HRA stock, which will enable flexibility if the Corporate Landlord wishes to access the procured supply-chain especially for buildings which are owned by the general fund but are linked to the housing stock.
- 1.4. The procurement strategy sets out how residents will be involved at all stages in the contracts including the procurement and mobilisation of the contractors, the

on-going management and governance of the contracts including the co-production of works to their properties and future social value projects.

- 1.5. Works under these contracts are currently timetabled to start in Autumn 2023. As this is in the middle of a financial year, and to ensure that the Decent Homes target is achieved by 2025, some of the works for this financial year will be procured through single contract procurement. Health and Safety projects and works which are beneficial to be delivered during the early part of the financial year such as window renewals and roof works will be the focus of the single contract procurement.

2. Introduction

- 2.1. The Council has ambitious plans for investing in its housing stock over the next ten years. This includes supporting the delivery of Haringey's zero carbon targets by bringing the stock from an average Energy Performance Rating (EPC) C to B by 2035. Additional work strands include fire safety, regeneration works to the existing blocks on Broadwater Farm and new homes initiatives including conversions, infill, and rooftop developments. These measures are over and above the traditional major works programme which ensures that properties meet the Decent Homes Standard.
- 2.2. Between 2023 and 2034, the expected period for these contracts to be in place, there is £705 million in the Asset Management 30-year plan for works to the Council owned Housing stock which will contribute to the Borough Plan objective to drive up the quality of homes for everyone. This will include supporting Haringey's zero carbon targets through improving the energy efficiency of the housing stock. The new contracts will enable greater resident involvement in procurement and governance. Resident feedback will be used to drive continuous improvement to the way works are delivered to council housing across the borough. This should increase satisfaction with the quality of Council owned homes and estates.
- 2.3. This procurement strategy will be used to meet the wider objectives set out in the Borough Plan of:
 - 2.3.1. Growing the economy and thriving local businesses, supported by a community wealth building approach.
 - 2.3.2. To be a borough where all residents have access to training and skills development opportunities and more people are supported into work.
 - 2.3.3. A borough with more quality jobs with opportunities for progression.
- 2.4. Up until 2018 planned works were successfully delivered, through partnering framework contracts. Since then, the works programme has been delivered through single contract arrangements. This has definitely impacted on the amount of work which has been delivered since 2018. In some cases, it has also impacted on the standard of these works and the resident experience on-site. The single contract delivery is also resource and time intensive and is recognised within the sector as an expensive way to procure this type of work.

- 2.5. Single contract procurement also limits resident involvement in the development of works to their homes, as the works are tendered using contractors to complete the design and planning after they have tendered for works at a fixed costs and with target timescales for delivery. Long-term contractual arrangements involve contractors early in the process which also enables early resident engagement and input in works to their homes as well as strengthening the approach to securing meaningful social value.
- 2.6. The Asset Management Strategy approved by 19 January 2021 Cabinet set out a new approach to delivering capital works to the council's housing stock; namely that works would be delivered holistically through long-term partnering contracts. This was in recognition that continuing with the existing procurement arrangements would not be suitable for delivering the enhanced scope and scale of the new investment standard.
- 2.7. As a result, officers have developed proposals for a new procurement strategy, which is to enter into long-term partnering contracts, the details of which are set out in the paper. Partnering is a tried and tested approach to delivery and several boroughs in London and RSLs are already signed up to or developing proposals for contract in this way for periods of 5, 10 and 20 years. We have also got direct experience in Haringey when partnering arrangements were used successfully to deliver the earlier years of the Decent Homes programme.

3.0 Recommendations

Cabinet is recommended:

- 3.1 To approve the proposed procurement strategy for the delivery of major works to the Council's housing stock as set out in Section 7 of the report.

4.0 Reasons for decision

- 4.1 At £800 million, split across four contractors, this will be one of the largest procurements ever undertaken by the Council. It is, therefore, felt appropriate to ask for Cabinet support for the partnering approach at an early stage to enable officers to progress the procurement to resident consultation, tender and award stage over the next 12 months.
- 4.2 The proposed route to market will enable us to address many issues with the current approach including not meeting annual delivery targets, having to undertaken full procurements to address urgent issues to blocks, not maximising the social value and community wealth opportunities which should be achieved from this level of investment, the high costs of undertaking regular procurement and that the stock does not appear transformed once investment works have been completed,
- 4.3 Single contract procurement is expensive and resource intensive, requiring the support of external consultants and legal services in most cases. To deliver the current programme of work which is half the annual value of the works proposed under these contracts fifteen to twenty-five contracts are procured annually. This

impacts on the delivery of works and diverts resources which could be spent on improving council owned homes.

- 4.4 In line with the Borough plan objectives, this procurement strategy ensures that these contracts will maximise the benefits of Council investment in the local area. This will be a significant requirement in the tender evaluation and KPIs will be included in the contract to ensure that tender commitments are met or exceeded for the life of the contract.
- 4.5 Long-term area-based contracts will enable the contractors to put roots down in the Borough developing an approach to social value which is based on community needs, working closely with our residents and key stakeholders. This will be especially beneficial for employment and training where these can be seen as long-term opportunities where residents can gain meaningful qualifications and for the local supply-chain where the contractors will be able to guarantee future work. Resident and stakeholder involvement will be at the heart of the procurement process and on-going management and governance of the contracts. Non-compliance with KPI targets in these areas could result in work being allocated to the other contractors.
- 4.6 Long-term supply arrangements enable an environment of continuous improvement to be included in the contract and governance arrangements. Lessons can be learned from each project that is delivered and residents can be fully involved in this process.
- 4.7 Having long-term contractual arrangements enables contractor involvement in the planning stages of work, which will enable co-design and can increase efficiencies and drive savings, through offering better designs and project delivery, understanding resident and client requirements, being able to engage with the wider supply-chain to get the benefits of the quantum of work being delivered. Efficiency and value for money targets will be included within the contract.
- 4.8 The success of this procurement strategy will also depend on the skills within Haringey to manage the contracts and ensure that robust governance is in place to ensure that the outcomes set out in the procurement strategy are achieved once the contracts go live. Whilst the procurement is being undertaken, training and development will be identified for existing team members and recruitment will be undertaken, where required. The consultants who are supporting us on the procurement have also, within their appointment, been providing support on contract mobilisation, which will include setting up governance arrangements for the contracts and wider partnership. Trained residents will be included in the on-going contract governance arrangements.

5.0 Alternative options considered

5.1 Contractual Options

- 5.1.1 **Continue with procuring contracts individually.** This route does not support wider corporate objectives referred to in the cabinet members introduction as it limits the opportunities for co-production and delivery of social value. This approach will be at risk of the uncertain market conditions in the construction industry. When contractors have the certainty of longevity it enables them to invest

in the contract, implement social value and drive down supply chain costs, this cannot be achieved when contracts are let individually. The council are not permitted to segregate contracts to avoid having to tender to the open market for contracts with a value over the public works threshold of £4.733m. There is also the management cost of continuously producing specifications and going out to tender as well as running leaseholder consultation processes. This would allow officers to concentrate resources on contract management.

- 5.1.2 **To put in place a framework with annual contract awards.** A framework agreement is a type of contract that is commonly used as a multi supplier agreement, establishing a relationship to deliver works as an approved contractor. This arrangement does reduce some of the risk of single contract procurement because works are delivered through a framework and an annual award is given to contractors. However, because continuity of work is not guaranteed, the wider social value can be reduced, especially in terms of meaningful employment and technical apprenticeships, as decisions are taken annually. Also, as there is an annual award of work it is harder to involve contractors early in the planning stages. One of the advantages of this type of contract is that work can be removed for performance issues on an annual basis, however, this does impact on an environment of continuous improvement. The uncertainty of continuity could also deter the market in uncertain times. Frameworks are limited in timescale, to 4 years, limiting the longevity of the relationship and limiting financial and social value.
- 5.1.3 **Awarding contracts based on type of work.** The approved Asset Management Strategy is that works to residents' homes are delivered in a holistic manner, the reason for this is to reduce the impact on residents, as works are undertaken at the same time. If the contracts were let based on work types rather than property it would be a departure from the strategy. The in-house team could undertake works coordination, but this is not a skill set which we currently have and liability for delays would become the Councils responsibility not the contractors if we were going to take on this role. There are significant financial advantages to delivering works holistically as it reduces access, site set up and management costs that are incurred when works are delivered under separate contracts. There can also be an impact on warranties and contractor liabilities if another contractors' work could be seen as the reason for product failures or damage.
- 5.1.4 **Deliver the works in-house.** Currently, the Council delivers its housing repairs and maintenance service through an in-house team for a value in the region of £20 million per annum. A small kitchen and bathroom programme, circa £1 million was delivered in-house in 2020/1, this highlighted that at the current time there are not the skills in-house at management or operative level to deliver this type of work. The step change required to deliver this type of work would be significant. Alongside this there is a significant amount of risk attached to this type of work which have implication for Health and Safety, Building Safety, supply-chain, and availability of the labour. There will be a 5-year break option in these contracts, and it can be reviewed at this point as to whether this situation had changed. The contracts will also include the option for some elements of the contract to be delivered in-house, if at any time it is considered that Haringey have developed the capability to do this. Working with contractors in a partnering arrangement will also enable our staff to develop key skills, which if at a future date it was seen as

appropriate to move to an in-house delivery model there would have been considerable learning from commercial partners in delivering works of this nature.

5.2 Partnering Options Considered

5.2.1 Period of the Contract Across the local authority and housing sector several partnering contracts for major works have recently been awarded or are going through the procurement process. Clarions let their major works partnering contract for 20 years, London and Quadrant are procuring their contract for 15 years and Hackney are currently out to market for a 4-year major works framework. After taking market advice, 10 years with a 5-year break clause was considered appropriate for Haringey. The procurement and full mobilisation of the contract will take in the region of 2 years and therefore the contract needs to be long-enough to be attractive to contractors to want to bid for the work and for the Borough to gain the long-term contractual benefits. It was felt there would be too many changes in the wider environment to commit to a contract in excess of 10 years. The five-year break clause can be used for one or all of the contracts, which gives a high-level of flexibility.

5.2.2 Number of contracts Options were considered for the number of lots which the £800 million pounds worth of work would be divided into. One or two contractors were ruled out due to the capacity of contractors to deliver this level of work per annum and the risks associated with only working with one or two contractors including poor performance and contractor insolvency. More than four contracts were ruled out as it was felt that this would dilute the benefits of long-term agreements with a small number of committed contractors. Alignment with the Localities' Strategy seem to enable the best synergies for the Borough, as the social value elements of the contract can be focused on the priorities of the localities. When the levels of work were reviewed, a decision was taken to split the East of the Borough, due to the concentration of social housing in this area. The contract values also means that two of the lots will be more attractive to medium sized regional contractors which will encourage greater diversity in the number and types of contractors who bid for these contracts.

6.0 Background information

6.1 Haringey Council's Asset Management Strategy, approved by Cabinet on 19 January 2021, (see Appendix 11.1), states that planned investment in the Council's housing stock would be delivered through partnering contracts. It also states that work to residents' homes will be delivered holistically.

6.2 Currently, projects are procured individually through the Council's London Construction Programme (LCP) framework and other public sector frameworks. The LCP is managed by Haringey Council on behalf of its member authorities. This process is time consuming and can be costly as alongside internal resources it requires consultant and legal support for each procurement. See reference at Appendix in section 11 for contracts awarded in the past 3 years. The majority of works will be delivered through the partnering contracts, except for specialist works, which will generally be standalone mechanical and electrical project such as lift replacements, we intend to keep using LCP.

- 6.3 There is significant instability in the economy with labour and material shortages having an impact on the construction industry. Industry bodies, such as the RICS and CIOB are forecasting that these market conditions will impact for a number of years. Many large housing providers are procuring long-term relationships as the prospect of continuity of work is gaining a better market response rather than single contracts. In the past 12 months, Homes for Haringey has seen two building related tenders with nil responses and three where only one or two contractors have responded.
- 6.4 The scope of the work which will be included in the new contracts covers statutory improvements to homes and the wider estates including work to ensure decent homes, building safety, low carbon works and infill properties to create additional homes with existing estates. Some specialist elements of work such as lift replacements and boiler renewals may continue to be procured outside of this new arrangement.
- 6.5 During the procurement of the new contract an interim programme of improvement works to council properties will be procured and delivered. This will continue in line with the current asset management plan and procurement strategy agreed at Capital Board. Works to properties during this period will focus on improving decency and major component renewal. An interim programme for the years 23/24 is currently being developed based on the asset and repairs data. Cabinet approval will be sought for award of these individual contracts, as they are procured. In addition to the interim programme, the new partnering contract will be designed to enable projects to commence soon after appointment

7.0 The proposed procurement strategy

- 7.1 In preparation for this strategy a steering group has been in place for just under a year whose membership is made up of key officers from across the Council including housing management, resident engagement, new build homes, asset management, employment and socio-economic regeneration, procurement, legal, finance and health and safety. This group is supported by our external consultant, FFT, who specialise in procurement in the housing sector and Trowers and Hamlins who are lawyers who were integral in development of partnering contracts in 1990s. In November and December six half day workshops (Governance and Gateway, Community engagement and Co-design, Social Value, Specification, Pricing and a Final Wrap Up) were held with officers from all of the teams mentioned above and the outputs of these workshops have been used to develop this procurement strategy. The proposals emerging from the workshops are detailed below:

7.2 Scope of Procurement Lots/Contracts

- 7.2.1 The borough will be divided into four geographical Lots (contract areas). This aligns with the wider Council vision for delivering services locally. The east of the borough will be split into two lots because of the higher concentration of council stock. Due to the variation in stock type in different parts of the borough, there will be some corresponding variation in the value of the contracts being let. Two of the Lots are at a lower value and this is likely to increase the variety of

contractors bidding for the work. A contractor can bid for all four but can only be awarded a single Lot, which will result in four contracts being awarded.

7.2.2 The term of the contract will be 10 years with the Council having the option to initiate a contract break clause during the middle years after five years of the contract for any or all the Lots. The contract proposed is a long-term construction contract between the Council and the contractors. In addition to the bi-lateral construction contract, an overarching strategic alliance agreement between the Council and the main contractors would be created, which will sit above the four contracts to ensure that services are delivered to our customers in a consistent way; learning and best practice can be shared. The overarching agreement would be managed by a strategic group of stakeholders including resident task members to ensure co- production commitments. The type of contract is still to be finalised with the legal advisors, but we are looking to use a partnering contract which will enable the working relationship and borough priorities to be reflected in the legal agreement, rather than using a traditional building contract which will limit our ability to do this.

7.2.3 The works covered under the contracts will in the main relate to: Existing Stock Investment (The Haringey Standard), Carbon Reduction (Affordable Energy), Fire Safety Works and the refurbishment element of the Broadwater Farm project. The estimated total value of these works in the business plan over 10 years is circa £710 million. It is proposed that the contract allows for new homes to be delivered through this contract, so where it makes sense to deliver new homes alongside refurbishment projects that the contract enables this to happen. The procurement will include all buildings owned or managed by Haringey and not just the stock within the HRA to not restrict the use of these contracts for other areas of work which the council may require. It is therefore proposed that the total value of the contracts which are let is £800 million.

7.3 Selection Criteria

7.3.1 Selection of the contractors will be based on 65% quality and 35% cost. Twenty-five per cent of the quality marks will be based on response to the social value questions, which will be financially quantified and evaluated using a social value toolkit. These will include community involvement, environment sustainability and employment initiatives.

7.3.2 **Social Value:** Maximising the employment, training, social and environmental benefits to communities in Haringey from the £800 millions of investment in the Council's owned housing stock is one of the key drivers for these partnering contracts. The guarantee of 10 years' worth of work gives the contractors the continuity of work to provide real employment, training and community investment which can evolve and respond to the Borough priorities. The minimum tender requirement will align with the Boroughs' Procurement Strategy and require that contractors set out social value commitments and approach to delivery these commitments. The Council will mandate minimum requirements which includes that, contractors will employ one apprentice per £1m expenditure as well as wider jobs and training initiatives for local people, supply chain activities and career support. Alongside this it will ask for specific proposals for Lot for which they are bidding. As part of the tender evaluation, we will assess

any additionality to these basic requirements and the contractors wider social value proposals. It is proposed to use a social value toolkit to assess the financial value of this investment in the borough.

7.3.3 The employment and social economic team within the Council will lead on this area of the contract and internal resources will be funded through the contracts to enable the team to have sufficient resources to support this element of work. By having the localities-based approach to the contract there will be an expectation that the contractors put down roots in these communities, working with our residents, local schools and community groups to identify and support the specific priorities and needs of the local communities when delivering social value.

7.3.4 **Resident Involvement and Co-design:** Trained residents will be part of the tender evaluation process where they will score the specific resident focused questions including how the contractors will approach co-design with residents if selected and demonstrating a track record of working with residents in this way historically. Residents will also be key to the contract mobilisation being involved in the sign off of communication to residents, specification choices and development of processes and procedures as to how all the successful contractors work with residents going forward so there is continuity across all of the contracts.

7.3.5 **Local supply-chain:** It is recognised that when letting contracts of this value that some of the contractors who bid and are successful in being awarded this type of work will be large national or international companies. It is important that the procurement recognises the Council's Borough Plan objectives for maximising use of, upskilling and enabling the local supply-chain. This will be included and evaluated as part of the tender process. During the mobilisation phase, a "meet the buyer" event will be held to link local supply chains into the main contractors. The form of contract will enable smaller contracts to become part of the main contract and benefit from the same terms as the main contractors.

7.4 Contract Management and Governance

7.4.1 For this procurement strategy to deliver the outcomes outlined in this paper, robust governance and contract management will be critical. One of the advantages of these types of contracts is that it reduces duplication between the contractors and the client, therefore improve delivery and better value for money.

7.4.2 KPIs (key performance indicators) for both service delivery and social value will be included in the contract. Important KPIs will focus on delivery of projects within cost and time parameters, health and safety, satisfaction of residents and achievement of the social value targets. Failure to achieve these could result in a decrease in the level of works given to a contractor, or ultimately the contract could be terminated. These are yet to be finalised and key stakeholders including colleagues in the Council need to be happy that the outcomes being measured reflect the key deliverables outlined in this report.

7.4.3 Identifying and managing risks will be critical to the success of this contract, the contracts should be in place for 10 years but the contractual structure recognises

that circumstances may change for one or more of the selected partners. There is a break clause after five years which is not performance related so could be used in any circumstance. Splitting the works between four contractors reduces the dependency and therefore risk if one fails or does not perform and there will be step in rights for the other contracts which will also be an incentive for high performing contractors to pick up additional works if this is used. Having four partnering contractors will also provide a healthy competition and performance benchmarking for all of the contract requirements.

- 7.4.4 The in-house Asset Management team will contract manage these contracts with external consultant support for specialist areas. It is recognised that across the construction section contract management is an area where there is skills shortage. The timescales for procuring this contract will enable us to work with the existing team to develop the skills to manage a partnering contract and to recruit to roles where necessary. As some of the 2022/23 projects will still be on site when the new contracts are let, and mobilised additional resource will be put in place in year 1 to ensure that the mobilisation and contract management processes are embedded. These will be offset by savings in external support for procurement in-year.

7.5 Resident involvement and co-production

- 7.5.1 As key stakeholders, resident involvement and engagement at all stages of the process is critical to the successful delivery of the procurement strategy. Residents will be trained so they can be involved in the formal evaluation of the procurement. A letter will be sent to all residents informing them that the procurement is being undertaken and asking them if and how they want to be involved. For this procurement to achieve maximum success, residents will be required to be involved throughout the life of the contract. This includes resident involvement in:

- The contract mobilisation especially in relation to the processes and procedures which impact on residents.
- On-going contract governance through a residents' involvement group especially in relation to management of Customer Satisfaction and Social Value KPIs
- The development of specifications particularly in relation to zero carbon technology, as they evolve through the life of the contract
- Development and prioritisation of social value projects in their area
- Co-design of projects that impact on their homes.

7.6 Value for Money

- 7.6.1 The contracting market is currently volatile with labour shortages and material costs increasing. Although, some of these issues are impacted by covid, they are also impacted by wider market conditions including Brexit, the age of the labour force in construction in the UK and worldwide market conditions. This is reflected in decreased interest from contractors in individually let contract tenders. Entering into a long-term agreement will enable increased planning and engagement with the supply-chain to address some of the wider market issues.

7.6.2 In offering long-term continuity of work, it allows the contractors to plan their resources and work with the wider supply-chain to deliver best value. From year two partnering contractors will be involved in the planning of works which will enable them to be involved in the most efficient way to manage works and therefore reduce costs. As the relationships evolve both parties gain an understanding of each other's strengths and play to these strengths and reduce duplication and the related costs. Contracts will include value for money targets which will be included within the tender and the contract.

8.0 Timescales for Procurement

8.1 Once the strategy is approved, officers will then take forward the procurement activity to resident and leaseholder engagement, market testing, tender, contract award and mobilisation phases. A provisional timetable is below:

Key Task	Business Function	Date
Issue Prior Information Notice (P.I.N.) to market	Engagement	September 2022
Issue Stage 1 Section 20 Notices (Notices of Intention)	Leaseholder Consultation	September 2022
Cabinet Meeting	Engagement	July 2022
Stage 1 section 20 consultation expires	Leaseholder Consultation	October 2022
Soft Market Test Event (if agreed)	Engagement	September 2022
Tender Issued	Procurement Activity	January 2023
Tender return date	Procurement Activity	March 2023
Tender Evaluation period concluded and tender report issued	Procurement Activity	May 2023
Preferred Bidder	Procurement Activity	June 2023
Stage 2 section 20 Notices issued (Notices of Proposal)	Leaseholder Consultation	June 2023
Stage 2 section 20 consultation concludes	Leaseholder Consultation	July 2023
Cabinet meeting to approve contract award	Engagement	September 2023
Contracts signed	Go Live	October 2023
Works commence on site	Go Live	November 2023

8. Leasehold implications

8.1 A formal leaseholder consultation in line with Section 20 of the Landlord and Tenants Act will need to be undertaken as part of the procurement to ensure that

the Council is legally able to recover costs from leaseholders. In line with the Asset Management Strategy, we will undertake informal engagement with leaseholders over and above those legally required to ensure that the process goes smoothly.

- 8.2 At this point in the procurement process no cost or billing information is provided to individual leaseholders. This is provided only at the point a project goes live, which is stage 3 of the Section 20 process, once a project is going to be delivered. One of the advantages of long-term qualifying agreements is the opportunity it provides for residents to be engaged at the design stage of the project in advance of the stage 3 consultation being undertaken. Leaseholders will be fully and proportionately involved in all the co-production opportunities outlined in this report.

9. Contribution to strategic outcomes

- 9.1 These contracts will deliver Borough Plan Outcome 3, which states: 'We will work together to drive up the quality of housing for everyone'.
- 9.2 This contract procurement method will support Borough Plan Outcome 13 'A growing economy and thriving local businesses, supported by a community wealth-building approach'.
- 9.3 It will also support Borough Plan Outcome 14, 'A borough where all residents have access to training and skills development opportunities and more people are supported into work'.

10. External Consultants Comments

- 10.1 Faithorn, Farrell and Timms (FFT) who are one of the housing sector leading consultants in procurement were procured to support the delivery of these partnering contracts. Their comments are below:

FFT were appointed, following a competitive tender, to fulfil the following roles in support of LB Haringey (LBH):

Procurement support in respect of the tendering of a new long term major capital expenditure contract delivery programme

Provide the lead around the schedule of works scope, specification and price model

Administer the procurement itself, including providing evaluation support in conjunction with LBH procurement officers

Facilitation and support in mobilising the contracts procured

Provide Partnering Advisor services in year 1 to the contracts in place

The contract model developed, covering planned maintenance, zero carbon measures on a "whole house" retrofit basis, as well as creating new housing provision through "hidden homes" on an inclusive stock portfolio basis, is market leading and innovative. This single point delivery model will secure improved customer engagement and satisfaction, as well as efficiency in design and delivery on site.

The contract term of ten years, managed via tailored Term Alliancing contracts, will ensure true collaboration between the public and private sector. Yet the contract, in

providing bespoke clauses, will enable excellent control for LBH to manage its Service Providers. The length of contract and format will enable LBH to embrace technological change and innovation. It will also give Service Providers confidence and the ability to smooth pricing peaks, that a volatile construction market experiences at times and deliver Best Value to LBH.

The partnering format of these contracts endorses the government's drive toward collaborative working, as demonstrated in the "Construction Playbook". The structure and contract operation promotes agile working for all and will enable LBH to react to emerging priorities with their Service Provider partners.

Finally and most importantly both the procurement and contract methodology have been developed to maximise both local supply chain engagement, and specific geographic social value delivery. The fundamental ethos of securing contracts that focus on delivering tangible value within the Borough of Haringey is achieved with this procurement and delivery model."

11. Statutory Officer Comments (Director of Finance (including procurement), Head of Legal and Governance (Monitoring Officer), Equalities)

Finance

- 11.1 Approval of this strategy clears the way for the procurement of contracts to deliver Improvement works to the council's stock over a 10-year period. This includes decent homes works, energy improvements work, delivery of regeneration works, fire safety works, works to the existing blocks on Broadwater Farm and the delivery of additional homes such as infill, conversions, or rooftop development on council estates.

The strategy recognises a proposed £710m spend over the 10-year period. The funding is currently contained within the HRA business and financial plan but could be subject to change as the plan is reviewed and refreshed.

The additional £90 million to be included in the procurement is for potential additional new homes and works to building which do not sit within the HRA.

The estimated £90m will be reviewed as part of the next iteration of the HRA financial plan and GF capital programme MTFS.

Any specialist works outside this procurement arrangement will be contained within the approved existing stock capital works budget for the period.

The contracts need to have the ability to enable the Council to vary the level of spend as appropriate over the life of the contracts. This is subject to the availability of resources to fund the works highlighted in the report.

If these contracts can be procured at a more cost-effective price, this will reduce the revenue cost of borrowing and assist in managing the in-year HRA surplus position.

Any costs of monitoring associated with the management of these contracts is expected to be contained within existing staff budgets.

11.2 Strategic Procurement (SP)

Strategic Procurement have worked with the service area to assist in shaping the strategy described in the report.

Strategic Procurement endorses the strategy that will allow longer term supplier relationships to deliver better programmed works for the benefit of the residents of the borough. The value and the term of the contract will be attractive to the market place who will invest resources to satisfy the requirements of the contract and deliver quality, value for money services, resident engagement and improved assets for the benefit of tenants and leaseholders and the wider borough.

The potential social value that can be delivered through the contract is a real opportunity to enhance outcomes for residents and provide additional social and economic benefits to the borough.

Strategic Procurement will work with the service to deliver the procurement of the partnership.

11.3 Legal

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

The Head of Legal and Governance (Monitoring Officer) confirms there are no legal implications at this stage. Legal Comments will be provided at the award of contract.

11.4 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. The first part of the duty applies to marriage and civil partnership status only.

A screening tool has indicated a full EQIA may be necessary to accompany this cabinet report. This will be presented alongside the final report.

11. Use of appendices

- 11.1 Reference above to the approved Asset Management Strategy 2020-25.
[Asset Management Strategy \(2020/21-2024/25\) \(haringey.gov.uk\)](https://haringey.gov.uk/asset-management/asset-management-strategy-2020-21-2024-25)

12. Local Government (Access to Information) Act 1985

- 12.1 The background papers relating to this report are: