

Report for: Cabinet Member Signing – 21 October 2022

Title: Award of Contracts for Electrical Inspection Condition Reports (EICR).

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

Lead Officer: Judith Page, Assistant Director Property Services

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. This report is to inform and seek approval from Members for the need to award two contracts for the temporary outsourcing of Electrical Inspection Reports until March 2024 for all residential properties in the Councils Housing stock, to meet our obligations under the Institute of Engineering & Technology (IET) Wiring Regulations British Standard 7671 - 18th Edition, 2018.
- 1.2. Haringey Council needs to undertake electrical safety inspections every 5 years or upon change of tenancy in our rented properties, to ensure that the electrical supplies, cables and connected appliances (installations) within our properties are safe and do not increase the risk of electric shock and/or fire.
- 1.3. Due to the passing or resignation of members of the management team in Haringey Repairs Service and reaching the end of the previous sub-contractor contract, there is a current lack of resources and experience to manage the required electrical testing programme in our residential properties and common areas.
- 1.4. Our programme was being delivered by external sub-contractors from March 2019. Due to the contract value being exceeded we were unable to issue further works under the contract after May 2021. The original programme was due to complete by the end of March 2023. There is therefore a need to bring in temporary external resources until such time as Haringey Repairs Service (HRS) can again deliver the programme.
- 1.5. Two contractors have been identified from the Southeast Consortium Procurement framework who are able to mobilise within a relatively short period of time to deliver the programme against pre-tendered rates.
- 1.6. The two contractors will also undertake testing and installation of smoke detectors in all properties to ensure compliance with the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022 during the electrical inspections.

- 1.7. The 2022/23 phase of the EICR programme will be funded from the existing capital budget provision of £2.1m. Provision for 2023/24 works will be met from the capital provision in the current capital programme MTFs and will be revisited submitted during the 2023/24 budget setting process.
- 1.8. The overall programme and expenditure profile is shown in the following table. No professional fees are required as the quality assurance is delivered in-house.

Completion date	Programme	Contractor		Total Number	Contractor Value		Total Cost
		A	N		A	N	
Mar-23	EICR	1656	2010	3666	£ 579,600	£ 703,500	£1,283,100
	Smoke Detectors	Subject to survey			£ 360,000	£ 360,000	£ 720,000
Mar-24	EICR	2990	2989	5979	£1,046,500	£1,046,150	£2,092,650
	Smoke Detectors	Subject to survey			£ 840,000	£ 840,000	£1,680,000
Totals		4646	4999	9645	£2,826,100	£2,949,650	£5,775,750

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Cabinet Member for Housing Service, Private Renters, and Planning is recommended:

- 3.1. Pursuant to Contract Standing Order 16.02 and Contract Standing Order 9.07.1(d), to approve the award of two contracts up to the end of March 2024, to a total value of £5.78 million as shown in the table at section 1.8 of the report, to Contractor A and Contractor N (detailed in exempt Appendix 1) based on their submission of a resourced programme to deliver the works and a satisfactory method statement on how the works will be delivered. The contract values are based on an assessment of the works to be carried out. The costs of works is based on the framework schedule of rates which was subject to a competitive process to set up the framework.
- 3.2. To agree to award a contract to Contractor A (detailed in exempt Appendix 1) for up to £2,826,100 to deliver 4,646 electrical tests and any smoke detector testing and associated remedial works as a result of surveys.
- 3.3. To agree to award a contract to Contractor N (detailed in exempt Appendix 1) for up to £2,949,650 to deliver 4,999 electrical tests and any smoke detector testing and associated remedial works as a result of surveys.
- 3.4. To note that the contracts will be from October 2022 until March 2024. The form of Contract will be the JCT measured term contract.
- 3.5. To note that the contracts are for the temporary outsourcing of Electrical Inspection Reports, urgent remedial works resulting from the inspections and to

install smoke alarms where required, for approximately 10,000 properties in the Councils Housing stock, to meet our obligations under the Institute of Engineering & Technology (IET) Wiring Regulations British Standard 7671 - 18th Edition, 2018, and the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022.

4. Reasons for decision

- 4.1. The 18th Edition Wiring Regulations - IET BS7671 require landlords to undertake regular electrical condition reports and recommend that they are undertaken at least every 5-years, or upon new tenancies, within homes, and communal areas.
- 4.2. In the Draft Social Housing (Regulation) Bill there is a proposal to include mandatory 5-yearly testing for social housing properties.
- 4.3. Haringey has 5546 certificates out of 15,191 dwellings and 769 certificates of 771 communal supplies including the Broadwater Farm estate. Therefore, we require c10,000 certificates to be completed to include those that will expire during the programme.
- 4.4. Tests are not carried out in leaseholders' properties as this remains their responsibility under the terms of their lease. They are carried out in all communal areas including those with leaseholders. There are no new leasehold financial implications for these communal tests. The costs have always been and will continue to be re-charged through normal service charges and will be below any S20 consultation threshold. Any major works resulting would be consulted on separately.
- 4.5. Haringey does not currently have the in-house resource capacity and capability to deliver the required programme of EICRs and to cover the level of responsive repairs and voids works due to staff turnover. Whilst this programme is being delivered, we will be developing our in-house capability in this area.
- 4.6. Haringey needs to reinstate the programme of EICRs through external contractors as soon as possible, to minimise the risk to residents, staff, and properties from electric shock and/or fire, due to properties without a valid EICR.
- 4.7. Valid electrical inspection condition reports enable us to demonstrate compliance with regulatory requirements, by ensuring there are no significant electrical hazards. It also provides compliance with the Building Safety Act 2022 and The Fire Safety Act 2021, ensuring they do not contribute to the risk and spread of fire in multi-storey, multi-occupancy rented accommodation.

5. Alternative options considered

- 5.1. To recruit sufficient in-house resources to carry out the programme. The electrical manager was appointed in July 2022 after the retirement of the previous incumbent. This was an internal appointment and due to the sudden death of the other Electrical Supervisor, there are two post which have only recently been recruited to. The new manager needs to ensure that repairs and maintenance responsibilities of the role are meeting the required level before taking on the testing programme. Additional operative resource is also required and the lead in for recruitment will take too long.

6. Background information

- 6.1. The Institute of Engineering & Technology (IET) Wiring Regulations - British Standard 7671 were updated to the 18th Edition, in 2018. This edition recommends that both dwellings and communal areas are inspected every 5 years as a minimum. Previous recommendations were 5 years for communal areas and 10 years for dwellings.
- 6.2. In 2020, Homes for Haringey's Property Compliance Task and Finish Group agreed a three-year programme to ensure that all properties have a Satisfactory EICR less than 5-years old.
- 6.3. By the time this programme is completed, it is intended that a rolling 5-year programme of inspections be in place and will be delivered by our in-house team.
- 6.4. Failure to undertake EICRs may be subject to enforcement action by the Building Safety Regulator, the Housing Regulator, and potential subsequent prosecution by the Health & Safety Executive (HSE) should an incident occur.
- 6.5. The proposed delivery of the programme under these contracts has been set out in section 1.8 above based on proposals by the contractors and is subject to a swift and successful authorisation and mobilisation process.
- 6.6. The EICR programme currently has 63.5% of properties with an EICR less than 10 years old and those with an EICR less than 5 years old is 33%. 100% of properties with an EICR less than 5 years old will be realised by December 2023 if we implement the proposed programme using 2 external contractors.

7. Contribution to strategic outcomes

- 7.1. This project will help to achieve the Borough Plan Outcome 3: 'We will work together to drive up the quality of housing for everyone'.

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

8.1. Finance

- 8.1.1 The total value of the contracts is £5.78m. There are no professional fees required for this contract as quality assurance will be delivered in-house; and the contract will end in March 2024.
- 8.1.2 This contract covers the whole of council's dwellings - units of circa 10,000 units except for units that have been inspected and with certificates of circa 5,000 units.
- 8.1.3 The previous contract was delivered via a combination of inhouse resource (Housing repairs service) and external contracts, which makes cost comparison slightly difficult.
- 8.1.4 The cost is projected to be spent as shown in table 1.8. The projected spend in 2022/23 will be met from the existing budget provision for EICR works in 2022/23 of £2.1m.
- 8.1.5 The projected spend for 2023/24 will be met from the current MTFS provision for 2023/24 and will be revisited as part of the 2023/24-28 budget and MTFS setting process.

8.2 Procurement

- 8.2.1 Strategic Procurement note the content of the paper. The procurement has been conducted in line with the authorities Contract Standing Orders and the Public Contract Regulations. A direct award is permissible under the SEC framework, Electrical works.
- 8.2.2 Strategic Procurement see no reason as to why the recommendation in the paper cannot be endorsed.

8.3 Legal

- 8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 8.3.2 Strategic Procurement have confirmed the contracts which this report relates to have been procured in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2015.
- 8.3.3 Pursuant to Contract Standing Order 16.02 and Contract Standing Order 9.07.1(d) the Cabinet Member for Housing, Private Renters and Planning has authority to approve the recommendations in the report.
- 8.3.4 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Housing, Private Renters and Planning from approving the recommendations in the report.

8.4 Equality

- 8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- 8.4.2 Eliminate discrimination, harassment, victimisation, and any other conduct prohibited under the Act.
- 8.4.3 Advance equality of opportunity between people who share those protected characteristics and people who do not.
- 8.4.4 Foster good relations between people who share those characteristics and people who do not.
- 8.4.5 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 apply to the first part of the duty.
- 8.4.6 The proposed decision relates to hiring contractors to perform electrical safety reports in all Council housing stock. The decision will ensure that Council houses stay safe for Council tenants. This will have a neutral impact on council tenants, many of whom share protected characteristics. As such, this decision is expected to have neither a positive nor negative impact on those with protected characteristics.
- 8.4.7 Regarding the contract appointment, as an organisation carrying out a public function on behalf of a public body, the contractor will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

9. Use of Appendices

- 9.1 Appendix 1 – Exempt report

10. Local Government (Access to Information) Act 1985

- 10.1 The information in Part B is exempt from publication.