

Report for: Cabinet Member for Housing & Planning and Deputy Leader

Item number:

Title: Award of Contract for the Provision of Operational Vehicles via the Pretium Framework

Report authorised by: Sarah Sutton, Corporate Director – Adults, Housing & Health

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Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. This report seeks approval to award a short term contract to Northgate Vehicle Hire Ltd for the provision of operational fleet vehicles for the Housing Services and Hard FM Team via the Pretium Total Fleet Solutions Framework for a period of 12 months, with an option to extend for a further 12 months (Max 2 years), with a maximum value of £3,000,000.00 (£1.5m per annum), plus inflation, based on spend over previous years.
- 1.2. The award will allow sufficient time to undertake wider council fleet needs analysis and consultation and undertake a procurement for a longer-term contract to meet all vehicle needs and align with wider Council policies including net zero where possible.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1. That the Cabinet Member for Housing & Planning and Deputy Leader approve the award of a contract to Northgate Vehicle Hire Ltd via the Pretium Framework for the provision of operational vehicles, as set out in Section 1.1. above, under Contract Standing Order (CSO) 7.02 (Frameworks) in accordance with CSO 2.01(c).
- 3.2. That the contract be awarded for a period of up to 2 years from contract commencement, based on an initial 1-year period and option to continue for a further second year.

4. Reasons for decision

- 4.1. To address budgetary concerns and initiatives to drive down cost and improve value for money, the Council is seeking to rationalise contracts and where possible harmonise supply chains across functions throughout the Council. Due to being the largest user of vehicles, Housing were asked to lead on a Council-wide review and to drive efficiencies in this area. This means that a new strategy is required that will involve data analysis and consultation with multiple stakeholders and competing priorities, including Parks, Estate Management, Waste Management and Facilities Management Services. This will take additional time and was unable to be completed prior to HRS's previous fleet contract expiring.
- 4.2. This interim fleet contract is essential for the delivery of services across Responsive Repairs, Voids, Facilities Management, and Planned Works. The previous contract has expired, and a current ad-hoc arrangement is in place. A new contract award is required to ensure a sustained service provision until a longer-term contract can be procured and put in place in line with a new fleet strategy to be developed, and to ensure the Council can fulfil its statutory duties as a landlord.
- 4.3. The award utilises the Pretium Total Fleet Solutions Framework, a fully compliant route under the Public Contracts Regulations 2015. Northgate Vehicle Hire Ltd is the number one ranked supplier on this framework. Utilising this framework allows for a direct award and thereby, rapid mobilisation and minimises procurement costs while securing market-tested rates.

5. Alternative options considered

- 5.1. Do Nothing: This option was rejected. The current contract arrangement expired on 31 December 2025. "Doing nothing" would result in the termination of supply and the immediate repossession of approximately 200 vehicles and the Council would be unable to deliver a repairs service across multiple teams.
- 5.2. Use Internal Resources: This option was rejected. The Council does not currently possess the internal capital or infrastructure (e.g., a Council-owned fleet and maintenance workshops) to self-deliver a fleet of this size immediately.
- 5.3. Full Tender Process (Open Market): This option is being put in place for a longer-term solution but is not possible to meet the immediate demand. The use of the Pretium Framework offers a compliant and faster route to market for this interim arrangement.

6. Background information

- 6.1. In 2020, Homes for Haringey (HfH) entered a contract via the Pretium Total Fleet Solutions Framework with Northgate Vehicle Hire for the provision of

approximately 200 operational vehicles. This fleet is essential for the delivery of services across Responsive Repairs, Voids, Facilities Management, and Planned Works. Following the insourcing of HfH, this contract was novated to Haringey Council on 18 August 2022.

- 6.2. The Council previously secured a short-term interim extension (valued at approximately £490k) to maintain service continuity, which expired on 31 December 2025. Due to exhausting further extension and variation options, a new contract is required. Use of the Pretium Frameworks is the most appropriate option for a short-term contact and has been advised and approved by our strategic procurement partners. By utilising this framework again, it is confirmed that Northgate are still the most economically advantageous supplier. This will also allow the Council to seamlessly mobilise and transfer over to the new contract without disruption to services as a matter of urgency.
- 6.3. The Council has already commenced work on a long-term strategic procurement plan for the fleet. However, progress on this major tender has been impacted by the need to gather information from multiple sources and undertake further analysis to establish a suitable strategy for vehicle provision for multiple disciplines. This has meant delays in the original intended timeline for replacement of the previous HRS and other services contracts. Consequently, the new long-term option will not be in place for up to 2 years.
- 6.4. To bridge this gap, this report requests a direct award to Northgate Vehicle Hire Ltd via the Pretium Framework for up to 2 years months (including a first year plus a 12-month extension option). This will ensure HRS can continue service provision for maintenance services to Council Housing, and the Facilities Management team can continue to provide maintenance services to the Council's corporate buildings.
- 6.5. The arrangement also allows us to complete the long-term procurement that delivers best value and aligns with corporate environmental objectives. The lead officers within HRS are also liaising with other teams across the Council to ensure that we maximise use of this arrangement and support those teams to also implement interim solutions that will align with the longer-term objectives.
- 6.6. Since the original contract was let in 2020, operational demands have evolved. Usage data indicates higher mileage and wear-and-tear costs than originally projected, driven by increased service demand. The new contract value of c£1.5m per annum reflects these current market realities, including increased maintenance costs and vehicle age profiles and indicative spend over the past number of years.
- 6.7. The current fleet provider to whom this award will be issued is currently and has performed well meeting all service requirements and expectations. There is no performance reason to cease the current arrangements or prevent any future award. Performance is and will continue to be managed through appropriate meetings and contract management techniques.

- 6.8. Internal Consultation has been undertaken with key internal stakeholders, including the Housing Repair Service (HRS), the Commissioning Board, and Statutory Officers (Finance, Legal, and Procurement). The specifications for the vehicle fleet were reviewed by operational leads to ensure they meet the technical requirements for delivering responsive repairs and voids maintenance.
- 6.9. The award supports the Haringey Deal – "Getting the Basics Right". The fleet is the essential to the Council's Housing Repair Service. By securing these vehicles, the Council ensures it can continue to attend appointments, complete repairs and maintain the quality of life for residents.
- 6.10. This contract exceeds the current approved budget of £1,300,000 across services and the HRS service will find additional savings elsewhere across the Repairs & Compliance service, to meet the anticipated level of spend. Other services utilising the provision will be responsible for funding their own provision and budgeting accordingly.

To mitigate budget pressure, the following measures will be implemented:

- a) PCN Recovery - Active management of PCN recovery will be strengthened to ensure costs are correctly attributed and recharged where applicable.
 - b) Fleet utilisation - This will be reviewed regularly to ensure allocation remains proportionate to need. The framework's flexibility allows vehicles to be returned FOC after 84 days, and this will be actively utilised where a business need can no longer be justified.
 - c) Transparent Reporting - Monthly fleet spend reports will be shared with budget holders, providing a clear breakdown of expenditure by cost centre and spend category.
 - d) Quarterly Fleet Audit - A full quarterly audit of fleet spend will be conducted across all teams, with findings reported to the Head of Repairs & Maintenance to inform ongoing cost control decisions and to enable accurate forecasting.
- 6.11. This is a call off contract and POs raised from either HRS or other users will be required to confirm budget with the Fleet Manager and the Finance Business Partner before orders for vehicles are in place.
- 6.12. The contract value is based on an analysis of actual expenditure for the past two financial years, which confirms a monthly spend profile ranging from £110,000 to £125,000.
- 6.13. All costs under this interim contract are revenue expenditure: core rental, telematics, maintenance, wear and tear, traffic infringements and temporary hire. No capital asset purchases or enhancements are included in scope. No capital asset purchases or enhancements are included in scope.

- 6.14. Fleet expenditure is linked to operative capacity within the Housing Repair Service (HRS). Fluctuations in the number of filled operative vacancies directly impact the volume of vehicles in active use and the associated maintenance demands. The proposed contract ceiling of £1.5m per annum ensures the Council can remain agile in its recruitment of repair staff to meet statutory landlord duties.
- 6.15. The new contract value reflects current market realities, including increased maintenance costs and the profile of the aging fleet inherited during the insourcing of Homes for Haringey. Securing this 24-month interim arrangement provides the necessary "operational stability" to finalise a long-term, zero-carbon fleet strategy for implementation from 2027. The award via the Pretium Framework has been confirmed by Strategic Procurement as the most economically advantageous and compliant route to maintain service continuity

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes?

- 7.1. This decision supports the Corporate Delivery Plan theme: "Homes for the future". Specifically, it underpins the Council's vision to create a borough where everyone has a "safe, sustainable, stable, and affordable home"

8. Carbon and Climate Change

- 8.1. This interim contract supports the theme "Responding to the climate emergency". By securing service continuity now, the Council allows itself the necessary time to plan a long-term procurement that supports the ambition of a "zero carbon and climate resilient Haringey".
- 8.2. The Council has declared a Climate Emergency and is committed to becoming a Net Zero Carbon borough. The current fleet arrangement consists of vehicles procured under previous specifications.
- 8.3. While this interim contract awards the provision of vehicles for a further 24 months, it is a critical enabling step for the Council's long-term fleet decarbonisation strategy. By securing service continuity now, the Council gains the necessary operational stability to complete the comprehensive procurement of a future-fit, low-carbon fleet.
- 8.4. This interim award mitigates the risk of long-term carbon inefficiency by allowing time for a robust, green procurement strategy to be finalised for implementation from 2027.

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

9.1 Finance

- 9.1.1 In line with CSO 7.02, a call-off from a framework established by a public body is permitted and may be awarded under CSO 2.01(c), as set out in the recommendations. HRS is therefore seeking approval to award a contract to Northgate, via the Pretium Framework, for £1,500,000 for a 12-month period from January 2026, with an optional 12-month extension valued at £1.5m.
- 9.1.2 In December, Delegated Authority was granted to settle outstanding invoices up to December 2025 while a long-term procurement exercise progressed. As noted in section 6.3, this procurement process has been delayed, creating an urgent requirement to put in place a 1-year contract with a further 1-year optional extension. This interim arrangement will ensure that all current liabilities can be paid and that future service payments can continue without risk of penalties or disruption to Council operations.
- 9.1.3 Finance notes that the requested £1,500,000 contract value is based on indicative expenditure over the previous 12 months, as referenced in Recommendation 1.2, and exceeds the approved budget of £1,300,000 across the relevant service areas.
- 9.1.4 Finance assesses that the likelihood of the overspend sits predominantly within HRS, rather than within other service areas. This position will continue to be monitored and reviewed through the monthly forecasting cycle
- 9.1.5 A further £150,000 is currently held within the HRA contingency budget specifically for transport, which can be utilised to support spend above the existing £1.3m allocation if required.
- 9.1.6 HRS have informed Finance, and as per point 6.10, that additional savings will be delivered to offset any further potential overspend. These mitigations will come from:
- Improved management of transport provision, delivering operational efficiencies
 - Active management of recruitment.
 - Regular Monitoring: Monthly financial reviews undertaken by the Transport management team against approved budgets.
- 9.1.7 Risk Consideration - There is a risk of cost escalation if contract expenditure is not closely monitored throughout the contract period.
- 9.1.8 Contract Compliance: Ongoing validation that expenditure remains within the agreed £1.5m contract envelope.
- 9.1.9 Early Intervention: Proactive identification and escalation of emerging financial pressures, with timely agreement and delivery of corrective actions.
- 9.2.0 Governance Oversight: Continued reporting through established governance channels to maintain transparency, financial control, and accountability

9.2 Procurement

- 9.2.1 The provision is at threshold for the application of procurement legislation. The award is proposed to Northgate Vehicle hire following a direct call off supported by Procurement under Pretium -frameworks ltd and its collaboration with Watford Community Housing Trust under Total Fleet Solution Framework Reference number: ECH1326.
- 9.2.2 The framework was compliantly let under PCR 2015 and is an accepted route to market under the legislation
- 9.2.3 In line with CSO 7.02 call off from a framework established by public body is permitted and may be awarded under CSO 2.01.c as set out in the recommendations

9.3 Legal

- 9.3.1 The Director of Legal and Governance (Monitoring Officer) was consulted in the preparation of the report.
- 9.3.2 The report indicates and Strategic Procurement has confirmed that the contract in the report was procured via the Total Fleet Solution Framework Reference number: ECH1326 which is a compliant route to procure such contract under Regulation 33 of the Public Contracts Regulations 2015 and the Council's Contract Standing Order (CSO) 7.02.
- 9.3.3 Pursuant to the Council's CSO 2.05.1(c) Cabinet has authority to approve the award of a contract where the value of the contract is £500,000 or more and as such the recommendations in paragraph of the report is in line with the Council's CSO.
- 9.3.4 The Director of Legal and Governance (Monitoring Officer) see no legal reasons preventing the approval of the recommendations in the report.

9.4 Equality

- 9.4.1 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.
- 9.4.2 An Equality Impact Assessment (EqIA) screening has been considered. The decision to award a contract for fleet vehicles is an operational procurement

decision regarding equipment. It does not directly impact the way services are delivered to residents, nor does it change eligibility for services.

9.4.3 However, the failure to award this contract would disproportionately impact vulnerable residents (including older people and those with disabilities) who rely on the Council for essential housing repairs and maintenance. Ensuring the continuity of the fleet ensures that the Council can continue to meet the needs of these protected groups by maintaining their homes to a safe and habitable standard.

10. Use of Appendices

N/A

11. Background papers

N/A