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.