

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for Housing and Homelessness, Cabinet Member Frances Umeh

Date: 22/09/2025

Subject: Extension of Contract for The Provision of Asbestos Removals and Remediation Works

Report author: James Lock, Asbestos Manager

Responsible Director: Richard Buckley, Assistant Director Resident and Building Safety

SUMMARY

On the 1 April 2022, the London Borough of Hammersmith and Fulham entered into a contract with Cablesheer (Asbestos) Limited for asbestos removal and mediation for an initial term of three years and four months with the option of an extension of further twenty-four months. The initial contract term will expire on 31 July 2025. Given the good performance of Cablesheer Limited, it is recommended that the contract is extended for the maximum 24-month allowable term.

Cablesheer Limited has provided a good service and been responsive and flexible to both routine and emergency requests and evidenced by feedback are sensitive to the needs of the residents of London Borough of Hammersmith and Fulham. Cablesheer Limited has consistently delivered over the term of the contract for both Housing and Schools and have provided additional support to the voids team to undertake asbestos removal works for this workstream following performance issues from the subcontracted supply chain.

Cablesheer Limited has achieved 100% against the contractual KPI for emergency attendance which is a business-critical measure that has a direct impact on the health and safety of residents, staff and contractors. In the year-to-date monthly KPI performance for reactive non-licensed asbestos work to support repairs and compliance has averaged 93.12%

There are additional financial benefits as Cablesheer's bespoke contract rates have been based on a competitive procurement process undertaken in 2021 and have been uplifted annually in line with the Consumer Price Index (CPI). A new procurement would not result in more economical rates due to increased costs in the construction sector which are higher than CPI. Lastly, additional benefits are service continuity, and the time saved from having to decommission the service and onboard a new supplier.

This report seeks approval of a contract award to the incumbent supplier Cablesheer Limited for a 24-month contract extension at a value of £1,820,963.33. The extension will be in line with the same contract terms. The provision to extend up to a maximum period of 24 months is included in the original contract and it is therefore compliant with the Council's Contract Standing Orders. The Council can procure these services

as part of its obligations under the Landlord and Tenant Act 1985 and as a local housing authority under the Housing Act 1985 (added by the Social Housing (Regulation) Act 2023) which includes the implied term in all social housing leases requiring hazards within the premises to be remedied (Awaab's law).

RECOMMENDATIONS

1. Approve the extension of the existing Asbestos removal and remediation contract for 24 months from Friday, 1 August 2025 to Saturday, 31 July 2027 with Cablesheer Limited.
2. Approve an increase in the contract value (for both initial contract period and extension period) from £1,382,341.33 to £1,820,963.33.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	Well maintained and safe homes are an important foundation for our tenants' prosperity. The contractor has made social value commitments relevant to this priority – around apprenticeships, training, and employability schemes as well as financial donations to local food banks and charities which have been delivered under the current term and will be added to with the contract extension.
Creating a compassionate and inclusive council	The asbestos removal and remediation contractor was chosen partly on the basis of qualitative questions including those that focus on customer experience. The contract sets high standards around customer experience, dignity and respect, and equality, that the contractor has delivered over the current term.
Doing things with local residents, not to them	Residents' forums and Tenants' Associations were involved in the design of the long-term repairs model through workshops and consultations. This contract is therefore sensitive to the needs of residents, and we factored these insights into the contract

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
	specification and tendering method statements.
Being ruthlessly financially efficient	<p>The asbestos removal and remediation contractor was chosen partly based on their price (a 70:30 quality to price ratio was applied). The procurement process involved a two-week negotiation period to ensure there was absolute clarity about the commercial model and payment terms in the contract, to ensure bidders priced correctly and the risk of future disputes are minimised.</p> <p>The commercial model in the long-term Asbestos removal and remediation contract was carefully designed to reflect lessons learned from the interim model and ensure greater value for money for the Council. The extension will be on the same commercial terms as those agreed under the original procurement exercise.</p>
Taking pride in H&F	<p>The asbestos removal and remediation contractor have been performing effectively against their contract Key Performance Indicators (KPIs). Achievement of this level of performance means that we have an asbestos remediation service that both ourselves and residents can be proud of.</p>
Rising to the challenge of the climate and ecological emergency	<p>The asbestos removal and remediation contractor has an environmental policy statement that sets out its commitment to a range of practical measures such as reducing energy usage, training staff in best practices relating to environmental safety, vehicle usage and reducing waste (to name a few).</p> <p>The asbestos removal and remediation contractor have also gone further in their commitment by achieving accreditation with 'ISO14001 – 2015, Environmental management'. Accreditation to this standard evidences an effective</p>

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
	approach in relation to environmental management.

Financial Impact

The report seeks approval to extend the existing approved contract with Cablesheer Ltd, for a period of 2 years from August 2025, to carry out asbestos removal and remediation works. The estimated total cost of up to £857,000 for the period of extension will cross financial years 2025/26 and 2026/27. Of the total estimated cost of £857,000, £823,000 relates to asbestos works in Housing Revenue Account (HRA) buildings and £34,000 relates to asbestos works in schools.

Of the £823,000 cost to the HRA, 61% (£502,030) is expected to relate to asbestos removal works, which are capitalisable costs. The remaining cost of £320,970 across the 2 years is expected to relate to asbestos remedial works, which are revenue costs.

Revenue costs will be funded from the budget held for asbestos works (H78250) which has an annual budget of £274,200 for 2025/26.

Payments will be made to the contractor on the completion of works to a satisfactory standard, which will be monitored by the Asbestos team. Payments will be withheld by the Service in the event of unsatisfactory performance.

The HRA Asset Management 4-Year Capital Programme and Q3 2024/25 budget variations was approved by Cabinet in February 2025 and contained a budget provision for responsive capital works of £7m across financial years 2025/26 to 2026/27. This is sufficient to cover the estimated Capital component (£502,030) of the procurement cost in this report.

A Credit Safe Report run on 3 March 2025 on the supplier Cablesheer Ltd provided a credit score of 73 (very low risk and below the Council's minimum threshold score of 51), and a suggested contract limit of £2,400,000, which is above the value of the procurement in this report.

*Anjeli Chadha, Principal Accountant – Housing Capital, 6th March 2025, & Revenue
Mark Collins Principal Accountant – Housing Revenue, 5th March 2025*

Verified by: James Newman, AD Finance, 1st July 2025

Legal Implications

The Council has a duty to undertake these works as part of its functions as a landlord under the Landlord and Tenant Act 1985. The Council is also subject to the duty under s10A of the 1985 Act (added by the Social Housing (Regulation) Act 2023)

which includes an implied term in all social housing leases requiring hazards within the premises to be remedied (Awaab's law).

The contract is below the threshold for the Public Contracts Regulations 2015 (PCR) to apply. Since the contract was entered into the Procurement Act 2023 has come into force. However, since the contract was already in existence then the PCR apply. There are therefore no statutory requirements governing the proposed extension.

This is a high value contract under the Council's Contract Standing Orders. Since provision for the extension is included in the contract and was referred to when the contract was awarded, it is compliant with the CSOs.

This is a key decision under the Council's constitution and needs to be included in the key decision list on the Council's website.

John Sharland, Legal services, 1st July 2025

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The current Asbestos removal and remediation contract with Cablesheer Ltd. runs for three years and four months from Friday, 1st April 2022 to Thursday, 31st July 2025 with a provision to extend for a further 24 months.
2. Cablesheer Ltd. have provided a good service and have been responsive and flexible to both routine and emergency requests and evidenced by feedback are sensitive to the needs of the residents of London Borough of Hammersmith and Fulham (LBHF).
3. Cablesheer Ltd. have consistently delivered over the term of the contract for both Housing and Schools and have provided additional support to the voids team to undertake asbestos removal works for this workstream following performance issues from the subcontracted supply chain.
4. Cablesheer Ltd. have achieved 100% against the contractual KPI for emergency attendance which is a business-critical measure that has a direct impact on the health and safety of residents, staff, and contractors. In the year-to-date monthly KPI performance for reactive non-licensed asbestos work to support repairs and compliance has averaged 93.12%.
5. The bespoke rates in the Cablesheer Ltd. contract were based on a competitive procurement process undertaken in 2021 and have been uplifted annually over the term. The upward trend in costs across the construction sector in the last 3

years including those linked to labour and employment would indicate that re-procurement would not result in reduced rates or better value for money.

6. There would be a significant financial cost associated with the procurement and mobilisation of a new contract which will be mitigated through the extension of the existing arrangement.
7. The successful delivery of repairs, voids, and damp & mould works are incumbent on the efficiency of the asbestos removal and remediation processes. New requirements under the Social Housing (Regulation) Act including the introduction of Awaab's Law mean the Council has to meet new standards and timescales. During this period of change (including the onboarding of new repairs contractors) maintaining consistency and continuity with the delivery of asbestos removal is recommended.
8. On this basis, the report seeks approval to extend the contract by the full 24-month period.
9. The original contract was approved at £863,963.33 for the initial 3-year, 4-month term – based on a spend of £ 259,188.00 per annum, this would increase to £1,382,341.33 to cover the full 5-year period including the contract extension.
10. Over the initial 3 years of the contract, there has been a total spend of £923,721. This overspend has been due to a range of factors such as: higher than anticipated asbestos remediation requirements at major works projects, increased damp and mould works by the repairs service (requiring asbestos removal support), and supporting the repairs service with asbestos removal in void properties due to their own contractors not delivering the capacity required.
11. In years 4-5 on the contract, it is anticipated that demand for asbestos removal for housing will continue at the current levels (or increase), particularly in support of damp and mould works.
12. Furthermore, compliance led projects to remove single asbestos containing materials in communal areas to reduce reinspection costs and to remove easily accessible Asbestos Insulating Board in domestic areas to improve resident safety will require additional contract capacity.
13. On the bases described in paragraphs 11 and 12, we seek approval to increase the contract value by £438,622.00 resulting in a total contract value (across both the initial term and extension term) of £1,820,963.33.

Reasons for Decision

14. The Council has a legal obligation to ensure its properties are maintained and that any risks to health are being appropriately managed and actioned.
15. Consistent with other social landlords, the Council's assets still contain substantial asbestos containing materials. Survey records show that 87% of

blocks (communal areas) and a considerable proportion of dwellings contain asbestos and all school buildings constructed prior to 2000 contain asbestos materials.

16. Whilst asbestos in good condition can remain in situ, the Council's active programme of upgrade and improvement works together with routine reactive repairs mean that there is an ongoing requirement for the removal of asbestos. Annual asbestos re-inspections to blocks and schools in line with the requirements of Regulation 4 of the Control of Asbestos Regulations 2012 also identify asbestos that requires removal or remediation.
17. The Council's Asbestos Management Plan details processes to be followed in the event of an emergency involving asbestos and these are incumbent on the response of the Licensed Asbestos Removal Contractor attending and making safe.
18. As asbestos removal and remediation is key to the operational processes of all workstreams it is important that this work is completed on time and to the required standards. Cablesheer Ltd. have provided a consistent and reliable service for both routine work and emergencies over the initial term of the contract.
19. The existing contract award was based on a competitive procurement process in line with the Public Contracts Regulations 2015. The Final Tenders received were evaluated by the Council's evaluation team against published evaluation criteria. As the Contractor recommended for appointment, Cablesheer Ltd. were identified as the most economically advantageous tenderer, having applied the evaluation criteria.
20. Reprocuring the asbestos removal and remediation contract with an alternative supplier is unlikely to result in cost savings or improvements in performance so the extension to the existing contract is recommended.

Equality Implications

21. There are no direct negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these proposals. The appointed contractor, Cablesheer Limited, is expected to adhere to inclusive practices in both employment and service delivery. The Council will monitor the contract to ensure ongoing compliance with equality and diversity obligations.

Yvonne Okiyo, Strategic Lead Equity, Diversity and Inclusion, 26th June 2025

Risk Management Implications

22. The report recommends utilising the previously approved option to extend the contract and to vary the contract to increase the overall contract value of works which can be completed. Given the contractor is performing well and was awarded the contract following competitive procurement process, the

recommendation is in line with the objective of being ruthlessly financially efficient. The extension and variation of the contract will maintain consistency and continuity with the delivery of asbestos removal, which will help to keep residents safe in their homes.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 1st July 2025

Climate and Ecological Emergency Implications

23. Cablesheer Ltd. has an environmental policy statement that sets out its commitment to a range of practical measures such as: reducing energy usage, training staff in best practices relating to environmental safety, vehicle usage and reducing waste (to name a few).
24. Cablesheer Ltd. have also gone further in their commitment by achieving accreditation with 'ISO14001 – 2015, Environmental management'. Accreditation to this standard evidences an effective approach in relation to environmental management.

Approved by Tim Pryce, Head of Clean Energy, 30th June 2025

Procurement Implications

25. Paragraph 3 at page 7 of the contract allows for extension by a period of up to a further 24 months (Saturday, 31 July 2027) to from the Contract Period, that being Friday, 1 April 2022 to Thursday, 31 July 2025.
26. Asbestos-removal work is categorised under a Common Procurement Vocabulary (CPV) code allocated to Activities Constituting Works at Schedule 2 of the Public Contracts Regulations 2015 (45262660). The awarded value of the Contract for the Provision of Asbestos Removals and Remediation Works is below the Works threshold value, so the requirements of Regulation 72 (Modification of Contracts During their Term) of the Public Contracts Regulations 2015 do not apply, and the requirements at CSO 27 and CSO 28 of the Council's Contract Standing Orders (CSOs) will take precedence for Modifications (Variations) and Novations and Contract Extensions, and Contract Extensions, respectively.
27. Assuming the extension is approved, the value of the modification is an increase of 31.73% of the total value of the original contract.
28. If approved, the amended contract value must be included on entry on the capitalEsourcing eProcurement portal, along with any documents supporting this extension has been approved, to ensure it is published on the Council's Contract Register in line with the legislated transparency obligations.

Chris Everett, Category Lead – Procurement and Commercial, 27th June 2025

IT and Information Management

29. IT Implications: No direct IT implications are considered to arise from this report as it seeks an extension to current Asbestos removal and remediation contract with Cablesheer Ltd.
30. IM implications: Cablesheer Ltd will be expected to have an up-to-date Data Protection policy in place and staff will be expected to have received Data Protection training. The contract with Cablesheer should include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.
31. H&F's approved cyber security clauses must be incorporated into all new and renewed contracts regardless of value, or framework. Legal advice should be sought on how to incorporate the cyber security clauses into agreements which do not use our H&F contract templates.

Cinar Altun, Strategy Lead – Digital Services, 25th June 2025

Local Economy and Social Value

32. The original procurement exercise factored in social value within the evaluation weighting.
33. The contractor made contractual social value commitments of 16.07% in relation to local supply chain spend with Small and Medium-sized Enterprises (SMEs) and local employment.
34. This social value commitment will also be applicable to the contract extension.
35. The commissioner and supplier will work with the Council's Social Value Officer at commencement of this extension to discuss existing social value delivery and how this can be continued on the extension.

Harry Buck, Social Value Officer (Procurement), 26th June 2025