

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

**Date:** 5 August 2025

**Subject:** Procurement Strategy and Contract Award for Damp and Mould Works

**Report author:** Gavin Duncumb, Senior Commercial and Contracts Manager

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance and Corporate Services

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## SUMMARY

This report recommends a contract award to provide damp, and mould works across London Borough of Hammersmith and Fulham (LBHF) to ensure we have arrangements in place and provide safe homes to our tenants.

Using lot 2a: Mould Treatment and Associated Services of the Procurement for Housing (PfH) Compliance Solutions National Framework (the “Framework”) to award a contract to include Tier 1 mould removal works, and Tier 2 remedial works to prevent the recurrence of damp and mould. The contract award is intended to support an overarching strategy to improve outcomes from the repairs service, specifically by providing specialists to respond and prevent mould issues across our social housing portfolio.

This is a value and time limited award to support the effective delivery of damp and mould works in the short term to help maintain good service delivery, whilst longer-term strategies are developed and implemented, such as the re-procurement of the council’s main repair contracts.

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## RECOMMENDATIONS

1. Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve a contract award to the Preferred Supplier, identified in appendix 1 (the “Preferred Supplier”) for the Contract Value included in appendix 1 (the “Contract Value”) for a contract period of 2 years using the Framework. We aim to incept the contract as soon as allowable.

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**Wards Affected:** All

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Corporate Plan and the H&amp;F Values</b>
Building shared prosperity	Social value assessments were included within the Framework evaluations. It is understood these will have a positive impact on local wellbeing and prosperity. The Council will set out social value targets and goals during mobilisation.
Creating a compassionate Council	Damp and mould have a significant negative impact on tenants' health and enjoyment of their homes. It is important to effectively address and remove damp and mould to ensure they are fit for habitation and provide great homes for our tenants.
Doing things with local residents, not to them	The contract will stipulate high standards of resident communication throughout the works process.
Being ruthlessly financially efficient	The Preferred Supplier is ranked first on lot 2a: Mould Treatment and Associated Services of the Framework. Works will be specified and measured prior to being issued to the preferred supplier as part of an initial property survey.
Taking pride in H&F	It is important that London Borough of Hammersmith and Fulham Council (the "Council") provides tenants with homes to be proud of and that meet current standards and legislative requirements.
Rising to the challenge of the climate and ecological emergency	Works specified within will include the latest specifications and current Building Regulations.

## **Financial Impact**

This report seeks approval to award a damp and mould works contract to the Preferred Supplier for the Contract Value over a two-year term covering the financial years 2025/26 and 2027/28.

Based on surveys carried out by and advice from the Repairs service, an estimated 75% of costs will be capitalisable each year.

The revenue budget in 2025/26 for these works will be sufficient to cover the expected annual revenue costs.

Assuming 75% of the costs will be capitalisable based on surveys carried out by the service, a budget has been approved by Cabinet across financial years 2025/26, 2026/27 and 2027/28 to be spent on safety works. Of this approved budget, a proportion has been set aside for capital damp and mould works that are expected to extend the life of the assets, such as the installation of ventilation measures and insulation. Following 2024/25 outturn, the capital budget has been reprofiled to reflect projected spend by the Repairs division. Subject to Cabinet approval of the 2024/25 Outturn Capital Programme Monitor, the total revised damp and mould capital budget across financial years 2025/26, 2026/27 and 2027/28 is sufficient for the proposed cost of works in this report.

The estimated capitalisation ratio will be dependent on the actual nature of the works, therefore there is a risk that a higher proportion of costs than expected will fall to revenue. This risk is mitigated by the excess of revenue budget reserved for damp and mould related repairs.

Further details undertaken to provide financial assurance are included in Appendix 1.

*Completed by: Anjeli Chadha, Principal Accountant – Housing Capital, 4<sup>th</sup> July 2025;  
Mark Collins, Principal Accountant (Repairs), 7 July 2025*

*Verified by: James Newman, Assistant Director of Finance, 25<sup>th</sup> July 2025*

## **Legal Implications**

The Council has a statutory obligation to undertake works to combat damp and mould as part of its duties as a landlord under the Landlord and Tenant Act 1985.

The Social Housing (Regulation) Act 2023 amended s10A of the Landlord and Tenant Act to allow for the imposition of requirements to deal with hazards in social rented housing within prescribed time limits. This is Awaab's law (named after Awaab Ishak who died aged two of a respiratory condition following prolonged exposure to mould in his parents' rented flat).

From October 2025 social housing landlords must address damp and mould hazards within a prescribed timeframe. Emergency repairs must be undertaken within 24 hours. The government will extend these obligations to cover further hazards in 2026 and 2027.

These works are therefore needed to ensure the Council is able to comply with its statutory duties.

The Contract Value means that the Procurement Act 2023 applies. The Framework was let in accordance with the regulations then governing public procurement (the Public Contracts Regulations 2015). The use of an existing framework in accordance with its terms is a compliant means of complying with the Procurement Act 2023. The Council is entitled to call-off contracts under the Framework, and it allows for direct awards.

The Council is also obliged to comply with the National Procurement Policy Statement made under s13 of the Procurement Act 2023.

This is a high value contract under the Council's Contract Standing Orders (CSOs). The use of a suitable third-party framework in accordance with its terms is a compliant means of procuring a contract of this value under CSO 18. The requirements of the CSOs have therefore been met.

This is a key decision and needs to be placed on the key decision list on the Council's website.

*John Sharland, Special Projects Lawyer, 18<sup>th</sup> July 2025*

## **Procurement Comments**

The procuring officer is required to work with the Procurement and Commercial team to ensure the call-off is undertaken compliantly and in accordance with the Public Contracts Regulations 2015, Framework terms of use, and the Council's own CSOs. Based on the details provided in this report, CSO 19.4. of the Council's CSOs has been complied with.

The Framework proposed for use has been subject to full diligence checks by the Procurement and Commercial team and is compliant for use by the Council in procuring this requirement.

A Contract Award Notice must be published to satisfy the requirements of the Public Contracts Regulations 2015 for contracts equal to and over £30,000 (including VAT). This must be completed using the Council's capitalEourcing eProcurement portal.

The contract must be added to the capitalEourcing eProcurement portal, to ensure it is published on the Council's Contract Register in line with the legislated transparency obligations, and all applicable legal notices must be published within their legislated deadlines.

A named contract manager must be allocated to the contract on the Council's capitalEourcing eProcurement portal.

*Chris Everett, Category Lead – Procurement and Commercial, 18<sup>th</sup> July 2025*

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## **Background Papers Used in Preparing This Report**

None.

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## **DETAILED ANALYSIS**

### **Background**

1. Damp and mould can be caused by a combination of structural deficiencies, inadequate ventilation and individual tenant circumstances. Dealing with the long-term eradication of damp and mould is complex and costly but new legislation, (Awaab's Law) is being introduced in October 2025 which sets out strict timescales for investigating and remedying issues. High risk categories, such as Tier 1 mould removal, will need to be dealt with within 24 hours.
2. Awaab's Law will also go further to address issues in 2026 such as excessive cold or hot properties, electrical safety, structural and hygiene. Therefore, demand on the Repair service is likely to increase.
3. Additional capacity in damp and mould is still required to meet current demand and whilst we re-procure our repairs and maintenance contracts, for which the new service will commence in the autumn of 2027.
4. Given the requirement to manage multiple works, and liaise effectively with residents in relation to access and ongoing works, the contractor will have a dedicated administrator and manager working full time on the contract who will work closely with the Repair service and be responsible for:
  - a. Managing access issues;
  - b. Liaising with residents and keeping them up to date on works
  - c. Providing regular updates to Repair service on progress and works completed;
  - d. Contract management; and
  - e. Ensuring data is uploaded and correct on the Council's Housing Management Software system, provided by NEC Software Solutions UK Ltd. (the "NEC System").
5. Managing, resolving and preventing damp and mould cases often requires more than one attendance, so there is a greater requirement for coordination with residents.
6. The Housing Repairs service also has dedicated management and surveying resource to ensure the quality of works delivered and provide expert advice in relation to preventative measures to reduce the cycle of mould recurrence following a mould wash.

### **Reasons for Decision**

7. To continue to support the Housing Repairs service and provide additional capacity relating to damp and mould works and have arrangements in place to meet new legislation in October 2025.

### **Contract Specifications Summary**

8. See table below for a description of the works or services being procured:

Contract	Contract Value	Description of Works and/or Services
Preferred Supplier	See appendix 1	<b>Damp and Mould Works</b> <b>Tier 1 – mould removal works</b> <ul style="list-style-type: none"> <li>• Mould wash with approved specialist treatments</li> <li>• Decorations</li> </ul> <b>Tier 2 – remedial works</b> <ul style="list-style-type: none"> <li>• Ventilation</li> <li>• Remedial work to prevent water penetration</li> <li>• Thermal insulation</li> </ul>

## Procurement Route Analysis of Options

9. The works being procured have been identified as falling within the scope of the main Common Procurement Vocabulary (CPV) codes:  
50700000 - Repair and maintenance services of building installations;  
50000000 - Repair and maintenance services;  
45261420 - Waterproofing work;  
45262210 - Foundation work; and  
45410000 - Plastering work.  
and the Contract Value, assuming that any options to extend will be taken, means the procurement falls within scope of the applicable procurement legislation and the Council's CSOs.
10. **Do nothing or decommission the service – Not recommended**  
This option is not recommended as the Council cannot address the matters with its current contractors due to having reached the contract value, so needs to reprocure this requirement.
11. **Deliver the supplies, services, and/or works in-house (make/buy decision) – Not recommended**  
The Council does not have the capacity in-house to deliver all of these works, so to fulfil our obligations, we need to procure the works, to be delivered by an external specialist contractor.
12. **Undertake a full regulated procurement process, advertised to the market – Not recommended**  
It is recognised that a full regulated procurement process, advertised to the market would attract the widest competition and achieve the best value for money for the Council. We are working towards this on the current procurement of the new repairs contract, however, the disadvantage to this approach for damp and mould works, is the time it takes to procure. Competitive procurement can take between 10 and 16 months, which is not a timeframe we have available to us on this occasion, so an alternative compliant route to procure needs to be used.

13. **Procure using a suitable and compliant framework or Dynamic Purchasing System (DPS), either by way of a mini competition or direct award – Recommended**

Similar to the full regulated procurement process, advertised to the market, the timescales associated with running a successful mini competition for these works are estimated between 6 and 12 months to complete, which is a not a timeframe we have available to us on this occasion. It is for this reason that a compliant direct award from a suitable and compliant framework is proposed to be the best option for the Council and its tenants.

14. In this instance, the Housing Repairs service urgently requires additional capacity for damp and mould works to be able to respond to upcoming legislation and meet stringent timescales set out in the new legislation. The first three options, as well as the mini competition have been precluded as a re-procurement programme has commenced and will take time deliver.
15. The preferred option therefore is to award from a suitable framework. In this case the proposal is to award to the preferred supplier using the Framework, as this is a compliant procurement route in line with the Council's CSOs and the applicable procurement legislation, and which adheres to the requirements of the framework provider.
16. The Framework commenced on Thursday, 16 November 2023 and expires on Wednesday, 17 November 2027. A Find a Tender contract award notice was published on Friday 20 October 2023 2023/S 000-031046. The award criteria for the suppliers awarded a place on the Framework was based on an evaluation of quality (70%), and price (30%). The Framework enables compliant direct award to the Preferred Supplier.
17. Direct award outside of any framework is not being recommended as it would not meet the requirements of the Council's CSOs or the Procurement Act 2023.

## **Market Analysis and Engagement**

18. Market engagement has not been undertaken for this short-term requirement, due to timeframes, but may be for the longer-term solution to understand whether dedicated measured term contracts are best suited for this work and be procured as part of the repairs long term strategy.

## **Conflicts of Interest**

19. All officers and decision makers, including elected members (where appropriate), have been required to complete a Conflict of Interest Declaration form to record any actual, potential, and/or perceived conflicts, along with appropriate mitigations (as appropriate), on the Conflicts Assessment.
20. Approval of, by way of signing, this Procurement Strategy by the elected member constitutes their declaration that they do not have any actual, potential, and/or perceived conflicts, relevant to this procurement, except where a specific

Conflict of Interest Declaration form has been completed and provided, advising differently.

21. The Conflicts Assessment will be kept under review and updated throughout the life of the project (from project inception to contract termination).

### **Lot Considerations**

22. The contract is not being split into lots, as the procurement is proposed to be undertaken using an established, compliant framework, and the appropriate lot has been selected.

### **People Based Considerations**

23. The Transfer of Undertakings (Protection of Employment) Regulation 2006 (UKSI 2006/246) (TUPE) will be applicable to this contract when it expires.

### **Risk Assessment and Proposed Mitigations**

24. Initially 10 joint surveys will be undertaken to ensure the Preferred Supplier understands specifications, standards, performance targets, and the operational processes. Each property surveyed will then be specified and works undertaken. The Housing Repairs team will check quality of work during and on completion. A formal handover will be undertaken jointly and the full scope of works measured. No payment will be made until works are completed satisfactorily.
25. The volume of work given to the Preferred Supplier is controllable as the contract will include a clause which stipulates that there is no commitment to give them any specific work volume. The level of work the Preferred Supplier ultimately receives will be determined by the quality of their workmanship and service, up to the Contract Value. The volume of work can be controlled so that it does not overwhelm the special management processes put in place to manage this contract.
26. The current JCT contracts enable the Council to cancel orders subject to payment of the work already undertaken. We intend to do this where necessary.

### **Contract Duration Considerations**

27. The contract will run for a maximum of 2 (two) years.

### **Timetable**

28. Please see below for an estimated timetable:



<b>Activity</b>	<b>Date</b>
Key Decision Entry (Strategy and Award)	17 July 2025
Contracts Assurance Board (Strategy and Award)	30 July 2025
Cabinet Member Sign-Off (Strategy and Award)	20 August 2025
Contract Start Date	1 October 2025

### **Selection and Award Criteria**

29. Selection and award criteria are not applicable to a compliant direct award process using a framework; however, the Preferred Supplier has been identified, and any contract will be awarded in line with the Framework terms and conditions.
30. Price mechanisms are described in the table below.

<b>Contract</b>	<b>Pricing Mechanism</b>
Preferred Supplier: JCT 2016 Measured Term Contract	SOR NatFed version 7.2 +19.19%

31. Indexation using the Consumer Prices Index (CPI) will be applicable after the first anniversary of the contract and will be applicable to all schedule of rates.

### **Contract Management**

32. The Housing Repairs team will manage this contract with the Strategic Head of Housing Repairs being the dedicated Contract Manager.
33. The standard of workmanship and service will be monitored and measured by the Housing Repairs team. The Preferred Supplier will be required to provide evidence of works undertaken, including before and after photographs. The Housing Repairs team will be allocating a dedicated manager and surveying team to resource the contract.
34. There will be monthly performance meetings in which Key Performance Indicators (KPIs) will be reviewed. KPIs are likely to include, but not be limited to:
- Repairs completed within specified timescales;
  - Resident satisfaction; and
  - Post inspection quality assurance outcomes.

35. The Preferred Supplier will complete a social value matrix return to outline their social value commitments as part of this contract and submit a method statement on how this will be delivered.

### **Equality and Inclusion Implications**

36. Specifications to individual properties will be in line with the Council's standard and have damp and mould works completed so that no groups that share protected characteristics are negatively impacted. The additional capacity provided by the Preferred Supplier ensure that properties that suffer damp and mould are responded to so that homes are safe. Equality considerations will be incorporated in contract terms and conditions and monitored as part of the contract monitoring process.
37. An Equality Impact Assessment (EIA) has been undertaken and is contained in appendix 2. The delivery of works detailed within this contract award have a positive impact on residents by ensuring that works address hazards and improve homes.
38. Specifications of work will be prepared, and specific equality issues will be tailored according to each resident's needs.

*Yvonne Okiyo, Strategic Lead for Equity, Diversity, and Inclusion, 20<sup>th</sup> June 2025*

### **Risk Management Implications**

39. There are no significant risks associated with this report.

*Jules Binney, Risk and Assurance Manager, 14<sup>th</sup> July 2025*

### **Climate and Ecological Emergency Implications**

40. The Preferred Supplier will sign up to the Council's supplier Low Carbon charter and will adhere to these commitments. They additionally have a strong sustainability strategy with their own target to reach carbon net zero by 2030 and will bring their strategies and policies around to this contract, in particular responsible sourcing of materials through their supply chain, and use of electric vehicles where possible.
41. The Preferred Supplier is accredited for insulation, thermal improvements and windows for PAS20230/35 and where possible, subject to funding and separate approvals, could potentially complete this as part of any holistic approach to tackle poor insulated homes.
42. The Preferred Supplier vehicle fleet is now 45% electric/ hybrid and they have a plan to change to full electric by 2029.

## **Local Economy and Social/Added Value**

- 43. It is a requirement that all contracts let by the Council with a value above £100,000 propose and commit to social value contributions that are additional to the core services required under the contract.
- 44. This report indicates that social value assessments were included within the Framework evaluations.
- 45. The Preferred Supplier will complete a social value matrix return to outline their social value commitments as part of this contract and submit a method statement on how this will be delivered.
- 46. It is recommended that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the Council can enforce its right to remedies if social value commitments are not delivered.

*Harry Buck, Social Value Officer (Procurement), 23<sup>rd</sup> June 2025*

## **Digital Services and Information Management Implications**

- 47. The Preferred Supplier will require access to the Council's Housing Management Software system, provided by NEC Software Solutions UK Ltd. (the "NEC System"), for processing orders, variations, and payments. All works will be issued via the NEC System for transparency and auditability. Digital Services and the Business Development team should be informed if there are any integrations required between the preferred supplier system and the NEC System.
- 48. A dedicated voids work programme will be required to be set up and this is to be planned as part of the mobilisation.
- 49. The Preferred Supplier will be expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training. The service will need to complete a Data Privacy Impact Assessment.
- 50. The contract documents will need to include the Council's data protection and processing schedule. This is compliant with the UK Data Protection law.
- 51. The Council'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 Council contract templates.

*Cinar Altun, Strategy Lead – Digital Services, 28<sup>th</sup> June 2025*

## **LIST OF APPENDICES**

Appendix 1 (Exempt) – Contract Award Details

Appendix 2 – Equality Impact Assessment