

LONDON BOROUGH OF HAMMERSMITH & FULHAM

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

Date: 27 August 2025

Subject: Procurement Strategy and Contract Award for Disrepair and Complex Works

Report author: Gavin Duncumb, Senior Commercial and Contracts Manager

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

SUMMARY

This report recommends a contract award to assist where the resident is working with London Borough of Hammersmith and Fulham Council (the “Council”) on the resolution of a repair via a legal advisor, known as ‘legal disrepair case’. This contract will also assist with complex works where residents have been decanted and works need to be undertaken to minimise rent loss and alternative accommodation costs. This contract will help ensure that our residents have the homes they deserve and reduce payments from the Council to external legal firms from funds that could be used to ensure high-quality properties and resident services.

Using Lot 2 (Void Property Refurbishment) of the Procurement for Housing (PfH) Responsive Repairs and Void Property Services framework (the “Framework”) to a Preferred Supplier for the works element of the contract, identified in appendix 1. The contract award is intended to support an overarching strategy to improve outcomes from the responsive repairs service, specifically by providing additional general building capacity to support on the delivery of legal disrepair cases.

This is a value and time limited award to support the effective delivery of legal disrepair case outcomes 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 repair contracts.

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 Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that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 Lot 2 of the Framework. We aim to incept the contract as soon as allowable.
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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	Social value assessments were included within the Framework evaluations. It is understood these will have a positive impact on local wellbeing and prosperity.
Creating a compassionate Council	Overdue disrepairs have a significant negative impact on our tenants. It is important to effectively address current disrepair cases to support good outcomes for residents and reduce negative impacts of ongoing repairs issues.
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	Reducing disrepair cases will help to minimise potential further legal and compensation costs in this area. Disrepair is an area which has high financial risk of Housing Revenue Account (HRA) overspend so getting to grips with, resolving, and reducing case numbers is crucial to managing this risk.
Taking pride in H&F	It is important that the Council provides tenants with homes to be proud of and effectively manage disrepair cases promptly.
Rising to the challenge of the climate and ecological emergency	Works specified within will include the latest specifications and current Building Regulations.

Financial Impact

The report seeks approval to award a Disrepair and Complex Works contract for the Contract Value to the Preferred Supplier for a two-year period.

Based on the recent analysis and resulting accounting treatment of works of this type, it is expected that 92% of the costs will be capitalisable.

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

In February 2025, as part of the Q3 Capital Programme Monitor and budget variations report, Cabinet approved a capital budget across financial years 2025/26 and 2026/27 for spend on responsive capital works. This is sufficient to cover the proposed cost of capital works in this report over the two years.

Should the assumed level of capitalisable be lower than expected, this could result in a revenue pressures. Finance officers will work closely with the service to ensure that the volume of works are carefully managed within the approved budget envelopes.

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

Completed by: Mark Collins Principal Accountant HRA Revenue 1st July 2025 & Anjeli Chadha, Principal Accountant – Housing Capital, 2nd July 2025

Verified by: James Newman, Assistant Director Finance, 25th July 2025

Legal Implications

The Council has a duty to undertake these works pursuant to its obligations as a landlord under the Landlord and Tenant Act 1985. In addition, it is essential that works which are subject to legal proceedings are carried out as expeditiously as possible to minimise legal costs.

These works are below the threshold for the Procurement Act 2023 to apply. There are therefore no statutory requirements governing this procurement.

This will be 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 method of procuring a contract of this value. The Council is entitled to call off contracts under the Framework. As explained in appendix 1, the Council is entitled to take into account the advantage of appointing an existing supplier including the costs of changing supplier and migration. The procurement strategy recommended in this report is therefore compliant with CSOs.

The award of this contract will be a key decision under the Council's constitution and needs to be included on the key decision list on the Council's website.

John Sharland, Special Projects Lawyer, 4th April 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, which have not identified any issues of concern.

The framework is therefore 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 capitalEsourcing eProcurement portal.

The contract must be added to the capitalEsourcing 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 capitalEsourcing eProcurement portal.

Chris Everett, Category Lead – Procurement and Commercial, 18th July 2025

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Background

1. The Preferred Supplier has been providing disrepair and complex works for the repair service since Monday, 8 May 2023 and has established consistent good performance and a comprehensive IT integration with the Council, along with other detailed processes to deliver works.
2. Additional capacity in disrepair and complex works delivery is still required to meet current demand whilst we re-procure our repairs and maintenance contracts, for which the new service will commence in 2027.
3. The Repairs team has seen a drop of 27% of live cases for disrepair.
4. Disrepair works are currently not being delivered by the existing two large repairs and maintenance contracts.
5. On average, the Housing Repairs service is receiving 16 potential disrepair cases a month. These cases need to be surveyed, and a scope of works agreed with the resident's legal representatives. These works need to be assigned to a contractor and completed within strict protocols and timescales.
6. Complex cases are where residents need to be decanted and given temporary accommodation whilst extensive works are undertaken in the property for safety reasons. The temporary empty property allows works to be completed more

efficiently, and it is essential this is done to reduce rental loss, compensation and alternative accommodation costs.

Short to Medium-Term Solution

7. This additional capacity will offer a strategy to support disrepair and complex workstreams.
8. Two of the interim relief contractors could not deliver to the specification and performance standards and are in the process of being concluded.
9. The intention is that the Preferred Supplier manages and completes an estimated 200 legal disrepair cases and an estimated 50 complex cases over the duration of this proposed contract. This will be supported and supervised by Council officers.
10. The Council disrepair and complex teams will carry out all visits and review historical disrepair cases against Letters of Disrepair. This will include reviewing all live repairs, home visits, and creation of a definitive Schedule of Works and Scott Schedule for the contractor to deliver.
11. The Preferred Supplier will deliver the works required according to the Schedule of Works provided for legal disrepair claims and any complex works that have been specified by Council officers.
12. The Preferred Supplier has the relevant skillsets, experience, and supply chains to deliver disrepair and complex work, as well as the ability to start imminently, and have a strong understanding of the requirements across London Borough of Hammersmith and Fulham (LBHF) and good resident communication by utilising their qualified resident engagement teams.
13. This short- and medium-term solution will support the progress that has already been made within the Housing Repairs service whilst the longer-term repairs model is planned and procured and commences in 2027.

Reasons for Decision

14. To continue to support the Housing Repairs service and provide additional temporary capacity relating to disrepair works, reducing cases to Business As Usual (BAU) levels.

Contract Specifications Summary

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

Contract	Contract Value	Description of Works and/or Services
Preferred Supplier for the	See appendix 1	Disrepair and Complex Works Works as per agreed disrepair surveyor, legal court instructions and reports:

Contract	Contract Value	Description of Works and/or Services
works element of the requirement		<ul style="list-style-type: none"> Any right to repair; Structural work; Works resulting from a hazard as defined under the Housing Health and Safety Rating Scheme; Internal and external repair works; and Works in a temporary vacated property

Procurement Route Analysis of Options

16. 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;
45300000 - Building installation work; and
45400000 - Building completion 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.
17. **Do nothing or decommission the service – Not recommended**
This option is not recommended as the Council cannot address the matters with its current contractor due to having reached the contract value, so needs to reprocure this requirement.
18. **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.
19. **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 the disrepair and void 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.
20. **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.

21. In this instance, the Housing Repairs service urgently requires additional capacity for disrepair works to prevent negative outcomes for residents, reduce complaints, and reduce failure demand. 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.
22. The Framework commenced on Monday, 3 July 2023 and expires on Friday, 2 July 2027 (including 2 12-month extension periods). A Find a Tender contract award notice was published 2023/S 000-007135. The award criteria for the successful suppliers were based on an evaluation of quality (60%) and price (40%). This framework allows the provision for a direct award to the supplier assessed as being the most economically advantageous.
23. 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

24. Market engagement has not been undertaken for this requirement but has been for the long-term solution which has determined dedicated measured term contracts for this work and will be procured as part of the repairs long term strategy.

Conflicts of Interest

25. 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.
26. 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.
27. The Conflicts Assessment will be kept under review and updated throughout the life of the project (from project inception to contract termination).

Local Economy and Social/Added Value

28. Social value assessments were included within the Framework evaluations and have been considered in assessing suppliers award onto the Framework.
29. The Preferred Supplier will complete a social value matrix return to outline their social value commitments to the Council as part of this contract.

Lot Considerations

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

People Based Considerations

31. The Transfer of Undertakings (Protection of Employment) Regulation 2006 (UKSI 2006/246) (TUPE) is not applicable to this contract.

Risk Assessment and Proposed Mitigations

32. There may be risks around the flow of information to substantiate and evidence works being completed arising from the fact that the contractor will not be as comprehensively integrated into the Council's IT systems as the main repairs contractors. This can be dealt with by providing historical repair data. The use of the Council's portal will allow integration, but the Preferred Supplier will also be required to provide its own job tracking portal which will include pictures, certificates, handover sheets, and daily work logs. This will be a condition precedent for payment and any order that does not have the required information supplied will be valued at zero.
33. There will need to be special processes for dealing with communication between the residents' and their legal representatives and the Preferred Supplier. This will be mitigated because the Preferred Supplier will be working with designated Council staff for each disrepair order. The Council's Disrepair Team will take responsibility for interaction with residents and booking appointments and all sign offs and inspections will be jointly managed by the Housing Repairs staff.
34. 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.
35. 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

36. The Contract will run for a maximum of 2 (two) years.

Timetable

37. Please see below for an estimated timetable:

Activity	Date
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)	27 August 2025
Contract Start Date	25 September 2025

Selection and Award Criteria

38. 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.

39. Price mechanisms are described in the table below.

Contract	Pricing Mechanism
Preferred Supplier: JCT 2016 Measured Term Contract	SOR NatFed version 7.2 +35% (disrepair) OHP £26,667 per month SOR NatFed version 7.2 +25% (complex)

40. 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

41. The Housing Repairs team will manage this contract with the Head of Operations being the dedicated Contract Manager.

42. 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 supervisor resource to the contract.

43. 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:

- Appointments kept;
- Disrepair and complex works completed by target date;
- Timescales to submit all information; and
- Post inspection quality assurance outcomes.

44. The Preferred Supplier will be liable for costs incurred by the Council as follows:
- a. £50 for each missed appointment paid out to a resident;
 - b. Any legal and compensation costs paid by the Council if a disrepair or complex work order is not completed within the designated timescale, where this is the fault of the contractor;
 - c. Rental loss where a complex decanted property is not completed on time including the Council tax costs; and
 - d. £30 for every failed post inspection to cover our costs.
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.

Equality and Inclusion Implications

46. As landlord of social housing there is a higher proportion of vulnerable residents who are impacted more by needed repairs, that left untreated, may have health impacts. The additional capacity provided by this contractor ensures timely and effective resolution.

Yvonne Okiyo, Strategic Lead for Equity, Diversity, and Inclusion, 2nd April 2025

Risk Management Implications

47. In addition to the risks defined above in **Error! Reference source not found.** there is a reputational risk that the disrepair cycle exceeds the Council or contractor ability to respond or that despite best efforts and works visits repairs are not made satisfactorily (delayed or below quality) leading to resident complaints and potential legal risks.
48. This risk must be reduced through communication with residents on progress. It is vital that the Preferred Supplier and the Council are clear on progress and apologetic should problems occur.
49. There remains residual environmental, and people risks of threats to the health of residents and the environmental impact should resolution not be completed. This risk is accepted and forms part of the resolution strategy. Whilst risk mitigation can be driven, this remains an ongoing cycle of fix. It is therefore recommended that long term strategies are identified to offset problems.

Jules Binney, Risk and Assurance Manager, 3rd April 2025

Climate and Ecological Emergency Implications

50. 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.

Hinesh Mehta, Assistant Director of Climate Change, 7th April 2025

Local Economy and Social/Added Value

51. Social value assessments were included within the Framework evaluations and this report states that a Social Value matrix will be submitted by the Preferred Supplier to outline their commitments.
52. It is recommended that the commissioner works with the Social Value officer to ensure that the contributions committed by the Preferred Supplier are supported by a method statement and are deliverable.

Harry Buck, Social Value Officer (Procurement), 3rd April 2025

Digital Services and Information Management Implications

53. The Preferred Supplier already has 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. A new work programme will be set up specific for this contract to ensure our asset data is updated and to record all works, variations and payments. All works will be issued via the NEC System for transparency and auditability.
54. The work programme will be set up as part of the mobilisation.
55. 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.
56. The contract documents, for the works element, will need to include Council's data protection and processing schedule. This is compliant with the UK Data Protection law.
57. 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, 18 July 2025

LIST OF APPENDICES

Appendix 1 (Exempt) – Contract Award Details