

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

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

**Date:** 17/06/25

**Subject:** Procurement Strategy for Award of Contracts for the Major Refurbishment of Various Void and Occupied Street Properties (Packages 3, 4, and 5)

**Report author:** Vince Conway, Senior Programme Manager, Capital Delivery

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

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### SUMMARY

London Borough of Hammersmith & Fulham Council's (the "Council") Capital Delivery Team has developed a scope of works for 16 properties (providing 23 units of accommodation) in three separate packages for which suppliers need to be sourced. The works generally comprise structural remedial works; the replacement of ageing building elements such as windows, doors, roofs; the modernisation of kitchens and bathrooms; and the upgrade of heating and electrical installations. One property in Package 4 includes the construction of an extension to provide suitable accommodation for a young person with special housing needs.

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### RECOMMENDATIONS

1. To note that Appendices 1-3 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that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. This report seeks approval of a Procurement Strategy for the direct award of two packages and a mini-competition for the third. Details of the properties are included in Exempt Appendix 2.
3. That Cabinet Member for Housing and Homelessness approves the procurement strategy proposing the use of the South East Consortium's (SEC) Internal and External Building Works framework (the "Framework") for the major refurbishment of specific void and occupied housing properties. The strategy proposes using a direct award procedure for Packages 4 and 5 and a mini competition for Package 3.
4. That the Cabinet Member for Housing and Homelessness approves the appointment of Greyline Group Ltd. via Lot 2 -of the Framework and its direct award procedure, to undertake major refurbishment works to various void street properties (Package 4) for the sum detailed in Exempt Appendix 1. The project

is expected to start on site in August 2025 with an estimated completion in March 2026.

5. That the Cabinet Member for Housing and Homelessness approves the contingency sum detailed in exempt Appendix 3 to deal with any unforeseen works that may arise during the delivery of Package 4.
6. That the Cabinet Member for Housing and Homelessness notes that separate award reports will be presented for Packages 3 and 5 for the approval of the Executive Director of Finance and Corporate Services in consultation with the Cabinet Member for Housing and Homelessness.

**Wards Affected:** College Park and Old Oak, White City, Wormholt, Munster, Fulham Town, Parsons Green and Sandford, and Palace and Hurlingham

Our Values	Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&F Values
Building shared prosperity	The proposed works will improve and maintain the standard of Council homes, thus supporting the Council in its strategic function as a social housing landlord of providing the opportunity of a decent home to its residents. Housing is a prime influence on quality of life, life expectancy, opportunities for work, education, leisure etc. It is critical to economic development, educational achievement, public health, and community cohesion.
Creating a compassionate Council	Investment in social housing enables the Council to fulfil its landlord function and provide good-quality homes to local people that are safe, secure and genuinely affordable. Bringing back into use properties which haven't been utilised for many years provides homes to local people within their community.
Doing things with local residents, not to them	The proposal primarily affects void properties but where works impact neighbours they will be made aware of works and project details prior to start on site. Updates will continue to be provided during the delivery stage. Where works involve a temporary decant, affected residents will be kept informed of progress and estimated timelines for return.
Being ruthlessly financially efficient	The preferred supplier for packages 4 and 5 has earned top ranking on the Framework Lot following a compliant competitive process. The

Our Values	Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&F Values
	projected costs have been verified by an external quantity surveyor. There will be robust contract management and a strong site presence to ensure quality standards and value for money.
Taking pride in H&F	The Framework evaluation criteria has required suppliers to provide details of their approach to energy consumption, use of sustainable materials, transport plan, site waste management, and noise pollution.
Rising to the challenge of the climate and ecological emergency	The primary aim of the contract is to return empty properties to use. However, specifications include measures to improve the energy efficiency of homes such as low energy lighting, new A-rated windows and doors, and improved ventilation.

## Financial Impact

The report seeks approval to appoint a supplier, Greyline Group Ltd., to deliver major refurbishment works (Package 4) at 5 void or decanted properties and 1 occupied property, at the estimated contract sum set out in Exempt Appendix 1. The report also seeks approval to set aside a provision within the Housing Revenue Account (HRA) Capital Programme for the contingency sum detailed in Appendix 3. The works are anticipated to commence in August 2025, and are expected to complete in March 2026, and the cost will therefore land in the 2025/26 financial year.

Payments will be made to the contractor in monthly instalments based on the progress of works to a satisfactory standard, which will be monitored by the Capital Delivery team's Project Managers and the external consultants. The appointment of the proposed contract administrator is subject to the approval of a separate contract award report to be prepared by the Capital Delivery Team, to cover the period of the works and the defects liability period, the latter of which is 1 year after practical completion of the works. 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 major refurbishment works of £13.974m in financial year 2025/26.

The housing capital budget plus the funds made available from non-Housing sources is therefore sufficient to cover the cost of the Package 4 major refurbishment procurement in this report.

A Credit Safe Report run on Thursday 29 May 2025 on the supplier Greyline Group Ltd. provided a credit score of 79 (very low risk and above the Council's minimum

threshold score of 51), and a suggested contract limit of £4,050,000, which is well above the value of the procurement in this report.

The works are capital in nature as they are major refurbishment works that are expected to bring the assets into use. Finance officers will work closely with the budget holders to monitor spend within the agreed budget envelope and will report updates to the financial position via the quarterly Capital Programme Monitor.

This report also seeks approval of the procurement strategy of major refurbishment packages 3 and 5. A further report will be required to approve the appointment of a supplier and to set out the detailed financial implications. The costs of the procurement will be funded from HRA borrowing. In February 2025, Cabinet approved a budget of £26.2m on major refurbishment works across financial years 2025/26, 2026/27 and 2027/28, which was presented as part of the Capital Programme Monitor and Q3 Budget Variations 2024/25. The Assistant Director of Residents and Building Safety will therefore need to identify and allocate the appropriate budgets to fund the major refurbishment packages 3 and 5.

*Implications by: Danny Rochford, Head of Finance (Housing), 29<sup>th</sup> May 2025*  
*Verified by: James Newman, Assistant Director – Finance, 25 June 2025*

## **Legal Implications**

The Framework allows both direct award and mini competition. The Framework is a compliant framework that the Council is able to access. Using this Framework to award the contracts would be compliant with Procurement Law and the Council's Contract Standing Orders (CSOs).

*Joginder Bola, Senior Solicitor (Contracts and Procurement), 24<sup>th</sup> February 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 (under which the Framework was established), framework terms of use, and the Council's Contract Standing Orders.

The Procurement and Commercial team have requested Conflict of Interest Declaration Forms from anyone involved in, and/or with influence over any decision making regarding the procurement process.

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.

The procurement project must be set up on and undertaken using the [capitalEsourcing](#) eProcurement portal. All associated details and documents must be attached to the project, and all applicable legal notices must be published within their legislated deadlines.

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

None.

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## **DETAILED ANALYSIS**

### **Background**

1. The project is about providing good quality homes to local people within their community, either by bringing empty properties back into use or dealing with longstanding and complex repair issues in occupied properties.

### **Reasons for Decision**

2. This procurement strategy is submitted for approval by the Cabinet Member, in accordance with paragraph 18 of Contract Standing Orders (CSOs).
3. A decision is required to progress the appointment of a successful contractor to carry out the works required in these properties.

### **Contract Specifications Summary**

4. The works being procured relate to the refurbishment of existing dwellings and generally include structural remedial works, roof works, window replacement, and modernisation of internal facilities. The form of contract will be the Joint Contracts Tribunal (JCT) Intermediate Building Contract 2024, with or without contractor design depending on the finalised scope of works for each package. The JCT suite of contracts is designed for construction projects involving all the recognised trades and skills of the industry.

### **Procurement Route Analysis of Options**

5. The works being procured have been identified as falling within the scope of 45453100 : Refurbishment work, and the contract value, assuming that any options to extend will be taken, will be insert contract value this means the procurement falls within scope of the Procurement Act 2023, Procurement Regulations 2024, and the Councils CSOs. As this strategy proposes the use of a framework established under the Public Contracts Regulations 2015, that legislation will take precedent over the Procurement Act 2023, Procurement Regulations 2024 for this procurement activity.

### **Proposals and Analysis of Options**

6. The Council is required to maintain its housing stock in good repair, providing quality homes that are safe and secure and meet tenant aspirations. The proposed works generally consist of structural stabilisation, fabric repairs, new

windows and doors, and full internal modernisation. In one property the works include the construction of an extension to an existing end-terrace property to provide suitable accommodation for a young person with special needs.

7. These works are outside of the scope of the day-to-day voids and repairs contracts and a contractor needs to be sourced for the delivery of each package.
8. **Option 1: Do Nothing – Not recommended**  
The works need to be undertaken to ensure the Council meets its statutory obligations as a landlord to provide safe and affordable housing and therefore doing nothing is not an option.
9. **Option 2: Deliver the supplies, services, and/or works in-house (make/buy decision) – Not recommended**  
Due to the specialist nature of these works, the Council does not have the appropriate resource or capacity available in-house to deliver these works.
10. **Option 3: Use an existing contract, established by the Council to provide the works – Not recommended**  
The Council's Responsive Capital contract is not an option. Some of the properties (Package 5) were previously the Responsive Capital supplier but have been returned unfinished. Officers have also considered utilising existing contracts procured to support the repairs service but there are commercial and delivery issues which preclude this as a viable option.
11. **Option 4: Undertake a fully regulated competitive and compliant procurement process, advertised to the market for each works package – Not recommended**  
This would be a lengthy process as would require either a competitive flexible procedure, incorporating a selection stage to create a shortlist of eligible suppliers or need a series of procurements undertaken using the open procedure that may generate an unmanageable number of bids. This would not achieve the overriding aim of getting schemes to site as soon as possible and making empty properties available for letting in the shortest timeframe.
12. **Option 5: Procure using a compliant framework**  
This is the recommended option. SEC provides a selection of compliant frameworks and offers a quicker route to pre-selected suppliers already assessed as suitable for social housing providers. The Council is a member of SEC and has successfully procured several major refurbishment projects and fire safety schemes via SEC in the last few years. Both the direct award and mini competition are compliant processes. The suppliers have been awarded a place on the Framework after a competitive process. A direct award is proposed for Packages 4 and 5 and a mini-competition for Package 3.

## **Property**

13. Details of the location of the properties, bedsizes, and summaries of proposed works are provided in Exempt Appendix 12

## **Market Analysis and Engagement**

14. Market engagement was not undertaken for this requirement. For Package 3 expressions of interest will be sought from suppliers on the appropriate framework Lot.

## **Conflicts of Interest**

15. 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.
16. 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.
17. 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**

18. 20% of the quality score (i.e., 12% overall) will be attributed to social value in accordance with the Council's Social Value Policy.

## **Lot Considerations**

19. The proposed works have been developed into different packages to expedite delivery, however, lots are not being used, as the division of the of the work packages provides the appropriate level of disaggregation required to deliver these works in accordance with the Framework.

## **People Based Considerations**

20. The [Transfer of Undertakings \(Protection of Employment\) Regulation 2006 \(UKSI 2006/246\) \(TUPE\)](#) is not applicable to this procurement.

## **Risk Assessment and Proposed Mitigations**

21. Direct award of two of the packages (4 and 5) and a mini-competition for package 3 will mitigate the risk of one supplier underperforming or, in the case of Package 3, leaseholders challenging the process.
22. Each contract package will have a dedicated project team of contract administrators, surveyors, technical inspectors, quantity surveyors, and resident liaison officers to ensure the smooth running of the project.

## Contract Duration Considerations

23. Each package of works will be delivered via a one-off contract with a defined contract period.

**Package 3** – The Contract will run for a minimum of six months with no option to extend outside of the application of relevant JCT clauses allowing for additional time to compensate for delays.

**Package 4** – The Contract will run for a minimum of six months with no option to extend outside of the application of relevant JCT clauses allowing for additional time to compensate for delays.

**Package 5** – The Contract will run for a minimum of six months with no option to extend outside of the application of relevant JCT clauses allowing for additional time to compensate for delays.

## Timetable

24. An estimated timetable of the competition process through to contact commencing is included below.

	<b>Action</b>	<b>Date</b>
1.	Key Decision Entry (Strategy)	Monday, 17 February 2025
2.	Contracts Assurance Board (Strategy)	Wednesday, 4 June 2025
3.	SLT/Cabinet Member/Cabinet Sign off (Strategy)	Tuesday, 24 June 2025
	<b>Package 4</b>	
4.	CAB (Award)	Wednesday, 4 June 2025
5.	Cabinet Member (Award)	Tuesday, 24 June 2025
6.	Contract Engrossment	Friday, 25 July 2025
7.	Contract Commencement Date	Monday, 4 August 2025
	<b>Package 5</b>	
8.	CAB (Award)	Wednesday, 23 July 2025
9.	Cabinet Member (Award)	Tuesday, 5 August 2025
10.	Contract Engrossment	Friday, 29 August 2025
11.	Contract Commencement Date	Monday, 8 September 2025
	<b>Package 3</b>	
12.	Mini Competition Published	Monday, 21 July 2025
13.	Closing Date for Clarifications	Friday, 29 August 2025
14.	Closing Date for Procurement Responses	Monday, 8 September 2025



<b>Action</b>		<b>Date</b>
15.	Evaluation of Procurement Responses	Friday, 3 October 2025
16.	Moderation	Wednesday, 8 October 2025
17.	Preferred Supplier Identified	Thursday, 9 October 2025
18.	CAB (Award)	Wednesday, 22 October 2025
19.	SLT/Cabinet Member (Award)	Tuesday, 4 November 2025
20.	Key Decision Entry (Award)	Monday, 7 July 2025
21.	S20 Notices Issued	Wednesday, 5 November 2025
22.	S20 Notices Expire	Wednesday, 17 December 2025
23	Prepare Feedback to Suppliers	Monday, 22 December 2025
24	Outcome Letters Sent to Suppliers and Standstill Period Starts	Tuesday, 23 December 2025
25	Standstill Period Ends	Friday, 2 January 2026
26	Contract Award Notice	Monday, 5 January 2026
27	Contract Engrossment	Monday, 2 February 2026
28	Contract Mobilisation and Implementation	Monday, 9 February 2026
29	Contract Commencement Date	Monday, 2 March 2026

### **Selection and Award Criteria (Package 3)**

25. For Package 3, a mini competition is proposed, between the suppliers awarded a place on the Framework based on a combination of price and quality.
26. For the procurement activity under the mini-competition process, evaluation will be subject to an initial compliance check, followed by evaluation of the quality criteria. Where a mini competition response does not achieve a minimum level of acceptability, the Council reserves the right to reject the mini competition response without further discussion.
27. An evaluation panel will be identified to assess quality and price. The Quality evaluation will be assessed against responses to several method statements, that will also cover social value requirements. A minimum acceptable standard will be applied to ensure mini competition responses scoring below a defined quality threshold will fail and be rejected from the procurement process. The project team will set out the exact evaluation criteria but will broadly be based on the following, in line with CSO 37.1.2. SEC has confirmed that the proposed quality/price ratio is within the parameters of the Framework.

Criteria	Weighting	
	Quality (60%)	Quality
48%		12%
Price (40%)	40%	
<b>Total (100%)</b>	<b>100%</b>	

28. **Price** – The potential supplier with the lowest overall compliant Commercial (Price) Offer will be awarded the full Commercial (Price) Score (40%). All other procurement responses will be scored in accordance with the following calculation:

$$= \left( \frac{\text{Lowest Submitted Commercial (Price) Offer}}{\text{Potential Supplier's Submitted Commercial (Price) Offer}} \right) \times \text{Commercial (Price) Envelope Weighting}$$

29. Each potential supplier's overall combined score for price and quality will be used to identify the preferred supplier, who provided the Most Economically Advantageous Tender (MEAT), that being those with the highest overall score(s), being recommended for a contract award.

### Contract Management

30. The Assistant Director for Residents and Building Safety is the strategic lead for the housing capital programme. The Head of Capital Delivery will lead the operational team overseeing the appointed consultants and contractors.
31. The Head of Capital Delivery will manage the relationship with the multi-disciplinary consultants appointed for each project. They will have the role of contract administrator for the works contracts and will be responsible for issuing all instructions, variations, notices, etc. to suppliers. They will also provide Quantity Surveyor services such as budget estimate, detailed cost plans, cashflow forecasts, valuation of works, issue of interim contractor payments, and preparation of the final account.
32. The Council directly employs Project Managers to oversee the consultants and project-specific technical inspectors to monitor progress and quality of works on site.
33. The Council directly employs Project Managers to oversee the consultants and project-specific clerk of works to monitor progress and quality on site.
34. Regular project monitoring meetings will be diarised to report on progress to senior management.
35. A suite of Key Performance Indicators (KPIs) will be used to monitor, measure and report on the performance of both consultants and suppliers. KPIs will be bespoke to individual projects, but may include some or all of the following:
- Resident satisfaction of supplier performance;

- Defects – condition of each property/block in respect of number of defects at the point of handover;
- Safety (Main Contractor) – number of reportable accidents each month; average number of people on site;
- Construction time taken within properties;
- Percentage of properties completed to programme;
- Time to produce pre-construction cost information;
- Predictability of cost;
- Environmental impact, control of waste, noise, and/or dust during construction process;
- Delivery on Social Value commitments;
- Time to complete scope of works and outline specification (Multi-disciplinary consultant);
- Time to complete final account (Quantity Surveyor);
- Time to produce health and safety files (Multi-disciplinary consultant); and/or
- Council satisfaction.

### **Equality and Inclusion Implications**

36. An Equalities Impact Assessment has been completed and is attached at Appendix 4. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any groups that share protected characteristics, under the Equality Act 2010.

*Verified by: Yvonne Okiyo, Strategic Lead for Equity, Diversity, and Inclusion (EDI), 27<sup>th</sup> May 2025*

### **Risk Management Implications**

37. There is an operational risk that the selected appointee may be stretched to satisfactorily deliver the existing LBH&F void management engagements due to existing commitments with a resulting negative impact to delivery or quality.
38. It is recommended that a rigorous project management framework is put in place to manage the engagement including reporting, change control, a risk management (RAID) and communications. Robust project controls and monitoring will be maintained throughout the programme of works to ensure timely delivery, within the financial envelope and to the quality standards specified. The suppliers proposed for Packages 4 and 5 are top-ranked in their relevant Lots following a competitive process. Package 3 will be tendered via a competitive procedure under a framework. Both routes will help to demonstrate that value for money is secured through the project, which is in line with Council objective of being ruthlessly financially efficient.

*Jules Binney, Risk and Assurance Manager, 21<sup>st</sup> February 2025*

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

39. Whilst the priority for the scheme is to return empty properties to use, the scope includes the replacement of windows and doors with A-rated units where existing are in poor condition; improved insulation where roofs being renewed; installation of energy efficient lighting; installation of mechanical ventilation.
40. The property extension within Package 3 includes the provision of an air-source heat pump to replace the existing gas boiler. Boiler replacements are not otherwise anticipated but heating controls and distribution systems will be upgraded where feasible and necessary with more energy efficient measures.
41. These will have positive contributions towards the Council's efforts to tackle the climate emergency.

*Meghan Kingsley-Walsh, Heat Decarbonisation Lead, 29<sup>th</sup> May 2025*

### **Local Economy and Social Value Implications**

42. It is a requirement that all contracts awarded by the Council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. Greyline has been in discussion with the Council's Social Value Officer to ensure that their Social Value offer is in line with the commitments on their current contract and proportionate to the value of this package.
43. For Package 5, the contractor being considered for direct award will first need to meet with the terms and conditions of the associated framework under which the direct award is being made and will then need to submit a social value offer that is acceptable to the Council.
44. For Package 3, the mini competition will include social value weighting of 12% of the overall evaluation criteria which equates to 20% of technical evaluation scoring.
45. For all of these packages, the contract manager will need to add these commitments to Social Value Portal for evaluation and monitoring purposes, at the standard cost to the providers, which will need to be formalised in the contract.
46. It is recommended that the commissioner works with the Legal Service to ensure appropriate social value clauses are included in each contract so that the Council can enforce its right to financial remedies if social value commitments are not delivered.
47. It is recommended that the commissioner and winning suppliers work with the Council's Social Value Officer, before the commencement of these contracts, to ensure the Social Value offers are deliverable and to support with their implementation.

*Harry Buck, Social Value Officer (Procurement), 20<sup>th</sup> March 2025*

## Consultation

48. Most properties are currently empty, but a communications plan will be developed to inform occupants of neighbouring properties of proposed works and anticipated programmes. Where properties are currently occupied there will be bespoke communications between residents and housing management to arrange decants, provide updates during works, and to confirm returns. For Package 3, statutory leasehold consultation will be undertaken.

## Digital Services and Information Management Implications

49. **IT Implications:** No direct IT implications are considered to arise from this report as it seeks approval to award a contract for the refurbishment of various Council-owned void and occupied street properties. Should this not be the case, for example, by requiring new systems to be procured or existing systems to be modified, Digital services should be consulted.
50. **IM Implications:** A Data Privacy Impact Assessment (DPIA) will need to be completed to ensure all potential data protection risks arising from this proposal are properly assessed with mitigating actions agreed and implemented.
51. Greyline Group Ltd and any other suppliers appointed as a result of this report will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
52. Any contracts arising from this report will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

*Vincen Arivannoor, Strategic Relationship Manager, Digital Services, 21<sup>st</sup> March 2025*

## LIST OF APPENDICES

- Exempt Appendix 1 – Finance Implications
- Exempt Appendix 2 – List of properties
- Exempt Appendix 3 – Details of proposed contingency for Package 1
- Appendix 4 – Equality Impact Assessment (EIA)