

CABINET
15 MARCH 2021**Report title: Housing Repair and Maintenance Contracts 2021****Wards: All****Portfolio:** Councillor Jennifer Brathwaite: Deputy Leader of the Council (Housing and Homelessness)**Report Authorised by:** Bayo Dosunmu: Strategic Director for Resident Services**Contact for enquiries:** Neil Euesden, Director of Housing Services, 020 7926 9082, neuesden@lambeth.gov.uk**REPORT SUMMARY**

Further to the council's commitment to radically redesign its repair and maintenance services in pursuit of better quality, socially responsible and digitally-driven services, this report is recommending the award of 10 new housing repair and maintenance contracts and two reserve contracts. Each proposed contract will have a term of six years plus two discretionary options for the council to extend for a further four years (6+4+4).

All of the proposed contract awards are the result of an OJEU-compliant public procurement process and each represents the most economically advantageous tender received and evaluated by the council against an agreed lot award structure and quality and cost ratio (60% quality; 40% cost).

The proposed contracts have been procured using the Competitive Procedure with Negotiation (CPN), which involved two post-qualification stages of tendering (Initial and Final) with an intervening period of negotiation – focused on enhancing social value (including employment and environmental requirements), innovation, ICT, and performance. This has helped to closely align the final tenders proposed for acceptance with the council's objectives and achieve best-fit contracting arrangements.

The Council has been supported throughout this procurement process by a dedicated resident procurement panel (RPP), Just Housing Group (JHG) (housing and procurement specialists) and Sharpe Pritchard (public law specialists).

FINANCE SUMMARY

The Housing Revenue Account (HRA) budget for all of the services that will be delivered under the proposed contracts is £31.698m, (split £24.698m revenue and £7m capital). The combined sum of all the tenders is £35.068m, of which £25.410m is revenue and £9.658m capital (the actual tender costs for all bidders is set out in Part II of this report). These increases will be funded from additional borrowing (capital) and existing revenue budgets (revenue) supported by the 30yr HRA Business Plan.

RECOMMENDATIONS

To award 10 housing maintenance and repair contracts and two reserve contracts as detailed in Table 1 below, from April 2021 to April 2027 for an amount of £219.556m, with the option to extend for two further four-year periods to April 2031 and April 2034, for a maximum contract value of £549.070m (amounts subject to annual inflationary adjustments determined by the Consumer Prices Index).

Table 1: Recommended Contract Awards

Lot	Area	Service	Recommended Tenderer	Annual Contract Sum (£'000)
1.	North	Responsive Repairs and Voids	Fortem Solutions Ltd	7,709
2.	South	Responsive Repairs and Voids	Wates Property Services Ltd	7,958
3.	North	Communal Gas & Water Systems	T Brown Group Ltd	2,266
4.	South	Communal Gas & Water Systems	OCO	1,859
5.	North	Domestic Gas Works	MPS Housing Ltd	4,878
6.	South	Domestic Gas Works	T Brown Group Ltd	5,623
7.	North	Electrical Works	NRT Group	1,368
8.	South	Electrical Works	OpenView Security Solutions Ltd	1,977
9.	North	Lift Maintenance	RJ Lift Services Ltd	701
10.	South	Lift Maintenance	Amalgamated Lifts Ltd	729
1R.	North	Reserve contract for Lot 1.	Breyer Group	
2R.	South	Reserve contract for Lot 2.	Morgan Sindall Property Services Ltd	
Total				35,068

REASONS FOR EXEMPTION FROM DISCLOSURE

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person (including the authority holding that information).

Paragraph Four: Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holder under, the authority.

1. CONTEXT

Background

- 1.1 Responsive repairs and related specialist mechanical and electrical services (gas/heating and water systems; electrical and door entry systems; lifts) are one of the most important indicators of customer satisfaction. The effective re-procurement of these services was, therefore, a key priority for the council.
- 1.2 Over the last 10 years, housing repair and maintenance services have been delivered via 13 long-term contracts, 12 of which went live in October 2010 and one in July 2016. These contracts have come to their natural end and this procurement seeks to better align housing service delivery arrangements with the council's current ambitions.
- 1.3 Involving and listening to residents during the process has influenced the shape of the final solution. Important in this context is ensuring that the council is not dependent on a single contractor for any service; and that contract relationships are directly with the service provider - minimising sub-contracting. Social value and innovation have been prioritised throughout the process.

Borough Plan

- 1.4 The entire ethos of the housing service redesign and associated procurement has been to align services and deliver against the ambitions set out in the Borough Plan – with particular emphasis on creating sustainable growth, resilient communities and independent living.
- 1.5 These new contracts have been designed to improve social, economic and environmental equality. Moreover, the tender evaluation methodology was designed around these objectives.

2.0 PROPOSAL AND REASONS

Proposal

- 2.1 Following a fully compliant procurement exercise, Resident Services is recommending Cabinet approval to award 10 new housing repair and maintenance contracts (plus reserve contracts) as shown in Table 1 above. The total estimated value of the 10 contracts is £35.068m. The contracts will deliver responsive repairs, voids, gas servicing, electrical servicing and lift maintenance to the North and South neighbourhoods. The term of the contracts is six years, with the option at the council's discretion to individually extend any of the contracts by two periods of four years up to a total aggregate extension period of eight years. The maximum term of each Contract is therefore fourteen years (6+4+4).

The two reserve contracts are for responsive repairs and voids only and awarded to the second ranked tenderer in that lot – which were subject to the same tendering and evaluation process. Expenditure will only be incurred under the reserve contracts if and when the council diverts work away from the main contractor (essentially the reserve contractor is on standby until its services are invoked by the council).

- 2.2 Contracts will commence as soon as is practicable; with full mobilisation by July 2021. The ambition to transform the total repairs service has been a fundamental driver behind the re-

procurement and is linked to a number of other initiatives in Resident Services; notably significant investment in ICT, action to improve the first point of call contact and a more strategic approach to asset management.

Procurement Route and Evaluation Methodology

- 2.3 Competitive Procedure with Negotiation (CPN) followed the approval of the Business Case and Procurement Strategy Report. Through CPN the Council has effectively managed the scale and complexity of the procurement through a three stage, restricted procedure; and facilitated negotiations to improve the quality of the contracts while providing value for money. The chosen procurement route has allowed the council to seek and negotiate improvements from shortlisted tenderers in the submission of their final tender. The approach was agreed as the most appropriate procurement mechanism to deliver a best fit service for the future. Further details of this approach are provided in the Part II report

Price and Quality Percentage Split

- 2.4 The focus on quality and service improvement has been a principal driver throughout the re-procurement exercise. The decision to use a 40% price, 60% quality ratio for all lots recognises the emphasis on quality. This was the recommendation of the service design group(s) and has been reinforced and supported at each stage in the council's governance processes.
- 2.5 It is also worth restating that there is considerable evidence to confirm that where repairs are procured with a lower quality rating (e.g. 30%) the service will not reflect innovation, social value or quality in delivery. The quality of work is likely to suffer as investment – in the contract (ICT, training, staff development, up-skilling the workforce, etc.) - is minimised to support a price-based solution.

Documentation

- 2.6 A contract notice was published in the Official Journal of the European Union (OJEU) in December 2019 for 'London Borough of Lambeth's Housing Repairs and Maintenance Service'. The competition process was the Competitive Procedure with Negotiation in accordance with Regulation 29 of the Public Contracts Regulations 2015 with a tender return date (post COVID-19 procurement pause) for best and final offers of 10 January 2021.
- 2.7 The documentation included: invitation to tender and response document/instructions, general preliminaries, service specific preliminaries, specification, form of contract, pricing schedule and Key Performance Indicator (KPI) schedule. Further details are provided in the Part II report.

Tender Returns

- 2.8 Tenders were returned in response to the contract notice and in accordance with the chosen procurement route, CPN. Further details of the three-stage process and the tenderers involved at each stage are provided in the Part II report.
- 2.9 The Council invited the shortlisted bidders to submit a Final Tender (ISFT) on 18 December 2020. The Council's Corporate Procurement team ran initial compliance checks on ISFT tender submissions. They were supported by Sharpe Pritchard (Public Procurement and Construction Law specialists), in the evaluation, moderation and in drafting standstill letters for Final Tenders.

2.10 The evaluation outcomes are summarised in Part II, Section 6.

Evaluation - Quality

2.11 The continued focus of the procurement exercise has been to secure quality and sustainable services from the market. There are a number of elements embedded in the future delivery model that will determine service quality, including:

- Service improvement and innovation
- Managing work in progress (WIP)
- Efficient mobilisation and transition
- Clienting: managing the contract
- Effective delivery of the Price per Property model
- ICT systems and seamless interfacing
- Sustainability
- Social Value:
 - Economic inclusion
 - Carbon reduction and sustainability
 - Health and wellbeing

2.12 The quality evaluation panel was made up of officers involved in the strategic and operational delivery of the service.

2.13 **In addition, the Residents Procurement Panel (RPP) were part of the evaluation team (with officers) for method statement 10; the set of questions drafted by the RPP.**

2.14 All evaluators were trained (by Corporate Procurement and Sharpe Pritchard) before evaluation and were required to sign the council's Declaration of Interest. The quality evaluators had no access to commercial / pricing submissions. The focus was entirely on quality.

2.15 Each panel member separately and individually evaluated and scored the responses to the method statement questions; and came together to moderate their evaluation / scores and reach a consensus score for each response.

2.16 The moderation meetings were facilitated and chaired by Corporate Procurement with support from the council's legal advisers, Sharp Pritchard.

Evaluation - Cost

2.17 The Pricing Evaluation Panel was organised to promote an objective and transparent approach. The Panel comprised of representatives from:

- Corporate Procurement
- Commercial services
- JHG (our specialist procurement partner assisting in the 2020 project)

2.18 The cost evaluators were satisfied that the costs presented were presented in a compliant manner and contained no errors or outstanding matters that could adversely impact on the cost post award.

2.19 To reduce the risk of price fluctuations, a data-driven Price per Property Model and inclusive repairs limit was applied - together with a standardised national pricing structure (National Housing Federation Schedule of Rates). This has allowed the identification of any abnormal market variances and for the council to query and challenge accordingly.

2.20 The prices for all Lots represent fair market rates.

A detailed breakdown of the tender costs is broken down in Part II of this report.

Experience of the Tenderers

2.21 The experience of the recommended contractors was assessed by the quality evaluation panel and formed part of their overall (quality and cost) score out of a possible 100 - summarised in the Part II report.

The recommended providers represent a mix of current and new suppliers and are all experienced in providing quality Housing services.

Contract Management

2.22 The council recognises that robust contract management is an essential part of the broader procurement process. Contract and performance management has, therefore, featured heavily **in various officer, resident and member workshops and meetings.**

2.23 This process started in the design stage; all contracts feature a suite of KPIs that incorporate financial remedies if agreed targets are not met. KPIs are contractual obligations which contractors must comply with. The suite of KPIs are included as an Appendix to Part II of this report. The service has been designed to ensure that the council owns all associated data; reporting tools, including Power BI, will only use data on council owned or licensed systems; not contractor systems.

2.24 Performance reports will be published monthly and reviewed by the Strategic Director's Management Team. Contract and performance review meetings will be held monthly, quarterly and annually. Meetings will be structured as follows:

- Monthly Contract and Performance Review Meetings
- Quarterly Contract Meetings (Strategic Core Group)
- Annual Performance Review
- Three Year Review

2.25 The annual review(s) will ensure that lessons learnt are applied to future years.

2.26 The Default procedure will be operational within 12 weeks of contract commencement and will continue throughout the contract term. Upon issuing a Default Notice, if performance failures are not rectified, the council has various remedies including the right to terminate the contract. This is further supported by a no-fault termination provision that becomes effective from year 4; allowing the council to terminate any of the contracts upon giving 6 months' notice. This is not just intended to deal with performance breaches but also changes in policy; for example, widening the scope of the Direct Labour Organisation (DLO).

2.27 Arranging the contract in line with JCT Measured Term Contract (MTC) 2016 Terms and Conditions will involve some refresher training for operational staff who will be administering the contracts. JCT MTC is widely used in the housing sector but it does mark a sea-change

for the council and some of its officers from the recent NEC Terms and Conditions which have been in effect in the current arrangements.

- 2.28 JCT has some common features with NEC3 in terms of performance and payment mechanism processes but the proposed JCT form is considered simpler and, therefore, is more straightforward for the council to administer. The contract will be structured within a hierarchy of management with the impact becoming more significant after each escalation.
- 2.29 The Management Preliminaries sets out a process for joint Annual Review which will include the suitability and effectiveness of the Performance and Payment Mechanisms.

Further details are provided in Part II of this report.

Performance Management

2.30 *Level One - Operational Performance Indicators (OPIs).*

These are measures which indicate how the contract is performing but that have no financial impact attached to them. They will receive, at least, monthly formal reviews at the contract review meeting. Performance that fails to meet the required standard should be corrected and, if necessary, the council can instigate the Improvement Plan process to correct such performance.

2.31 *Level Two - Key Performance Indicators (KPIs)*

These are measures that are of greater importance to the customer and so attract a financial consequence of failure (deductions from payment applications). Performance that fails to meet the required standard should be corrected and, if necessary, the council can instigate the Improvement Plan process to correct poor performance. The aggregate monthly financial impact of failure is capped at 10% (Deduction Cap) of the fixed/forecast monthly contract value. If the aggregate financial impact reaches the Deduction Cap within 3 months of a 6-month period, the Service Provider will be deemed to be in Default.

2.32 *Level Three - Improvement Plan Process*

At the discretion of the council, the Service Provider will prepare an Improvement Plan that sets out how performance will be improved such that OPIs and KPIs will be met. Improvement Plans will detail actions and completion times for agreement with the council.

Failure to meet the agreed completion times of an improvement plan will mean that the Service Provider be deemed to be in Default.

2.34 *Default Level Performance*

In the event that the Service Provider is in Default for performance, either by failing to deliver an agreed Improvement Plan or by reaching the monthly financial cap of KPI deductions 3 times within a 6-month period, the Default process can be triggered at the discretion of the council.

Performance Monitoring Board

Service managers will be accountable to an independent Performance Monitoring Board. The proposed membership will consist of the Director of Housing Services, Cabinet Members, residents and a cost manager. The Board will be independent of the day to day operational

running of the service. It will meet quarterly to review performance, expenditure, budgets, health and safety, culture, social and environmental commitments and make strategic decisions as necessary.

3. FINANCE

3.1 The current HRA budget for all of the services that will be delivered under the proposed contracts is £31.698m, (split £24.698m revenue and £7m capital). The combined sum of all the tenders is £35.068m, of which £25.410m is revenue and £9.658m capital – as set out in Table 2 below:

Table 2: Revenue and Capital Split

Lot	Area	Service	Recommended Tenderer	Revenue Sum (£'000)	Capital Sum (£'000)	Annual Contract Sum (£'000)
1.	North	Responsive Repairs and Voids	Fortem Solutions Ltd	5,669	2,040	7,709
2.	South	Responsive Repairs and Voids	Wates Property Services Ltd	6,542	1,416	7,958
3.	North	Communal Gas & Water Systems	T Brown Group Ltd	2,204	62	2,266
4.	South	Communal Gas & Water Systems	OCO Ltd	1,823	36	1,859
5.	North	Domestic Gas Works	MPS Housing Ltd	2,223	2,655	4,878
6.	South	Domestic Gas Works	T Brown Group Ltd	2,245	3,378	5,623
7.	North	Electrical Works	NRT Group	1,329	39	1,368
8.	South	Electrical Works	OpenView Security Solutions Ltd	1,945	32	1,977
9.	North	Lift Maintenance	RJ Lift Services Ltd	701		701
10.	South	Lift Maintenance	Amalgamated Lifts Ltd	729		729
1R.	North	Reserve contract for Lot 1.	Breyer Group			
2R.	South	Reserve contract for Lot 2.	Morgan Sindall Property Services Ltd			
Total				25,410	9,658	35,068

3.2 To cover the £3.370m gap between the current budget and the total contract sum, there will be an additional £2.658m per annum capital borrowing requirement and £712,000 revenue funding requirement. The impacts of these increases will be managed across the wider HRA budget within existing resources and reflected in the 30yr HRA Business Plan.

3.3 The tender sums are inclusive of continuous innovation, a significantly enhanced ICT infrastructure, cross cutting social value initiatives (health and wellbeing and employment and skills), the London Living Wage, a continuous financial contribution towards the council's Social Value Programme, and a commitment to borough sustainability and its net-zero carbon commitment. A summary of these commitments and initiatives are also included in Part II of this report.

- 3.4 The council has adopted a Price per Property (PPP), Price per Void (PPV) and 5* gas servicing model for the proposed contracts, which includes both revenue and capital items and will commercially incentivise a first time fix ethos, reduce client and contractor administration, increase the capacity to focus on quality and encourage contractors to invest in the council's housing stock. The model will also provide more budget certainty and reduce monthly expenditure variances.
- 3.5 All annual contract sums are subject to annual inflationary adjustments determined by the Consumer Prices Index (CPI) (overall contract sums include an annual adjustment of 1.7% which reflects the average CPI movement over the last 5 years).

4. LEGAL AND DEMOCRACY

Legal Services

- 4.1 The authority to approve the recommendations in this report may be taken either by Cabinet or under delegated authority by the Deputy Leader for Housing and Homelessness in consultation with the Leader.
- 4.2 The proposed contracts for works are subject to the procurement regime of the Public Contracts Regulations ('the Regulations') and as such in the case of contracts worth more than £4,733,252 (including optional extension periods) the council was obliged to publish the contract opportunity in the Official Journal of the European Union and follow one of the approved procurement procedures, one of which is the Competitive Procedure with Negotiation. In the case of contracts under that threshold the council elected to voluntarily use the same procedure.
- 4.3 The Regulations require that contracts shall be awarded on the basis of criteria laid down in accordance with regulations 67 to 69, provided that the contracting authority has verified that the tender complies with the requirements, conditions and criteria set out in the contract notice or the invitation to confirm interest and in the procurement documents, and provided that the tender meets the selection criteria. Under regulation 67 contracting authorities shall base the award of public contracts on the most economically advantageous tender assessed from the point of view of the contracting authority.
- 4.4 Under the Public Services (Social Value) Act 2012, the council must consider before starting the process of procurement, how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement. This social value duty is balanced by obligations to ensure fair and open competition as set out in the Public Contracts Regulations which state, inter alia, that award criteria must be 'linked to the subject matter' of the contract in question and must be contract-specific and not aimed at assessing the business or corporate policies of the tenderer. Paragraphs 9.5 – 9.10 outline how the council has met its social value duty in this procurement.
- 4.5 Regulation 86 of the Regulations requires that the contracting authority send to each candidate and tenderer a notice communicating its decision to award the contract and

providing prescribed information. The contracting authority is then obliged to refrain from entering into the contract until the prescribed standstill period has ended.

- 4.6 Under the Landlord & Tenant Act 1985 the council has consultation duties towards leaseholders of affected dwellings in respect of contracts deemed Qualifying Long Term Agreements (such as the proposed contract awards), and these duties are set out in the Service Charges (Consultation Requirements) (England) Regulations 2003.
- 4.7 Section 149 of the Equality Act 2010 sets out the public sector equality duty, i.e. that all public bodies are under an obligation to have 'due regard' to eliminating unlawful discrimination, advancing equality and fostering good relations in the contexts of age, disability, gender reassignment, pregnancy, and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. The council has considered its duty by undertaking the assessment outlined in Section 7 of this report.

Democratic Services

- 4.8 This proposed key decision was entered in the Forward Plan on 8 February 2021 and the necessary 28 clear days' notice has been given. The report will be published for five clear days before the decision is considered by Cabinet. Should it be approved and following the publication of the Cabinet minutes, a further period of five clear days, the call-in period, must then elapse before the decision becomes effective. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 This procurement process has been developed, from the outset, with residents, members and officers to ensure the newly designed housing contracts have a high degree of coproduction. The tender documentation and contracts have been designed to respond to the recommendations of a repairs Task and Finish Group and priorities that came out of workshops with the Council's Resident Procurement Panel (a resident-based advisory and consultative panel set up to assist the Council design, procure and manage the suite of new housing repair and maintenance contracts and direct delivery arrangements).

The involvement of the RPP will continue post contract award; the RPP will play a key role in the future monitoring and review of the service.

6. RISK MANAGEMENT

- 6.1 The main risks that might impact on the successful delivery of this procurement and the delivery contracts are set out below:

Table 3 – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1.	COVID-19 restrictions and social distancing requirements	4	2	8	COVID-19 secure processes and procedures already operational.

					Contractors will adapt working methods to reflect the COVID-19 related requirements to allow service continuation. Good practice solutions / lessons learned will be shared by contractors and from the council's management team(s).
2.	Timescale – no scope to extend interim contracts beyond 12 months	3	4	12	Project plan developed and project team in place to manage critical activities
3.	(De) mobilisation	2	4	8	Dedicated demobilisation / mobilisation team in place and meeting weekly (strategic and operational). Support from JHG. Critical milestones managed against comprehensive project plan / risk register.
4.	TUPE - outgoing contractors fail to present accurate and timely TUPE information to incoming contractors and wait until the statutory 28 day timeframe	2	4	8	Dedicated council resource to support all contractors with the transfer process.
5.	Contract and performance management	2	4	8	Contract and performance management framework and hierarchy embedded in contract documents. Contract management training plan - internal and / or external delivery as required.
6.	Governance	2	2	4	Independent governing board will meet quarterly to review performance, expenditure, and make strategic decisions to support its sustainability and financial viability.
7.	Affordability	2	2	4	Tender contract sums have been independently scrutinised and collectively fall within budget allocations.
8.	Financial viability	2	4	8	A Cost Manager from the council's Commercial Services Team will be undertaking forensic assessment work and routinely auditing cost and value. Identify training and development needs re PPP / PPV model; develop bespoke training plan as required.
9.	Systems interface(s) - ICT solutions not in place to enable the new operating model	2	4	8	Core solutions developed and deployed before g-live. Lessons learnt, detailed specifications etc. being completed. Dedicated resource responsible for ICT programmes that will facilitate effective mobilisation. ICT requirements and expectations made very clear during bid process and negotiation.

					Early engagement with contractors during 'soft mobilisation'.
10.	Leaseholder / S20 consultation	2	2	4	Dedicated internal resource (service charge expert) in place to effectively manage process
11.	Social value	2	3	6	Bidders have made commitments to deliver within their commercial envelope. Dedicated council resource to measure cross-contract impact against Borough targets.
12.	Final account, compliance and financial standing	2	2	4	Dedicated internal and external resources in place to ensure effective financial de mobilisation of incumbent contractors
13.	Service continuity	2	2	4	Successful tenderer(s) to provide a business continuity plan for review and implementation.
14.	Local recruitment – contractors unable to fill vacancies	2	2	4	HR will work with contractors to utilise all routes for local recruitment (and advertisement) as soon as preferred bidder status confirmed. Lessons learned approach from DLO recruitment programme.
15.	Work in Progress (WIP) - significantly increases across work streams and becomes a significant challenge on in-coming contractors.	2	2	4	Weekly WIP workshops to actively monitor WIP; early identification of key issues and solutions.
16.	Communications – lack of buy-in from other service areas	2	2	4	Established interfaces across breadth and depth of council.
17.	Increase in Member enquiries linked to demobilisation	2	2	4	Appropriate internal resource identified to manage associated Member enquiries. Monthly attendance at mobilisation meetings to share learning.
18.	GDPR	2	4	8	GDPR control and processing requirements are expressly included within the proposed contractual documentation; and forms part of the ICT project mobilisation plan that will be tested before going live.
19.	Contractor resilience and compliance	2	4	8	Due diligence has been carried out on the recommended provider(s) including insurances, turnover, Dun & Bradstreet credit and resilience analysis; and other contractual policy requirements such as Health & Safety and Safeguarding (evaluated within the tender submissions).

20	Union recognition	2	2	4	The contracts obligate contractors to commit to and demonstrate that their employees are free to join a trade union and are not unfairly treated for belonging to one.
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Key

Likelihood	Very Likely	2	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

Business Continuity Plan – post Brexit

- 6.2 Potential risks exist for the council in procuring such high value contracts when there is still so much uncertainty about the ongoing impact of Britain’s exit from the EU. This service has some reliance on EU relationship and so, possible identified risks are as follows:
- Sourcing and transporting materials – may lead to tariff issues and border delays
 - Increased cost of supplies
 - ICT/ data held in the EU/ issues relating to GDPR
 - Financial issues due to currency fluctuations

Weighted responses on continued service planning, contingency and associated risk mitigation were submitted as part of bidders’ method statements. Council will further engage with the successful contractors during mobilisation on impact of Brexit.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 The equality impact assessment (EIA) has been assessed and cleared by the Member-led Corporate EIA Panel. The EIA not only mitigates negative equality issues, but demonstrates that the new contracts will make tangible improvements to social equality in the borough.
- 7.2 The EIA (appended) was prepared following consultation with residents and officers and has been signed off by the Strategic Director. Importantly, this procurement process has not sought to just prevent adverse impact but rather it is seen as a vehicle to positively improve equality within the borough; with enhanced traction provided by a 1% contribution towards the council’s social value programme.
- 7.3 Lambeth has a unique positioning in London as one of the largest and most diverse boroughs, where around 150 different languages are spoken; this creates an opportunity for the 2020 project to ensure that it is able to serve the needs of the community both now and beyond.
- 7.4 Equalities considerations have consistently informed the tender and contract documents; bidders have been required to demonstrate how they will address these considerations as part of their quality submissions; moreover they have been further required to evidence how their commitments will be applied operationally during the contract period; and within their commercial envelope. The council’s requirements and the commensurate commitments from bidders will become contractual.
- 7.5 The negotiation phase afforded the council with the opportunity to further ensure that all bidders understand that they will be required to contribute positively to the borough; and that

the delivery of works and services is always a positive experience for all residents. The new contracts will embody an ethos of social value; in terms of job, standards, training, and apprenticeship opportunities for local residents, wages, homes and positive health outcomes.

- 7.6 Equalities matters will be prioritised as part of the regular monthly contract and performance review meetings and, as a minimum, will cover diversity/equality, social value, safeguarding and alerts and complaints.
- 7.7 Matters relating to safeguarding will be reinforced through these contracts in a number of key ways:
- data alerts – responsible sharing of ‘sensitive’ intelligence
 - operatives will notify the Authorising Officer or Deputy when matters relating to safeguarding, fire risk and or vulnerability are identified
 - all operatives will have necessary security clearance and Disclosure Barring Service (DBS) approval – to ensure the safety of residents and the wider community

8. COMMUNITY SAFETY

- 8.1 The contracts have been designed to ensure that successful bidders work closely with the Council’s neighbourhood housing teams in developing and delivering their Estate Action Plans; including proposals to mitigate crime and disorder on estates (including anti-social behaviour) and associated work to improve safety within neighbourhoods. Indeed, bidders were required to demonstrate their approach to crime and the prevention of crime as part of their quality submission.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 The procurement process was designed to ensure that environmental improvements (including carbon footprint reduction and improved air quality) were incorporated into the evaluated bidder method statements and formed an objective weighted part of the final selection process. Moreover, the contract requires that environmental improvement, sustainability and carbon reduction commitments are deliverable within the contractors’ commercial envelopes. These commitments are summarised in Part II of this report.

Health

- 9.2 Health and wellbeing has also formed an integral part of the tender procedure and the process has ensured that this featured within the contractor method statements; again to objectively influence the final contractor selection process. In addition to the tender procedures, the contracts have been designed to ensure a focus on community and care: maintaining and improving estates and neighbourhoods; and providing support to disabled, vulnerable and older adults in maintaining their independence and remaining in their homes. Given the link between housing and health and wellbeing, the new contracts will make a positive impact within the borough.

Corporate Parenting

- 9.3 The proposed contracts will help the council maintain its corporate parenting responsibilities by making apprenticeship, training and work placement opportunities more accessible to care leavers - and provide care leavers with additional support during the application process. Additionally, a number of social value commitments made by the tenderers include mental health and wellbeing initiatives; and dedicated partnership placements with organisations/schemes committed to providing the best outcomes for young people – including the Young Women’s Trust and the Kickstart scheme.

Staffing and Accommodation

- 9.4 TUPE applies to the proposed contracts and whilst this is contractor to contractor, a dedicated resource has been put in place to support the process as necessary.

Responsible Procurement

- 9.5 The council’s responsible procurement policy and associated requirements has been embedded into the tender and contract design process; it also attracted a significant weighting as part of the evaluated method statements across all Lots. Moreover, the process supports an arrangement whereby tenderers are encouraged to offer a corporate contribution; equivalent to 1% of the contract turnover towards the council’s Social Value Programme. This will be used to fund social and environmental initiatives and improve equality within Lambeth. The contribution will be ring-fenced from the tenderers’ internal corporate social responsibility commitments.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.6 The contract documentation has been developed to obligate the successful tenderers to provide local employment and training opportunities; and requires them pay LLW at both employee and subcontractor level - improving pay equality for employees delivering essential council services. Contractors have committed to ring-fence employment and training opportunities – including apprenticeships – locally and for Lambeth’s priority groups; and to partner with the council’s employment and skills teams to ensure recruitment campaigns reach the intended audience and include appropriate support through the application and interview process. The council’s Modern Slavery Act (2015) conditions are also incorporated into the conditions of contract, as will compliance with the Equality Act and an unfettered employee right to join a trade union and not be treated unfairly for belonging to one.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.7 Carbon neutrality – particularly emission reductions – has again been designed into the evaluated method statement requirement. Tenderers are required to evidence how their approach to fleet management will reduce emissions, demonstrate a general promotion of green energy and achieve the FORS silver accreditation.

Single Use Plastics

- 9.8 In Addition to being an evaluated method statement requirement/question, the contracts will ensure compliance with ISO14001:2015 – the British Standard for environmental management systems, including waste management and the reduction on the use of landfill.

Positive Health and Wellbeing

- 9.9 The contracts require contractors to sign up both to the London Healthy Workplace Charter (or equivalent), and to the Time for Change Employers Pledge and Suicide Prevention Strategies. Contractors must also demonstrate how they will meet, as a minimum, the 'Achievement' standard set out in the Mayor of London's 'London Healthy Workforce Award.'

Innovation

- 9.10 Resident Services recognises that it needs to innovate in order to achieve its ambitions around sustainable economic growth and resilient communities. Bidders have responded well to this challenge and designed a number of innovative solutions that will positively impact on communities, estates and homes. These include, social value solutions, holistic repair solutions and data integration that will respond to resident priorities and a commitment to help vulnerable residents stay in their homes.

10. TIMETABLE FOR IMPLEMENTATION

- 10.1 The table below details the stages and deadlines for implementing the recommended contracts:

10.2

Activity	Proposed Date
Forward Plan entry	08 February 2021
Management Board	17 February 2021
Procurement Board	23 February 2021
Cabinet	15 March 2021
End of Standstill / Call-in Period	26 March 2021
Execution of Contract	30 April 2021
End of Mobilisation Period for Contract	03 June 2021
Commencement of Services	04 June 2021

AUDIT TRAIL				
Consultation				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Jennifer Brathwaite	Deputy Leader (Housing and Homelessness)	15.02.21	22.02.21	All
Bayo Dosunmu, Strategic Director	Resident Services	15.02.21	17.02.21	All
Neil Euesden, Director of Housing	Resident Services	15.02.21	17.02.21	All
Andrew Ramsden, Assistant Director, Finance	Finance and Property	15.02.21	04.03.21	3

Shankar Siva Ananthan, Group Finance Manager (Housing Services)	Finance and Property	15.02.21	15.02.21	3
Rachel Willsher, Head of Procurement	Finance and Property	15.02.21	26.02.21	All
Michael Lemmens, Category Procurement Manager	Finance and Property	15.02.21	16.02.21	All
David Thomas, Legal	Legal and Governance	15.02.21	19.02.21	4
Maria Burton, Democratic Services	Legal and Governance	15.02.21	18.02.21	4.5

REPORT HISTORY	
Original discussion with Cabinet Member	22.02.21
Report deadline	03.03.21
Date final report sent	03.03.21
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	08.02.21
Key decision reasons	Expenditure, income or savings in excess of £500,000.
Background information	None
Appendices	Appendix A: Equality Impact Assessment Appendix B: Open Tender Report Appendix C: Part II Exempt Tender Report