

 Brent	Decision of Cabinet Member for Housing, Homelessness and Renters
	Report from the Director Housing Services
AUTHORITY TO VARY AND EXTEND EXISTING MECHANICAL AND ELECTRICAL CONTRACTS	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers¹:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Gary Mitchell Job Title: Head of Housing and property Email: gary.mitchell@brent.gov.uk

1.0 Executive Summary

- 1.1 This report concerns the extension of the Mechanical and Electrical (“M&E”) contracts referred to in paragraph 3.3 of this Report. The M&E contracts have previously been extended using Officer delegated powers and Individual Cabinet Member approval. This report requests the approval of the Cabinet Member for Housing, Homelessness to permit the further variation and extension of the M&E contracts in accordance with paragraph 13 of Part 3 of the Constitution.

2.0 Recommendation(s)

That the Cabinet Member for Housing, Homelessness and Renters, having consulted the Leader:

- 2.1 Approves the variation of the Mechanical and Electrical contracts referred to in paragraph 3.3 below to enable a further extension of up to twelve months to such contracts in accordance with paragraph 13 of Part 3 of the Constitution.
- 2.2 Approves the extension of Mechanical and Electrical contracts referred to in paragraph 3.3 below for a period of up to twelve months.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

- 3.1 The Borough Plan includes two priorities specific to Housing, that are:
- Strategic Priority 1 – Prosperity and Stability in Brent
 - Strategic Priority 2 – A Cleaner, Greener Future
- 3.2 These two priorities re-affirm the Council's ambition to maintain and improve the quality of housing across the Council's own housing stock. Ensuring the continued delivery of M&E services as provided for in the M&E contracts is intrinsic to such priorities. The link to Council policies can be found here:

<https://www.brent.gov.uk/the-council-and-democracy/strategies-priorities-and-policies>

Background

- 3.3 The Council entered into various long-term M&E contracts for M&E Services. Details of the M&E contracts subject to the proposed variations and extensions are set out in the table below:

Contractor	Service	Contract Start Date	Previous Extensions	Contract Expiry Date	Extension Terms
Thyssenkrupp	Lift Maintenance	30 July 2012	5 year/1 year/8 months/9 months/9 months/12 months	31 September 2026	5 + 5
Equans	Communal Electrical and electrical safety	1 April 2013	5 years/1 year/9 months/9 months/12 months	31 September 2026	5 + 5
Jaylec	Communal Electrical	1 April 2013	5 years/1 year/9 months/9 months	31 September 2026	5 + 5

			months/ 9 months/ 12 months		
Openview	Door Entry and CCTV	29 May 2013	5 years/1 year/9 months/ 9 Months/ 9 months/ 12 months	31 September 2026	5 + 5
Oakray	Domestic and Communal Gas	1 April 2013	5 years/1 year/9 months/ 9 months/ 9 months/ 12 months	31 September 2026	5 + 5
Ductclean	Asbestos Removal	03/04/2017	Extensions on a rolling basis/9 months	2 nd October 2026	4 + 2
Socotech	Asbestos Consultancy	03/04/2017	Extensions on a rolling basis/9 months	2 nd October 2026	4 + 2

- 3.4 All of the above contracts have already been extended for the maximum permitted extension term in accordance with their respective terms and conditions. In accordance with their delegated powers under paragraph 9.5 of Part 3 of the Council's constitution, the relevant Chief Officer approved further extensions to the contracts for a maximum term of 1 year until 31 March 2024, a further extension of 9 months to December 2024, a further extension of 9 months to September 2025 and a further extension of 12 months to September 2026. In accordance with Paragraph 13, Part 3 of the Council's constitution, the Corporate Director, Residents & Housing Services having consulted with the Cabinet Member for Housing agreed a further 9 month extension. Due to issues relating to resources, the procurement processes for the new contracts could not be completed within the extended period.
- 3.5 The report to Cabinet on 13th March 2023 titled: Procurement of Mechanical and Electrical Services Works Contracts for Council Housing provided the background information regarding the re-procurement of the M&E services. Given that procurement of replacement contracts remains outstanding, Officers consider that the existing Contracts should be varied and extended for a further period of up to 12 months to enable the conclusion of the procurement of new contracts and Mobilisation.
- 3.6 Officers have determined that extending the Contracts by up to 12 months will be cost-effective for the Council (as opposed to procuring a short-term contract

whilst arrangements are made to procure a longer-term contract via a framework) and is reasonable in all the circumstances.

- 3.7 These contracts provide important services linked to health and safety compliance, regulatory requirements and also services delivered to vulnerable residents. It is imperative to maintain an uninterrupted service for all residents, but the health and wellbeing of vulnerable residents is of the utmost importance. The Council does not have any viable alternatives to cover short term contracts of the above nature, to be in place prior to the current Contract expiry dates. The existing contractors are familiar with the Council's stock and continue to provide excellent services, as they have done so throughout the term of the M&E contracts.
- 3.8 The Contracts do not currently contain provision enabling the proposed extensions for the reasons specified in paragraph 3.4 above and therefore Officers seek authority to first vary the Contracts to allow for their further extensions and also authority for the extensions of the Contracts by 12 months to be approved.
- 3.9 The contractors have signalled their agreement for the various M&E contracts to be varied and extended. The M&E contracts are subject to uplifts in line with the contractual terms.
- 3.10 The extensions requested are required to ensure continuity of service and to maintain the safety and compliance of both Brent Council and its residents. The extensions are sought for a period of up to 12 months to provide sufficient time for the existing contracts to remain in place while the Council completes the procurement and mobilisation of the new contracts. A Section 20 Notice has been served on the leaseholders and is due to expire on 15 September 2026. The new specifications and contract documentation have been prepared and are ready to proceed to procurement via the Procure Public Framework, subject to approval of the Pre-Tender Considerations Report and expiry of the Section 20 consultation period. The requested extension period of up to 12 months is therefore considered necessary to provide business-as-usual continuity while the procurement exercise and subsequent mobilisation of the new contracts are completed. Once the new contracts are awarded and successfully mobilised, the extended existing contracts will be brought to an end. The proposed extensions will mitigate the risk of any gap in service provision and ensure that the Council can continue to meet its statutory, contractual and operational responsibilities during the transition to the new arrangements.
- 3.11 The Council does not have the technical expertise to provide the services in-house. The Council considered options to procure short-term contracts whilst arrangements were made to procure longer term contracts but concluded that it may not be feasible to let contracts of such a nature on a short-term basis and in any event, extending the contracts would be a more cost-effective approach whilst longer term procurement options are explored.

4.0 Stakeholder and ward member consultation and engagement

The Cabinet Member for Housing, Homelessness and Renters has been consulted in regard to this report.

5.0 Financial Considerations

- 5.1 The proposed contract extensions in this report do not change the costing structure between the Council and relevant contractors, therefore the extension will not directly result in additional budget requirements.

Estimated total value of contract extension is £7,150,000 and will be funded within existing approved budgets for repairs and maintenance from Housing Revenue Account (HRA). Note that as new contracts are awarded the financial commitment to the old contracts will cease, once final accounts are complete, so the whole year's budget may not be utilised but can be carried over to the new contracts. The revised budget also takes into account the additional properties that have been identified throughout the year and all the components Brent are legally compelled to undertake.

- 5.2 As the works are mainly regulatory requirements, failure to carry out these works could bring the council into disrepute, and the Council could be fined and must report to the regulator, therefore it is imperative that the extensions are put in place to mitigate the risks.

6.0 Legal Considerations

- 6.1 In accordance with paragraph 13 of Part 3 of Brent's Constitution, the Leader has delegated certain functions to Cabinet members to be exercised within their portfolio area in consultation with the Leader. This delegation includes the authority to agree variations and extensions where these are excluded from Officer delegated powers because the extension goes beyond the period of extension provided for in the contract and the contract has a life of more than one year (including any possible extension provided for in the contract) and the extension exceeds a period of one year.
- 6.2 In reaching any decision to approve the proposed variation, the Cabinet Member for Housing, Homelessness and Renters should have regard to the reasons Officers have set out in Section 3 of the report.
- 6.3 The values of the original contracts are such that it is subject to full application of the Public Contract Regulation 2015 (PCR 2015). Recommendation 2.1 is to agree a variation to extend the Contract for the reasons detailed in Section 3.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 7.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 7.4 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

8.0 Climate Change and Environmental Considerations

- 8.1 The extension of contracts and subsequent procurement of M&E contracts will help the Council's environmental objectives and climate emergency strategy. Helping ensure all mechanical and electrical equipment is running efficiently.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 The variation and extension of existing M&E contracts do not have any human resource implications for the council.
- 9.2 The variation and extension of existing M&E contracts will assist the Council in maintaining its housing stock in a safe and habitable condition.

10.0 Communication Considerations

- 10.1 There are no direct communication considerations arising from the variation and extension of M&E contracts.

Report sign off:

Spencer Randolph
Director Housing Services