

CABINET PROCUREMENT & INSOURCING COMMITTEE

COMBINED CONTRACT AWARD AND BUSINESS CASE

Title of Report	Planned Internal Works Contracts (Kitchens & Bathrooms)	
Key Decision No.	HCE S685	
For Consideration By	Cabinet Procurement Insourcing Committee	
Meeting Date	2 February 2026	
Cabinet Member	Deputy Mayor Guy Nicholson, Cabinet Member for Housing Services and Resident Participation	
Classification	Open	
Ward(s) Affecteda	All Wards	
Key Decision	Yes	Significant in terms of its effects on communities living or working in an area comprising two or more wards
Implementation Date if Not Called In	2nd February 2026	
Group Director	Rickardo Hyatt - Group Director, Housing, Climate and Economy	
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Contract value, both Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	<ol style="list-style-type: none"> 1. D784432 Planned Internal Works 2025/26 - £3m plus VAT 2. D784433 Planned Internal Works 2025/26 - £2m plus VAT 	

	Total Value of these Works Contracts £5m plus VAT
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	Up to 2 years (1 year with an option to extend for a further 1 year, subject to Hackney approval)

1. Cabinet Member's Introduction

- 1.1 The Council is committed to its role as a responsible social landlord with over 30,000 homes in its ownership and recognises its duty to repair and maintain these homes and estates providing decent homes for tenants to live in.
- 1.2 This report provides the reasons behind 'restructuring' a previously approved contract and seeking approval to provide a Stage 1 contract leading to what will be a future Stage 2 contract to deliver the capital works for the Kitchens and Bathrooms element of the Council led £500m Housing capital works programme and ensure the delivery of these capital works in the Council's housing stock. The Stage 1 contract will cover domestic kitchen and bathroom renewals within the current and next financial year. They will also incorporate works to rectify possible hazards to residents in the home, including damp and mould and will include any required internal fire safety works. The Stage 1 contract will ensure that the Council can continue to deliver the capital improvement work over the next two years while the procurement and leaseholder consultation for the Planned Internal and External Works Framework Agreement is delivered.
- 1.3 This procurement approach follows the provisions of the Housing Asset Management Strategy 2019-2027, which was approved by Cabinet on 25 March 2019 and when implemented will be an important element that helps deliver the Asset Management Strategy.
- 1.4 The works will ensure that Hackney continues to invest into the homes it owns. In previous years, the capital works programme has delivered £8m of investment within this particular programme in the Strategy, ensuring that residents in various locations around the borough have had the benefits of investment in new front entrance doors, modern kitchens and bathrooms, and were required can be reassured that they are living in fire safety compliant highrise blocks.
- 1.5 The capital works programme will ensure that Council homes remain safe, compliant, and energy efficient and that people are proud to live in them. The Planned Internal Works programme that will be delivered under this contract, will positively contribute to the longer term capital programme, as well as ensuring that homes receiving this investment will meet the Decent Homes Standard.

1.6 The Stage 1 contract will provide a contracting opportunity for an SME alongside a larger contractor to work with the Council, while still ensuring the Council can effectively manage and deliver the contract output requirements. In addition the contract is of a value that will also unlock social value benefits for residents.

1.7 I commend this report to the Committee.

2. Group Director's Introduction

2.1 This report provides award details for procuring capital works to ensure we continue to invest in council housing stock and the Decent Homes Standard. The works covered by this contract make a significant contribution to undertaking this statutory function, and towards providing residents with warm, safe and comfortable homes; estates and blocks of which they are proud of; and a voice in any decision-making affecting them.

2.2 The procurement was carried out in the context of the Council's new Sustainable Community Strategy. It will contribute significantly to its aims of making Hackney a more sustainable place to live, with better quality of life and October opportunities for its residents

2.3 On 7th 2024 the Cabinet Procurement & Insourcing Committee approved the Business Case (Key Decision CHE S393) titled Planned Capital Works Contracts for Property Asset Management, for up to £180m.

2.4 As a result of financial challenges that came to light in late 2024 / early 2025, a reduction in scope was needed to ensure continuity of delivery with the budget at hand.

2.5 In order to ensure a planned works programme could be delivered for residents within the budget challenges at hand, a in March 2025 PAM's Director and his Leadership Team made the decision was taken by officers to split the contract into two stages:

- Stage 1 - . A short term internal works only contract via direct award to be awarded under the 7th October 2024 Business Case.,
- Stage 2 - . A Longer term Planned Works Framework Agreement was agreed under a separate Business Case - Stage 2 Planned Works Framework for up to 4 years was approved under a separate Business Case at October 2025 CPIC.

2.6 This award report addresses Stage 1.

2.7 To ensure the compliance of this award, in addition to that which was provided by CPIC in October 2024, due to the following material changes, further approval is required by CPIC:

- a. The amount now planned to be spent under this Business Case is now likely to be £5m rather than £180m, as it has been superseded by the

Business Case for £18m approved in October 2025 - this is to say the amounts are not cumulative, but this pair of awards are reliant on the October 2024 Business Case, rather than the October 2025 Business Case; and,

- b. It is now proposed that Direct Awards are made under the Fusion21 Framework rather than a Competition, which is a material change over the October 2024 Business Case. The rationale for the change is set out in the Award Report, and is in summary due to the urgent need to commence crucial housing improvement works for the benefit of residents. Justification for value-for-money is set out in the Award Report and includes an independent QS's assessment of the charges and rates.

2.8 The original October 2024 Business Case is included within background papers - the variances that relate to the material changes are highlighted for ease to the reader.

3. Recommendation

3.1 It is recommended that Cabinet Procurement and Insourcing Committee:

3.1.1 To approve the business case and direct award of a contract via Fusion21 Framework 'Building Improvement Works' for Kitchen's and Bathroom's Works to Wates Property Services Limited at a value of £3,000,000 for 1 year with the option to extend by one further year at the Council's absolute discretion.

3.1.2 To approve the business case and direct award of a contract via Fusion21 Framework 'Building Improvement Works' for Kitchen's and Bathroom's Works to Chigwell London PLC at a value of £2,000,000 for 1 year with the option to extend by one further year at the Council's absolute discretion

3.1.3 Also to be noted that an annual report on the performance of these two contracts, as well as the tracking of the social value commitments, will be presented to Hackney Procurement Board annually.

4. Reason(s) for Decision / Options Appraisal

4.1 The reasons for proposing this capital work procurement option are set out to include consideration of:

- The need for the Council to fulfil its legal obligations as a landlord for the maintenance of its homes and estates;

- The opportunity for capital investment works to contribute to broader Council ambitions of creating a fairer, safer and more sustainable Hackney;
- The ambition is to ensure our homes and estates are places residents are proud of.

4.2 The key deliverables for this procurement are:

- Procuring construction services to ensure the Council can invest in homes to fulfil its legal obligations as a landlord;
- Procuring these contracts in line with the provisions of the new Housing Asset Management Strategy 2019-2027;
- Provision of cost-efficient, quality-driven related works across the entire housing stock, which are focussed on the greatest investment need, and meet all relevant technical standards;
- Appointing contractors who are suitably flexible in their scope to respond effectively to resident consultation suggestions for works to homes and estates;
- Maximising the indirect social value from these contracts through local employment, community investment and resident satisfaction with the quality of their homes and local area;
- Ensuring that capital works can support the Council's broader sustainability objectives, such as the air quality action plan, as well as improving the energy efficiency of homes to reduce fuel poverty;
- Ensuring compliance with the Council's Standing Orders, Regulatory Procedures, and the Council's Corporate Policy.

4.3 The proposed contract is intrinsic to meeting the Mayor's priorities for a fairer, safer, and more sustainable borough. These priorities include the Mayor's vision that everyone in Hackney has a good-quality and stable home and the commitment to ensuring the Council continues to invest in and make the best use of its housing stock to provide the homes, blocks, and estates in which people want to live and are proud of.

4.4 The proposed contract is a key driver in managing and maintaining Hackney's housing stock efficiently and sustainably. This procurement strategy is aligned with the objectives of the Housing Asset Management Strategy 2019-2027. The strategy sets out capital work objectives for investing in our homes and estates, the ambitions that Hackney has for the quality of its homes and the related priorities to ensure that the limited available resources are directed at the greatest need. This investment includes fire safety and energy-efficiency measures that are essential to providing homes that are safe, decent, and fuel-efficient for our residents.

4.5 The Landlord and Tenant Act 1987 places a legal duty on the Council for the repair and maintenance of the Council's homes and estates. The new contracts make a significant contribution to undertaking this statutory function.

4.6 The capital works to support the Asset Management Strategy, which sets out the objectives and priorities for investment in the existing housing stock and other Housing Revenue Account (HRA) assets and the financial parameters for the planned investment programmes.

4.7 Summary of Procurement Process Used

Due to a reduction in budget availability for this financial year, as detailed within 4.5,4.6 and 4.7 above, the scope of this contract has been reduced from internal and external works to internal works only. There are currently circa 285 properties covering the High and Low Risk Hackney programmes for 2025/26, that require domestic kitchen renewals and bathroom renewals within the current financial year. They will also incorporate works to rectify possible hazards to residents in the home, including damp and mould. The high risk programme also covered internal fire safety works. The appointed contractor(s) will be required to complete all properties within a 30 week period as a minimum.

4.8 A procurement strategy was agreed to deliver a short term internal works only contract across high and low risk programmes of work, with one contractor for each programme. Given the time constraints to secure a contract, it was agreed by the Housing Service that a direct award call off opportunity be issued under Fusion21's Building Improvement Works Framework (Contract Notice 2023/S 000-025888) Lot 9 and Lot 1 - Kitchen and Bathrooms. It is proposed to set a contract term of up to 2 years (1+1).

4.9 The Fusion21 Framework, and this Lot has been successfully used by the Council previously for this scope of work and allows direct awards.

4.10 The Fusion21 Framework is a highly competitive framework which allows access to a discounted set of rates and charges due to the volume discount that was secured under competition. Additionally Hackney has secured an independent professional opinion from a leading QS that the rates are attractive when benchmarked.

4.11 On 7th October 2024 the Cabinet Procurement & Insourcing Committee approved the Business Case (Key Decision CHE S393) titled Planned Capital Works Contracts for Property Asset Management, for up to £180,000,000. As a result of financial challenges that came to light in early 2025, a reduction in scope was needed to ensure continuity of delivery with the budget challenges at hand. The table within section 4.7 highlights reduction in scope that was needed and the changes between the Business Case and this award report. This award falls under this Business Case.

5. **Background**

- 5.1 The proposed procurement strategy was approved to procure capital work contracts for planned capital works via a direct award call off for an external framework; Fusion 21 (Lot 1 – Refurbishment, Construction, New Build & Modular Buildings framework or Lot 9 - Building Improvements framework). The approval included the appointment of up to 4 contractors for up to 4 year contract terms.
- 5.2 In January 2025, following the approval of the Business Case, the Finance department confirmed that there were not sufficient funds to progress the Business Case’s full value. As such the process was delayed and the procurement strategy reviewed to meet the budget available for planned works.
- 5.3 In order to ensure a planned works programme could be delivered for residents within the budget challenges at hand, in March 2025 the decision was taken to to split the contract into two stages, as follows:
- Stage 1 - A short term internal works only via direct award to be awarded under the 7th October 2024 Business Case,
 - Stage 2 - A longer term Planned Works Framework Agreement was agreed under a separate Business Case - Stage 2 Planned Works Framework for up to 4 years has been approved under a separate Business Case at October 2025 CPIC.

This award report addresses Stage 1.

- 5.4 The Stage 1 contract is presented within this Contract Award Report. The reduction in scope from the original Business Case (for budget purposes) are summarised as follows;
- a. Reduction in scope from Business Case to Award:

Business Case, 2024	This Award Report - ‘Stage 1’
Value of £180,000,000	Value of £5,000,000
Internal and external works	Internal works only
Up to 4 years	Up to 2 years
Up to 4 contractors	2 contractors
Mini competition under Fusion 21	Direct Award under Fusion 21
SMEs as well as larger contractor	SME as well as larger contractor

Strategic Policy Context

- 5.5 This award forms a key stage in progressing the reforms and change agreed with the Housing Regulator to move Hackney into a compliant and performing borough - see section 1.

Options appraisal

- 5.6 The option appraisal is set out in Section 6.

Consultation/engagement

- 5.7 This award and the works involve extensive resident engagement with the tenant and leaseholder liaison team. Although the works are not Section 20 the project is centred around resident engagement and the KPIs include resident satisfaction.

6. Alternative Options (Considered and Rejected)

6.1 Option 1 - Consider moving to a Long-term Capital Work Partnering Contracts

- 6.1.1 In March 2025 the team reviewed procurement time for a flexible competitive procurement exercise. This option would take over 12 - 18 months to achieve, whereas the external framework route could be completed in 4 to 6 months. At this point in time, the use of an external framework route is preferred because of the urgent need to mobilise new contractual arrangements.
- 6.1.2. The Council must continue the capital investment programme to prevent delays in major repairs and ensure that essential safety projects are carried out promptly. Delays in capital projects could also lead to extra strain on repair budgets. Therefore, not proceeding with the proposed Planned Capital Works - Term Contracts for Property and Asset Management would significantly reduce capital investment over the next two years.
- 6.1.3. While this option may, in the long term, provide a better route to delivering our capital work programmes, it was rejected at this point due to the length of time it would take to get contractors on the ground and the risks associated with the need to deliver much-needed capital improvement work and essential fire safety work.
- 6.1.4 With the level of budget currently available, this option would not necessarily be feasible. However, Procurement has advised that a framework agreement or long term capital works partnering contract should be established, and with no guarantee of work, the contract would

be in place for the time when the budget is available to deliver larger programmes of work.

- 6.1.5 A Business Case was approved in October 2025 to establish a framework agreement for 2+1+1, and work on the procurement process will be undertaken shortly. The Capital Works Partnering Contract is also currently being discussed between Procurement and PAM. This option has been included on the procurement pipeline for the longer term consideration for provision of capital delivery across PAM.

6.2. Option 2 – Procure a Stand Alone Contract for each Project

- 6.2.1 The option of carrying out individual procurement exercises on a project basis awarding a contract for each property was rejected, as this would involve significant work in carrying out public procurement exercises, which require additional staff time. This option involves an individual tender process to let any capital work. Furthermore, this would include the two-stage leasehold consultation, where work is subject to recharge, which means extended contract mobilisation onsite.
- 6.2.2 Generally, this option requires more resources than the preferred option to use an external framework, and would take much longer to procure resulting in extended wait time for tenants for much needed capital improvement work.
- 6.2.3 For the reasons above, this option was rejected as the main course of action, though the Council may elect to pursue it if conditions arise.

6.3 Option 3 – Insourcing the Works to the DLO

- 6.3.1 The option of in-sourcing the planned capital works is not viable. The scale of the work and risks associated with it makes it neither desirable nor possible to restructure the DLO in time to carry out this work. This option was rejected because it was considered undeliverable within the timeframe.

7. Developments since the Business Case approval

- 7.1 See section 4.5, 4.6, 4.7 and 4.8 above for changes from the Business Case.

Conflicts of Interest Assessments

- 7.2 In compliance with the Procurement Act 2023, formal Conflict of Interest declarations have been taken across the team and key / senior staff for the two contractors and recorded on the Procardis system. Additionally declarations by Members are similarly recorded.

Whole Life Costing/Budgets

- 7.3 The Delivery Team have confirmed that funding is available for the whole life of the contract including any extensions and any further additional resources that may be required. The capital programme for housing covers the investment in HRA stock and assets managed by Housing Services, along with the investment in HRA hostels and housing grants managed by Housing Needs and Private Sector Housing.
- 7.4 The main contracts of the capital works programme were based on the previous component-based approach. The proposed contract delivery approach will take a holistic approach to improving blocks and estates by considering all the elements/components in an area/zone and the size of the blocks/property to allocate to an appropriate contractor. Each contractor is being awarded a programme of work on contract award, allowing contractors full site of the programme and components required across the delivery needs of the contract.

Risk Assessment/Management

- 7.5 The Procurement via Call-Off from the External Framework will not fully comply with the Section 20 procedure, as the framework existed before the Notice of Intention was issued. Risk of leaseholders challenging the procurement route, which could cap the major work cost rechargeable to leaseholders. As such the programme of work has been limited to internal works only, which does not impact Leaseholders.
- 7.6 As part of the establishment of the Framework Agreement by Fusion 21, both contractors will have been subject to a robust evaluation and will have had to demonstrate rigorous compliance with H&S (Health & Safety) procedures, GDPR (General Data Protection Regulation), DBS (Disclosure and Barring Service) checking of operatives, financial checks and other requirements of public procurement tendering exercises, to mitigate any risk associated with their capacity to undertake the scope of work for the proposed contracts. In addition, all tenderers will be required to demonstrate a wide range of expertise, have adequate supply chains in place to deliver a variety of works, have access to skilled Resident Liaison Officers, and have effective procedures in place to ensure successful working with residents.
- 7.8 The key risks identified at this early stage of the project together with the proposed mitigating actions are highlighted below:

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Contractor Capability:-	Medium	High	Medium	Only Wates will be undertaking Internal Fire Safety Works.

Chigwell has limited experience with Internal Fire Safety Works. The Fusion 21 framework that Chigwell was on did not include gas and electrical work.				Additional checks were undertaken at tender stage, Chigwell were asked for appropriate accreditations for gas and electrical work. Plus Fusion 21 also confirmed they would be able to undertake minor gas and electrical works associated with the fitting of kitchens and bathrooms.
Contractor's Experience:- Contrary to Wates, who have undertaken similar project for Hackney and have gained familiarity of Hackney properties and archetype, Chigwell does not have as much level of knowledge and experience.	Medium	Medium	Medium	Hence Chigwell risk is mitigated by proposing to give 10 pilot properties to fully understand Hackney ways of working operationally. This will also help Chigwell to become fully inducted into the Hackney operational and commercial processes.
Budget:- No. of properties to be completed for the contract value.	Medium	Medium	Medium	Based on budget allocations (£3 million for Wates and £2 million for Chigwell) Wates is expected to complete approximately 110–120 properties, while Chigwell may complete 70–80. These figures are indicative and assume a 25% variation allowance in addition to basket rates.
Programme:- Mobilisation is expected to progress slowly due to the contractor's need to familiarise themselves with diverse property archetypes and the complexity of the works.	High	Medium	Medium	The programme may have to be extended beyond March 2026. Peak construction activity is anticipated in mid-January 2026, after which output is likely to taper as allocated budgets approach exhaustion.
Agreed Maximum Price:- Task orders raised after AMP submission by each Contractor limits the risks of placing large order.	Low	Medium	Low	Each task order will define a maximum amount and number of properties limiting spend amount in batches.
Ensure robust governance for variations:	Medium	Medium	Medium	All variations must be approved in writing by the Clerk of Works (COW)

				and transferred into the formal variation format before authorization.
Access constraints within occupied properties may result in aborted visits or rescheduling.	Medium	Medium	Medium	Resident Liaison Officers will manage appointments and access arrangements. Missed access will be monitored and escalated where required to minimise disruption to the programme.
Interface issues between planned internal works and responsive repair activity may impact sequencing or access.	Medium	Medium	Medium	Coordination between PAM, contractors and the repairs service will be maintained to ensure clarity of responsibility and minimise duplication or conflict.
Existing survey and asset data does not fully align with the assumptions used at programme planning stage.	Medium	Medium	Medium	Survey information will be reviewed and validated at pre-start and survey stage for each property. Task orders will be scoped using the most up-to-date information available, with agreed maximum prices applied. Any changes identified will be managed through the formal variation process and approved in writing by the Clerk of Works.

Contract Modification should a Known Risk Occur

- 7.9 The form of contract and arrangements involve an independent QS and the draw down after surveys of circa a dozen dwellings which are then priced and Hackney's Clerk of Works agrees the exact price and order documents - as set out in the contract Prelims. Risk is therefore extensively controlled in terms of on site delivery and spend control.

Future Additional or Repeat Goods/Services/Works

- 7.10 It is not anticipated, and there is not at present further financial approval to extend this contract. No material modifications are foreseen. As set out elsewhere in this report in October 2025 CPIC approved the £180m procurement to address the next strategic stages of PAM's programme which will then absorb this scope of works.

8. Savings

- 8.1. While no savings have been identified, the prices received from the contractors demonstrate value for money against the Fusion 21 framework rates, and previous Wates contract costs. The Value for Money report has been produced by Hackney's consultant Mace, and is included within Appendix 1.

9. Sustainability Issues and Opportunities, Social Value Benefits

A discussion will be held at the precontract start meeting, where both Contractors will be requested to commit to monitoring and reporting on the following sustainability and social value KPIs throughout the contract. This will assist the Authority in monitoring and reporting the contract's sustainability benefits. These KPIs will be developed and agreed with each contractor following appointment, and within 28 days of contract start;

9.1 Fair Delivery:

- Confirm payment of London/National Living Wage to all staff.
- Provide copies of policies addressing modern slavery/human trafficking.
- Increase representation of people from the Council's defined equality groups in the Supply Chain.

9.2 Procure Green:

- Quantify the impact of potential CO2 savings from proposed energy efficiency measures in contract delivery.
- Prioritise electronic over paper-based outputs.

9.3 Better Society:

- Provide improved understanding to residents on managing their home and building services for energy efficiency savings.
- Identify opportunities to generate new employment or skills acquisition for local residents (e.g., apprenticeships, work experience, training, mentoring), as part of their Social Value Offer.

9.4 Health & Safety:

- Agree on a benchmark (e.g.5% of visits) for resident concerns resulting in Health & Safety issues.
- Works should consider how they can be safely delivered with minimum risk to contractor staff or residents.
- Contractor continue to demonstrate their ability to deliver the

Principal Contractor and Principal Designer role under CDM.

It is proposed that these Sustainability and Social Value KPIs will be captured and reported by the contractor as part of the monthly reporting on Delivery KPIs. KPIs will be monitored by the Project Manager, reporting to the Delivery Manager.

9.5 **Equality Impact Assessment and Equality Issues**

As detailed within Sustainability Issues and Opportunities, Social Value Benefits above, the following will also be requested as part of the precontract discussion regarding KPIs;

- Equality, diversity and inclusion training for staff & supply chain.

9.6 **Social Value Benefits**

As part of the bid submission requirement, each of the two contractors were required to complete the Fusion 21 Social Value Offer. The Social Value Offer for each contractor are summarised below;

Wates Construction Social Value Offer:

Theme	Outcome	UOM	Quantity / Value	Credits	Notes / Description
Wider Social Value Support To Local Community	Donation of Time	Days	10	50	10 days of volunteering from our staff on the contract, supply chain, and wider Wates business.
Support and Capacity Building Individual / Family	Receiving Employability Advice	People	10	100	Support at least 10 Hackney residents with CV workshops, either online or in-person.
Career Advice and Mentoring	Mentoring at School	People	10	50	Support at least 10 Hackney students through mentoring at school.
Education	Work Experience	People	10	100	Support at least 10 Hackney residents with short, unpaid work experience placements, minimum 1 week.

Chigwell London PLC Social Value Offer:

Note - Chigwell have confirmed they will discuss and develop this further following the Contract Award.

Theme	Outcome	UOM	Quantity / Value	Credits	Notes / Description
Employment	Apprenticeship created	People	1	50	Created - new apprenticeship created as a result of this project This position is to be developed with Hackney following commitment on volumes / values and term of contract
Education	Work Experience	People	2	20	Short term unpaid work placement
Wider social value support to local community	Donation (money)	£	4000	20	Donation made to charity/other beneficiaries 5 credits per £1000 donation
Wider social value support to local community	Value of materials / equipment donation	£	4000	20	Donation of materials or equipment. New, used or scrap. 5 credits per £1000 donation
Wider social value support to local community	Donation of time	days	10	50	Support to community/charity projects through staff volunteering. 5 credits for each day donated
					NOTE: This Social Value Delivery Plan will need to be developed and jointly agreed with LB Hackney before commitments are delivered

10 Tender Evaluation / Assessment

10.1 As detailed within 5.7 above, the procurement process followed a direct award from the external framework with Fusion 21. Hackney agreed that

the contract will be delivered by two contractors, with a contract term of up to 2 years (1+1) each with the following contract values;

- Low/Medium* Risk Programme: Wates Property Services Limited - up to £3m
- Low Risk Programme: Chigwell London PLC - up to £2m

*This raised rating is because some of this portfolio include High Rise Building [HPB] which have further regulation.

- 10.2 On review of this Fusion 21 framework, it was noted that Wates Property Services Limited were listed as the first ranked supplier. As Wates Construction were already on site currently delivering a Kitchen & Bathrooms programme, Hackney seeks to secure the technical and commercial advantage of continuing to work with the incumbent contractor on site. Wates would be allocated to the High Risk Programme and the large contract value of up to £3m.
- 10.3 In addition to Wates, a second contract is required to deliver the Low Risk Programme. It was noted from the original business case that SME's were to be provided opportunities under the new contract. As such, the Fusion 21 supplier list for Lot 1 - Kitchen and Bathrooms was reviewed to identify a number of potential SME's. Those identified included Saltash and Chigwell.
- 10.4 A critical review was undertaken, and Chigwell was identified as the most appropriate contractor to take forward. It was proposed to issue Chigwell the Low Risk Programme with a value of up to £2m. Due to the limited experience of Chigwell it was decided that their scope of work would not include internal fire safety works. Additional checks were undertaken with Fusion 21, who confirmed that while not fully covered by the scope of the framework, Chigwell could be approved to undertake electrical and gas work associated with kitchen and bathroom installations.
- 10.5 Requests for Quotes were issued via Hackney's e-tender portal ProContract. This set out the Client Brief, giving a detailed scope and full specification including a proposed programme of work to be delivered. As part of this process, contractors were requested to provide the following

List of Requirements in the Request For Quotation:
Appendix 2 – Pricing Schedule
Appendix 3 - Tender Response Statement / Proposal
To include the following
A. confirmation of capacity and ability to meet deliverables and timescales
B. Outline Methodology for delivery

- C. Example of reports to be provided
- D. Confirm acceptance of monitoring and reporting of the Sustainability & Social Value KPIs
- E. Social Value commitment (contractors complete table at Appendix 8 Social Value Offer)
- F. Indicative Programme (Covering Hackney, until 31st March 2026. 124 properties, plus potentially 20% additional properties to demonstrate capacity and delivery to timescales)
- G. Confirm agreed Contract Delivery KPIs
- H. Acceptance of Appendix 7 Terms and Conditions
- I. Name of person authorised to sign contract on behalf of Bidder

Appendix 4 Minimum Requirements

1. Insurance Certificates (updated copies / in date)

Public Liability £10m

Employers Liability £5m

Professional Indemnity £2m

2. Principal Designer and Principal Contractor (eg CHAS certification)

Confirm and provide evidence of competence to deliver both these role

3. Gas Safe Registered Engineers

Confirm and provide evidence of competence.

4. NICEIC Electrical Approved Engineers

Confirm and provide evidence of competence.

4. DBS checks for all staff

Confirm that all staff will be DBS checked, and certification will be provided on request from Hackney.

Appendix 5 - Proposed Team Structure and CVs

Appendix 6 - Confirm London Living Wage commitment (complete and return

Appendix 7 - Framework Call Off Contract Terms & Conditions (confirmation of acceptance of T&Cs)

Appendix 8 - Social Value Offer

Appendix 9 - Data Processing Agreement

10.6 The Pricing Schedules were reviewed by Mace to determine value for money across both Wates and Chigwell submissions. There were a number

of negotiations to get to the agreed pricing for the PPC2000 contract. The final agreed Pricing Schedule was confirmed via ProContract. Mace provided a comprehensive analysis report confirming that both contractors demonstrated value for money.

- 10.7 While it was found that the Wates pricing was above the Fusion 21 Framework rates, it was determined that this was down to the different terms and conditions proposed. The Wates pricing was also benchmarked against those agreed under a recent PPC2000 Kitchen and Bathroom contract with Hackney. This highlighted that the pricing offered did demonstrate value for money.
- 10.8 The Delivery team within PAM evaluated Appendix 3,4 and 5 of each submission. Following the evaluation, it was confirmed that the evaluation outcome for both contractors was satisfactory.

11 Reason for Recommendation

11.1 Both Wates Property Services Limited and Chigwell London PLC have;

- ❖ Demonstrated their experience, capability and competence under the Fusion 21 Framework appointment, and subsequent evaluation by PAM Delivery Team.
- ❖ Confirmed they have the resources and capacity to deliver within the required timeframes.
- ❖ Proposed a fully qualified and experienced team.
- ❖ Provided a robust and deliverable programme.
- ❖ Accepted the Sustainability KPIs.
- ❖ Provided a deliverable Social Value offer
- ❖ Affordability/contract value and the management of budget.
- ❖ Measurable benefits, particularly in relation to assessment of Value for Money.
- ❖ Acceptance of the London Living Wage

12 Contract Management Arrangements

12.1 The contract will be managed within the Property & Asset Management (PAM) service using established internal resources with appropriate technical, commercial and governance expertise. Robust client-side controls will be in place to manage programme delivery, cost, quality,

compliance, risk and resident engagement throughout the life of the contract.

- 12.2 The contract will be managed in accordance with Hackney's established contract management and governance arrangements. The form of contract supports collaborative working, early issue identification and transparent reporting, but does not replace the Council's own controls or oversight.
- 12.3 The client-side management structure will comprise the following roles:
- ❖ Contract Manager / Project Manager (Client Lead).
Overall accountability for contract delivery, including programme, cost, quality, compliance, performance management and risk.
 - ❖ Cost Consultant (Mace)
Provision of independent cost consultancy services, including cost planning, valuation review, change control support and financial reporting.
 - ❖ Clerks of Works.
Independent site inspections to monitor workmanship, quality, specification compliance and health and safety.
 - ❖ Senior Customer Relationship Officer
Oversight of the resident engagement strategy, communications and issue resolution.
 - ❖ Resident Liaison Officers (RLOs)
Day-to-day resident engagement, access coordination and management of enquiries and complaints.

These resources are already in place and experienced in managing comparable housing improvement and capital works contracts.

- 12.4 The contractor will be required to use Hackney's mandated contract management and reporting systems for programme tracking, cost reporting, valuations, risks, issues and performance reporting. This will ensure transparency, consistency and compliance with audit and governance requirements.
- 12.5 Mobilisation will be managed through a structured implementation process, including confirmation of key personnel, agreement of reporting arrangements, programme baselining, validation of surveys and establishment of resident engagement processes prior to commencement of works on site.
- 12.6 Change will be managed through clear, auditable procedures, with an emphasis on early identification of issues, proportionate decision-making and value for money. All variations and changes will be subject to appropriate approval, cost validation and programme assessment to maintain control over expenditure and delivery.
- 12.7 Contractor performance will be monitored through agreed Key Performance Indicators (KPIs) covering programme delivery, cost control, quality, health and safety, resident satisfaction, compliance and social value. Performance

will be reviewed through regular progress meetings, site inspections and monthly reporting.

- 12.8 Where performance falls below agreed standards, corrective action plans will be implemented with clear actions, timescales and accountability.

The contract will operate within Hackney’s established governance framework, with reporting aligned to Property & Asset Management and Directorate-level requirements. Key reporting will cover programme progress, financial performance, risk and issue management, health and safety compliance and resident engagement outcomes.

- 12.9 Significant risks, issues or financial matters will be escalated in line with the Council’s internal approval thresholds and decision-making processes.

A live risk register will be maintained and reviewed regularly. Risks will be assessed, mitigated and monitored throughout the life of the contract to ensure proactive management of programme, cost, quality, health and safety and resident-related risks.

- 12.10 Quality assurance will be supported through independent Clerk of Works inspections, compliance checks against the specification and statutory requirements, and review of certification and handover documentation. This will ensure works are delivered to the required standard and in compliance with all relevant legislation and Hackney policies.

Key Performance Indicators

- 12.11 The following KPIs were included in the ITT and will be included within the contract;

Main KPI Targets Set	Monitoring
<p>1. Installs per Week (Programme Delivery) Target: Minimum agreed weekly install rate per Order (minimum 7 per week), achieving: • First Order: ≥85% Target / ≥70% MAP • Subsequent Orders: ≥100% Target / ≥85% MAP</p>	<p>Weekly tracking of completed installs • Monthly KPI review through the Core Group • Cumulative performance assessed per Order</p>
<p>2. Customer Satisfaction – Overall Target: • First Order ≥75% • Subsequent Orders ≥85% Measured via post-completion resident questionnaires</p>	<p>Questionnaires issued after each Order • Monthly KPI reporting • Cumulative results reviewed per Order</p>
<p>3. Appointments Kept (Surveys & Installs) Target: • First Order ≥95% • Subsequent</p>	<p>Weekly appointment tracking • Monthly KPI review • Verification by Senior Customer Relationship Officer</p>

Orders ≥98%	
<p>4. Client Handover Pass Rate (Right-First-Time)</p> <p>Target: • First Orders ≥90% • Subsequent Orders ≥95% Measured as first-time pass rate at Clerk of Works inspection</p>	<p>Clerk of Works inspections • Weekly data capture • Monthly KPI reporting</p>
<p>5. Health & Safety – Client Inspections</p> <p>Target: • First Orders ≥85% • Subsequent Orders ≥90%</p>	<p>Client H&S inspections • Weekly monitoring • Monthly KPI reporting</p>

13. Financial Implications

- 13.1 The report recommends awarding the contracts for internal works to Wates Property Services Limited and Chigwell London PLC, for maximum contract values of £3m and £2m respectively.
- 13.2 The preferred suppliers were chosen based on their relevant scores on the Fusion 21 framework and our external partner Mace comprehensively reviewed the pricing submissions and also negotiated the prices to ensure value for money was being achieved on both.
- 13.3 LBH currently has a positive working relationship with Wates, which should help in reducing the mobilisation time of works for this new contract.
- 13.4 There is capital budget capacity within Property and Asset Management to cover these contracts and it is expected that the expenditure will span both 2025/26 and 2026/27, before the workstreams are re-procured as part of a wider procurement exercise.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by: Adam Jauncey, Strategic Finance Manager, Email adam.jauncey@hackney.gov.uk Tel 0208 356 7922, December 2025

14. VAT Implications On Land & Property Transactions

N/A

VAT implications prepared on behalf of the Group Director Finance & Resources by Name, Title, Email, Date

15. HR/OD implications

15.1 There are no HR OD implications.

HR/OD implications prepared on behalf of the Director of HR/OD by Steve Swain, Strategic HR OD Business Partner, steve.swain@hackney.gov.uk, 23 December 2025

16. Legal implications

- 16.1 This report proposes the approval of two single-stage business cases and contract awards via an external framework in line with Contract Standing Order 5.8. The framework proposed as the procurement route in this report commenced prior to the implementation of the Procurement Act 2023, meaning that these contracts, if approved, will be governed by the Public Contracts Regulations 2015.
- 16.2 The report notes that a previous business case was approved by Cabinet Procurement and Insourcing Committee (“CPIC”) for a larger programme of Works which included the subject of the contracts proposed in this report. The main reason a combined business case is being presented in these circumstances is due to the fact that the original approved business case proposed a mini competition from a framework, where this report is proposing the use of the direct award provisions from the same framework. There are other changes to the award proposed here and the business case brought before CPIC on 7 October 2024 which are summarised at in 4.5 (a) of this report.
- 16.3 The total estimated value of both contracts proposed in this report is £5,000,000. The risk rating of these contracts is rated as Low in its RAT and PRIMAS. Due to the value of one of these contracts being over £2.5 million, this report is to be presented to CPIC in line with Table 2 of the Contract Standing Orders. Cabinet Procurement and Insourcing Committee has sufficient authority to approve the recommendations in this report.
- 16.4 When procuring any contract by direct award from an external framework, the Council must ensure that it is named as a potential user of the framework, and that the framework allows for direct award in the specific circumstances. The report sets out that these requirements are met.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Anthony Maddocks, Contracts and Procurement Lawyer, anthony.maddocks@hackney.gov.uk, 23 December 2025

17. Comments Of The Procurement Category Lead

- 17.1 This procurement and its award are compliant with both the Council's Standing Orders and the Procurement Act 2023.
- 17.2 The use of direct awards are compliant under Frameworks and are covered in Part 3, Chapter 4 of the Procurement Act 2023. That chapter includes Sections 45 to 49, which outline the rules and regulations governing Frameworks which have been fully complied with, including Fusion21's rules and handbooks in this area for Direct Awards.
- 17.3 The use of a leading QS firm to benchmark the Fusion21 prices and charges has demonstrated the value for money of this route to market.
- 17.4 The contracts will have their own contract management arrangements under PPC2000 and will also become part of the Council's Contract Management System.
- 17.5 Cost controls and timetable are covered extensively in the Prelim' arrangements, which form part of the PPC2000 contract and its arrangements.
- 17.6 Of note the contractual arrangements address all prevailing legislation compliance, including: Habitable Homes. CDM 2025, BSA2022 and all Asbestos and Health & Safety requirements which the Council must discharge.

Comments of Procurement Category Lead prepared by: David von-Ackerman, Procurement Category Lead, Construction & Environment, david.von-ackerman@hackney.gov.uk, 22 December 2025

Appendices

None

Background Documents

2024 Original Business Case being the basis of the Award - CHE S393 Planned Capital Works Contracts for Property Asset Management

<https://docs.google.com/document/d/1fjyNXiYcvLb63eik0AEn6ALPqgLg4vrkxiAeRSZ3-uw/edit?tab=t.0>