

London Borough of Waltham Forest

Report Title	Housing Repairs Service Procurement Strategy
Meeting / Date	Cabinet, 2 June 2026
Cabinet portfolio	Councillor Eva Tabbasam, Deputy Leader and Portfolio Lead Member for Housing and Regeneration
Report author/ Contact details	Mark Crane, Director of Housing Assets Place mark.crane@walthamforest.gov.uk
Wards affected	None specifically
Public access	Open
Appendices	<ol style="list-style-type: none">1. Contractor Performance Summary2. Responsive Repairs Demand and Expenditure Summary3. Procurement Process and Programme4. Options Analysis Procurement Strategy5. Risk Analysis and Mitigation6. Equalities Impact Screening Report



1. Summary

- 1.1. This report sets out the strategy for re-procuring the repairs partnering contracts for the council's Housing service. It outlines the options considered, and the recommended approach. The report also sets out the services to be procured, and proposed changes, reflecting lessons learned from managing the current repairs contracts and the council's financial challenges.
- 1.2. The services to be procured are funded by the Housing Revenue Account (HRA) and the contract values are within the approved HRA budgets.

2. Recommendations

- 2.1 Cabinet is recommended to:
 - 2.1.1 Agree the recommended procurement strategy:
 - To re-tender the two repairs partner contracts as follows:
 - a) Procure a Mechanical and Electrical (M&E) Repairs Partnering Contract for a maximum term of 15 years, in three terms of five years, with an estimated contract value of £6.061m revenue per

annum and £12.000m capital per annum from financial year 2027/28.

b) Procure a General Repairs Partnering Contract for a term of 16 years, in three terms of six years, five years and five years with a contract value of £9.763m per annum revenue and £12.000m per annum capital from financial year 2027/28.

- To procure specialist contractors (in addition to procuring these services through the repairs partners) for roofing/scaffolding, damp and mould, legal disrepair, gas, asbestos, voids and fire safety to provide additional capacity and resilience in these high-risk service areas.

2.1.2 To approve the commencement of the re-tendering processes for both repairs contracts

2.1.3 To delegate authority to the Strategic Director of Place, in consultation with the Strategic Director of Resources, and the Housing Portfolio Lead Member to agree the final terms and conditions of the repairs partnering contracts.

2.1.4 To note the contract values for both repairs contracts are within the revenue budgets included in the HRA business plan for repairs of £15.824 million per annum in 2027/28, and capital budget of £31.686m per annum in 2027/28, which are inflated using the Consumer Price Index (CPI) thereafter.

3. Background

3.1 The Housing service currently has two long-term partnering contracts, one with Aston Group who deliver M&E responsive repairs, planned works, and compliance services for the six main compliance areas. The other is with Morgan Sindall Property Services (MSPS) for the delivery of building works, including repairs, voids and planned works.

3.2 The MSPS contract commenced in 2019, for a period of 15 years, with a break clause on 31 March 2027 (eight years). It is not intended to extend the MSPS contract beyond March 2027 due to the contract not being fit for purpose in the context of current market conditions, regulatory requirements and the Regulator of Social Housing's (RSH) Consumer Standards. The Aston Group contract is due to end on 31 March 2027 and needs to be re-tendered. Consequently, the services provided by both MSPS and Aston Group need to be re-tendered simultaneously in the 2026/27 financial year.

3.3 The demands on the repairs service have increased significantly since the current contracts commenced, including more stringent regulatory requirements, higher construction costs, and a rise in the volume of repairs. Alongside this, the council is facing significant financial challenges and pressure to generate savings to replenish HRA reserves.

3.4 The performance of the existing repairs partnering contracts has been mixed. The achievements of Aston Group and MSPS against

contractual Key Performance Indicators (KPIs) and Tenant Satisfaction Measures (TSMs) is provided in **Appendix 1**.

- 3.5 Contractual performance KPIs within the MSPS contract have not been aligned with council priorities or Consumer Standards. The contract has also been challenging commercially for both the council and the providers, with inefficient and resource intensive contract management processes, and increased operating costs.
- 3.6 A Deed of Variation (DoV) has recently been agreed with MSPS to address some of these issues in the short-term by adjusting the pricing model and performance KPIs to align the contract with current market conditions and regulatory requirements. However, a long-term sustainable solution is required that fosters partnership-based behaviour, delivers value for money, operational resilience, innovation and, most importantly, better outcomes for residents.
- 3.7 Due to the statutory requirements associated with delivering the Repairs service, there is limited ability to reduce the scope of the services being procured. However, there are opportunities to deliver efficiencies and savings, as well as providing the council with greater control and assurance through changing the procurement approach.
- 3.8 There are also opportunities to support small and medium sized enterprises (SME) contractors and boost local supply chains.

Proposal

Scope of Services

- 3.9 While it is proposed to retain the two-partnering contract model, a number of changes to the scope of services procured through the contract are proposed, with some services being procured directly from specialist consultants or contractors. The aims of this approach are to reduce contractor overheads, increase competition, improve operational resilience and provide opportunities to SME contractors, including locally based contractors. It is also proposed to procure some services through both partnering contracts to improve operational flexibility and resilience.
- 3.10 The key changes are summarised as follows:
 - 3.10.1 M&E Contract scope broadened to include building elements, such as roofing, windows, doors, plumbing, drainage, plastering and carpentry to provide greater flexibility and introduce competition between the partnering contractors, should the primary (general repairs) contractor's performance not meet contractual KPIs in relation to these services.
 - 3.10.2 General Repairs contract scope to be amended, with domestic electrical, domestic smoke detection, domestic gas (including the testing, repairs and installation of domestic heating), domestic ventilation (serving and renewals of ventilation systems to domestic services) being provided by the M&E partner as the primary provider, with the general repairs partner acting as the back-up provider for these services.

- 3.10.3 Specialist SME contractors are procured directly by the council, to support the repairs service delivered by the repairs partners in high-risk service areas, specifically damp and mould, legal disrepair, roofing/scaffolding, gas, asbestos, and fire risk actions, to provide operational resilience and drive performance in these service areas.
- 3.10.4 Reduce the scope of the planned works included in the partnering contracts, focusing on component replacement planned works (kitchens & bathrooms, windows, doors replacements). More complex building fabric works addressing leaks, damp and mould, energy efficiency, fire safety remediation works, and groundworks will be competitively tendered to specialist contractors (including SMEs) through frameworks or open procurement processes.
- 3.10.5 Reduce the scope of technical advice to be procured through our repairs partners, in relation to key compliance areas specifically, fire safety (e.g. fire risk assessments, fire door surveys), structural safety, lift inspections, and asbestos surveys. These services will be procured directly by the council to provide greater control and quality assurance, as well as reduce contractor overheads and profit margins for managing these services.
- 3.10.6 Shorten the contract extension periods, the extension of which will be dependent upon performance, whilst retaining a long-term partnership to encourage long-term investment and innovation.

Contractual Terms

- 3.11 A number of changes to the contract terms are proposed, summarised as follows:
- 3.11.1 Changes to the contract durations. The M&E terms are being changed from three terms comprising an initial term of seven years, plus two additional terms of four years each (total 15 years), to three five-yearly terms. The general repairs contract is changing from two terms of eight and seven years, to three terms comprising an initial term of six years, plus two additional five yearly terms (total 16 years). The first term is guaranteed, with subsequent extensions being subject to performance. This approach provides contract durations of sufficient length to be attractive to the market, and provides more flexibility for the council to manage contract durations reflecting contractor performance, and enabling future procurements to be staggered to avoid having to re-tender both contracts at the same time.
- 3.11.2 Introduction of new performance KPIs, specifically in relation to the 28-day Tenant Satisfaction Measure for both property and communal repairs, damp and mould (to comply with Awaabs Law), aged Work In Progress cases (no cases to be older than 90 days), legal disrepair cases (to complete repairs within settlement deadlines), and customer satisfaction to align KPIs with consumer standards.

3.11.3 Termination notice, minimum 6-months.

3.12 The pricing model for the general repairs contract will also be amended from the current Price Per Property (PPP) model, which is no longer attractive to the market, due to its inflexibility to respond to changing market conditions or repairs volumes. It was also inefficient from a contract administration perspective, and created cost uncertainty for the council due to the high proportion of repairs excluded from the PPP scope, with circa 50% of revenue expenditure on the general repairs contract being attributable to PPP exclusions (further detail is provided in **Appendix 2**).

3.13 In addition, provisions will be included to commercially incentivise good performance more effectively, through the introduction of financial penalties as well as additional profit, targeted at high priority KPIs, and high service risk areas, such as damp and mould, legal disrepair, voids and aged works in progress (WIP).

3.14 The aims of these changes are to:

- Provide the council with greater control over the delivery of responsive repairs and planned works.
- Enhance the capacity and capability of the repairs service supply chain, building in flexibility and operational resilience.
- Provide the council with greater control and assurance in relation to technical services for critical compliance areas.
- Deliver value for money and improved service quality, through reduced partnering contractor overheads, commercially incentivising high performance, and introducing more competition into the tendering of works and technical services.

Market Context and Added Value

3.15 The social housing maintenance market is well developed within London. There are multiple Tier 1 suppliers, who tend to deliver services and works by a combination of directly employed operatives and extensive supply chains (Tier 2 contractors). The SME social housing maintenance market is also well developed with many of these suppliers based in the London area.

3.16 Historically, the council has tended to package works into large contracts which by their value and size excludes many SMEs. The lotting structure of this procurement is aimed at providing greater opportunities to SMEs while balancing the council's operational requirements for effective delivery. The introduction of smaller specialised contracts will not only provide the council with more capacity but will also attract a broader market of both large and SME suppliers.

3.17 This will make the council more agile in meeting current and future regulatory requirements such as reaching Minimum Energy Efficiency

Standards by 2030 and meeting new the new Decent Homes Standards by 2035.

Procurement Process

- 3.18 Individual procurement exercises will be undertaken for each repairs contract. Both procurements will follow the same process and will be conducted through an open, competitive procedure in line with procurement regulations. The process and programme are set out in **Appendix 3**.

Evaluation Criteria Invitation to Tenders

- 3.19 The evaluation criteria to select the preferred tender will be split 60% on quality and 40% on price. This weighting will discourage bidders from under-pricing to try to win the contracts, creating a commercially unsustainable contract. This weighting reflects feedback received from contractors, who advised that they would be less likely to bid if the weighting towards price was too high (i.e. more than 40%).
- 3.20 Within the quality evaluation criteria, 10% of the score will be allocated to Social Value to ensure that the procurement contributes to the council's objectives of creating a more equal borough, and by fostering a thriving, safe, inclusive and sustainable community. The council's Social Value team will be part of the evaluation panel assessing the bids, to ensure that community benefits are maximised.
- 3.21 The aim of this approach is to support local suppliers, foster job creation and skills development among residents, promote inclusivity by involving community members in decision making, and provide health, wellbeing and environmental sustainability benefits. Delivering these outcomes will contribute towards the council's core objectives of tackling inequality, building a strong economy, improving housing, achieving net-zero, and supporting residents to live well.

4 Options & Alternatives Considered

- 4.1 The following procurement strategy options have been considered:

1. In-house delivery
2. Single external repairs partner contractor
3. Two external repairs partners contractors

- 4.2 The options have been evaluated against the following objectives:

- Efficient and effective contract management
- Strong control over service delivery and performance
- Promotion of innovation
- Operational flexibility and resilience
- Achieving value for money
- Reliable and accurate data management
- High-quality resident engagement and customer service

- 4.3 The detailed options analysis and scoring is provided in **Appendix 4**. Option iii) - retaining the two-partnership model has been identified as the preferred option.

5 Council Strategic Priorities (and other National or Local Policies or Strategies)

- 5.1 This strategy supports the delivery of the council's Housing Strategy 2024–2029 and aligns closely with Mission Waltham Forest, including tackling the housing crisis and working towards achieving net zero.
- 5.2 The outcomes outlined in the strategy align closely with the outcomes already agreed by full council in the Waltham Forest Housing Strategy, in particular the key outcome that every home in the borough is safe, healthy and affordable to live in.

6 Consultation

Resident Engagement

- 6.1 Feedback from residents on the repairs service over the last 12 months has been received through consultation and engagement on policies and strategies that have been adopted during this period, namely:
- The Repairs Policy
 - The Damp and Mould Policy
 - The Housing Asset Management Strategy
- 6.2 Resident feedback is also obtained through satisfaction surveys, including monthly Rant and Rave surveys and quarterly Housemark surveys, complaints and Housing Ombudsman findings.
- 6.3 In addition, engagement was carried out in February 2026 on the re-procurement of the Aston contract, through the Let's Talk website, and a resident workshop. Consultation is currently underway on the MSPS contract.
- 6.4 A resident steering group will be established to provide strategic input at key milestones throughout the project lifecycle. The insight generated through this engagement will ensure that residents' views, priorities, and aspirations are fully integrated into the development of the project plan and appropriately reflected within the procurement process.
- 6.5 Residents will be fully supported during this process, by the Independent Living service and the Engagement Team, and feedback will be reflected to ensure co-design of the new service.
- 6.6 Common issues raised through engagement with residents include:
- Delays to completing repair works (contractors not turning up, dates postponed or non-completion of repairs when on-site).
 - Poor communication and lack of updates during works.
 - Poor coordination of repairs, particularly when multiple trades are required, lack of a single point of contact.
 - Poor quality workmanship.
 - Call handling times.

- 6.7 Several measures have been or are in the process of being implemented to address these issues:
- Online repairs portal has been set up for residents to report and monitor repairs cases.
 - Improved call centre performance, through a significant reduction in the number of abandoned calls (see **Appendix 1.**)
 - Improved performance against the 28-day TSM measure (see **Appendix 1.**)
- 6.8 However, whilst the service improvements that have been made have improved customer satisfaction, service performance and customer satisfaction remains within the median quartile compared to other social landlords. Further detail is provided in **Appendix 1.** The aim of the proposed changes to procuring repairs services is to improve satisfaction to achieve upper quartile consumer standard performance levels.

Contractor Engagement

- 6.9 Interviews have been held with fourteen contractors, including tier 1 contractors and SMEs, who provided the following feedback:
- Procurement process – An eight-week period to submit tenders is ideal with six weeks as an absolute minimum. A single stage tender is unattractive as this would attract too many bidders. Instead, a two-stage process with a Pre-Qualification Questionnaire (PQQ) and Invitation To Tender (ITT) is preferred. The evaluation criteria to be weighted more towards quality than price (maximum 40% price), to avoid artificially low-priced unsustainable tenders being submitted.
 - Scope of service - Including both planned works and responsive repairs was more attractive to Tier 1 contractors, whereas SMEs preferred this to be split. Planned works is the most commercially attractive. Responsive repairs carry the highest commercial risk, with low profit margins and unstable demand. The M&E contract was attractive to specialist M&E suppliers.
 - Contact centres – Most contractors wanted control of the contact centre or to be co-located with the council. Tier 1s prefer to take on call centre, because this gives them the ability to manage the works better, for example getting the correct information from residents when repairs are raised.
 - IT integration – This is a high-risk item. Contractors requested early engagement with the IT team during the procurement process. This was critical to a smooth mobilisation process, which could take up to six months. Accurate property asset data was also critical.
- 6.10 An all-day contractor event has also been held, which was attended by approximately 50 contractors and six selected residents, providing an

opportunity for the contractors to meet both council officers and residents.

7 Implications

7.1 Finance, Value for Money and Risk

- 7.1.1 This report sets seeks approval of the strategy to re-procure the Housing Service repairs partnering contracts. The scope of the proposed procurement includes responsive repairs, mechanical and electrical works and planned maintenance works.
- 7.1.2 The costs of these contracts are chargeable to the Housing Revenue Account (HRA) and include both revenue expenditure for day-to-day repairs and servicing and capital expenditure for planned and investment works.
- 7.1.3 The Council recently negotiated a Deed of Variation on the existing contract with Morgan Sindall Property Services, in which, (in conjunction with other changes) the commercial pricing was re-baselined to reflect current market conditions. The financial impact of this revised pricing was built into the HRA 2026/27 budget and 10-year Medium Term Financial Strategy (MTFS) that was approved by Cabinet on 19th February 2026.
- 7.1.4 The approved MTFS included revenue budget provision in 2027/28 of £9.763 million for responsive repairs and £6.061 million for mechanical and electrical works. This has been reflected in the contract values.
- 7.1.5 The HRA Capital Programme includes a budget of £31.686m for planned maintenance works in 2027/28. Planned works delivered through the repairs partnering contracts will be funded from this allocation.
- 7.1.6 The 2026/27 HRA revenue budget includes £0.400 million for the one-off costs to appoint additional resources to undertake the re-procurement of both repairs' contracts.
- 7.1.7 The financial implications arising from the outcome of the procurement process will be updated prior to contract award.
- 7.1.8 The key risks and mitigations associated with the re-tendering process and maintaining service continuity are set out in **Appendix 5**.

7.2 Legal

- 7.2.1 The procurement strategy needs to be carried out in compliance with the requirements of the Procurement Act 2023, Procurement Regulations 2024, and the Council's own Contract Standing Orders (CSOs).

- 7.2.2 The Council has an obligation to keep its stock in repair and to undertake the necessary work on voids to enable them to be relet as soon as possible. These are part of the Council's duties as a landlord under the Landlord and Tenant Act 1985 and as a local housing authority under the Housing Act 1985. █
- 7.2.3 The value of the proposed contracts means that the Procurement Act 2023 will apply. The contract therefore needs to be advertised and competitively tendered in accordance with the requirements of the legislation.
- 7.2.4 The proposed procurement process is the competitive flexible procedure. This allows the Council to determine its own procurement process subject to the overriding requirements of fairness and equal treatment. It allows for the number of participating suppliers to be limited. It also allows bids to be refined through a process of dialogue and negotiation.

7.3 Equalities and Diversity

- 7.3.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 7.3.2 Language barriers may pose significant challenges in the effective delivery of repairs work, potentially impacting communication and service quality for residents with limited English proficiency. Spoken languages are recorded in the NEC system. Translation services are offered to residents who need it. There are also multilingual staff within the housing service. who can provide support.
- 7.3.3 In addition, services are tailored for vulnerability, for example where repairs are more urgent due to specific vulnerabilities of the resident. A new Vulnerability Policy has been developed, together with new Damp and Mould and Repairs policies, setting out how repairs are prioritised and the council's commitments to managing repairs by planning works taking into account the health conditions and vulnerabilities of residents in the household. These policies will be included within the tender documents, setting out the council's service requirements and standards that the repairs partners will be obligated to deliver.
- 7.3.4 The procurement process will assess the communication services and resident engagement procedures offered by the bidders to ensure the repairs services provided are inclusive, and tailored to the needs of residents.

7.3.5 An Equalities Impact Assessment Screening has been carried out. The assessment found no adverse impacts arising from the proposal on the protected characteristics, and identified several positive impacts. The outcome of which is that a full Equalities Impact Assessment is not required. Further detail is provided in the EIA Screening report in **Appendix 6**.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 The overriding objective of the procurement strategy is to ensure the council provides our residents with safe, warm, and secure homes that are well maintained.

7.4.2 The council's Climate Action Plan includes a commitment to reach net zero greenhouse gas emissions by 2030. Improving the energy efficiency of residential housing across the Borough is key to improving sustainability and reducing carbon emissions.

7.4.3 Environmental considerations will be embedded within both the contract specification and the delivery model, including requirements to progressively adopt low-emission or electric vehicles, particularly as fleet assets reach replacement cycles over the contract term. Contractors will also be encouraged to use electric or battery-powered equipment instead of fossil-fuelled tools wherever operationally feasible.

7.4.4 The contract will also promote a more holistic, energy-efficient approach to repairs and installations, moving beyond like-for-like replacements where appropriate. Contractors may be incentivised to specify higher-efficiency components, improved insulation products, or lower-carbon technologies, supporting future maintenance savings for LBWF and reducing energy costs for residents. This approach aligns with the borough's objectives for improved asset performance, reduced carbon emissions, and long-term value for money.

7.4.5 The council's Housing Asset Management Strategy 2026-2031 aims for 90% of council homes to achieve an EPC rating of 'C' or above by 2030. To meet this target, a proven and reliable contractor will be sought with the technical capability and long-term commitment necessary to meet this target. The appointed contractor will be required to demonstrate a track record in delivering successful retrofit programmes.

7.4.6 The tender specification documents will include the Council's new Repairs Policy and Damp and Mould Policy, which set out the additional support to residents that may be at higher risk due to a vulnerability and/or health condition, when providing repairs and maintenance services. These policies also include a commitment to improving the fabric of our homes with the aim of reducing the risk of damp and mould, which supports improving the energy efficiency of homes.

7.4.7 One of the key priorities of this procurement strategy is to improve repairs services in communal areas. To improve performance in the timeliness of responsive communal repairs, a new 28-day TSM KPI specifically for communal repairs is being included in the tender specification documents. This will be supported by a planned works investment programme in communal door entry systems, CCTV and public realm improvements, to improve safety and security for residents. These measures support crime prevention and safety by helping to reduce opportunities for unauthorised access and associated criminal activity, and by improving feelings of safety within council housing.

7.5 Council Infrastructure

7.5.1 A new target operating model has been implemented, with a dedicated planned works, responsive repairs, and separate M&E teams to strengthen contract management and service delivery in these areas.

7.5.2 The total number of staff across the Housing Assets service (covering strategic asset management, compliance, repairs and maintenance) is 55. This is a lean operating model, heavily dependent upon external consultants and contractors to deliver the housing asset management service.

7.5.3 The structure of the service is well suited to the two-partnering model approach, with a specialist partner for M&E and compliance services managed by the Head of M&E, and a separate partner to deliver the general repairs and planned works services managed by the Heads of Planned Works and Responsive Repairs. The role profiles of the legal disrepair, damp and mould and voids teams will be reviewed to ensure they cover contract management of the specialist contractors for their services, being procured through separate lots.

7.5.4 The Housing Assets team does not have the capacity or capability to manage two major procurement exercises. Therefore, a dedicated full-time project manager will be required, supported by technical consultants to manage the procurement processes and prepare the tender documentation.

7.5.5 The re-procurement of the repairs partners may have TUPE implications for the existing staff within MSPS and Astons Group. This will be managed as part of the de-mobilisation process.

Background Information (as defined by Local Government (Access to Information) Act 1985)

None.