



**CABINET PROCUREMENT & INSOURCING COMMITTEE
CONTRACT AWARD REPORT**

Title of Report	Refurbishment of Ridley Villas, 47A Ridley Rd, London E8 2NP		
Key Decision No.	HCE S694		
For Consideration By	Cabinet Procurement Insourcing Committee		
Meeting Date	13 April 2026		
Cabinet Member	Cllr Sade Etti, Cabinet Member for Homelessness Prevention, Rough Sleeping and Temporary Accommodation		
Classification	Open with Exempt Appendices		
Ward(s) Affected	Dalston		
Key Decision	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">Yes</td> <td>Result in the Council incurring expenditure which is significant having regard to the Council's budget for the service / function</td> </tr> </table>	Yes	Result in the Council incurring expenditure which is significant having regard to the Council's budget for the service / function
Yes	Result in the Council incurring expenditure which is significant having regard to the Council's budget for the service / function		
Implementation Date if Not Called In	22 April 2026		
Group Director	Naeem Ahmed - Group Director Finance & Corporate Resources		
Report Author	Gary Hunter – Capital Works Project Manager gary.hunter@hackney.gov.uk		
Contract value (<u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions))	<p>Anticipated Contract Value based on pre-tender estimate £4,858,335.00 inclusive of VAT</p> <p>Anticipated Contract Value based on pre-tender estimate £4,048,612.00 exclusive of VAT</p>		
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	14 Months		

1. Cabinet Member's Introduction

- 1.1 This report summarises a decision to award the primary construction contract for the comprehensive refurbishment of Ridley Villas (47A Ridley Rd, London E8 2NP).
- 1.2 The council has a legal obligation under homelessness legislation to secure suitable accommodation for eligible applicants. Increasing the supply of directly managed temporary accommodation allows the council to: ensure compliance and quality, integrate support services and provides flexibility and adaptability when the direct ownership provides the flexibility to adapt units for different household sizes and needs (e.g., accessible housing), something that is difficult to achieve with short-term private leases.
- 1.3 The need for more council-owned temporary accommodation is a necessity driven by soaring demand, the legal requirement to house vulnerable residents, and the imperative to shift away from costly, lower-quality private solutions toward a more sustainable, high-quality, and cost-effective housing pathway.
- 1.4 Budget provision for this reconfiguration and refurbishment was committed following the property's acquisition in early 2025. The property has been fully vacated through a careful and managed resident relocation process, ensuring a safe and efficient construction phase.

2. Group Director's Introduction

Subject matter of the contract

- 2.1 This report seeks formal approval to grant delegated authority for the awarding of the primary construction contract relating to the comprehensive refurbishment of Ridley Villas. This property is strategically located at 47A Ridley Rd, London E8 2NP. The awarding will be the culmination of a rigorous and transparent competitive procurement process, ensuring best value and quality of service for the Council. The core objective of the proposed refurbishment is to execute a substantial internal reconfiguration and enhancement of the existing accommodation, with the specific goal of significantly raising the standards of living at the Ridley Villas. This initiative aligns with the Council's commitment to providing high-quality, sustainable temporary accommodation. In anticipation of the commencement of these essential works, and to ensure a safe and efficient construction phase, the property has been fully vacated of all its previous residents through careful and managed relocation, a process that was completed without incident.
- 2.2 A comprehensive and detailed technical and condition evaluation of Ridley Villas was undertaken in the previous financial quarter. This thorough assessment identified a number of critical and systemic areas within the structure and facilities that require immediate and significant capital investment and improvement. These deficiencies range from outdated mechanical and electrical systems and poor thermal performance to the need for internal layout rationalisation to meet modern accommodation

standards. Crucially, without this necessary, substantial investment, the property will be unable to offer sustainable, long-term accommodation that meets the Council's required benchmarks for quality and safety. Furthermore, the absence of intervention would significantly increase the risk of the property rapidly deteriorating and falling into a state of structural and functional disrepair, which would ultimately incur far greater costs for reactive maintenance or complete redevelopment in the future. The proposed refurbishment, therefore, represents a proactive and economically sound strategy to safeguard this valuable Council asset.

3. Recommendation

3.1 Cabinet Procurement & Insourcing Committee is recommended to delegate authority to the Group Director, Finance and Corporate Resources to award the contract for the construction works associated with the refurbishment, remodelling and upgrade of Ridley Villas Hostel.

4. Reason(s) For Decision

4.1 The decision to invest in the comprehensive repair, refurbishment, and reconfiguration of the Ridley Villas asset is underpinned by an urgent and profound strategic necessity, the details of which are set out in full below. The core driver is the critical and escalating need to increase the provision of high-quality, secure temporary accommodation within the borough, directly tackling the growing crisis of homelessness.

4.2 As mandated by Part 7 of the Housing Act 1996, the Council has a non-negotiable statutory duty to provide interim temporary accommodation to all eligible homeless households to whom it owes a duty to provide permanent housing. The existing supply of temporary accommodation is severely strained, leading to a heavy reliance on expensive nightly paid accommodation (NPA) and private sector leasing. The recent strategic acquisition of Ridley Villas, completed at the beginning of 2025, was specifically structured to address this deficit. The acquisition included a clear provision and commitment to fully refurbish and reconfigure the property. This planned work will significantly increase the overall capacity of the facility while simultaneously ensuring that the accommodation not only meets the specific requirements of homeless residents but also provides an improved standard of living. Crucially, by bringing this provision in-house and upgrading the facility, the Council will achieve a substantially lower accommodation cost per unit than the current expenditure on external solutions, providing a strong financial justification for the investment.

4.3 Following the acquisition of Ridley Villas at the beginning of 2025, the Council have committed and made budget provision for the reconfiguration and refurbishment of the Ridley Road property at the earliest opportunity. The provision of suitable and quality temporary accommodation represents an ongoing and major operational challenge for the Council. The failure to provide adequate in-house provision is a primary contributing factor to the widely reported and significant Council overspend, a financial pressure that

is projected to continue escalating in future financial years unless decisive action, such as this investment, is taken.

- 4.4 Ridley Villas operates as a vital homeless hostel dedicated to some of the borough's most vulnerable single homeless residents. This demographic frequently includes individuals with multiple and complex needs, such as mental health issues, substance misuse, and chronic physical health conditions. Currently, the service provides accommodation for 46 residents. For a considerable number of these individuals, Ridley Villas is the only hostel willing and able to take them. This unique position is a testament to the dedication and quality of the existing hostel management and staff, rather than a reflection of the current physical state of the accommodation. The Cabinet, when initially approving the purchase of the hostel, explicitly linked this decision with the simultaneous approval for its comprehensive reconfiguration and refurbishment. This two-part approval was a direct commitment to supporting the critical service, its dedicated hostel staff, and the highly vulnerable residents who rely on it.
- 4.5 The approval for this capital investment in the repair and refurbishment of this key council-owned asset is expected to deliver substantial, tangible benefits. Specifically, it will result in the provision of high-quality, secure, and sustainable accommodation for Hackney residents facing the acute challenges of homelessness. The refurbished asset will serve as a foundational element in the borough's strategy to not only increase housing stock but also to ensure that the accommodation provided is dignified and promotes resident well-being and stability.
- 4.6 The proposed investment directly and effectively addresses the urgent and profound need for suitable housing for individuals confronting homelessness, often compounded by issues of discrimination and social exclusion. A thorough review of all potential options for the site has concluded that no viable alternative uses or proposals exist that would deliver the same level of crucial social benefit or financial prudence. Therefore, the refurbishment and continued use as high-quality temporary accommodation represent the optimal and only viable path forward.
- 4.7 The investment will not simply result in a temporary fix; it will restore the building to a standard suitable for long-term, sustainable letting. This strategic repair work is a direct and necessary component of Hackney's wider efforts to significantly reduce homelessness across the borough and to provide stable, appropriate accommodation specifically for marginalised and vulnerable groups who face the greatest challenges in securing housing.
- 4.8 The delivery of this specific refurbishment scheme is deemed crucial and non-negotiable. This high priority status is driven by two key factors: the total absence of alternative, readily available solutions for the immediate use of this asset, and the overwhelming and significant need for suitable, council-controlled accommodation within the borough's housing portfolio. Delaying or abandoning this scheme would place further intolerable

pressure on the Council's finances and its ability to meet its statutory duties to homeless residents.

5. **Background**

- 5.1 The Cabinet has officially approved the refurbishment of Ridley Villas as part of the same decision-making process for the initial purchase at the Cabinet Meeting 24 June 2024.
- 5.2 The Procurement Business case was approved in October 2025. (Please see the Exempt Appendix 2).

Strategic Policy Context

- 5.3 Hackney is facing an enduring housing crisis, characterised by exceptionally high private rented sector costs and a significant demand for social housing. While the Council maintains its vigorous programme of building new affordable homes and actively regulating the private rented sector through robust licensing schemes, the challenges remain severe. The combination of market pressures and the increasingly complex needs of individuals and families experiencing homelessness often involving concurrent issues of health, poverty, and vulnerability has made the task of meeting housing needs and sourcing suitable temporary accommodation exceptionally difficult. This project, therefore, is not merely a maintenance exercise but a strategic intervention to increase the supply and improve the quality of the accommodation available to those most in need.
- 5.4 The Ridley Villas refurbishment project is in direct alignment with the Mayor's foundational priority: **an ambitious and well-run Council that delivers high quality services, financial stability, and first-class local facilities.**

This is demonstrated through:

Delivering High Quality Services: By transforming substandard housing stock into high quality temporary accommodation, the Council is improving the standard of care and support offered to homeless residents.

Financial Stability: The investment in refurbishment is a financially prudent measure, safeguarding a valuable Council asset, extending its useful life, and reducing reliance on more expensive, often lower-quality, nightly-paid or out-of-borough accommodation.

First-Class Local Facilities: The project ensures a key Council property is upgraded to a modern standard, providing a superior facility that meets the current and future needs of the community.

- 5.5 Furthermore, the project actively addresses a few of the key thematic priorities set by the Mayor:

Healthier Hackney

The refurbishment consists of a comprehensive programme to enhance and modernise the building's physical components. This includes upgrading structural integrity, improving ventilation and heating systems, and ensuring compliance with the latest fire and safety regulations. These essential works will significantly improve the living conditions for future residents, directly translating into tangible health benefits. By mitigating issues associated with poor housing, such as damp and cold, the successful completion of these works will concurrently foster a healthier, safer, and more inclusive housing environment that supports the well-being and resilience of its occupants.

A Sustainable and Equitable Economy

The project contributes to economic and environmental goals. The commitment to environmentally sustainable services through energy efficiency upgrades supports Hackney's move towards net-zero carbon operations. The project's focus on providing stable, quality housing acts as a foundation for residents to participate more fully in the local economy and community life, promoting greater equity.

Options appraisal

- 5.6 The proposed procurement route for the works at Ridley Villas was a mini-competition conducted through the London Borough of Hackney (LBH) AMD Framework of Construction Contractors. This framework represents a significant and strategic investment by the Council, having been formally approved by the Corporate Procurement and Investment Committee (CPIC) on 15 July 2025.

The establishment of this framework was specifically designed to support and streamline the efficient delivery of the Council's ambitious capital programme, which has an aggregated overall value of £69.5 million projected over its four-year lifespan. By putting in place pre-vetted, high-quality contractors, the Council aims to expedite the mobilisation of projects, achieve value for money through pre-agreed terms, and ensure a consistent standard of delivery across its asset portfolio.

- 5.7 The LBH AMD Framework is structured to provide comprehensive coverage across the primary building trades, comprising three distinct lots. Each lot is populated by a pool of four pre-qualified contractors, ensuring a competitive environment within each specialism:

Lot 1: Mechanical

Lot 2: Electrical

Lot 3: Fabric Works (Internal and External)

The overarching intention behind this framework was to create a highly flexible and efficient procurement vehicle capable of accommodating a vast spectrum of capital works. This ranges from relatively minor, but essential, maintenance tasks with a minimum threshold of approximately £10,000, right up to and including major, complex capital schemes valued in the millions, as well as any project falling between these two extremes. This

broad scope ensures that the framework is the primary go-to mechanism for the majority of the Asset Management Delivery construction procurement needs.

- 5.8 Based on a thorough assessment of the estimated value and the specific technical nature of the works at Ridley Villas, Lot 3 - Fabric (Internal and External works) has been identified and selected as the most appropriate route to market.

Lot 3 is specifically scoped to cover a comprehensive range of building fabric works, including:

- Internal and external alterations
- New-build construction
- Alterations and extensions
- Major and minor refurbishments
- Commercial and residential fit-outs
- General fabric repair and replacement works
- External works, including landscaping and hard standings

Crucially, Lot 3 also includes the full spectrum of fire-related works, which are highly relevant to the Ridley Villas project, including:

- Fire-related surveys (covering fire doors, fire compartmentation integrity, fire alarm systems, fire risk assessments, and fire strategy development)
- Fire Alarm installation and commissioning
- Comprehensive fire remedial works necessary to ensure compliance with current safety regulations.

Lot 3 comprises the 4 contractors.

These contractors were selected to be on Lot 3 of the framework following an extensive Standard Selection Questionnaire (SQ) shortlisting process and a competitive tender process comprising both quality and pricing information based upon a schedule of rates. Therefore, as part of that process, each of these contractors have demonstrated that they have the necessary expertise and experience to deliver the works at Ridley Villas. An expression of interest (EOI) was issued to each of the 4 contractors before invitation to tender to confirm their interest in tendering for the contract at Ridley Villas and each responded positively.

Consultation/engagement

- 5.9 The comprehensive scope of works for this project has been developed through a robust process of collaboration and consultation. This involved engaging a diverse group of key internal and external stakeholders, ensuring that all necessary expertise and perspectives were incorporated. Critical input was provided by representatives from Temporary Accommodation Services, ensuring the design meets the specific needs and operational requirements of the service. Strategic Property Services contributed essential expertise related to asset management, maintenance

standards, and long-term viability. External consultants offered specialized technical knowledge and independent oversight, while the Chief Executive's Directorate provided strategic direction and corporate alignment, ensuring the project remained focused on the Council's overarching objectives. This collaborative approach has resulted in a detailed scope that is technically sound, operationally effective, and strategically aligned.

5.10 Effective communication and transparent reporting are essential to the successful delivery of this project. A formal communication structure has been established to keep all key internal stakeholders fully informed of the project's progress and any emerging issues. Project-related updates, including milestone achievements, financial status, and risk register changes, will be disseminated through a detailed weekly email update. Furthermore, a monthly project meeting will be convened with key stakeholders. These meetings will serve as a critical forum for in-depth discussion, allowing stakeholders to query reports, address concerns, and contribute to decision-making. This process will be consistently maintained throughout the entire construction phase, commencing with the contractor's appointment and remaining in effect until the formal project completion and handover. The objective is to ensure that key stakeholders are kept fully and proactively apprised of all developments, providing a consistent and formal channel for the timely raising of queries, the resolution of issues, and the discussion of any other relevant project matters.

5.11 The successful contractor appointed to execute the works will be formally instructed to register and actively participate in the Considerate Constructors Scheme. As a critical component of their contractual obligations, the contractor will be required to establish and maintain a regular communication protocol with both the Council's project team and designated local stakeholders. The intention is that the contractor arranges regular, proactive communication to keep all parties fully informed of the following:

Progress being made: Scheduled updates on construction milestones achieved, work streams commenced, and the forward-looking programme of works.

Issues that have arisen: Prompt notification and detailed explanation of any unforeseen technical challenges, supply chain delays, or on-site incidents, along with the proposed mitigation strategies.

Inconveniences that may occur: Pre-emptive communication regarding potential localized disturbances, such as planned utility shutdowns, delivery vehicle movements, noise-generating activities, or temporary restrictions on public access, allowing stakeholders to prepare in advance.

This mandated engagement ensures the project is executed with sensitivity to its immediate environment and fosters a cooperative relationship between the construction team, the Council, and the local community.

6. **Alternative Options (Considered and Rejected)**

- 6.1 **Insourcing:** Hackney currently faces limitations regarding the in-house availability of highly specialised construction services required for major projects. Specifically, roles demanding advanced technical skills, such as complex demolition work, detailed structural engineering analysis and design, and large-scale reinstatement projects, are not typically fulfilled by the Council's regular staffing establishment.

The decision to utilise specialist external contractors for these key functions is pragmatic. The requisite expertise for these advanced tasks is only needed on an ad hoc basis, dictated by the specific technical demands and complexity of individual construction schemes. Employing these specialists directly, on a full-time basis, would not be cost-effective or justifiable given the intermittent nature of their requirement.

These external resources possess essential knowledge, technical capabilities, and often proprietary equipment that is crucial for ensuring the safety, quality, and timely completion of complex construction works. Crucially, the level of expertise required for this particular scheme is known to be limited within the Council's internal resources, making external procurement of these specific services essential to the project's successful and compliant delivery.

- 6.2 **Open Competition:** The option of procuring the necessary services through a full Open Competition process was thoroughly considered but ultimately discounted. This procurement route is recognised as providing maximum value for money and transparency under normal circumstances, but it is incompatible with the current project constraints. The primary reason for its rejection is the significant additional time and extensive internal resources that an Open Competition would inevitably consume. This particular scheme is subject to an extremely stringent, non-negotiable delivery timeline. There is a very short window of opportunity to complete the necessary works and successfully bring the hostel accommodation back into active service. The urgency is driven by the critical need to provide essential accommodation for residents, which directly impacts the Council's ability to fulfil its housing and statutory homelessness obligations. Implementing a lengthy competitive tender process would render the project undeliverable within this critical timeframe, thereby exacerbating the existing housing need.

- 6.3 **Do nothing:** Failing to proceed with the necessary works would result in the continued unavailability of the hostel accommodation. This outcome would directly affect the Council's capacity to fulfil a number of its statutory obligations, particularly those related to housing, homelessness provision, and maintaining a sufficient supply of temporary and emergency accommodation for residents in need. The 'do nothing' option is therefore not a viable or responsible course of action, as it would expose the Council to significant financial, reputational, and legal risks associated with non-compliance with its legislative duties.

7. Project Progress

Developments since the Business Case approval

- 7.1 The project commenced with the appointment of specialist consultants in spring 2025, tasked with producing all the necessary documentation required for the competitive tendering process.

1. Tender Documentation

A comprehensive suite of Tender Documents was prepared and compiled into the Work Schedules Tender Document, designed to provide potential bidders with all the information required to submit a robust and accurate tender. This package included the following key components:

London Borough of Hackney's Invitation to Tender Information: Outlining the council's requirements, objectives for the refurbishment, and the formal instructions for tender submission.

Preliminaries & General Conditions: Detailing the contractual framework, site-specific regulations, health and safety requirements, insurance mandates, and the overarching conditions under which the contract would be executed.

Drawings & Specifications: A detailed set of architectural, structural, and services drawings, accompanied by technical specifications defining the quality of materials, workmanship, and performance standards required for all elements of the refurbishment works.

Work Schedules: Detailed schedules of work quantifying the scope of the project, allowing contractors to accurately price the required labour, materials, and plant for each element of the refurbishment.

Other Supplementary Information: Including site investigation reports, existing condition surveys, planning permissions, and any other relevant background information deemed essential for bidders' due diligence.

- 7.2 In line with the council's established procurement strategy, four framework contractors were formally invited to tender for the works. The complete tender documents were officially uploaded and made available to the invited bidders via the Procontract e-tendering portal on 8th December 2025. The initial deadline for the submission of tenders was set for 6th February 2026.

- 7.3 To ensure a fair and transparent process, and to allow contractors to fully understand the complexities of the site and the scope of work, essential activities were conducted:

Site Visits: Mandatory site visits were arranged, allowing the prospective bidders to inspect Ridley Villas, assess existing conditions, and identify any potential risks or constraints first-hand.

Tender Clarifications and Responses: All queries and requests for clarification raised by the contractors during the tender period were formally addressed. Both the clarification questions and the council's official

responses were uploaded to and disseminated via the Pro Contract portal. This ensured that all bidders had access to the same consistent and complete set of information throughout the process, maintaining competitive equality.

- 7.4 Following feedback received from the invited bidders, which cited both the comprehensive scope and the inherent complexity of the refurbishment works, a request for an extension to the deadline was granted. To allow the contractors sufficient time to accurately price the project and finalise their submissions, the official tender return date was consequently amended. The new, extended deadline for the submission of all tenders has been confirmed as 19th March 2026.

Conflicts of Interest Assessments

- 7.5 In compliance with the Procurement Act 2023, conflict of interest assessments have been completed for all individuals capable of influencing or making decisions related to the procurement process. This includes officers, Members, consultants, and internal and external stakeholders. Any identified conflicts have been appropriately managed, mitigated, and recorded.
- 7.6 Suppliers who submitted tenders, along with their subcontractors, were similarly assessed for conflicts of interest, with outcomes duly documented and appropriate measures implemented as necessary.

Whole Life Costing and Budgets

- 7.7 We confirm that the necessary financial resources and full funding provision for the entirety of the contractual period have been successfully secured. This guarantees that all payment obligations and financial commitments associated with this contract can be met promptly and in full from the commencement date through to the final conclusion of the agreement.
- 7.8 The allocation and availability of this funding have been subjected to a rigorous internal financial review and, importantly, have received formal, high-level approval from the Director of Finance and Resources. This director-level endorsement signifies a clear institutional commitment to the project and confirms that the financial support required for the contract's sustained operation is robustly secured within the organization's current financial framework and budgeting cycles. This dedicated provision ensures absolute financial stability and continuity throughout the contract's life, mitigating any risks related to funding shortfalls or delays.

Risk Assessment

Risk Assessment and Management:

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Failure (Financial or otherwise) of appointed contractor over the lifetime of the project	Low	Medium	Medium	Financial assessment to be carried out on an appointed contractor.
Failure of the contractor to comply with framework / call-off contractual obligations	Low	Medium	Medium	Default strategies will be included within the contract to ensure quality and consistency of service. The inclusion of performance standards will allow for performance monitoring. The council will be able to terminate the contract should the contractor repeatedly perform below standards.
Inflationary pressures over the course of the service	Medium	Medium	Medium	Submission prices will be assessed by the third party cost consultant against the suppliers' Framework pricing submissions.
Additional works required to the agreed specification / scope of works	Medium	Medium	Medium	Advanced analysis of building structure was carried out and robust scope of requirements included in the tender documents.

Contract Modification should a Known Risk Occur

- 7.9 Known risks have been duly considered and outlined in the procurement notices as well as the tender documents.
- 7.10 Should the known risks occur, the contract can be modified as permitted under the Public Contracts Regulations 2015.

Future Additional or Repeat Goods/Services/Works

- 7.11 N/A

8. Savings

- 8.1 The identification of appropriate framework sourcing methods to ensure an efficient procurement process that is compliant with Hackney's Contract Standing Orders and the current Procurement Regulations results in Council's uncashable savings of resources and time.
- 8.2 The procurement aims to achieve optimal value for money, balancing the cost of services with their quality and the delivery of social value commitments. This will be supported by a fit-for-purpose specification and Key Performance Indicators (KPIs) designed to ensure the required outcomes are met within the allocated budget.
- 8.3 Contract monitoring and management will be employed to ensure the achievement of required outputs and outcomes, driving continuous improvement in service delivery. KPIs will specifically reflect and measure progress against specified areas for achieving added Social Value and Sustainability benefits.

9. Sustainability and climate change

Procuring Green

- 9.1.1 The procurement will be managed in line with the Sustainable Procurement Strategy, the themes of which are 'Procuring 'Green'', 'Procuring for a Better Society' and 'Procuring Fair Delivery (Responsibly)'. This will be achieved through the use of performance specification within the contract.
- 9.1.2 There will be an obligation on the contractor to comply at all times with the Environmental Protection Act 1990 and other relevant legislation, as well as the Environmental policies of the Council. For example, ensuring that all vehicles minimise emissions.
- 9.1.3 The contractor will be required to apply sustainable construction processes and contribute to developing a circular economy. Below are some of our most regularly used initiatives which the supplier will be expected to utilise to deliver LBH's social value priorities:
- Design solutions that include high levels of thermal performance in new buildings and increased insulation in existing structures.
 - Maximising daylighting through effective structural facade design, supported by daylight- controlled lighting systems, to manage conflict between beneficial daylight and solar penetration, causing overheating.
 - Use of materials that require less energy in manufacture, transportation, construction and disposal.
 - Consideration of off-site construction where appropriate and cost effective.
 - Use of recycled materials or specification of items that can be recycled or re-used.

- Selection of robust sustainable materials which are appropriate and easily sourced.
- Use renewable materials such as timber from sustainably managed forests and certified sources (FSC certified) and incorporate recycled metals, plastics and glass products in construction.
- Use appliances and equipment that consume less energy, reducing dependency on fossil fuels.
- Encourage the use of public transport or carpooling for employees and workforce to reduce fossil fuel consumption.
- Where possible use electric or hybrid vehicles to decrease reliance on gasoline and diesel.
- Adopt a circular economy approach, where materials are continually reused, recycled, or repurposed, decreasing the demand for new raw materials.
- Use products for durability and repairability, reducing the need for resources to create new items.
- Educate employees, stakeholders and our subcontractor workforce about the importance of using renewable resources and conserving non-renewable ones.
- Work with suppliers at the tender stage to design waste out of the project.
- Have a Site Waste Management Plan (SWMP) in place to ensure that the waste management and reduction criteria are met and the information is recorded so that waste streams can be identified and reduced.
- Challenge subcontractors, suppliers and manufactures regarding methods of work, storage and packaging of materials and products.
- Explore possibilities for re-using materials on site (i.e. clean soils in landscaping, timber for shuttering) as well as the creation of 'take back' schemes for unused materials and returnable pallets so that they may be re-used by others.
- Reach targets to reduce CO2 emissions and other pollutants derived from staff and supply chain journeys. All journeys are recorded in order to calculate their Carbon footprint.
- Streamline supply chain logistics to minimise transport emissions, favouring local suppliers and materials when appropriate to reduce the freight distance and impact.

Procuring For A Better Society

9.1.4 The supplier will be required to make payments on time to any supplies and subconsultants.

9.1.5 The new contract will seek to promote local employment and training. In addition, the contractor will be required in the submission process to demonstrate how they will recruit and retain local staff during the life of the contracts. The supplier will be required to offer apprenticeship and work experience to young Hackney residents where possible.

9.1.6 The Supplier will commit to contribute to a better society through the following actions:

- Local Recruitment: Offer training and employment opportunities to individuals from the Hackney area with the aim of recruiting at least one local community member for the duration of the project. Source goods and services from local suppliers where possible to encourage inward investment and support local recruitment.
- Collaborate with organisations and colleges within Hackney to identify a suitable candidate and provide them with the infrastructure to pursue training both through their company and supply chain. Actively participate in career fairs, advertising, and promoting apprenticeship opportunities.
- Source External Support from Local Community Experts: Seek expertise and services from local consultants and tradespeople where their skills can add value, ensuring that the economic benefits of the project remain within the community.
- Supporting Schools and Employment Initiatives: Partner with local schools to inspire interest in careers within construction and related fields.
- Host workshops and provide work experience opportunities to give students practical exposure to the industry. Support potential candidates by offering CV clinics and conducting mock interviews to help them prepare effectively for employment. Visit schools to deliver construction related assemblies and offer site visits for students.
- Working with Council Teams: to implement the proposed social value initiatives the selected supplier will collaborate with the Hackney Employment Support Team, Hackney Youth Services (Young Hackney) and Hackney's Local Enterprise Partnerships (LEP).

Procuring Fair Delivery

- 9.1.7 London Living Wage is a minimum requirement of this procurement and it applies to the lead contracting organisation and any subconsultants. The objectives of this commission include procuring the consultants that will help to improve public space, which will have a wider impact on the community as a whole. The appointed contractor will be expected to evidence inclusive policies to ensure diversity and social inclusion, and lead on wide reaching community engagement with local residents, businesses and stakeholders.
- 9.1.8 There will be no adverse equality issues resulting from the refurbishment of Ridley Villas. The project will have a positive impact on the local community providing good quality Temporary Accommodation. The building work will meet all relevant British Standards and Regulations and be compliant with the Equality Act 2010 .
- 9.1.9 The requirement for Contractors/Suppliers to comply with the Modern Slavery Act and Equality Act, to have a current Equality and Diversity Policy and a Whistle Blowing Policy for their staff was specified in the Tender and will be incorporated into the Contract documents.
- 9.2.0 The selected supplier will commit to:

- Prioritise diversity in their workforce and supply chain through actively seeking to engage minority-owned businesses and ensuring that their hiring practices align with the Equality Act 2010.
- Conduct regular training sessions for all staff members on diversity, equality, and inclusion best practices to foster an inclusive work environment that values all perspectives.
- Establish clear compliance measures to ensure their workforce and contractors reflect the community's diversity.
- Regularly review and report on diversity metrics to track our progress and address any gap.

Social Value Benefits

9.2.1 Maximising social value is one of the objectives of the Council's Strategy. It is a process that takes account of the economic, social and environmental impacts, and during the framework and supplier selection process of this procurement exercise, each of these categories will be evaluated by the responses given to a series of prescribed values of the supplier. Performance will be measured during the life of the contract.

The project captures the following key social value benefits, as previously mentioned:

- Increased local and SME spending.
- Employment and training opportunities for local residents and students.
- Engagement with local communities through educational initiatives and community activities.
- Enhanced sustainability measures in construction, aligning with the Council's Sustainable Procurement Strategy.

9.2.2 The supplier's social value commitments will be reviewed in the early stages of the project with the client and stakeholders to ensure that their activities are relevant and achieve a lasting legacy in the community they are delivered in. If for any reason an issue arises in the delivery of any of the supplier's social value commitments the supplier will be asked to meet with the client at the earliest opportunity to review the issues and find a suitable resolution or alternative option to ensure social value is achieved.

Equality, inclusion, diversity and belonging (including statutory equality impact assessment)

9.2.3 All works will meet British Standards and comply with the Equality Act 2010, ensuring that any changes to the hostel building are accessible and inclusive for all users.

10. Tender Assessment

10.1 Tender Assessment and Moderation

10.1.1 The Invitation to Tender (ITT) for this project was issued as a mini-competition via ProContract, the Council's e-procurement system, drawing from Lot 3 of the Asset Management Delivery Construction Contractors Framework. This expedited mini-competition approach was essential due to the time-critical nature of the project. A significant financial implication, estimated at £100,000, would arise from alternative accommodation costs for any period the building remains vacant due to delay.

10.1.2 The ITT documents were uploaded to Pro-Contract and sent to all suppliers on Lot 3 of the Framework on 8th December 2025. The submission deadline was originally set for 6th February 2026 but was subsequently extended to 19th March 2026 owing to the complexity of the project. All invited bidders submitted their bids. The evaluation stage has started.

10.1.3 The ITT evaluation criteria were divided between Quality (25%), Social Value (15%) and Price (60%). The suppliers were required to submit a qualitative response and a pricing schedule.

10.1.4 The quality evaluation will be based on the ITT's defined criteria. The headings of the project specific questions are below:

- Quality - Day to day deliveries
- Quality - Large Deliveries – ASHP's, sprinkler water tanks
- Quality - Site Set up
- Quality - Approach to communication
- Quality - UKPN – see enclosed UKPN quotation
- Quality - Specialist Sprinkler systems
- Quality - Scaffolding
- Sustainability and Social Value - Supplier Social Value Offer

10.2 Tender Evaluation Team:

10.2.1 Role:

- Hackney Procurement - Moderator, and procedural oversight.
- Corporate Capital Projects Delivery Team - Scoring, evaluation (representing the Council in discussions)
- Temporary Accommodation - Evaluation

10.2.2 The forthcoming report, prepared to support the approval for awarding the construction contract by delegated authority, will include a summary of the tender assessment process. All necessary details concerning the tender evaluation will be clearly presented to ensure an informed decision for contract approval.

11. Reason for Recommendation

11.1 It is recommended that the Cabinet Procurement & Insourcing Committee approves the grant of delegated authority to the Group Director for awarding the refurbishment contract for Ridley Villas Hostel.

- 11.2 The original schedule for the Contract Procurement & Insourcing Committee (CPIC) meeting on 28 April 2026, which was intended to approve the construction contract award, was cancelled. While a subsequent rescheduling attempt for the 13 April 2026 CPIC meeting was made, this revised date has proven unfeasible. The significantly compressed timeline resulting from these changes does not allow sufficient opportunity to complete several critical, complex, and time-consuming pre-award activities and make a recommendation. These include, but are not limited to, comprehensive post-tender clarifications with the final bidders, the detailed evaluation of the received tenders, and the preparation of the thorough, objective, and detailed report required for the CPIC meeting. Consequently, any deferral of the construction contract award decision beyond the proposed timeline—specifically, postponing it until the subsequent CPIC meeting scheduled for 1 June 2026—carries significant and detrimental financial implications. The building, which is designated for the new construction project, is currently vacant. This vacancy necessitates the ongoing expenditure of funds to maintain essential site security and insurance. A major financial risk associated with a delay is the direct increase in costs related to the provision of alternative accommodation for the former residents of the hostel. Every week or month the contract award is delayed translates directly into accumulated additional costs for these temporary arrangements. Critically, these ongoing security and maintenance expenses will cease immediately once the appointed contractor takes formal possession of the site, establishing site security as part of their contractual obligations, thus providing a compelling financial incentive for an expedited award.
- 11.3 The potential for delaying the contract award extends beyond immediate cost increases and introduces a critical risk to the project's overall programme and execution. Throughout the tender process, the preferred bidders have consistently provided formal confirmation of their current resource availability, committing to deliver the project strictly in accordance with the current, approved works programme and timeline. A substantial and unavoidable risk is that this confirmed commitment and resource availability will be lost if the contract award is significantly delayed beyond the bidders' current planning cycles. Construction firms operate on tight schedules and regularly allocate specialized personnel and equipment to secured contracts. A delay in the contract award could force the bidders to reallocate these committed resources to other projects. The subsequent requirement to secure new resources—especially specialized labour and key subcontractors—at a later date will inevitably introduce significant delays to the project's start date and overall timeline. Furthermore, the necessity of securing resources under short notice or non-optimal market conditions is highly likely to result in increased tender prices, leading to a direct and avoidable increase in the overall project cost. Maintaining the current momentum and securing the committed resources through an expedited contract award is therefore essential to mitigate these programme and cost risks.

12. Contract Management Arrangements (and Mandatory Use of the Contract Management System)

12.1 The contract will be managed by the internal Clients Agent Consultant with oversight from Corporate Capital Projects Team and Temporary Accommodation Team.

12.2 The contract serves as the document defining the partnership between the council and the appointed contractor, detailing both management expectations and the essential mechanisms for a collaborative working relationship. Beyond simply outlining responsibilities, the contract specification and associated conditions will explicitly establish the required frequencies for all operational tasks, ensuring service delivery consistency and accountability. Furthermore, it will precisely define the schedule and purpose of strategic meetings, providing a structured forum for performance review, forward planning, and continuous improvement discussions at a high level. Crucially, the contract will also map out a clear, agreed-upon route for problem resolution, encompassing escalation pathways and defined timelines, thereby guaranteeing that issues are addressed swiftly, transparently, and effectively to minimise disruption to service provision and maintain the integrity of the working relationship.

12.3 Performance will be measured against KPIs and against the clauses of the contract terms and conditions.

12.4 The key aspects to contract management have been identified as internal governance, payments, processes, project management. The contract provisions will include references to these procedures where appropriate so that the contractor is fully aware of the expectations on them under these procedures and are able to account for these in their programme and proposals.

12.5 Contract management will include:

- Delivery management, ensuring supply meets the specification, payment is made on time and costs are monitored and managed.
- Implementation, contract business administration and change management, to minimise client variations (scope creep)
- Performance monitoring, management and measurement; promoting continuous improvement of the service
- Relationship management for the provider, stakeholders and client; reporting lines, including escalation
- Dispute management and resolution
- Risk and issues management

12.6 No TUPE issues to be addressed.

12.7 Key Performance Indicators

12.7.1 Effective KPIs have been set to align with Council Strategic & Business objectives and support Strategic Goals. The contract management performance indicators will be revised and customised KPIs will be defined and monitored to ensure they are relevant, meaningful and measurable. A list of the proposed contract management performance indicators general themes are listed below:

- Performance against programme for services on site.
- Finance performance indicator for cost certainty.
- Health and Safety.
- Local employment and economic social value.
- Community Social Value Initiatives.
- Environmental Sustainability of Operations (e.g. Vehicles, Waste Management).
- End User & Customer Satisfaction.

12.7.2 The specific KPI definitions and targets will be developed specifically for the contract proposed in the preferred option under this strategy. Consideration will be given to the service type and volume, and the outcome of resident focus groups on preferred community initiatives and customer satisfaction survey methods.

12.7.3 Defined failures to meet the immediate KPI requirements could potentially constitute a ground for early termination of the contract and reallocation of service within a feasible & viable alternative supplier or re-tender.

12.7.4 The project manager will carry out performance reviews of the contractor services. This will be measured through regular project meetings, which will review the contractor in relation to quality of the construction, value for money and adherence to the project programme.

12.7.5 Quarterly Contract Monitoring meetings will be held by Hackney Council to assess the client's satisfaction with the contractor team against Key Performance Indicators (KPIs).

13. Financial implications

13.1 The Ridley Villas refurbishment and remodelling project is fully financed through the Council's capital programme, with a confirmed total project budget of £4.7 million, which includes all associated fees and on-costs.

13.2 The anticipated contract value for the refurbishment works, based on the pre-tender estimate, is £4,048,612. The final contract award value, following the mini-competition and tender evaluation, will be within the estimated range indicated in the Recommendation section of this report.

13.3 This investment is strategically important for alleviating significant financial pressure on the Council. The net expenditure on temporary accommodation (TA) is forecast to exceed £13 million in 2025/26. The upgraded facility will significantly expand Ridley Villas' capacity by 12 units, increasing the total from 44 to 56. By internalising this provision, the Council will achieve

significantly lower accommodation costs per unit compared to expensive external solutions, such as nightly paid accommodation and private-sector leasing.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by Mizanur Rahman, Assistant Director of Corporate Finance, mizanur.rahman@hackney.gov.uk , 19 March 2026

14. VAT Implications On Land & Property Transactions

- 14.1 The Council has exercised its option to tax Ridley Villas. This allows the Council to reclaim the VAT paid on the refurbishment contract as input tax, without impacting the Council's partial exemption calculations.

VAT implications prepared on behalf of the Group Director Finance & Resources by Mizanur Rahman, Assistant Director of Corporate Finance, mizanur.rahman@hackney.gov.uk , 25 March 2026

15. HR/OD implications

- 15.1 There are no HR/OD implications associated with this report

HR/OD implications prepared on behalf of the Director of HR/OD by Tina Dempsey, AD HR & OD, tina.dempsey@hackney.gov.uk, 18 March 2026

16 Legal implications

- 16.1 On the 10th of November 2025 the Director, Strategic Property Services approved a Low Risk Business Case to approve the procurement of a main contractor to undertake the construction works associated with the refurbishment, remodelling and upgrade of Ridley Villas via a mini-competition between the four contractors on Lot 3 of the London Borough of Hackney's (LBH) Asset Management Delivery (AMD) Framework of Construction Contractors.
- 16.2 Following such mini-competition, the anticipated contract value based on pre-tender estimate is £4,858,335 (inclusive of VAT). Therefore, in accordance with CSO 2.9.2, the award of such works contract would be at Cabinet Procurement & Insourcing Committee as value of the contract is more than £2.5m.
- 16.3 It is, nevertheless, proposed that the award of contract is delegated to the Group Director, Finance and Corporate Resources. Paragraph 2.4 of Part 4B – Cabinet Procedure Rules states that if the Elected Mayor delegates functions to a Committee of the Cabinet, the Committee may delegate further to an officer, except where the Elected Mayor has said that they are not allowed to delegate further. Therefore the Group Director, Finance and

Corporate Resources is permitted to exercise the delegated authority in this Report.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Patrick Rodger, Senior Lawyer,
Patrick.Rodger@legal.hackney.gov.uk, 20 March 2026

17. Comments Of The Procurement Category Lead

- 17.1 This procurement and its award are compliant with both the Procurement Act 2023 and the Council's Standing Orders.
- 17.2 The Framework is both compliant and represents excellent value for money through securing pre-qualified contractors with a track record of delivery excellence.

Comments of Procurement Category Lead prepared by:
David von-Ackerman
Procurement Category Lead : Construction & Environment
david.von-ackerman@hackney.gov.uk
16 March 2026

Appendices

Exempt Appendix 1 - Submitted prices
Exempt Appendix 2 - Business case

Exempt

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background Documents

None