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Wiltshire Council

Cabinet

14 March 2017

Subject: Procurement of housing repairs and maintenance service

Cabinet Member: Cllr Jonathon Seed – Housing, Leisure, Libraries and Flooding

Key Decision: Yes

Executive Summary

The report outlines the proposed actions and timeframes for procuring new contracts for the Repairs and Maintenance services for the upkeep and improvement of the Council's Housing Stock.

Wiltshire Council owns some 5,786 properties, mostly in the old Salisbury District Council area, along with garages, unadopted roads, land and communal spaces and the majority of the contracts for the upkeep of these come to an end or up for potential extension in March 2018.

Therefore, it is requested that the Associate Director for Adult Care Commissioning and Housing in consultation with the Cabinet Member for Housing, Leisure, Libraries and Flooding be given delegated authority to oversee the procurement and selection of suitable contractors for the continuation of services and delivery of quality services to the residents

Proposal(s)

At present Wiltshire Council is working with a number of external contractors to ensure the delivery of effective Repairs and Maintenance services to the housing stock.

There are 4 major contracts which come up either for an extension or to an end in March 2018 so a project has been started to review the services that are required and, working both with residents and the Housing Board, come up with proposals on how best to procure, monitor and deliver these services in a manner fit for the future and create the grounds for cost and service efficiencies.

This report outlines a process that will be followed in order to deliver the required outcomes, including the various stages that will be undertaken and how suitable contractors can be selected.

It is requested that delegated authority is given the Associate Director in consultation with the Cabinet Member for Housing, Leisure, Libraries and Flooding to approve and appoint the required services/ contractors.

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Reason for Proposal(s)

On average Wiltshire Council plans to spend some £12m from the Housing Revenue Account (HRA) each year on the repairs and maintenance of the housing stock. This includes all emergency and day to day repairs, works to void properties, gas servicing, electrical testing, lift maintenance, as well as replacement works and meeting the Decent Home Standard.

The majority of this work is currently out-sourced through 4 main contracts and these are either ending or up for extension, so key decisions on how these services are delivered in the future will need to be made.

A Repairs and Maintenance (R&M) Steering Group including members of the Housing Board has been formed to oversee progress through a number of stages in order to decide the future of both service delivery models and the most effective route to deliver the required service outcomes.

Cabinet is asked to approve the proposed approach and delegate the decision making to the Associate Director.

James Cawley (Associate Director, Adult Care Commissioning and Housing)

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Key Decision: Yes

Purpose of Report

1. This report outlines the proposed actions and timeframes for procuring new contracts for the Repairs and Maintenance service for the upkeep and improvement of the Council's Housing Stock for the next 5-10 years.
2. All key stakeholders will be fully engaged in the forming of any new contracts and partnership arrangements.

Relevance to the Council's Business Plan

3. The delivery of new R&M contract arrangements should deliver the following from the Council's Business Plan:
 - a. Protect those who are most vulnerable – the nature of our housing service is that it is there to those people who are least able to afford to house themselves and the delivery of effective R&M services is the key issue when it comes to resident satisfaction
 - b. Boost the local economy - the creation of new long-term partnership contracts will lead to the creation of new apprentices and wider job creation within Wiltshire
 - c. Bring communities together to enable and support them to do more for themselves – the purpose of this report is to empower those who are the service recipients and service delivers to help shape and agree the future of R&M services and deliver cost efficiencies.

Main Considerations for the Council

4. With existing contracts either coming to an end or due for possible extension, now is the ideal time to review both how services are delivered and how they need to change to meet the future needs of the service.
5. Much of the work that is the subject of this report is governed by either Legislation or Regulation, such as the Right to Repair, Gas Servicing, the Decent Home Standard as well as general Health & Safety within the home. Therefore, the Council has no option to cease doing this work however, the

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renewal or replacement of contracts provides an opportunity for change and new models of working.

6. The review and recommissioning of new cost-effective services also provides the opportunity to deliver either 'more for the same' or 'the same for less' and drive greater value into the Housing Revenue Account (HRA).

Background

7. Wiltshire Council owns some 5,786 housing properties, mostly in the old Salisbury District Council area, along with garages, unadopted roads, land and communal spaces and the majority of the contracts for the upkeep of these come to an end or up for potential extension in March 2018.
8. The proposal is that the R&M Steering Group, made up of members, managers, staff and residents, progress through the following stages in order to progress the agreed most suitable and affordable delivery vehicles;
 - Defining – detailing what we do now, how this needs to change to reflect the likely future demand and the required outcomes of any new arrangements.
 - Planning – looking at the various options of service delivery and determining the best solutions and over what timeframes, such as taking up the option to extend some contracts in the short-term to work towards long-term options
 - Procuring – going through the requisite procurement notices and processes with a clear specification to ensure a transparent procedure and obtaining a route map to deliver effective and efficient services over the coming years
 - Awarding – obtaining the required approvals and signing of new contract documents
 - Developing – working with the successful contractors to create the foundations for success and programme for service development over the contract period
 - Implementing – To ensure that we start the new contracts by 1st April 2018
 - Monitoring – working together to ensure delivery of services in the agreed manner and providing clear cost information and efficiencies

The outline recommendations and the programme for delivering new contracts through all these stages is provided as an appendix to this report – Appendix 1

Overview and Scrutiny Engagement

9. The proposals within this report were taken to the Housing Board in September 2016 and since then we have had Housing Board representation within the R&M Steering Group, including both members and tenants, at the meetings since in October, November and December.

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10. In addition, this report was discussed at the Environment Select Committee on 22nd February 2017.

Safeguarding Implications

11. All contractors will be asked to ensure that any staff entering people's homes have been appropriately checked and vetted to ensure that our residents are safe within their homes. In addition, we will work with contractors to ensure continuous training and awareness of safeguarding issues

Public Health Implications

12. Delivery of effective and efficient R&M Services will ensure the safety of our residents in their homes, whilst ensuring compliance on the part of the Council, particularly on key issues such as gas, electric and water safety and asbestos.

Procurement Implications

13. Discussions have already taken place with the Strategic Procurement Team and they are committed to resource the required support to ensure prompt and effective delivery.

14. Consideration has already been given to the use of alternative public procurement approaches to the standard 2-stage tendering process, such as competitive dialogue or competitive negotiation. Decisions on this will be made in conjunction with the Procurement Team who are also attending the R&M Steering Group.

Equalities Impact of the Proposal (detailing conclusions identified from Equality Analysis, sections 4 and 5)

15. There are no major equalities impacts from this report as the services are geared towards all of our residents, both tenants and leaseholders, and will be delivered in a considered, non-discriminatory manner

16. As part of the procurement process we will seek evidence of Equalities procedures from any external agency or contractor and over the life of the contract ensure these are upheld.

Environmental and Climate Change Considerations

16. Energy Efficiency Works will be considered under the scope of works for possible procurement, alongside the need for staff and resident training on energy awareness so that the 'Cost in Use' of our properties is reduced.

Risks that may arise if the proposed decision and related work is not taken

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17. Potential failure to deliver R&M Services to our residents, together with issues around non-compliance, the safety of our residents and a failure to deliver Statutory Undertakings as a Social Landlord.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

18. With any procurement exercise, the market may not engage to the point that delivery of cost effective services may not be possible, however, the risks of this will be considered amongst the options being considered by the R&M Steering Group. In addition, market engagement will take place early in the procurement process.

Financial Implications

19. This section will be filled in by a Finance Head of Services when you are circulating your report for review (this should be ahead of signoff by CD, CLT and then Cabinet member). When drafting the rest of your report you should work with appropriate officers in finance to discuss any financial implications. If you do not know the appropriate officer, contact the Accountancy Helpdesk.

Legal Implications

20. This procurement falls to be conducted in accordance with the Public Contracts Regulations (2015). The engagement with the Strategic Procurement Team will ensure that the procurement followed is PCR compliant.

Options Considered

21. The alternative to agreeing a process of reviewing and planning to recommission repairs and maintenance services to the council's housing stock is that contracts will end with no services in place. This is not an option as the Council has statutory duties and obligations in relation to the council's housing stock. Therefore there would be a requirement to contract for individual works which would be both inefficient and expensive.

All options for delivery of services are considered within the report in Appendix 1 and these have concluded that:

(to be inserted once agreed with the cabinet member has approved the report in Appendix 1)

Conclusions

22. The proposed new delivery model for the Repairs and Maintenance services will ensure the Council's stock is maintained and improved in line with the Council's statutory obligations and ensures tenants live in good quality homes with high quality services.

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James Cawley (Associate Director, Adult Care Commissioning and Housing)

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Date of report: Friday, 09 December 2016

(Make sure above includes name, title and contact details of report author)

Appendices

(Outline programme – to follow.)

Background Papers

The following documents have been relied on in the preparation of this report:

None

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