

IMPLEMENTATION EXECUTIVE

16 MARCH 2009

SALISBURY DISTRICT COUNCIL HOUSING MAINTENANCE CONTRACTS**Executive Summary**

SDC Housing Management is responsible for the management, repair and maintenance of its housing stock comprising of 5,400 properties as well as 450 leasehold flats.

As the landlord we have a legal responsibility to maintain our housing stock and provide services to our tenants. To this end, in excess of 45 contracts are running each year which cover; day to day and response repairs, planned and cyclical maintenance, testing and inspections, modernisations and adaptations. Under these contracts in excess of 20,000 individual orders are raised each year. Approximately half of the above contracts are for a 3 – 4 year term with the remainder being let annually.

In order to coincide with reorganisation, the majority of contracts were made to expire on 31 March 2009. As a result we currently have 21 individual contracts which are due to expire on 31 March 2009 (see Appendix 1). It has not been possible to relet these in the run-up to the start of Wiltshire Council.

If continuity of service to our tenants is to be maintained then these contracts need to be extended for a maximum period of one year during which time they can be retendered.

The existing contractors have been approached and they are agreeable to the extensions subject to final negotiation.

There are also 5 contracts (see appendix 2) which have been tendered and now require IE approval in order for the contracts to be signed and sealed.

Proposal

It is proposed that the Implementation Executive:

- (i) Approve the proposal to Extend the 21 individual contracts for a maximum period of one year as listed in appendix 1.
- (ii) approve the proposal to Extend the 21 individual contracts for a maximum period of one year as listed in appendix 1.
- (iii) prove the proposal to Extend the 21 individual contracts for a maximum period of one year as listed in appendix 1.
- (iv) save the proposal to Extend the 21 individual contracts for a maximum

Reason for Proposal

Extending existing contracts is necessary in order to maintain an uninterrupted service to our tenants, comply with our legal duties as landlord and to retain our current contractors.

Graham Hogg

Service Director, Housing

Tel: 01225 776655

Email: grahamhogg@wilthsire.gov.uk

SALISBURY DISTRICT COUNCIL HOUSING MAINTENANCE CONTRACTS

Purpose of the Report

1. The purpose of this report is to gain approval for the extension of SDC Housing Management contracts covering works to the councils housing stock and for the approval of to enter recently tendered work.

Background

2. The repair and maintenance of the councils housing stock is split under three main headings; Response and Emergency Repairs (24 hour 365 days), Cyclical Maintenance, Planned Maintenance and Improvements. Funding for these contracts comes from within the Housing Revenue Account which is ringed fenced.
3. All the contracts have been subject to detailed, competitive tendering. The performance of the existing contractors is constantly being monitored and all are performing satisfactorily at present.

Main Considerations for the Implementation Executive

4. The Requirement. As a landlord the authority must comply with the various requirements of the Landlord & Tenant Act 1985 and other Housing Acts as well as Health and Safety legislation. The contracts which are the subject of this report are essential in maintaining compliance with legislation and the maintenance of the stock and must be in place on vesting day.
5. Rationale for Contract Extensions. Retendering the 21 contracts is not considered a viable option. Timescales involved for the tendering process would result in a break of service which would have serious consequences.
6. Review. The existing lists of running contracts have evolved over a number of years. Retendering each of these contracts is both time consuming and costly. A complete review of our current methods of procurement will be carried out with a view to formulating a procurement strategy that offers efficiency savings as well as being in line with modern methods of procurement. Extending our existing contracts will provide the opportunity for a further report to be presented to the Implementation Executive outlining the benefits of such a transition.
7. Financial Aspects. The estimated value of extending the 21 contracts is £5,397,400 (Appendix1). The value of tenders requiring Implementation Executive approval (all have been subject to competitive tendering) is £2,751,604. This expenditure has been allowed for within existing budgets within the Housing Revenue Account which is ring fenced and therefore has no new financial consequences for the new authority.

Environmental Impact of the Proposal

8. No direct impacts of the proposal but works will improve the average energy efficiency of the housing stock coupled with a reduction in carbon emissions.

Equalities Impact of the Proposal

9. The Housing Green Paper “Quality and Choice a Decent Home for All” (April 2000) sets out the Governments commitment to bring all social housing up to a decent standard by 2010. The Council would not be able to meet this target if there was any delay in appointing contractors to continue the delivery of the various programmes of works
10. Works include improvements in design and layout as well as disabled adaptations for those with special requirements.

Risk Assessment

11. There are significant risks involved if the proposed contract extensions together with the contracts requiring approval are not approved. Appendix 1 & 2 details the risks or consequences against each contract. In summary these are.
 - a) Failure to comply with various Housing Acts
 - b) Possibility of not meeting the Governments Decent Homes Target by 2010
 - c) Breach of Health & Safety Legislation.
 - d) Breach of The Environment Act

Financial Implications

12. All expenditure is contained within the Housing Revenue Account which is ring fenced and therefore has no financial consequences for the new authority.

Legal Implications

13. All contract extensions would be subject to the original terms and conditions and at rates agreeable to both parties.

Options Considered

14. The extension will allow full review of Housing Management’s current methods of procurement to be undertaken and the resulting recommended

way forward will be the subject of a full detailed report to the relevant Committee following the start of the new Council in April 2009. This report will detail the future procurement strategy timetable, etc. for this work.

Conclusion

15. The Implementation Executive is asked to approve the contract extensions and contracts for signing and sealing in order to maintain continuation of service to our tenants from 1st April 2009.
16. A report outlining a new procurement strategy for Housing Management will be presented to the relevant Committee at a later date.

Report Authors:

Peter Bravery, Senior Contracts Manager, Salisbury District Council 01722 434272
Mike Swabey, Head of Procurement & Contract Management, Wiltshire County Council
01225 713021

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

- Contract documentation
- Tender returns