

Report to:	Scrutiny and Overview Committee 25 February 2021
Lead Cabinet Member:	Lead Cabinet Member for Housing
Lead Officer:	Head of Housing

HOUSING REPAIRS - CONTRACT PROGRESS

Executive Summary

1. This report is intended to provide members with an update on progress to date on the contract for repairs to council housing which is due for renewal during 2022.

Key Decision

2. No

Recommendations

3. That members note progress of the project to date.
4. That members support the retendering of the repairs service
5. That comments and suggestions are fed back to consultants to inform the further development of the project.

Reasons for Recommendations

6. How the Council deal with Housing Repairs is the key issue that tenants use to determine their satisfaction with the Council as a landlord. This is an opportunity for members to contribute to the development of the future repairs contract.

Details

7. The current repairs contracts are with Mears. The main repairs contract that is approaching the end of a 5-year extension (in addition original 5-year term) was due to expire in April 2022. The heating contract, also with Mears reaches the end of its 5-year period in June 2021, but the contract allows an extension. The intention is to extend both Contracts to June 2022 and procure the whole repairs services. Procurement have confirmed that both contracts can be extended and Mears have informally agreed to these extensions.

8. Soft market testing suggests that the combination of these contracts will provide a total value that is attractive to contractors.

Work to date.

9. Ark have been employed as specialist consultants to support the Housing Service through this process. They have produced two pieces of work.
10. The first report was a high-level review of the repairs service and the options for providing a future service. This was discussed with the Portfolio and a 'sounding-board' of members this discussion informed the second report.
11. The second report (enclosed) explores more deeply the options available and provides a critical assessment of the current repairs contract together with performance information (enclosed). This highlights that there are problems with the contract including a lack of clarity and lack of enforcement. This falls short of the Councils ambition to work with a fully engaged and innovative contractor who shares our commitment to improve.
12. The report recommends that the way forward for the Council is a single contract for responsive, void, gas and planned maintenance. This will include:
 - A commercial model based upon Price Per Property (PPP) for responsive repairs, Price Per Void (PPV), Price Per Gas (PPG) and Price Per Archetype (PPA) for planned works.
 - The PPP arrangements being supplemented by a limited range of exclusions, plus Schedule of Rates for communal areas and repairs rechargeable to leaseholders.
 - Contractual arrangements for an initial five-year term with the option to extend by up to two further five-year terms.
 - Suitable supply arrangements for 'big ticket' materials for the planned programme.

Next Steps

13. Feedback from this process will be fed back to Ark with the view to using the same consultancy to produce the third and final piece of work which is to prepare the tender including detailed specifications to address the weaknesses of the current contract, and to assist officers through the procurement process.
14. The tender documents / service specifications will be presented to Cabinet prior to advertising the tender.

Options

15. The options around how repairs are carried out to Council properties are discussed within the enclosed Ark report.
16. Section 7 of the Ark report looks at 4 options to provide the repairs service, whilst section 8 narrows this to two options: either to bring the service in house, or the recommended option of retendering the service.

Implications

17. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

There are no significant implications.

Consultation responses

18. The purpose of this paper is to seek the views of members. This is part of the consultation process.

Alignment with Council Priority Areas

Housing that is truly affordable for everyone to live in

19. This report is part of a process that will result in changes to how the Council operates its repairs services for tenants. This will include value for money.

Being green to our core

20. Not directly, however the final contract will require the contractor to demonstrate how they will contribute to the Council's ambitions.

A modern and caring Council

21. Not directly at this stage, however the development of the new repairs service will involve tailoring the service to meet the needs of tenants.

Background Papers

None

Appendices

Appendix A: ARK report – SCDC Repairs Contract Options Appraisal
Appendix B: SCDC Benchmarking

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