

# Report to Cabinet

**17 July 2024**

<b>Subject:</b>	Housing Repairs Contracts 2024-2028
<b>Cabinet Member:</b>	Councillor Vicki Smith Cabinet Member for Housing and Sustainable Development
<b>Director:</b>	Executive Director of Place Alan Lunt
<b>Key Decision:</b>	Yes. Above £1m threshold.
<b>Contact Officer:</b>	Assistant Director – Housing Asset Management & Improvement Sarah Ager <a href="mailto:sarah_ager@sandwell.gov.uk">sarah_ager@sandwell.gov.uk</a> Interim Head of Contract Procurement Dean Hogan – <a href="mailto:Dean_Hogan@sandwell.gov.uk">Dean_Hogan@sandwell.gov.uk</a>

## 1 Recommendations

1.1 That authority be given to the Executive Director of Place, in consultation with the Executive Director of Finance and Transformation, to prepare tender documentation, conduct appropriate procurement processes and to award contracts for the following contracts, in accordance with The Public Contract Regulations 2015 and the Council's Procurement and Contract Procedure Rules, in relation to the Housing Revenue Account Repairs and Maintenance service in respect of the following contracts:

- UPVC Repairs, Maintenance & Replacement of Windows and Doors including Composite Doors
- Supply of Kitchens
- Day to Day Repairs to Housing
- Electrical Repairs and Maintenance
- Supply of Wallpaper, Paint, Brushes & Sundries



- Emergency Drain Clearance & Associated Underground Drainage Repairs
- Servicing & Repairs to Lifts
- Supply of Gas Spares to Gas Section
- House & Garden Clearance (temporary contract extension)
- House & Garden Clearance
- Roofing Repairs
- Cyclical Maintenance to High Rise
- CCTV Maintenance (temporary contract extension)
- Door furniture & Domestic Ironmongery
- Scaffold and Tower Hire

1.2 That the Assistant Director, Legal and Assurance / Monitoring Officer be authorised to enter or execute under seal any documentation in relation to the award of the contracts.


## 2. Reasons for Recommendations

- 2.1 A review has been undertaken of the live contracts within the Housing Asset Management service and it has identified 15 revenue contracts related to delivery of an effective repairs and maintenance service for HRA housing stock that are due to expire within the next six months.
- 2.2 This report seeks delegation to procure, award and enter contracts with the successful tenderers to deliver various supply and service arrangements that are essential to delivery of an effective service to tenants. Delegation is also sought to extend specific contracts, where appropriate and compliant with procurement rules, to provide time to enable a comprehensive procurement process without creating delays or gaps in service delivery which would negatively impact on tenants and the council's ability to ensure its housing stock remains fit for purpose.
- 2.3 The Executive Director Place will provide regular updates to the Portfolio Holder for Housing and Sustainable Development on progress of the application of this delegation.



2.4 The new contracts will be designed to improve delivery and include key elements to provide effective management of the contract performance over its term, as well as ensuring best value for tenants is achieved.

### 3 How does this deliver objectives of the Corporate Plan?

	<p><b>People Live Well and Age Well:</b> Improved energy-efficiency of homes will reduce energy bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives. The provision of these services provides vital adaptations and improvements to people’s homes which enable them to maintain their independence in their communities.</p>
	<p><b>Strong Resilient Communities:</b> The delivery of specific contracts will support Sandwell’s approach towards reducing crime and anti-social behaviour levels and making communities a safer place to live and socialise.  Sandwell MBC strives to provide distinctive towns and neighbourhoods that are successful centres of community life, leisure, and entertainment where people increasingly choose to bring up their families. The delivery of these contracts will deliver improvements to our housing stock and the surrounding areas in which they are located, to promote families choosing to move into and stay in Sandwell and being proud of the town and area in which they live.</p>
	<p><b>Quality Homes in Thriving Neighbourhoods: -</b> These contracts are required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required, in line with the Decent Homes Standard and regulatory requirements. The delivery of these contracts will both improve the energy efficiency, appearance, security, and fire safety of the housing stock.</p>





### **A Strong and Inclusive Economy: -**

The delivery of these contracts will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements. Social Value will be included in all contracts and be monitored via effective contract management reviews with suppliers.

## **4 Context and Key Issues**

- 4.1 A review has been undertaken of the procurement approach to contracts within the Housing Asset Management service. As part of the review, it has been identified that there are multiple contracts due to expire in the first six months of this financial year 2024/25.
- 4.2 A long-term strategy is being developed to provide efficiencies and ensure value for money with contracts and potential amalgamation where appropriate. To enable this strategic approach and to not interrupt service delivery, authority is sought to procure, award and appoint contractors to support the Direct Labour Organisation (DLO) who are responsible for maintaining all council housing stock across the borough. The range of contracts that it is intended to renew / extend is as follows.

<b>Contract Description</b>	<b>Contract Length</b>	<b>Estimated Total Contract Value</b>
UPVC Repairs, Maintenance & Replacement of Windows and Doors including Composite Doors	4 years	£850,000
Supply of Kitchens	4 years	£1,200,000
Day to Day Repairs to Housing	2 years	£1,200,000
Electrical Repairs and Maintenance	4 years	£6,000,000
Supply of Wallpaper, Paint, Brushes & Sundries	4 years	£498,000
Emergency Drain Clearance & Associated Underground Drainage Repairs	4 years	£1,000,000
Servicing & Repairs to Lifts	4 years	£3,200,000



Supply of Gas Spares to Gas Section	3 years	£4,200,000
House & Garden Clearance ( <b>extension</b> )	6 months	£125,000
House & Garden Clearance	4 years	£1,000,000
Roofing Repairs	3 years	£5,000,000
Cyclical Maintenance to High Rise	2 years	£900,000
CCTV Maintenance ( <b>extension</b> )	4 months	£70,000
Door furniture & Domestic Ironmongery	3 years	£1,000,000
Scaffold and Tower Hire	3 years	£1,060,000
<b>TOTAL</b>		<b>£27,303,000</b>

- 4.3 The annual expenditure to be approved as a result of the recommendations in this report total £6.6m, which will be funded from Housing Revenue Account annual budget approvals. Expenditure for year 1 will be funded from the approved HRA budget for 2024/25, as approved by Cabinet in January 2024.
- 4.4 The duration of the contracts and approximate values align with identified strategic service needs and provides the timeframe required to support the wider strategic review. The annual budget is aligned with the resources available in the Housing Revenue Account (HRA) and supported by the 30-year Business plan.
- 4.5 There are ongoing reviews on the repairs services to identify efficiencies and use more in-house resources. However, these contracts provide a specialism or supplies that cannot be brought in-house. An annual review of the HRA will ensure these contracts continue to deliver the aims and objectives of the council and will provide an opportunity to make recommendations for adjustments to address new and emerging priorities and ensure the maintenance programme remains affordable for the duration of the plan.
- 4.6 The HRA revenue budget has been reviewed to respond to these and other emerging priorities and will deliver our ambitions for housing by:



- Maintaining our existing stock to provide good-quality, safe and affordable homes and ensure support is given to those who need it.
- Ensuring our properties are energy efficient.
- Remodelling our properties to suit changing needs.
- Protecting our residents and assets.

4.7 Regular reviews and monitoring of the budget will take place to ensure that funding approvals are effectively managed. The quality, performance, and value for money of each contract will also be monitored via contract review meetings to ensure that a high-quality service is delivered and that contractual arrangements remain fit for purpose.

## 5 Alternative Options

5.1 Option 1 - not renew the expiring contracts. This will mean that 'ad hoc' arrangements will be required to maintain the councils housing stock to the required Decent Homes standard. This could lead to dissatisfaction amongst tenants, disrepair, and potential sanction from the Regulator of Social Housing. This option is therefore dismissed.

5.2 Option 2 – utilise in-house provision. Current in-house provision does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties or manage the peaks and troughs within the service with regards to the electrical services and day to day repairs contracts and therefore support from external contractors is required to manage those peaks in the service. Failure to procure the relevant contracts would impact upon this. This option is therefore dismissed.

5.3 Option 3 – spot purchasing outside of a contract framework (essential supplies). For essential supplies only contracts, for example, supply of wallpaper, paint, brushes & sundries, supply of gas spares and door furniture & ironmongery, the alternative of purchasing outside of a contractual arrangement will increase cost and not represent value for money. This option is therefore dismissed.



## 6 Implications

<p><b>Resources:</b></p>	<p>The proposed budgets for the identified contracts detailed above are a total of £27,303,000 over the next 4 years covering the contracts that need to be procured and awarded to provide continued contractual coverage.</p> <p>The funding for 2024/25 can be met from within the approved HRA budget for repairs and maintenance, in accordance with the 30-year HRA Business Plan.</p> <p>Due to the contracts being an ongoing requirement to provide the service, the budget is maintained at this level each year (with an appropriate annual inflationary increase) to ensure that essential works and services can be undertaken.</p> <p>Through planned mobilisation stages, effective regular contract reviews and engagement with the supplier market, coupled with spend monitoring, the council will consider variations to the original contract throughout its term to ensure that it remains value for money and achieves continuous improvement in service delivery.</p>
<p><b>Legal and Governance:</b></p>	<p>The contracts will be procured and awarded in accordance with the Council’s Procurement and Contract Procedure Rules and Public Contract Regulations 2015.</p>
<p><b>Risk:</b></p>	<p>Delays to approval may require mitigating actions to avoid risks occurring. There are reputational and legislative risks including legal challenges caused by levels of Housing Disrepair. A high-quality repairs and improvement service is a key element in the provision of good quality rented housing. Also, it is an essential element in achieving high levels of</p>



	tenant satisfaction, improving the landlord and tenant relationship, and protecting health and safety.
<b>Equality:</b>	Services and associated works will be undertaken to all properties where required and identified, and as such an assessment has not been undertaken.
<b>Health and Wellbeing:</b>	The work will ensure that the council's housing stock remains fit for purpose e buildings remain These contracts will enable the Asset Management and Maintenance Teams to quickly repair Sandwell MBC properties.
<b>Social Value:</b>	<p>Social Value will be achieved through the inclusion of various schemes and initiatives evaluated during the procurement process, and these will be contained within the formal contracts with the successful contractors and monitored throughout the term of the contract via effective contract management reviews. The plan will include contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement, back to work schemes, free training, and community activities.</p> <p>The proposals contained in this report are entirely commensurate with the Council's climate change priorities and will help to support:</p> <ul style="list-style-type: none"> <li>• Reduced carbon and greenhouse gas emissions</li> <li>• A reduction in fuel poverty</li> <li>• Improved health and wellbeing</li> <li>• Inclusive economic growth – reduced fuel bills should allow more money to be spent locally</li> </ul>
<b>Climate Change:</b>	The measures in this report will deliver improved energy-efficiency of homes which will reduce energy





	<p>bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives.</p> <p>Through each Procurement selection process, and subsequent contract management reviews, evidence will be collated to support the Council's climate change target to achieve carbon neutrality by 2041.</p>
<b>Corporate Parenting:</b>	<p>All contracts will include the appropriate level of safeguarding clauses and implementation of policies required. This will be reviewed during the mobilisations planning and during the contract management reviews to ensure it is kept as a high priority. Information sharing will also be carefully managed and continually reviewed</p>

## 7. Appendices

Not applicable.

## 8. Background Papers

Not applicable.

