

# Report to Cabinet

**15 December 2021**

<b>Subject:</b>	Day to Day Repairs to Housing
<b>Cabinet Member:</b>	Cabinet Member for Housing Councillor Zahoor Ahmed
<b>Director:</b>	Director of Housing Gillian Douglas
<b>Key Decision:</b>	Yes Above £250,000 threshold
<b>Contact Officers:</b>	Steve Greenhouse – Service Manager – Asset Management and Maintenance <a href="mailto:steve_greenhouse@sandwell.gov.uk">steve_greenhouse@sandwell.gov.uk</a> Jonathan Rawlins, Business Manager - Asset Management and Maintenance <a href="mailto:Jonathan_rawlins@sandwell.gov.uk">Jonathan_rawlins@sandwell.gov.uk</a>

## 1 Recommendations

- 1.1 That the Director of Housing in consultation with the Director of Finance and Section 151 Officer, be authorised to award a contract for the provision of day to day repairs to our housing stock, for the period 1 January 2022 to 31 December 2023 at an anticipated value of £1,300,000 following the conclusion of the current procurement exercise.
- 1.2 That in connection with 1.1 above, the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts.



## 2 Reasons for Recommendations

- 2.1 The current contract was due to expire on 31 October 2022. However, one of the incumbent contractors has gone into administration and the other incumbent contractor does not have the capacity to receive orders. This has left the Council in the vulnerable position of not having adequate resources available to maintain the pace of demand for delivering the required repairs to Council properties.
- 2.2 The Council is therefore seeking to procure and appoint 3 contractors, 2 to undertake day to day repairs and 1 to undertake repairs to fencing, for a contract period of 24 months running from January 2022 to December 2023.
- 2.3 In response to a contract notice published on the Government's Find a Tender website, 4 compliant tenders were received. Evaluation of the returned tenders in accordance with the published award criteria in terms of price and quality is currently being undertaken but due to the relatively short timeline now available to complete this activity in readiness for Cabinet deadlines, it is necessary to request delegated authority to award this contract upon completion of the tender evaluation by mid-December 2021. This will ensure that mandatory standstill requirements are observed and allow for the appropriate mobilisation period to be implemented.

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

	<p><b>Quality homes in thriving neighbourhoods</b></p> <p>This contract is required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required.</p> <p>Ambition 5: Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.</p>
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## 4 Context and Key Issues

- 4.1 At its meeting of 19 September 2018, Cabinet approved the award of contracts for Day to Day Repairs to council housing to Axis Europe Plc and Woodland Property Services Limited for a period of 4 years, from 8 November 2018 to 31 October 2022 at a cost of £2.4m (£600,000 per annum).
- 4.2 The Council has recently received notification from Woodland Property Services Limited that as of 5 July 2021 they have gone into administration.
- 4.3 Over recent months, Axis Europe Plc have been contacted on numerous occasions and have been unable to provide any resource to deliver their obligations under their contract.
- 4.4 This has left the Council in the vulnerable position of not having adequate resources available to maintain the pace of demand for delivering required repairs to Council properties.
- 4.5 Further to re-commencing non-urgent repairs in April 2021, the number of jobs received over the past 6 months has been well above average and has resulted in a backlog of work orders requiring attention.
- 4.6 During this period a backlog of fencing repairs has also been identified and to obtain better value for money, by affording direct suppliers of fencing works the opportunity to apply for these works, officers propose that a separate fencing repairs contract be procured as part of this process.
- 4.7 To comply with Public Contract Regulations 2015 a decision has been made in conjunction with Procurement Services to terminate the current contract with Axis Europe Plc in accordance with the termination provision contained within the contract and to re-procure the contract to both ensure compliance and in the short term provide enough support to our in-house team that delivers day to day repairs to Council properties.
- 4.8 A tendering exercise has commenced and has been conducted in accordance with the Council's Procurement and Contract Procedure Rules to re-procure the day to day repairs contract and appoint two contractors with one working in the north of the borough and one working



in the south, in addition to procuring a separate contract to undertake fencing repairs, for an interim period of 2 years.

- 4.9 During this shorter interim contract period of 2 years, officers propose to undertake a full options appraisal of the future procurement strategy for the delivery of these works. Consideration will be given to continuing with the use of these larger contractors or whether to break it down into smaller contracts, one for each town, to possibly stimulate a greater interest from local small and medium enterprises (SMEs) and to positively promote the procurement opportunity to smaller locally based businesses.
- 4.10 The anticipated value of the contracts is in the region of £1.3 million (£600,000 per annum over 2 years on day to day repairs and £50,000 per annum over 2 years on fencing) for provision of labour and materials to undertake repairs to Sandwell MBC properties and is included within approved Housing Revenue Account budgets.

## 5 Alternative Options

- 5.1 There are no other options available. This contract is required in order for Sandwell MBC to be able to repair and maintain the current housing stock.
- 5.2 Current in-house provision does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties and this is why support from external contractors is required.



## 6 Implications

<b>Resources:</b>	The proposed contract value of £1.3m (£600,000 per annum for day to day repairs and £50,000 per annum for fencing works) is included within the approved revenue budgets for the ongoing repairs and maintenance of Housing Revenue Account owned properties. Due to the contracts being an ongoing requirement to provide the service, the budget is maintained at this level each year to ensure the appropriate works can be carried out.
<b>Legal and Governance:</b>	The contract will be procured and awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
<b>Risk:</b>	No Risks
<b>Equality:</b>	An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.
<b>Health and Wellbeing:</b>	The award of this contract will enable the Asset Management and Maintenance Teams to quickly repair Sandwell MBC properties.
<b>Social Value</b>	Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contracts. The plan includes contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.

## 7. Background Papers

None

## 8. Appendices

None

