

Agenda Item 11

Housing Review Board

10 September 2009

AG



Day to Day Responsive Maintenance Repairs and Cyclical Maintenance

Summary

This report takes forward the process of reviewing the current arrangements for undertaking Day to Day Responsive Maintenance Repairs and Cyclical Maintenance to Council's dwellings.

The current contracts all expire on 31st March 2010 and this report proposes an extension of contracts by way of a deed of variation. These contracts are a crucial part of our service to tenants as repair and maintenance issues are consistently rated as one of the most important landlord services by tenants.

Recommendation

To approve the extension of the current contracts by Deed of Variation. That the contract period be extended up to a maximum of 2 years, but any extension be for only 12 months and reviewed in 1 years time.

a) Reasons for Recommendation

We must continue to maintain a high level of repair and maintenance services for our tenants, until we are aware of the outcome of Local Government Review, and we have acquired and installed a new computer system.

b) Alternative Options

To re-tender the works for a short contract period, but we feel that this will not be economically viable.

c) Risk Considerations

It is essential that we provide our contractors with information as early as possible. This will enable them to maintain, and extend any leasing arrangements in conjunction with their business plans.

d) Policy and Budgetary Considerations

The policy and budgetary implications are set out in the report.

e) Date for Review of Decision

July 2010.

1 Background

- 1.1 The Housing Review Board at its meeting held on 27th November 2008 recommended: to approve the arrangements for the preparation for the renewal or replacement of partnering arrangements for responsive repairs to tenants homes, and identify any further considerations the Board feel is appropriate for this project.
- 1.2 The recommendation only applied to Connaught Partnership Limited and Skinner Construction Limited who are employed to undertake the general Day to Day responsive and void property maintenance works on council homes. They are employed through a partnership arrangement which is based on the actual cost of the works, plus overheads, plus profit basis.
- 1.3 The Housing and Social Inclusion Service currently employs a further four contractors whose contracts like Connaught and Skinners which also expire on 31st March 2009.
- 1.4 **J R Pratt and Paul Harvey Limited** is employed to undertake the electrical responsive repairs and void property maintenance.

They are employed through a Schedule of Rates contract. The schedule contains fixed rates for a large number of electrical items to which a percentage on cost is added.
- 1.5 **Westway Heating** is employed to undertake Gas Safety inspections, Servicing of gas appliances and routine maintenance of gas appliances and ancillary works.

They are employed on a fixed price contract for each type of appliance, plus a fixed monthly sum to cover all out of hour's calls and emergencies.
- 1.6 **Stairlift Services** are employed to undertake the routine servicing of stairlifts and passenger lifts, together with an out of hour's service for emergencies.

They are employed on a fixed sum contract.
- 1.7 All contracts are subject to an annual increase in accordance with the conditions of contract.
- 1.8 With the exception of Stairlift Services all the contractors are monitored monthly for both performance and tenant satisfaction. Generally high levels of performance and tenant satisfaction are achieved by all contractors.

2 Local Government Review

- 2.1 The Local Government Review may have a major impact on whether the Council continues in its present form.
- 2.2 If the outcome of review is to establish a new Devon Unitary authority then East Devon, Exeter and Mid Devon would no doubt see their housing services amalgamated. All three authorities currently have their own arrangements for dealing with Day to Day and void maintenance repairs and cyclical maintenance. Any new authority would like the opportunity to review all the current contracts collectively and not individually in isolation. It would not be perceived as good practice to tie any possible new authority into any long term arrangements under such an uncertain future.
- 2.3 We are currently collaborating with Mid Devon District Council and one of the projects we are working on is a proposal to jointly procure gas servicing and installation services. We are going through a process of integrating our specifications and would like the opportunity to tender for gas servicing work with Mid Devon, if we can agree the finalise the approach over the next few months.

3. Computer System

- 3.1 The computer system currently used by the Housing Services Team, is bespoke, has served us well, and in excess of 20 years old.
- 3.2 In conjunction with other services of the Council consideration has been given to the purchase a new Asset Management System.
- 3.3 The stage had been reach in the process where a preferred supplier had been identified. Unfortunately the chosen company who produced the software has been taken over. It would appear that our chosen system will not be subjected to further development and support of the system will be reduced over the next 5 years. The implications of a review of local government was also a procurement consideration.
- 3.4 Advice from our ICT team is that we may be able to review the position in the latter half of 2009, with a further implementation period of 6 months. Any new system will need to integrate with our contractors to give us a more efficient way of working and communication.
- 3.5 However, having a new or different system in operation by April 2010 would appear optimistic and completely unrealistic.

4. The Repairs and Maintenance Monitoring Group

- 4.1 The Repairs and Maintenance Monitoring Group (RMMG) at its meeting held on 21st July 2007 discussed the matter of the possible extension to the current contracts.
- 4.2 Four Members of the group who were present at our Partnering Day held last year were keen to see the present arrangements extended. We know that our contractors are also keen to maintain a partnership with the council.
- 4.3 The Group saw this as an opportunity to experiment with the current contractors especially, with improvements to an appointment system and keeping tenants better informed. Any changes to the current arrangements would then be incorporated into the new contract conditions.
- 4.4 It was also noted that at the Partnering Day, both contractors present had stated that any new contract should be for a minimum of 5 years. This would enable the contractor to develop a more realistic business plan due to the certainty of having a continuous workload.

5. Conclusions

- 5.1 The Secretary of State has written to all Devon authorities stating that any local government re-organisation will not take place earlier than April 2011. No dates are now available as to when a final decision will be made.
- 5.2 It is therefore felt that it would be in appropriate to enter into any long term contracts in these uncertain times.
- 5.3 Within any new contracts it would be a condition that the Contractor provides a computer system that is compatible to the system used by the Council.
- 5.4 This would enable all transactions to be undertaken electronically, greatly reducing the volume of duplication currently experienced with our present arrangements.

- 5.5 As the Council will not be in a position to have new system in place before April 2010, details will not be available to be included in any new contract documents.
- 5.6 Should it be decided to obtain tenders for works with effect from 1st April 2010, then the length of contract would be 1 year possibly 2 years maximum.
- 5.7 A contract of such a short term would not provide value for money. Contractors would be subjected to large front end set up costs which would have to be recovered over the short period of the contract. A longer term contract, minimum of 5 years would provide contractors with the opportunity to invest in and further develop the service provided.
- 5.8 The RMMG have had the opportunity to continuously monitor the performance of the contractors, with the exception of Stairlift Services.
- 5.9 Generally the contractors maintain a reasonable level of performance, with high levels of tenant satisfaction, at or near the 96% target set for monitoring purposes. The RMMG are keen to see the existing arrangements extended, and work with contractors to improve the current service.

Legal Implications

Contractual variations should comply with Council Standing Orders and E U Procurement Regulations. Legal to advise before variation is signed.

Financial Implications

The costs of the contracts will be built into the 2010/2011 budgets.

Consultation on Reports to the Executive

None.

Background Papers

- Partnering Agreement.
- Responsive repairs standards.

Andrew Grigg
Housing Services Manager

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