
COMMISSIONING OF THE REPLACEMENT BUILDING MAINTENANCE
SERVICES FRAMEWORK: Pre- Decision Scrutiny

Appendices 5-6 of this report are exempt from publication because they contain information of the kind described in paragraph 16 of Part 4 of Schedule 12A to the Local Government Act 1972

Purpose of Report

1. To give Members background information to aid the scrutiny of the draft report to Cabinet entitled 'Commissioning of the Replacement Building Maintenance Framework' The full draft report is attached at **Appendix A** and has six appendices:
 - Appendix 1 Recommissioning Options
 - Appendix 2 Feedback from Supplier Session
 - Appendix 3 Letter from CASSC and response
 - Appendix 4 Equality Impact Assessment
 - Appendix 5 Legal Implications
 - Appendix 6 Response to Legal Implications
2. Members should note that **Appendices 5 and 6** of the report attached at **Appendix A** are exempt from publication. Members are requested to keep this information confidential. Members will be able to ask questions regarding this Appendix during closed session.
3. The Cabinet is scheduled to consider this report and its recommendations at their meeting on 21 November 2016. At this committee meeting Members will have the opportunity to hear from internal witnesses and will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet.

Structure of Scrutiny

4. The meeting will be in two parts; an open session, where Members will be able to ask questions on the issues and papers that are in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to Appendices 5 and 6 of the Cabinet report attached at **Appendix A**.

Background

5. The current Building Maintenance Framework is due to end in June 2017. It covers both domestic and non-domestic maintenance in addition to disabled adaptations and has an annual value of £25.7 million. For works over £30,000 (or £36,000 for Disabled Adaptations), work is awarded via mini-competition; for all other works, work is awarded to the Rank 1 provider first and then to the Rank 2 provider etc. based on the schedule of rates.
6. Over the lifetime of the existing Framework, the Council and providers have identified a number of lessons to be learnt, covering customer care, capacity, performance and contract management, sub-contractors, pricing and value for money and stakeholder engagement. The Cabinet report details the intention for the following to be incorporated into the new proposed specification:
 - *Significant emphasis to customer care, supported by performance indicators to monitor the issues that are important to clients; for example, appointments made/kept, the number of complaints and how quickly they are addressed.*
 - *Involve tenants and leaseholders in drawing up customer care aspect of the specification to ensure that their views and priorities are captured.*
 - *Divide the provision into smaller value/volume lots, with multiple providers delivering similar works. There will also be a restriction on the number of lots that can be awarded to an individual bidder.*

- *Set realistic, achievable and measurable performance indicators and to have a robust mechanism for measuring performance and addressing poor performance. Complaints resolution will form part of the new contract, along with clear contract management arrangements.*
- *Clearly define the expectations of the main contractor within the specification, and to introduce a performance measure against this requirement.*
- *Current Schedule of Rates to be reviewed and updated to include any omissions or issues that have been highlighted during the current framework. For those items that cannot be included in a schedule of rates, it is proposed to develop a clear Pricing Principles document setting out how such prices will be calculated and agreed. This will form part of the contract.*
- *Separate specialist/trade-specific contracts will be commissioned directly with the appropriate providers.*
- *All internal stakeholders will be fully engaged in the current recommissioning process and take ownership of developing the specifications. There will be full engagement with tenants/leaseholders, and Ward Members will also be offered the opportunity to contribute to the proposals.*

Overview of draft Cabinet Report

7. The draft Cabinet Report is attached at **Appendix A** and has the following appendices:
8. The draft Cabinet Report, attached at **Appendix A**, states that it is to 'agree the approach to recommissioning building maintenance services' and 'to approve the commissioning strategy for Domestic Housing Repairs and Maintenance and Disabled Adaptations'.

9. The draft Cabinet Report proposes that the re-commissioning of the Framework is delivered in two phases, with Phase 1 covering Domestic Provision (Housing Repairs and Maintenance & Disabled Facilities) and Phase 2 covering Non-Domestic Provision, The Cabinet report provides details of the proposals for Phase 1 and recommends that another report be brought to Cabinet regarding Phase 2 Non Domestic provision.
10. The draft Cabinet Report sets out the proposed sourcing strategy for Phase 1, namely housing repairs and maintenance and Disabled Adaptations. It lists the desired outcomes of the recommissioning and proposes two separate framework arrangements, one for housing repairs and maintenance (worth approximately £8.2 million annually) and one for Disabled Facilities (worth approximately £5.9 million annually).
11. The draft Cabinet Report outlines the preferred option for Framework 1 – Housing Repairs and Maintenance as being:
- ‘to split the city into 3 geographical districts, with a different provider in each district delivering a similar mix of work, to include responsive repairs, minor planned works and vacant repairs. Each contract would have an estimated annual value of £2.7 million. ‘*
12. The draft Cabinet Report states that major planned works (worth approximately £8.3 million annually) would be procured outside of the framework and individual trade-specific arrangements would be put in place, each subject to a separate procurement process. This would include, for example:
- External/Environmental Improvements
 - Roofing,
 - Painting
 - Boiler Installation
 - Lifts
 - Windows/Doors and Door Entry Systems.

13. The draft Cabinet Report sets out the proposed procurement timeline for Framework 1, with a contract start date of November 2017.

14. With regards to Framework 2, Disabled Adaptations, the draft Cabinet Report states that:

'The preferred model for disabled adaptations consists of 7 lots with a different provider in each. This includes:

- *3 lots dealing with general building works (for example, removing baths to fit a walk-in shower), each with an estimated annual value of £1 million.*
- *2 lots dealing with stair lifts/through-floor lifts, each with an estimated annual value of £1 million.*
- *1 lot dealing specifically with preventative services, with an estimated annual value of £700k.*
- *1 lot dealing with hoists, with an estimated annual value of £400k.'*

15. The Cabinet Report states that *'Given the vulnerable nature of the client group for disabled adaptations, it is envisaged that the specification and evaluation will place significant emphasis on the quality of service delivery.'*

16. The draft Cabinet Report sets out the proposed procurement timeline for Framework 2, with a contract start date of October 2017.

17. The draft Cabinet Report highlights that interim arrangements will need to be agreed, given that existing arrangements expire 2 June 2017 and the new arrangements will not be in place until 1 October 2017 for Disabled Adaptations and 1 November 2017 for Housing Repairs and Maintenance. It is proposed *'that interim arrangements are made to current providers, lasting for 5 months in respect of Housing and 4 months in respect of Disabled Adaptations.'*

18. The draft Cabinet Report states that, with regard to consultation, *'a Supplier Forum was held Monday 10th October 2016 to provide the market with an understanding of the desired outcomes, potential solutions, tender process and timescales. It was also an opportunity for the market to provide feedback to the Council on the proposed sourcing strategy. The feedback from this session can be found at **Appendix 2 of Appendix A.**'* The report goes on to states that further consultation is proposed with tenants, residents and ward members to allow them to contribute their views as part of the development of the detailed specification of services.

19. An Equalities Impact Assessment of the proposals has been completed and is attached at **Appendix 4 of Appendix A.**

20. The draft Cabinet Report contains the following Recommendations:

'It is recommended that Cabinet:

1. *Approve the commissioning strategy for Housing Repairs and Maintenance and Disabled Adaptations.*
2. *Delegate authority to the Director of Communities, Housing and Customer Service, in consultation with the portfolio member for Health, Housing and Wellbeing and the section 151 Officer and County Solicitor, to deal with all aspects of the procurement relating to Housing Repairs and Maintenance and Disabled Adaptations, including setting the contract evaluation criteria and the award of contracts.*
3. *Delegate authority to the Director of Communities, Housing and Customer Service to make the interim contractual arrangements necessary for the continuation of service until the new contracts are in place.*
4. *Note that recommissioning of Non-Domestic services will be taken forward as a second phase and will be the subject of a separate cabinet report.'*

21. The Financial Implications section highlights that the expenditure under the proposed framework would be significant, must accord with the Council's landlord responsibilities and external grant conditions and that proper systems should be put in place to monitor and review performance. The procurement process *'should ensure that the outcomes required are met having regard to affordability in order to ensure value for money from limited resources available for works, and pressures on these budgets currently being experienced. Any works proposed as part of these procurements should be clearly linked to asset management plans and be based on systems in place which accurately record the condition of assets.'*
22. The Legal Implications section details that Appendix 5 which contains the legal advice, which is exempt from publication as is Appendix 6, which covers the response to the legal implications. These will be dealt with in closed session at the meeting.
23. The HR Implications section states that there are no HR implications as the report does not affect employees of the Council.

Way Forward

24. The item will be in two parts; an open session, where Members will be able to ask questions on the information in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to Appendices 5 and 6 of the Cabinet report attached at **Appendix A**.
25. Councillor Susan Elsmore, (Cabinet Member, Health, Housing and Wellbeing) will be invited to make a statement. Jane Thomas (Assistant Director of Communities and Housing) and Sue Bartlett (Operational Manager) will also be in attendance to answer Members' questions.

Legal Implications

26. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

27. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- a. consider the information in the report, appendices and provided at the meeting;
- b. decide whether they would like to make any comments to the Cabinet on this matter; and
- c. decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE
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27 October 2016