



APPENDIX A

Building Maintenance Framework Voids Management Issues



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Working for Cardiff, working together



Background

New Building Maintenance Framework was put in place for Council residential properties from 2 January 2018

Contracts cover Responsive, Voids and Planned Maintenance

The city was split into three areas with a different contractor appointed to each area.

The divide is as follows:

Cardiff West	R&M Williams Ltd.
Cardiff North	Wates Construction Ltd.
Cardiff South	LCB Construction Ltd.



The intention for this contract design

- To create a competitive environment between the three contractors to encourage continuous improvement
- Ensuring the service would not be solely reliant on one contractor to avoid difficulties faced in the previous contract
- Contract gives the ability to apply performance deductions where a contractor is not meeting the required performance level.
- For the first three months of the contract, no performance deductions were applied to allow the contractor time to mobilise their workforce or 'gear up'.



Void Management Issues

The withdrawing contractor Ian Williams left a backlog of voids having geared down as soon as they were aware that they did not have the contract.

All three new contractors experienced difficulties in delivering void works within the given timescales. A number of reasons were given for this including

- Resource issues
- Large workloads
- The performance deductions were impacting on the financial viability of the contract during this difficult period.

The service tried to support the contractors by allowing temporary extensions of times on void properties and not to applying performance deductions until 1st November 2018. This was intended to allow the contractor to focus on and address the issues that they were facing.



Cardiff West – Withdrawal of Contractor

In July 2018, R&M Williams refused to take any further void works temporarily for a period of 3 weeks. They cited their large workload as the reason for this.

On 1st August 2018, R&M Williams provided formal notice to quit the Building Maintenance Framework with a contract end date of 30th September 2018. The reason given was that they had incorrectly set their rates which meant that the contract was financially unviable.

As part of the tender process to assess the bids, the service assessed 'shopping baskets' of services using the tendered rates. This process did not identify any areas for concern and did not suggest that R&M Williams had under-priced the contract.



Contingency Arrangements

Strategic meetings are taking place to ensure a smooth handover.

Responsive Repairs – the service currently carries out 90% of responsive works “in house”. One of the remaining contractors (LCB) have agreed to assist with these works. While there may be some delays on routine responsive repairs in the short term, this is not considered a major issue.

Planned Works – The remaining contractors will pick up small scale planned works for the West. Large scale works are tendered to get best value.

Void Properties – One contractor (LCB) has agreed to take on some voids in the West and are currently working on 8 family homes. Currently no void works are delivered “in house”.

The most significant issue will be completing the void works to empty properties.



Next Steps

New Contract for Voids

A tender will be issued shortly for a new contract for void works only. It is anticipated that the new contractor to be appointed by April 2019, however further time will then be required for the successful contractor to 'gear up'.

The contract will cover the whole of Cardiff and will allow for a cascade - so that another suitable contractor can be appointed if required without tendering again.

Building on the internal workforce

New "in house" Voids Team is being developed to deliver some void properties. This team will start at a moderate level at first with the option to build this capacity further in the future.

Calon TA - Some properties will be passed to the Council's temporary accommodation provider, on condition that they carry out the void works. Funding will be provided for this work at normal rates.



Backlog of Voids

Backlog in the West

A backlog of void properties that require works in the West area has accumulated. Currently, there are around 45 properties in this backlog.

Void performance

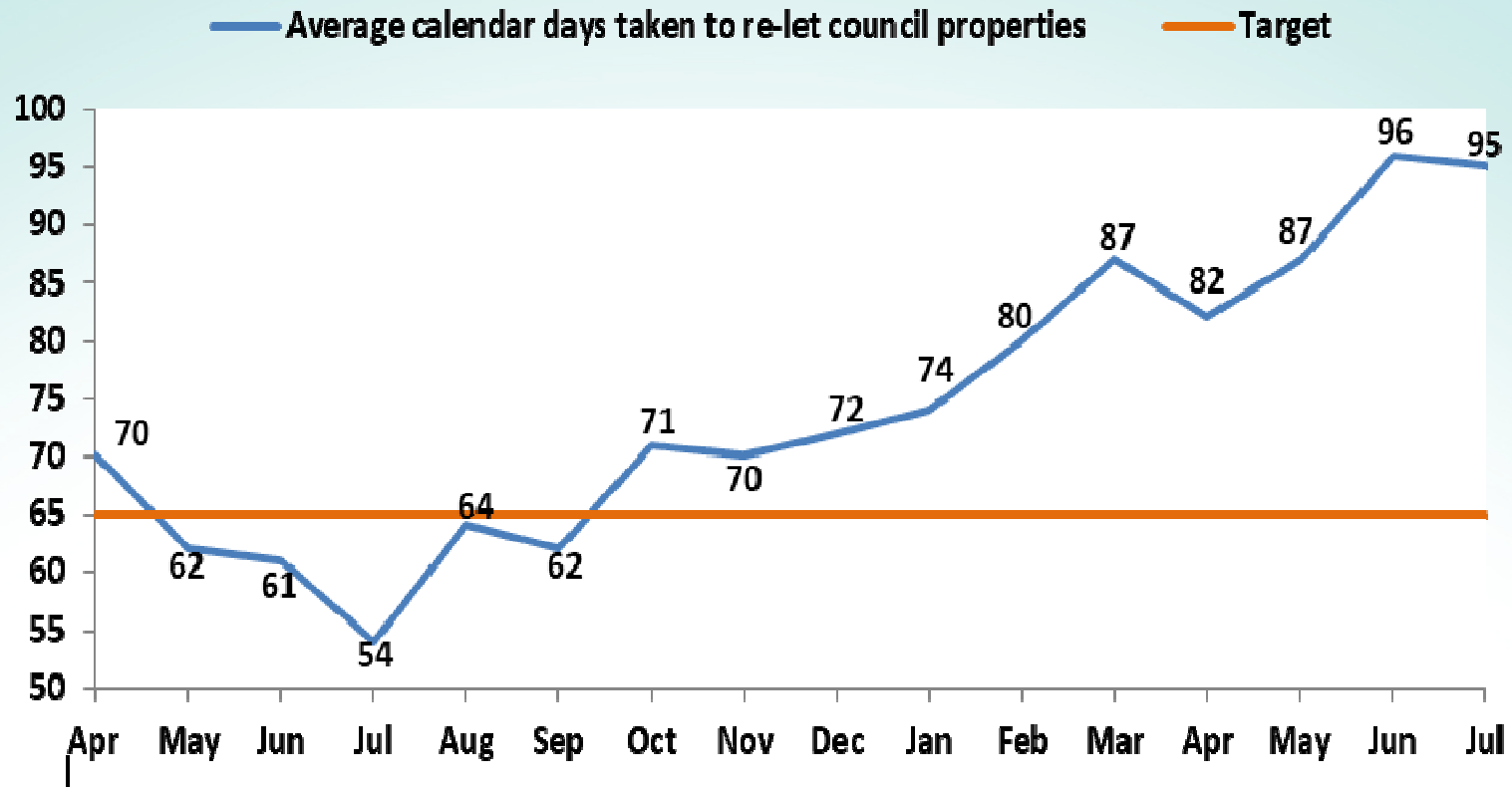
The most recent core data shows that void timescales have increased to 95 days in July 2018. Given the current issues, void turnaround times are likely to increase further.

Impact on budgets

It is predicted that there will be an under-spend for 2018/19 due to the backlog of voids. Rent loss figures will mirror the void turnaround times.



Voids Performance



Other Actions

Despite the measures being taken as outlined above it is forecasted that in April 2019 the backlog of void properties could be in excess of 100, therefore other actions are being explored to address the issue.

Other actions being explored

- Using the contractor appointed under the Disabled Adaptations Framework
- Reducing the level of works carried out before letting
- Increasing the incentives for tenants to carry out works themselves

Further options will continue to be explored.

