

Report to: Cabinet
Date of Meeting: 5 June 2019
Public Document: Yes
Exemption: None
Review date for release: None



Agenda item: To be completed by Democratic Services.

Subject: **Exemption from Contract Standing Orders for temporary arrangements to ensure the ongoing maintenance of Council Homes.**

Purpose of report: This report is written to seek Cabinet's approval to an exemption to Standing Orders in order to ensure continuity of repairs and maintenance to the Council's housing stock during a period of demobilisation of the current contract for day to day repairs and work to void properties. The temporary arrangements that are required are for a period of approximately 4 weeks as part of mobilisation of the new Integrated Asset Management Contract.

Recommendation: **That Cabinet approve the Exemption from Contract Standing Orders to ensure continuity of service to Council tenants and the protection of the Councils housing stock in relation to day to day repairs and void management.**

Reason for recommendation: An exemption from standing orders is appropriate in the circumstances.

Officer: Amy Gilbert-Jeans. Acting Housing Service Lead
agilbert@eastdevon.gov.uk

Financial implications: The amount highlighted in the report can be met from the existing budget approved.

Legal implications: As the EU procurement threshold has not been reached, Cabinet are permitted to grant an exemption from contract standing orders under Rule 3.1 of Contract Standing Orders. The logic and rationale for seeking the exemption here appears sound and so an exemption can be validly granted. There are no other legal implications requiring comment.

Equalities impact: Low Impact
.

Risk: High Risk
A full risk assessment has been carried out as part of the award of the new Integrated Asset Management Contract. A key risk revolves around our ability to maintain tenant's homes during demobilisation of the current contract for day to day repairs and work to void property. The potential lack of labour has been recognised as a significant risk at this stage of the project. As mitigation officers have been discussing this exact scenario with Ian Williams Ltd and have agreed a short term contract to cover this risk period ahead of the main contract commencing with them.

Guidance is being sought from Communications around reputational risk and how best to ensure tenants/stakeholders are aware of the need for us to evoke this temporary arrangement. We will need to ensure clear, consistent information is provided and we will consider carefully how this is done.

Links to background information:

- <https://democracy.eastdevon.gov.uk/Data/Cabinet/20180905/Agenda/050918combinedcabinetagendaPublic.pdf>

Link to

Encouraging communities to be outstanding

Council Plan:

Reasons for an interim repairs and maintenance arrangement and exemption from Standing Orders.

1. Mobilisation work is currently underway to deliver our new Integrated Asset Management Contract. This contract will capture all responsive repairs, works to void properties, servicing schedules and a number of additional work streams to ensure maintenance and management of the Council's housing stock over the next ten plus years.
2. Due to the high value of the contract, this has been through a full EU procurement process and a Partnering Contract is ready to be entered into with Ian Williams Limited for a period of 10 years (plus 5 years) which commences on the 1st July 2019.
3. Mobilisation work has been underway for the past 6 months and we have been liaising closely with our incumbent contractors to ensure day to day business continues until the new contract commences. As part of the demobilisation of the two contractors currently contracted to undertake this work we are now liaising on a daily basis to keep constant track of labour levels and work in progress. We are also beginning to understand capacity with regards to what works orders they will not be able to take on, and work that they will not be able to complete prior to July 1st.
4. Our risk register highlighted a number of risks at this stage of the process, including the loss of labour that often comes as a result of the transfer of undertakings (TUPE) process.
5. We have had some ongoing concerns that one of the contractors in particular has been struggling to meet our service demand already, which we recognised through a build-up of outstanding orders, and we now feel this has the potential to put tenants at risk as well as have a reputational impact on EDDC.
6. We also need to be prepared for increasing customer demand at any time due to unforeseen circumstances. We must be reasonable with current contractors in relation to the point where they will no longer be able guarantee the completion of works prior to the end of the contract, for example a high demand in the final week of June will have the potential to cause significant disruption to tenants.
7. As part of managing the risks this situation presents, we have entered into discussion with Ian Williams Ltd about some additional support that can be provided in order to get us through the few weeks transition period before the new contract starts. This will include the provision of 4 operatives for two weeks (3 multi-trades and an electrician). The total value agreed with Ian Williams Ltd to cover this work is £28,428.82. It should be noted that Housing Revenue Account budget is already in place to cover responsive repairs and work to bring void property up to standard for re-letting.

8. We are continuing to work with incumbent contractors to understand any build-up of works in progress and discussions are continuing around what they are realistically able to complete prior to the 1st July. As a large proportion of the works is demand led by residents it is impossible to predict the exact level of demand over the coming few weeks prior to the 1st July, therefore setting up this temporary arrangement will give us certainty and ensure continuity of service, and limit any disruption to residents.
9. It is recommended that we agree this arrangement in order to allow the Property and Asset Manager to utilise this resource as and when required over the course of the next few weeks. This may or may not need to include the provision of out of hour's emergency cover. Setting up this temporary provision will mean immediate availability of resources for us to utilise to ensure a streamlined transition between the current repairs contract and the new Integrated Asset Management contract.
10. Under contract standing orders, a contract value of this level would normally require quotations to be obtained from three suppliers in accordance with a written tender. However, with Ian Williams taking over the contract on 1st July and being geared to take on the work and having been through rigorous due diligence for the main repairs contract, it is considered that they are best placed to handle this additional work in the short term, should it arise, and therefore the contract should be awarded to them and it is not therefore appropriate to follow contract standing orders in this instance.