

CABINET - THURSDAY, 10 AUGUST 2023

Report of the Director Housing and Wellbeing Lead Member: Executive Member for Public and Private Sector Housing

Part A

PROCUREMENT OF A VOID REPAIRS CONTRACTOR

Purpose of Report

To seek Cabinet approval to procure a contractor to undertake void repairs and associated works, and to request that Cabinet recommend to Council an increase in the Housing Revenue Account (HRA) annual budget of £858.1k to fund both the estimated cost of the works delivered through the contract, and the officer resource needed to support the effective management of the contract and void repairs generally.

The value of the contract is estimated at over £500k therefore under the Council's procurement rules Cabinet approval for the procurement is necessary.

The £858.1k is an addition to the annual budget, therefore Cabinet, and subsequently Council approval is necessary.

Recommendations

1. That the Director of Housing and Wellbeing be authorised to commence a procurement exercise, identify a suitable framework, and subsequently award a contract for the delivery of void repairs and associated works for a period of up to four years.
2. That it be recommended to Council the HRA revenue budgets be increased by £858.1k on an ongoing basis to fund the estimated cost of the works delivered through the void repairs contract and the officer resource needed to support the effective management contract and void repairs generally.

Reasons

1. To support clearance of a backlog of voids and re-let properties faster.
2. To provide sufficient budget to meet the estimated cost of works delivered through the void repairs contract, and to provide an appropriate level of resource to support effective contract management and clearance of a backlog of voids and re-let properties faster.

Policy Justification and Previous Decisions

Implementation of the recommendation will provide capacity to support compliance with the 5 consumer standards set out by the Regulator of Social Housing, including specifically the *Home Standard - quality of accommodation and repairs and maintenance*, which sets out a specific expectation that:

Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The approach should include: responsive and cyclical repairs, planned and capital work, work on empty properties, and adaptations.

Achievement of the following void loss KPIs set out in the Council’s Corporate Business Plan 2023-24 will be supported:

- *Percentage rent loss from void properties (Proxy Target) Age restricted properties.*
- *Percentage rent loss from void properties (Proxy Target) Non age restricted properties.*

Implementation Timetable including Future Decisions

Subject to Cabinet approval procurement will take place in quarter 2 of 2023/2024.

Report Implications

Financial Implications

The estimated maximum value of the contract is £700k per annum. The cost of the works will predominantly be revenue. Any relevant capital works identified in the course of works will be charged to the voids capital budget.

The costs of additional staffing resource necessary to manage the contract and support the effective management of voids generally is £158.1k.

The total estimated total cost of £858.1k can be met from the Housing Revenue Account Financing fund which currently contains £16.7 million.

The expected rental income arising from a reduction in void times is expected to offset the maximum value of the works and management costs.

Risk Management

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Failure to follow the Council’s Procedures leading to a breach of procurement legislation and not obtaining best value.	Likely (3)	Serious (3)	Moderate (9)	Procurement via framework Procurement advice obtained through STAR if necessary.
Insufficient internal	Likely	Serious	Moderate	Additional contract

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
resources to manage the resulting contract leading to the expected benefits not being realised and loss of income.	(3)	(3)	(9)	management capacity to be put in the establishment and recruited to.

Equality and Diversity

No specific implications identified.

Climate Change and Carbon Impact

Where necessary loft insulation and topped up at void improving thermal insulation.

Crime and Disorder

None identified.

Wards Affected

All wards.

Publicity Arrangements

Not applicable.

Consultations

Not applicable.

Links to the Corporate Strategy

Caring for the Environment	Yes
Healthy Communities	Yes
A Thriving Economy	No
Your Council	No

Key Decision: Yes

Date included on Forward Plan: 12/07/2023

Background Papers: Scrutiny Commission - 12th December 2022 - Void Property Information

Officer to contact: Peter Oliver

Director Housing and Wellbeing
Tel: 01509 634952
peter.oliver@charnwood.gov.uk

Part B

1. Background

On 20th June 23 there were 132 general needs voids in routine repair. Whilst in-house capacity has been increased, it is unlikely the current backlog of voids will be cleared without a significant additional increase in targeted capacity.

An additional contractor therefore needs to be procured.

2. Procurement Route

It is expected the majority of the works delivered will be on standard voids (i.e., voids requiring less work) however it is intended the resulting contract will be flexible in this respect.

It is expected that procurement will be via framework. Depending on the framework rules a direct award to an appropriate supplier may be made, or alternatively a further mini-competition may be undertaken to refine pricing and / or quality statements.

The advantages of framework procurement are as follows:

- Compliance with procurement legislation - framework providers go out to the market, conducting legally compliant procurement processes on behalf of their members.
- Economies of scale - through the framework buying power.
- Speed - a contract can be put in place within an appropriate timescale
- Contract management support - the Council will benefit from the framework's established contract and supply chain management processes.

3. Contract and Void Management Resources

An appropriate level of staffing resource is needed to manage the resulting additional contract and to support the wider management of voids.

Subject to Cabinet and Council approval of the necessary budget increase, and an appropriate organisational change and recruitment process, the staffing resources will be put into place.