



Executive Director/Director Non-Key Executive Decision Report

Author/Lead Officer of Report: Jason Peck –
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Report to: *Executive Director of Place*

Date of Decision: *17/01/22*

Subject: SCC Repairs and Maintenance General Build
Short Term Measured Term Contracts

Which Executive Member Portfolio does this relate to?
Housing, Roads and Waste Management

Which Scrutiny and Policy Development Committee does this relate to? Overview and
Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? 1023

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the
report and/or appendices and complete below:-

*“The (**report/appendix**) is not for publication because it contains exempt information
under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local
Government Act 1972 (as amended).”*

Purpose of Report:

The purpose of the report is to seek authority for the Council to procure a number
of short-term contracts to address backlog maintenance issues within the Housing
Repairs and Maintenance Service

Recommendations:

It is recommended that the Executive Director of Place:

- 1) Authorises spend up to £1,214,148 to be funded in line with the approved Housing Revenue Account (HRA) repairs budget.
- 2) Approves the procurement outlined in this report to enable the Housing Repairs & Maintenance Service to directly appoint:
 - Up to 2 x Roofing Repairs Contractors
 - Up to 2 x General Build Contractors to work on Void Properties.
 - Up to 2 x General Build Contractors to work on Housing General Repairs.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Karen Jones</i>
		Legal: <i>Gemma Day</i>
		Equalities: <i>Annemarie Johnston</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	Lead Officer Name: <i>Jason Peck</i>	Job Title: <i>Contract Manager</i>
	Date: <i>05/01/22</i>	

1. PROPOSAL

- 1.1 This report details the proposal to procure up to 2 Roofing Repairs Contractors and up to 4 General Build contractors on short term contracts to address maintenance back log issues on social housing stock. The contracts will be for a short period of up to 5 months commencing January/February 2022.
- 1.2 The Contractors will be engaged to undertake repairs and maintenance works to social housing stock to reduce the current level of outstanding work to a point where it can be effectively managed by its in-house workforce alongside a newly procured, longer term portfolio of sub-contractors.
- 1.3 Given the anticipated value of proposed contract arrangements the Council is required by Law and under its own Contracts Standing Orders to procure this supply chain in a fully compliant manner. Full details of the routes to market that have been considered are detailed within the report below.

Background

- 1.4 The Council insourced its Repairs and Maintenance Service from Kier on 1st April 2017. This means the Council assumed repairs accountability for housing stock.
- 1.5 To meet this responsibility Transport and Facilities Management (T&FM) had to engage a flexible and sustainable supply chain to help support the in-house delivery of multiple types of repairs and enhancements to properties, thereby ensuring compliance with numerous areas of legislation, keeping building users safe and future proofing the estate.
- 1.6 For works at height and roofing repairs two number measured term contracts were awarded to Maldens and Hi-Point. For general repairs and void property works three number measured term contracts were awarded to Burngreave Building, Parsons Contraction, and YGI Ltd.
- 1.7 Procurement of future contracts to replace this suite, has been delayed in part due to a combination of factors, namely lack of commercial resource within the T&FM service to deliver alongside Capital Delivery Service (CDS), but also the COVID-19 pandemic. Considering these issues, it was decided to extend the current contracts via waiver until 31/03/22.

Current Position

- 1.8 During the lockdown implemented by Central Government from March 2020 the Councils Housing and Repairs Service (HRM) were only able to undertake emergency works on council housing properties. Since the return to work in January 2021 the service has made significant in-roads into the backlog maintenance issues, but more work is required urgently to further reduce

these levels to an acceptable level.

- 1.9 Analysis of data on the outstanding works has identified 3 main categories of work that need addressing

Void Properties - Current number of void properties is **479**.

Works at Height/Roof Repairs – Current backlog **2,275**. 90% pitched 10% flat roof.

General Repairs – Multi-Trade works outstand jobs **5469** listed below.

Planned, HT,WH,DR	Nr
Asbestos	25
Blacksmith	129
Bricklayer	298
Clean & Clear	1
Daywork	475
Electrical	13
Glazer	13
Inspection	57
Joiner	601
Multi-trade	2876
Painting	65
Plastering	210
Plastering/ Concrete	4
Plumbing	159
Tarmac	124
Disrepair Order	419
Totals	5469

- 1.10 Approaches have been made to our current contractors to gauge their ability to undertake more work to address the backlog. The current contractor base has indicated they can take on a small amount of extra work, but not sufficient to make the in-roads required. Actual numbers are the subject of ongoing negotiation.
- 1.11 The above dictates the necessity to look outside our regular supply chain arrangements to meet the demands of managing the backlog workload.

Proposal

Financial - Contract Values

- 1.12 The forecasted spend is £1,214,148 total over a maximum 5-month period.
- 1.13 There is pressure on the 22/23 repairs and maintenance budget and this expenditure proposal will have to be contained within the overall HRA and as such may require further efficiency savings to be made.
- 1.14 Detailed Anticipated spend below.

Workstream	Total Spend
Roof Repairs	£391,248
Housing Repairs	£198,900
Voids	£624,000
Total	£1,214,148

- 1.15 The overall budget from the Housing Revenue Account and General Fund was approved by the Leader in May 2021 for 5 General Build Measured Term contracts for T&FM. It is considered that the delegation within that report is sufficient for the Executive Director of Place to provide approval to spend some of the original budget in the way proposed within this report to achieve the original aims. The original decision to utilise the existing 5 Measured Term Contracts and procure new longer-term contracts will remain unaffected by this proposal.

Details on calculation of projected spend

- 1.16 **Roof Repairs.** The intention is to engage 2 x contractors to undertake roof repairs. Each contractor will have a target of completing 30 jobs a week for a period of 13 weeks, giving a total of 390.

The value calculation below is based on current average cost for roof repairs using existing contractors. An inflationary factor of 20% has been applied to average cost, this figure is based on recent procurements within the repairs and maintenance sector which is currently subject to inflationary pressures caused by several factors including materials and labour shortages.

		Nr	Average Rate	Total
Pitched roofs	80%	312	£ 252.00	£ 78,624.00
Flat roofs	20%	78	£ 1,500.00	£ 117,000.00
		390	Per Contractor	£ 195,624.00

Total £391,248

- 1.17 **Housing Repairs** – this would be multi-trade type works within a council house. The intention would be to batch up an agreed number of properties within a specific area of Sheffield to enable the works to be carried out as efficiently as possible. Estimated value – Based on 15 jobs per week being completed x 13 weeks gives – 195 jobs at average £510– £99,450.00 per contractor. An inflationary factor of 20% has been applied to average cost this is based on recent procurements within the repairs and maintenance sector which is currently subject to inflationary pressures caused by several factors including materials and labour shortages. **Total £198,900**
- 1.18 Void properties – general building works within empty dwellings – The proposal is to engage 2 x contractors with a target of completing 4nr properties per week x 13 weeks gives – 52 jobs at average £6,000 (Cost based on quote received in a recent procurement exercise) –£312,000.00 per contractor. **Total £624,000**

Procurement

- 1.19 Contractors will be appointed via the Efficiency North Framework. This Framework offers a legally compliant route to market and satisfies the requirements of the Public Contract regulations 2015. An advantage of using the framework is that it offers immediate access to a set of pre-qualified Contractors. Contractors on the Efficiency North framework are ranked in order of Best Value. Contractors will be approached in ranking order to ensure the Council receives best value from the Framework.
- 1.20 Alternatives to the Efficiency North route would be to compete the requirements as follows.
- i. Competed via OJEU compliant public sector General Build Frameworks. The timescales involved in undertaking a competitive tender preclude this as an option. The Service are looking to appoint contractors to commence work in January/February 2022 to reduce the level backlog maintenance issues as quickly as possible.
 - ii. Open or restricted competitive tender openly advertised on YORtender and Find a Tender Service.
- 1.21 Whilst the above approaches offer benefits such as maximising potential market interest (open advert) and streamlining the procurement programme (framework) both approaches do not support the key principle of maximising the likelihood of success for Sheffield SMEs.
- 2. HOW DOES THIS DECISION CONTRIBUTE?**
- 2.1 Strong economy – the contracts will help create jobs for Small Local Medium Enterprises. Local Economic Impact will be assessed as part of the total Social Value offering in line with the Councils award winning Ethical Procurement Policy.

2.2 Better health and wellbeing

High quality repairs and improvements works will contribute to health and wellbeing of council house residents by ensuring homes are safe, dry and warm.

2.3 Thriving neighbourhoods and communities

In delivering good value and quality building works, these contracts will contribute towards thriving neighbourhoods and communities as properties are improved and maintained to the Decent Homes Standard.

2.4 Tackling inequalities

The Council's Repairs and Maintenance Service is available to all tenants. Overall, there are no significant differential, positive or negative, equality impacts from this proposal. It will ensure that we keep council homes to the required level of decency and therefore contributing to the health and wellbeing of council home residents by ensuring homes are safe, dry and warm. There should be a low positive impact on employment of Sheffield people.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 No external consultation is required / has taken place as the proposed procurement is for the provision of general building works to support the internal Repairs and Maintenance service.

3.2 Previous external consultation has taken place with tenants' representatives (TARA's) to determine best value products under the Decent Homes Programme which these contracts will ultimately support.

3.3 This report has been jointly developed in consultation with relevant stakeholders in the Repairs and Maintenance Service Housing, Legal Services and Financial & Commercial Services.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 Overall, there are no significant differential, positive or negative, equality impacts from this proposal. It will also ensure that we keep council homes to the required level of decency. There should be a low positive impact on employment of Sheffield people.

4.2 Financial and Commercial Implications

4.2.1 Expenditure of up to £1,214,148 is required to be funded in line with the approved Housing Revenue Account repairs budgets. There is a pressure on the 22/23 repairs and maintenance budget and this expenditure proposal will have to be contained within the overall HRA and as such may require further efficiencies /savings to be made.

4.2.2 Sheffield City Council is committed to ensuring a high standard of ethical practice across its supply chain.

The Council expects all internal staff, partners, and suppliers to work to these augmented standards which assure we will:

- Trade with those who comply with an Ethical Code of Conduct
- Exclude suppliers committing acts of Grave Misconduct
- Improve Social Outcomes for the citizens of Sheffield
- Increase the power of procurement and its local economic impact.

4.3 Legal Implications

4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do if the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

4.3.2 Use of the Efficiency North framework will ensure the Council complies with the Public Contracts Regulations 2015.

4.3.3 The procurement process and any contract awards must be undertaken in accordance with all relevant provisions of the Council’s Constitution including its Contracts Standing Orders.

4.3.4 The successful contractors will be required to enter into a formal legal contract with the Council following the compliant procurement process.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Approach current contractors to take on more work. Conversations have been had with current contractors and they lack the capacity to increase their workload to a level that will significantly affect the levels of backlog maintenance.

5.2 Do nothing. The maintenance backlog issue must be addressed to ensure we are fulfilling our duty to maintain social housing stock to an acceptable level of repair and negate the reputational risk to the Council from failing in its duty in

this regard.

5.3 Council procures via an open tender procedure / framework mini competition

As previously considered open tenders and mini competitions will take too long to process. Work is required to start as soon as possible and by January 2022.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Preferred option – to procure up to 6 short term contracts via compliant frameworks to have a significant effect in reducing the current levels of backlog maintenance.