

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

7 JANUARY 2020

Title:

Housing Responsive Repairs and Voids Contract

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing & Community Safety

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: Yes

Access: Part Exempt

Note pursuant to Section 100B(5) of the Local Government Act 1972

An Annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

1. Purpose and summary

This report summarises the current position surrounding the Responsive Repairs and Voids contract following the early termination by MPS Housing Limited on 9 December 2019. The proposal is to appoint an interim alternative contractor and commence procurement for a longer-term contract. The Executive is therefore asked to agree delegated authority to Head of Housing Operations to progress the actions necessary to carry out the procurement exercises.

2 Recommendation

It is recommended that the Executive:

1. authorises the Council's Section 151 Officer to waive the Council's Contract Procurement Rules in accordance with paragraphs 9.3.1 and 9.3.3 of the CPRs in order for the Council to appoint an interim responsive repairs and voids contractor.
2. delegates authority to the Head of Housing Operations in consultation with the Portfolio Holder for Housing and the Strategic Director (s151 Officer) to:

- a) appoint consultants to provide advice and undertake such work as is required to achieve an interim contract within agreed budgets and in accordance with the Council's Contract Procedure Rules;
 - b) select and appoint an interim contractor for 12 to 24 months within agreed budgets and in accordance with the Council's Contract Procedure Rules
 - c) appoint consultants to assist with procurement for the permanent contractor, within agreed budgets and in accordance with the Council's Contract Procedure Rules; and
 - d) draw down up to £200,000 from the HRA contingency reserve to achieve these recommendations.
3. notes that officers will report performance and procurement progress to the Housing Overview and Scrutiny Committee and the Executive.

3. Reason for the recommendation

- 3.1 To provide the essential responsive repair and voids service whilst a full procurement project can be developed and implemented.

4. Background

- 4.1 On 1 April 2019 a new £23m responsive repairs and voids (standard JCT) contract with Mitie commenced following a comprehensive procurement programme. MPS Housing Limited deliver the contract on behalf of Mitie following the sale of the Mitie Group's social housing business in November 2019.
- 4.2 On 10 December 2019 the Council received notice of termination from Mitie giving 13 weeks' notice that the contract would terminate with effect from 9 March 2020. Exempt Annexe 1 includes details of events leading up to the termination.

Emergency Interim Arrangements

- 4.3 The officer team has carefully considered all options to appoint an emergency interim contractor to provide the essential responsive repair and voids service whilst a full procurement project can be developed and implemented. A full procurement to meet the required legal process will take over 12 months to complete.
- 4.4 The team has explored options to either appoint from an existing framework agreement or to make a direct award accompanied by a notice to the market advertising the intention to let a contract without opening it up to formal competition. Two of the previous tenderers have been approached, to establish estimated costs and expected service delivery standards.
- 4.5 There are provisions within the Council's Contract Procurement Rules (CPRs) and procurement legislation to serve an emergency notice to procure expediently to ensure a continuous service and ultimately the safety of tenants. Section 9 of

the CPRs states as follows, with section 9.3.3 being particularly relevant and requiring the approval for the Executive:

9. EXCEPTIONS, WAIVERS AND JOINT COMMISSIONING

9.1 The CPRs will not apply in the circumstances set out in CPRs 9.2 (Exceptions) 9.3 (Waivers), or 9.4 (Joint Commissioning) provided that the S151 Officer has given his prior approval to the exception, waiver or joint commissioning before the Contract is entered into.

Waivers –*the CPRs may be waived only in exceptional circumstances where:*

9.3.1 there is a demonstrable and justifiable need to waive or vary one or more of the CPRs on the grounds of urgency; and

9.3.2 if the estimated value of the Contract falls below the EU threshold the prior written approval of the S151 Officer has been obtained; or

9.3.3 if the estimated value of the Contract falls within the relevant EU threshold the S151 Officer has obtained the prior written approval of the Executive.

- 4.6 A 12 to 24 month interim contract would be sought to provide services whilst a full procurement exercise would be undertaken for a longer-term contract.

Future Procurement

- 4.7 An interim contract will ensure service provision while a further longer-term year contract is procured. The Housing team will review the 2018 tender documentation and complete an options appraisal for a future responsive repairs and voids contract. The findings will be shared with the Housing Overview and Scrutiny Committee and recommendations will be made to Executive.
- 4.8 The Executive is therefore asked to agree delegated authority to Head of Housing Operations to progress the actions necessary to carry out the procurement exercises.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 This report relates to the Council's vision to promote and sustain a financially sound Waverley and high quality public services.
- 5.2 The responsive repairs and voids contract is a key housing service. A comprehensive procurement exercise was undertaken during 2017/18 to deliver value for money and quality services.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

There are anticipated costs arising from entering into an interim contract with another party. These costs cover additional staffing, procurement and legal advice. The 2020/21 budget allows for £200,000 and will be payable from an HRA contingency reserve.

6.2 Risk management

A responsive repairs service is essential to meet statutory landlord responsibilities and ensure the health and safety of tenants.

6.3 Legal

The legal position is set out within the body of the report, as are the relevant procurement rules and implications.

6.4 Equality, diversity and inclusion

Equality and Diversity issues were considered in the development of the tender documentation regarding how tenants will access and receive services. This formed part of the evaluation and assessment process. This Equality Impact Assessment will be replicated in any future procurement

6.5 Climate emergency declaration

Well maintained energy efficient homes will support a reduction in CO2. Efficient appointment scheduling and route planning will reduce ad hoc journeys.

7. Consultation and engagement

7.1 The Housing Overview and Scrutiny Committee and Tenants Panel were involved in the 2018 procurement exercises. To be replicated on longer-term procurement.

8. Other options considered

8.1 Options considered are explained in section 4.

9. Governance journey

9.1 Decision with the Executive. Officers will report performance and procurement progress to the Housing Overview and Scrutiny Committee and the Executive.

Annexes:

Exempt Annexe 1 – Information regarding contract management and areas of concern regarding the contract.

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 18 December 2019

Head of Finance: 18 December 2019

Strategic Director: 18 December 2019

Portfolio Holder: 19 December 2019