

WAVERLEY BOROUGH COUNCIL

CO-PORTFOLIO HOLDER FOR HOUSING DECISION

30 NOVEMBER 2022

Title:

Approval to Award Interim Domestic Gas Heating Contract

Portfolio Holder: Cllr Paul Rivers, Co-Portfolio Holder for Housing

Head of Service: Andrew Smith, Executive Head of Housing Services

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 The purpose of this report is to recommend to the Co-Portfolio Holder for Housing that approval is given for officers to award a domestic gas heating, servicing, and maintenance contract on an interim basis.
- 1.2 The contract will be award on an interim basis for a period of 18 months with the ability to extend for a further 12 months.
- 1.3 The estimated contract value over the term is £1,305,000 (18 months) and £2,175,000 (if the extension of 12 months is included)
- 1.4 This contract will enable the Council to fulfil its statutory duty as a landlord subject to the Gas Industry and Use Regulations 1998, to manage and maintain a gas appliance(s) in the properties it owns.

2. Recommendation

- 2.1 It is recommended that Co-Portfolio Holder for Housing approves that officers can proceed to the award of the Domestic Gas Heating, Servicing and Maintenance contract.
- 2.2 The tender evaluation report is attached in Annex 1

4. Background

- 4.1 On 12th October 2022 the Council formally issued a letter of termination to Central Heating Services Ltd and its parent company, Greenview Gas, under the “no blame” clause within the TPC contract.
- 4.2 The termination gave notice that the contract would formally end on 31 January 2023 - a period just over the contractually required 90 days’ notice.
- 4.3 In the intervening period officers have been intensively contract managing the incumbent contractor to ensure that statutory requirements and service to our tenants is not negatively affected.

- 4.3 Officers have also engaged in a procurement exercise through a framework organisation to award an interim contract to manage the domestic gas heating, servicing and maintenance works for our tenants.
- 4.4 A procurement exercise was conducted and due diligence carried out and an organisation - Smith & Byford – selected as the preferred bidder.
- 4.5 To ensure adequate mobilisation and handover time, facilitate TUPE transfer arrangements and enable the contract investment costs to be agreed the incoming contractor required a signed document in order to proceed.
- 4.6 To meet the mobilisation and contract 'go live' timescales, the contract must be sealed by 30 November 2022.
- 4.7 Following discussing with Legal colleagues and review of the scheme of delegation and Contract Procurement Regulations Co-Portfolio Holder for Housing is being asked to exercise powers delegated under the Constitution to allow for the award of this contract.

5. Relationship to the Corporate Strategy and Service Plan

The report supports the Council's Corporate commitment to promote "*Good quality housing for all income levels and age groups*"

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The budget is available within the Housing Revenue Account (HRA) to cover the additional contract costs in 2022/23. The service has requested growth in the Domestic Gas Heating, Servicing and Maintenance budget for 2023/24 which will cover the cost of this contract. The budget for 2023/24 is due to go to Council in February 2023 for approval.

6.2 Risk management

Risks for the service are classified as Financial, Legal/Regulatory, Safety, Service Delivery or Reputational. The Corporate Risk Register reports, manages and mitigates risks to the HRA.

6.3 Legal

6.3.1 It is understood the procurement process was compliant with relevant legislation and the Council's contract procedure rules.

6.3.2 The Executive Co-Portfolio Holder for Housing (Operations) has delegated authority to approve all matters falling within the Housing Landlord Service and within the agreed Budget and Policy Framework and has delegated authority to make the decision.

6.4 Equality, diversity and inclusion

NA

6.5 Climate emergency declaration

NA

7. Consultation and engagement

7.1 The Co-Portfolio Holder for Housing has been updated.

7.2 All members of the Executive, the chairs of the Resources Overview & Scrutiny Committee, the Audit, and Standards & General Purposes Committees have all been briefed in advance of the report's publication.

8. Other options considered

8.1 This is a regulatory requirement and therefore the option to do nothing or delay this work is not feasible

9. Governance journey

9.1 The report has been shared with the Corporate Management Board and will go forward to the Co-Portfolio Holder for Housing for a decision.

9.2 As notice of the key decision was not placed on the Forward Plan for the requisite 28-day period, nor was it possible to call a meeting with 5 clear days' notice before the deadline to award the contract, the agreement of the Co-Portfolio Holder for Housing has been sought and obtained to call a meeting with less than 5 clear working days' notice. In addition, the agreement of the Chair of the relevant Overview and Scrutiny Committee has been sought and obtained to take the urgent key decision in accordance with Part 4.2 of the Constitution (Access to Information Procedure Rules). In addition, the Chair of the Audit Committee has also been fully briefed.

9.3 The Mayor's agreement has been sought and obtained to treat this as an urgent decision, which will not be subject to call in by the relevant overview and scrutiny committee pursuant to paragraph 11.4 (Call-in and Urgency) of the Overview and Scrutiny Procedure Rules. This is because the time it would take to allow any call in to be made and dealt with would clearly exceed the deadline to award the contract. Given this, it is considered that a delay caused by the application of the call-in process would seriously prejudice the Council's and the public's interests in this matter.

Annexes: Gas Tender Outcome Report

Background Papers

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

CONTACT OFFICER:

Name: Heather Rigg
Position: Property Services Manager

Telephone: 01483 523363
Email: heather.rigg@waverley.gov.uk

Agreed and signed off by:
Legal Services: Ian Hunt/Stephen Rix
Head of Finance: Peter Vickers
Strategic Director: Annie Righton