

Waverley Borough Council

Report to: Executive Portfolio Holder for Housing

Date: 13 June 24

Ward(s) affected: ALL

Report of Director: Community Wellbeing

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Report Status: Open

Key Decision: Yes

Award of Domestic and Commercial Heating Contract to Smith & Byford Limited

1. Executive Summary

1.1. This report outlines the request to enter into a contract for 36 months (+ 24 months) with Smith & Byford limited for the gas servicing, inspection, repairs and replacement programme for the 4277 council homes that have gas boilers.

1.2. The contract has two main work streams – heating upgrade (£2.6m capital expenditure p.a.) and boiler servicing (£700K revenue expenditure p.a.) with a total contract value of c. £3.3 million per annum, totalling c. £10m assuming a three-year term.

2. Recommendation

2.1 That the Executive Co-Portfolio Holder for Housing (Delivery) or Housing (Operations and Services) approves:

- the appointment of Smith & Byford Limited for Gas Services Inspection, testing and repairs and replacements for a term of 36 months tendered.

3. Reason(s) for Recommendation:

3.1 Waverley Borough Council have a moral and legal duty of care to keep our properties safe and compliant for our residents to live without fear of accidents that could arise from not carrying out gas services inspections, testing and repairs and replacements.

4. Exemption from publication - No

5. Purpose of Report

5.1 The current gas services contract will come to an end on 31 July 2024 and a new contractor needs to be appointed to keep the service of our LGSR/boilers current and up to date.

6. Strategic Priorities

6.1 The report supports the Council's strategic priority for *“Good quality housing for all income levels and age groups”* and aim to be *“the best Council landlord in the Southeast and to be acknowledged so by our tenants”*.

7. Background

7.1 Housing Services ensure the effective maintenance and replacement of gas heating boilers within the Council's homes. The award of a new 36 months contract will support continuity of compliance and maintain our gas servicing programme for our residents.

7.2 In October 2023 a competitive closed tender process was followed.

7.3 The tender was published on INTEND by Guildford Borough Council on the Waverley BC's behalf.

7.4 Six bidders responded:

- BSW Heating Ltd
- BTU Installation & Maintenance
- Smith & Byford Ltd
- Robert Heath Services Ltd
- Smith & Byford Ltd
- SWALE Heating Ltd

7.5 In April 2024 following an evaluation and moderation exercise, in accordance with the evaluation criteria, **Smith & Byford Ltd** were identified as the preferred bidder. Smith & Byford currently deliver the service through an interim contract.

7.6 In accordance with the Public Contracts Regulations (PCR)2015, the tender evaluations are conducted under strict criteria adhering to the principles of fairness, transparency, and non-discrimination. Tenders were evaluated against a pre-specified quality/cost award criteria on a weighted score card only.

7.7 Tenants feedback, for example from the tenant satisfaction measures, and the lessons learnt from complaints were fed into the specification and the evaluation criteria.

7.8 The Council's new customer charter standards will be incorporated into the contract during the mobilisation period.

7.9 In 2023/2024, 24 service delivery complaints about Smith & Byford were upheld. Communication was a common theme for the complaints.

7.10 The biggest category of complaint was time taken to repair. As these are upheld complaints, the investigation found that the repair was not completed within the target timescales. The most common reason for this was that multiple appointments were needed to identify the cause of the issue. This was

worsened in some cases where follow up appointments were attended without the information that was identified in the previous visit leading to duplication of work and further delays.

7.11 These issues of communication and time taken to repair have been raised with Smith & Byford at contract meetings as areas of improvement.

7.12 The access rate for the Landlord Gas Safety Inspections is 98.4%.

7.13 The interim contract did not allow for an interface between the Council's IT system and the contractor's which hindered effective contract management. An interface specification for the new contract has already been agreed with Smith & Byford and it is planned it will be in place when the contract goes live.

7.14 The interface will provide the Council with timely and accurate performance information and details of individual work orders, to assist in preventing and swiftly addressing any complaints.

8. Consultations

8.1 Section 20 Consultation applies to Leaseholders' contribution to the cost of the services in accordance with Section 20 of the Landlord and Tenant Act 1985 (amended under section 151 of the Commonhold and Leasehold Reform Act 2002).

9. Key Risks

9.1 The current contract will end on 31 July 2024 and a new contract needs mobilisation to maintain continuity of servicing to ensure legal compliance of our gas appliances.

10. Financial Implications

10.1 The 2024/25 capital budget for heating is £2.6m and £700k for revenue. These values are in the Member approved business plan for the next three years.

11. Legal Implications

11.1 Under 7.5 (a) of the Constitution, the Executive will carry out all of the Council's functions which are within the policy framework and **budget** set by the Council and are not the responsibility of any other part of the local authority, whether by law or under this Constitution, as delegated by the Leader. In particular, under Part 3 - Appendix 1 - Committee Terms of Reference, section 4.1, the Executive Co-Portfolio Holders for Housing (Delivery) and Housing (Operations and Services) have delegated authority to approve all matters falling within the Housing Landlord Service and within the agreed Budget and Policy Framework, subject to certain exceptions which don't seem to apply here.

11.2 Finance have confirmed that the heating upgrade of £2.6m and £700k for the boiler servicing on the revenue side is clearly identified in the 2024/2025 budget, which was approved by Council on 20 February 2024. Finance have further approved that these values are then in the approved business plan over the next three years. For future years after the initial three-year term, further budget would be needed.

12. Human Resource Implications

12.1 There are no additional Human Resource requirements needed.

13. Equality and Diversity

13.1 The contract has appropriate clauses to ensure tenants with Protected Characteristics have equal access to the service.

14. Climate Change/Sustainability Implications

14.1 The Council has committed to be NetZero by 2030. Climate change and sustainability considerations have been considered in the recommendations.

15. Summary of Options

15.1 No other reasonable options are currently available or viable to ensure service continues to be delivered from 1 August 2024.

16. Conclusion

16.1 It is recommended that awarding of the domestic and commercial heating contract is approved.

17. Background Papers

17.1 [SE Shared Services eSourcing Portal Tender Pack.pdf](#)

18. Appendices

Service	Sign off date
Finance / S.151 Officer	25.04.24CK
Legal / Governance	17/05/24 KL
HR	N/A
Equalities	Completed by HW
Lead Councillor	25.04.24 and 31 May 2024
Executive director	May 2024
Executive Briefing/Liaison	14 May 2024
Committee Services	

