



## Hinckley & Bosworth Borough Council

### FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

**Finance and Performance Scrutiny**      **21 May 2018**

WARDS AFFECTED: ALL WARDS

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### HOUSING CONTRACTORS REPORT

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#### 1. **PURPOSE OF REPORT**

To brief Members on the split in distribution of work between the In-house Repairs Team and Contractors in delivering repair services to the council house stock, in response to the request of a previous meeting.

#### 2. **RECOMMENDATION**

Members note the report.

#### 3. **BACKGROUND TO THE REPORT**

3.1 The council housing service is responsible for 3314 council properties and the Housing Revenue Account (HRA) holds the budget for the service. The HRA Business Plan forecasts the investment requirements for the service over the next 30 years.

3.2 The Housing Repairs and Investment Team are responsible for the repairs, maintenance and investment for the Council's housing stock. The service has five main work-streams:

- Responsive and void repairs
- Cyclic contracts
- Aids and adaptations
- Investment works
- Asset Management

#### 3.3 **Responsive Repairs and Void Work**

Responsive repairs are completed by the Council's 'In-house Repairs Team' (IRT) and to our four priorities:

- Emergency repairs within 24 hours (including Out of Hours repairs within 4 hours)
- Urgent repairs within 5 working days
- Routine repairs within 20 working days

- Programmed routine repairs 60 working days

### 3.4 **Cyclic Maintenance**

This is work of a recurrent nature that is undertaken at regular intervals, and includes:

- Annual Gas and solid fuel servicing – Each year we visit every one of our properties to service and test the gas supply and appliances or solid fuel boiler where no gas is present.
- Fire prevention checks – All sheltered schemes and communal shared areas within the housing stock are assessed on a monthly basis to ensure the correct working of fire prevention equipment.
- Painting programme - This work is to paint all external communal areas/buildings within the housing stock and is completed over a 7 year period.
- Electrical testing programme - This is to test and complete identified emergency work from the tests to ensure that the installations are in safe. This programme is completed over a 5 year period. Where a property is deemed to be in need of a complete rewire following the test, it will be completed under the planned rewire programme.

### 3.5 **Aids and Adaptations**

The Council undertakes work to enable tenants to remain independent in their homes for as long as possible. This could be by way of installing grab rails, ramps or Level access shower rooms. In extreme cases we have also extended properties.

In 2017/18 we will have:

- converted 38 bathrooms in to Level Access shower rooms
- improved the access to 16 properties for tenants with reduced mobility
- extended 1 property in Barwell giving additional ground floor bedroom a level access shower and all fully accessible
- adapted a kitchen to be accessible for wheelchair use
- fitted 3 stair lifts to properties
- fitted support aid rails to 191 properties

### 3.6 **Planned Investment Works**

These works are completed with the aim of the Council reaching and maintaining the Governments Decent Home Standard for its' housing stock. The works are completed as planned programmes, ensuring value for money by replacing components just before the end of their predicted life span. They are also completed in groups of properties requiring work of the same type and by specialist contractors. During 2017/18 we have delivered:

- 568 upgrades to electrical installations
- 151 replacement of battery smoke alarms with hard wired ones
- 121 Carbon Monoxide alarms fitted
- 48 Full rewires
- 160 boilers/heating replacements with 'A' rated boilers
- 13 solid fuel heating systems replaced with renewable technology in 'non gas' areas using Air Source Heat Pumps
- Replacement of the Communal Boiler and plant room at Mayflower Court (Sheltered scheme)
- 147 homes with new Windows/Doors

- 21 Roof replacements
- 170 Kitchen replacements
- 107 Bathrooms renewals

### 3.7 Asset Management

The Service has a team of surveyors who undertake the inspection of properties to authorise required works or dilapidation reports. In support of this we also engaged Savills plc to undertake stock condition surveys on 40% of our housing stock. In addition to this our surveyors help manage major work projects funded by the HRA, such as the remodelling of existing properties and the building of new homes.

### 4.0 **SPLIT OF WORK BETWEEN IN HOUSE REPAIRS TEAM AND CONTRACTORS**

4.1 The table below shows the breakdown of how the larger work-streams are currently distributed between contractors and the IRT and details the annual average budget for each of the types of work over the next three years.

Work type	Ave budget £	Contractor and % of spend	
		IRT	External
Responsive Repairs	1,200,000	77	23*
Void repairs	660,000	18	82
Gas servicing	379,346	0	100
Electrical testing	63,224	9	91
Asbestos Surveying	70,000	0	100
Asbestos Removal	70,000	0	100**
Window/Door Replacements	226,846	0	100
Electrical upgrades/Rewires	589,014	25	75
Boiler/Heating renewals	466,494	1	99
Roof replacements	1,029,802	0	100
Kitchen renewals	592,897	6	94
Bathroom renewals	289,288	20	80
Adaptations	385,393	1	99
External painting	130,000	100	0
<b>(As at April 2018)</b>			

**\*specialist work contracted out on an ad-hock basis such as emergency lock changes, drainage scans and unblocking, scaffolding etc.**

**\*\*Some of this is undertaken by the Council's ground-care team.**

### 4.2 Responsive repairs and voids

4.2.1 In September 2011 the council brought the responsive repairs service back in house following an unsuccessful 'Partnering' relationship with a major contractor.

4.2.2 Some of the major benefits of having an IRT for responsive repairs are;

- being able to react quickly to changing demands without contract ties and delays
- ability to reprioritise daily work patterns to cover all eventualities and emergencies
- control of both cost and quality
- continuity of workforce
- effective client/contractor relationships
- control of spend locally (Labour and Materials).

- 4.2.3 We use a 'schedule of rates' for managing the payment of responsive repairs. As the availability for profit against these rates is minimal, it makes this type of work less appealing for contractors and is therefore better suited for the IRT.
- 4.2.4 We use the same method for the payment of works in our empty properties however, as there are multiple jobs to be completed at each property to bring them up to standard, this type of work is more appealing to contractors.
- 4.2.5 We use the IRT and two small/medium sized local contractors for the delivery of works in voids as this helps in the management of peaks and troughs in workflow for the IRT.
- 4.2.6 During 2016/17 we completed 11,880 General repairs reported by tenants including repairs such as leaking taps and gutters, roof leaks, electrical faults, plastering repairs etc. We also brought 220 empty properties up to our agreed standard to get them ready for re-letting. This year we are estimating even more work will be required and completed.
- 4.3 Cyclic Maintenance**
- 4.3.1 Annual gas and solid fuel servicing - Vinshire Plumbing and Heating Ltd are contracted with us to provide a 3 star servicing and repair agreement. This means that they will undertake the annual servicing and certification of gas (and solid fuel) appliances and also undertake any repairs that are required within a fixed cost per property. As this work requires specialist skills and management teams, we can not compete with the contractor's rates who deliver this type of work as their core business. This work was procured under a local framework (Efficiency East Midlands) and expires 31/03/2020 with an option to extend for a further two years.
- 4.3.2 Fire prevention checks – The IRT visits all sheltered schemes and communal shared areas within the Housing stock on a monthly basis to check the operation of fire doors and emergency lighting to ensure that they are in good working order. They also complete any work that is identified as being required from these checks alongside any other works that is recommended from the annual Fire Risk Assessments completed for these areas. This work is delivered alongside responsive repairs and administered by the same management team.
- 4.3.3 7 Year Painting programme – Quality of work can be a real problem with painting contracts. It has been commonplace in the industry, with shorter term contracts for contractors, to cut corners with preparation of surfaces and use of primers and undercoats. This is because it is difficult to see if they have been used after the event and the Client would not know until the top coat failed long after the contractors have gone. The IRT deliver this work with a good team of painters providing quality and at comparable prices to external contractors.
- 4.3.4 5 year Electrical testing programme - This work is currently undertaken by J Tomlinson Ltd, who also deliver our planned electrical works programme. Whilst the IRT also do testing and electrical work they are not currently able to do the amount of work that is required. This may be an area considered for in-house expansion in future years. This contract is currently being retendered under the EEM framework and will next expire 31/03/2020 with an option to extend for a further year.

#### **4.4 Aids and Adaptations**

- 4.4.1 The IRT complete the smaller works such as grab rails, lever taps and door widening alongside responsive repairs and administered by the same management team.
- 4.4.2 Larger works such as the replacement of standard baths with Level access showers and external ramps are given to external contractors, who specialise in this type of work. This work will be re-tendered later this year via the Efficiency East Midlands (EEM) framework.
- 4.4.3 We have at times also had to extend properties or undertake a large amount of structural works and this work is tendered on a property by property basis.

#### 4.5 **Planned Investment works**

- 4.5.1 Electrical upgrades and renewals are currently undertaken by J Tomlinson Ltd, who also deliver our 5 year electrical testing programme. Whilst the IRT also do testing and electrical work at the same rates, they are not currently able to do the amount of work that is required. This may be an area considered for in-house expansion in future years. The contract is currently being retendered under the EEM framework and will next expire 31/03/2020 with an option to extend for a further year.
- 4.5.2 Gas boiler/heating replacements are currently completed by Vinshire Plumbing and Heating Ltd, alongside the 3\* gas and solid fuel serving contract. Undertaking all the servicing, repairs and renewals by one contractor ensures that they deliver quality workmanship, as if they do not it ends up costing them money. This contract expires 31/03/2019 with an option to extend for a further year.
- 4.5.3 Renewal of a commercial boiler in one of our sheltered schemes; and replacement of solid fuel boilers with modern technology (Air Source Heat Pump) in 'non gas' areas is undertaken by J Tomlinson via the EEM framework. This is specialist work that the IRT do not currently have the expertise to deliver. This contract expires 31/03/2020
- 4.5.4 Window/Door renewals and repairs are being completed by Onyx windows who won the tender for this work last year. This contract expires 31/03/2020 with an option to extend for a further two years.
- 4.5.5 Roof repairs and renewals are being completed by Jarvis Roofing Ltd. This work was tendered in 2017 and is due for renewal 31/03/2020 with an option to extend for a further two years.
- 4.5.6 Kitchen replacements are completed by Matthew and Tannert Ltd, who were awarded this work last year via the EEM framework.. Whilst the IRT have the capability of doing this work, there is currently limited capacity to do so. This may be an area for future expansion of the IRT if it can prove competitive on a larger scale. The current agreement is due for renewal 31/03/2020.
- 4.5.7 Most of the bathrooms renewals are being completed by Matthews and Tannert Ltd, who won this work under the EEM framework last year. A pilot was undertaken by the IRT during 2017 to compare cost/quality against contractors. This pilot proved that the IRT could complete work slightly cheaper than contractors but does not have the capacity to do the work with current resources. This may be an area for growing the IRT in future years. The current contract is due for renewal 31/03/2020.

#### 5.0 **SUMMARY**

- 5.1 It can be seen from section 4 above that the IRT is best utilised in the delivery of the work that it currently undertakes. Customer service is extremely high as are the other Key Performance Indicators that monitor service delivery.
- 5.2 There may be opportunity for the IRT to expand into more of the planned and cyclic works in the future however it does not currently have the capacity to expand into these areas and for some functions the IRT also doesn't have the specialist knowledge and skills.
- 5.3 One benefit of delivering work in-house is that the labour can be sourced locally from within the community giving local people the opportunity of employment.
- 5.4 The repairs service already works well with the local college in giving work placements for trainees and is actively working towards replacing vacant positions with apprentices rather than qualified tradespersons where the service can accommodate this.

6. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 6.1 Open session

7. FINANCIAL IMPLICATIONS (IB)

- 7.1 All contracts are let based on the Council's Financial Procedure Rules. These rules are summarised below:-

Before proceeding to raise an order/enter into a new contract for the supply of goods, works or services, the procuring officer should first ensure that there are:

- No current in-house arrangements in existence
- No current corporate contracts in place.

The following limits apply:

- Orders up to £5,000: informal prices
  - £5,001 to £20,000: two written quotations
  - £20,001 to £50,000: three written quotations on the basis of a detailed specification and the Councils' procurement officer must be consulted
  - £50,001+: a formal tendering procedure, set out in contract procedure rules must be used and the councils' procurement officer must be consulted.
- Where the council is a lead authority in procuring goods or services for a number of authorities, it is the gross value of the order that will determine the level of authorisation.

8 LEGAL IMPLICATIONS (AR)

- 8.1 None arising directly from this report.

9 CORPORATE PLAN IMPLICATIONS

- 9.1 The housing service contributes to all three Corporate Plan priorities of People, Place and Prosperity.

10 CONSULTATION

10.1 None

11 RISK IMPLICATIONS

11.1 None arising from the report.

12. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

12.1 The service does a great deal of work at both operational and strategic levels, with the Evaluation Panel, Together for Tenants and the newly formed Tenants' Repairs Working Groups. We work with tenants/residents on all aspects of the service.

13. CORPORATE IMPLICATIONS

13.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications

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Background papers: None

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