

Brighton & Hove City Council

Housing & New Homes Committee

Agenda Item 26

Subject: Engagement of Contractor Resource for the Repairs and Maintenance Service

Date of meeting: 20th September 2023

Report of: Rachel Sharpe, Executive Director - Housing Neighborhoods & Communities

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Ward(s) affected: All
For general release

1. Purpose of the report and policy context

1.1 Improving housing quality is a priority in the Council Plan, 2023 to 2027. This includes to '*complete post pandemic recovery, including reducing backlog of housing repairs and the number of empty properties*'. A further goal of the Corporate Plan is to '*optimise the local benefits and social value of our inhouse repairs and maintenance service*'.

1.2 Housing & New Homes Committee has received regular updates on the performance of the Housing Repairs & Maintenance Service, including concerning the high level of post pandemic Works in Progress which encompass both a backlog in routine repairs and jobs within time. As has been previously reported, the Service has reached pre-pandemic levels in terms of numbers of repairs being completed, customer satisfaction remains high as does the percentage of emergency repairs completed within our target of 24 hours.

1.3 The Service has also seen increased pressures owing to significantly higher levels of reported damp and condensation cases following the tragic Rochdale case where a reported death of a child was linked to exposure to mould. However, a high level of older routine repairs built up over the pandemic remain as a backlog to the detriment of our residents and service capacity to optimise the opportunities offered by the in house service moving forward. In light of this, and following analysis undertaken by the service, this report seeks approval to delegate authority to the Executive Director, Housing, Neighbourhoods & Communities to procure a specialist contractor to assist in addressing the backlog of routine repairs.

1.4 The report also seeks approval to delegate authority to procure additional contractors to the existing Contractor Framework as the Service was only able to award six of the eight lots when the initial procurement exercise was

undertaken and contractors have also subsequently left or are not bidding for work under the Framework.

2. Recommendations

- 2.1 That Housing & New Homes Committee delegate authority to the Executive Director, Housing, Neighbourhoods & Communities to procure an additional specialist contractor resource to support the Housing Repairs & Maintenance Service repairs recovery plan.
- 2.2 That Housing & New Homes Committee delegate authority to the Executive Director, Housing, Neighbourhoods & Communities to procure new and replacement contractors to the existing Contractor Framework as follows:
Lot A Empty Properties,
Lot B General Building,
Lot E Damp and Condensation,
Lot H Floor Fitting.

3. Context and background information

Post pandemic recovery, reducing backlog of housing repairs.

- 3.1 Housing & New Homes Committee have been regularly updated on the performance of the Housing Repairs & Maintenance Service:
 - During Quarter 1 2023/24, 95.1% (3084 of 3243) emergency repairs were completed within 24 hours. This was against a target of 99%.
 - Customer satisfaction remains high against all measures. For Quarter 1 2023/24 tenant satisfaction with the standard of repair work was 98% (1,754 of 1,787 telephone surveys for completed emergency and routine repairs). This was against a target of 96%.
 - During Quarter 1 2023/24 the service completed 8551 repairs (3243 of which were emergency and 5308 were routine repairs) this was against an average of 7,538 repairs (2,909 of which were emergency and 4,630 routine repairs) completed per quarter for 2022/23.
 - The Repairs Helpdesk answered 95% of calls in Quarter 1 2023/24, (15,108 of 15,925) against a target of 85%.
- 3.2 Challenges remain regarding overall number of Works in Progress with the team, remaining high, and not meeting the Corporate KPI of 70% of routine repairs being completed within 28 calendar days. As of 5th September 2023, the Housing Repairs & Maintenance Service had 11,781 Works in Progress, which will include both backlog jobs and those within time. This is a reduction from 12,036 Works in Progress reported to June Housing & New Homes Committee. However, we are yet to see significant falls in the levels of routine repairs with the service despite the high levels of repairs activity. We are currently undertaking analysis of the age and nature of these jobs to ensure accurate recording, prioritisation and action being undertaken and whether works are still required.

- 3.3 For Quarter 1, 2023/24, 42.9 % (2,279 of 5,308) routine repairs were completed within 28 calendar days. However, this performance indicator is greatly impacted by the completion of older back log jobs. When older tasks are completed, they add a higher number of days to the calculation which reduces the overall average completed against the 28-day measure.
- 3.4 As part of our analysis of day to day performance in relation to completed jobs we have removed the back logged jobs from the calculation. If we consider repairs requested since April 2023 only, for the first quarter calculation of completed jobs, we see that the Service has completed 88% (2087 of 2,369) of routine repairs jobs issued on or after 1 April 2023 within 28 days. This is above our current Corporate KPI target of 70% of routine repairs being completed within 28 calendar days.
- 3.5 This performance suggests that the current resource, both in house and contractors closely matches the demand.
- 3.6 While this is positive, it does also clarify that at the current levels of activity the Service is unlikely to make significant impact on the number of older backlogged repairs. These repairs have been triaged and analysed and we have found that generally the backlogged repairs are the low-risk repairs (risk is defined by impact on the tenants Health and Safety or damage to the property).
- 3.7 Whilst the backlogged jobs have generally been assessed as lower priority, they still impact the condition and enjoyment of a tenant's home and can contribute to greater property deterioration over time.
- 3.8 To assist clearing these backlogged repairs the Service proposes to procure an additional contractor resource to enable it to continue to complete both backlogged repairs and newly reported repairs simultaneously.
- 3.9 In order to provide this additional resource, it is proposed to procure a specialist contractor through a compliant route to assist in addressing the backlog of older routine repairs. There are a number of contractors working within social housing to supply specialist repair resource. These companies are experienced in organising, managing and completing repairs in social housing.
- 3.10 There are currently approximately 9,000 back logged routine repairs. Based on our work activity in 2022/23 the average cost per job was £154. This is a cost value and a contractor is likely to add up to 20% for profit and overhead giving an estimated cost per task of £185. Based on this we estimate that the cost of procuring a contractor to undertake these backlog repairs will be approximately £1.6m.
- 3.11 The financial risk relating to the post pandemic backlog of responsive repairs and empty property works was identified as a significant financial issue for 2022/23 and the HRA budget report set aside a total of £1.5m to ensure one-off funding was available during the year to cope with this pressure.

For 2022/23, there was a drawdown of £0.560m from the reserve, with the balance of £0.940m being carried forward to 2023/24 and budget setting assumptions were that the earmarked reserve will be required during the year to continue to fund the backlog works and the additional contractor spend in excess of typical business as usual budgets. The TBM02 report showed that this was offsetting the in-year forecast overspend across the service. However, it is now clear that the main drivers for the overspend are a result of business as usual pressures (increased material and contractor costs across the market) and also due to additional works to minimise damp and condensation last winter and the resulting remedial works.

- 3.12 We estimate that the contractor would be required to complete approximately 9000 backlog tasks. We propose to set a time-frame of no longer than 12 months to complete all tasks to clear the backlog of routine repairs. Progress will be monitored on a trade by trade basis through monthly contractor meetings and reported to the officer Housing Health & Safety Compliance Governance Board which will oversee monitoring of progress and contractor performance in reducing the backlog of routine repairs work.
- 3.13 Investment in a specialist contractor to supplement the Housing Repairs & Maintenance Service to undertake older backlog works will support optimising the benefits of an in-house service through a move away from a wholly responsive repair model to a more planned preventative model of maintaining council homes. To achieve this the service needs capacity not only complete requested repairs within a reasonable period but to be able to put in place planned maintenance schedules and to start to bridge the gap between the day to day repair service and the planned and major capital works undertaken by the Housing Investment & Asset Management Service. Planned preventative maintenance would include proactive works such as gutter clearance, servicing and maintenance of windows and upgrades to plumbing infrastructure to reduce the time and productivity loss of plumbing system drain-downs.

Supplementing the existing Contractor Framework.

- 3.14 Housing Committee 21st June 2021 approved the procurement and award of a four-year multi-contractor framework for the Housing Repairs & Maintenance Service. This Contractor Framework was divided into lots based on trade types. Following a tender exercise, contracts were awarded in October 2022 for six of the eight lots.
- 3.15 Lot E Damp & Condensation and Lot H Flooring received no compliant bids. Lots A & B did receive compliant bids but contractors on these lots have subsequently been unable to complete works on any scale and have either left the Lot or are currently not taking work from the service.
- 3.16 We have mitigated this situation through a combination of short term and limited value procurements and in the case of damp and condensation the use of waivers.

- 3.17 However the Service needs to review and supplement the Contractor Framework to move away from these short-term solutions onto a reliable and compliant framework.
- 3.18 Following the outcome of the previous procurement exercise it is proposed to review options that encourage the engagement of smaller local contractors. We will also review the tender details to ensure the work is correctly organised to appeal to contractors.
- 3.19 The Service propose to re tender Lots A Empty Properties, B General Building, E Damp and Condensation and H Floor Fitting on the existing Contractor Framework.

4. Analysis and consideration of alternative options

- 4.1 Lack of specialist contractor resource to supplement the Service and tackle the post pandemic backlog in routine repairs will result in the risk of the Housing Repairs & Maintenance Service capacity continuing to be taken up with reactive rather than proactive works as focus remains on clearing older routine repairs as well as newly arising emergency and routine jobs.
- 4.2 With regard to the existing Contractor Framework, the Service has considered continuing with the current interim arrangement of procuring contractors individually for each trade group. This is very time consuming for the Service and Procurement colleagues as it requires significant planning and administration. Re tendering within the existing agreed framework is less onerous for both the Service and the contractor while continuing to ensure value for money.

5. Community engagement and consultation

- 5.1 Housing Repairs & Maintenance Service performance is subject to regular reporting to and engagement with tenants and residents, including through Housing Area Panel meetings.

6. Conclusion

- 6.1 Delegating authority to the Executive Director, Housing, Neighbourhoods & Communities to procure a specialist contractor to assist in addressing the backlog of routine repairs will increase service capacity to tackle the repairs backlog and support with optimising the benefits of the in-house service, including moving toward a more planned preventative maintenance approach.
- 6.2 Procuring replacement contractors for the existing Contractor Framework will enable the Service to reduce reliance on remaining contract waivers and offer greater efficiency than the current arrangements for procuring sub-contractors.

7. Financial implications

7.1 The estimated costs of the additional contractor resources to tackle the backlog are estimated to be in the region of £1.6m. Given the specific nature of this resource, it would be best funded through the use of the earmarked reserve balance of £0.940m (referred to in the main body of the report) and instead covering the in-year TBM pressures across the service by funding from the direct revenue funding budget, as a result of forecast underspending across the HRA capital programme in 2023/24. Additional funding for the remaining £0.660m would need to be identified from the possible capitalisation of any eligible works and the utilisation of any in-year revenue underspends across the service or other areas of the HRA identified through the TBM process in 2024/25. The last point of call would need to be from HRA reserves.

7.2 The Contractor framework resource is business as usual budgets and spend will be managed as part of the current TBM resources for the service and any growth considered alongside the yearly budget setting process.

Name of finance officer consulted: Mike Bentley Date consulted
:16/08/23

8. Legal implications

8.1 The proposals set out in the report are compliant with the council's Contract Standing Orders and the statutory procurement regime.

Name of lawyer consulted: Liz Woodley Date consulted : 11/09/23

9. Equalities implications

9.1 The HRA budget funds services for people with a range of needs, including those related to age, vulnerability or health. All programmes and projects undertaken include full consideration of various equality issues and specifically the implications of the Equality Act. To ensure that the equality impact of proposals included in this report are fully considered, any equality impact assessments will be developed on specific areas as required.

10. Sustainability implications

10.1 Helping residents to live in well maintained, safe and healthy homes remains a key long-term objective, which is supported through our proposals in this report in relation to increasing the capacity of the Housing Repairs & Maintenance Service.

11. Other Implications

Social Value and procurement implications

11.1 Any procurement process will be undertaken in conjunction with Procurement colleagues and in accordance with the Council Contract Standing Orders, including application of relevant Social Value criteria in the evaluation of bid quality.

11.2 Through any procurement process, we will seek to secure support for local business, optimise opportunities for community wealth building, engage with local contractors and help provide employment opportunities for the city's residents. Other options to include in our procurement processes could incorporate, but are not limited to, community projects, volunteering and providing apprenticeship opportunities in the city.

