

## REPORT TO CABINET

12 December 2018

<b>Subject:</b>	Extension of Local Authority Partnering Arrangement for the Delivery of Non-Housing Property Repairs and Maintenance
<b>Presenting Cabinet Member:</b>	Cllr Steve Trow – Cabinet Member for Culture and Core Council Services
<b>Director:</b>	Director Regeneration and Growth - Amy Harhoff Executive Director Resources – Darren Carter
<b>Contribution towards Vision 2030:</b> .	
<b>Key Decision:</b>	Yes
<b>Forward Plan (28 day notice) Reference:</b> <i>(A 28 day notice of key decisions that the Cabinet is expected to take over the next three months).</i>	SMBC09/12/2018
<b>Cabinet Member Approval and Date:</b>	Cllr Steve Trow – Cabinet Member for Culture and Core Council Services 15 November 2018
<b>Director Approval:</b>	Amy Harhoff – 15 November 2018 Darren Carter – 15 November 2018
<b>Reason for Urgency:</b>	No urgency as the report was included on the Forward Plan within recommended timelines.
<b>Exempt Information Ref:</b>	N/A
<b>Ward Councillor (s) Consulted (if applicable):</b>	N/A
<b>Scrutiny Consultation Considered?</b>	N/A
<b>Contact Officer(s):</b>	Lee Constable Strategic Lead – Strategic Assets and Land Regeneration and Growth Directorate Email: lee_constable@sandwell.gov.uk

## **DECISION RECOMMENDATIONS**

### **That Cabinet:**

1. agrees to extend the current contractual arrangements for the delivery of Non-Housing property repairs and maintenance via Solihull MBC's framework for a period of 12 months to 30 March 2020;
2. subject to 1 above, the Director – Monitoring Officer, in consultation with the Director – Regeneration and Growth be authorised to enter in to and sign Service Level Agreements for access arrangement only to Solihull MBC's framework arrangements for non-housing repairs and maintenance works;
3. subject to 2 above, the Director – Monitoring Officer confirms and extends legal and contractual arrangements for accessing property repairs and maintenance works via the partnering contracts procured by Solihull MBC;
4. makes any necessary exemptions to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1, 2, 3 and 4 above to proceed;
5. agrees that the Director – Regeneration and Growth, in consultation with the Cabinet Member for Culture and Core Services and the Executive Director – Resources, undertakes a review around the service delivery of non-housing repairs and maintenance to include a relevant procurement exercise.

## **1 PURPOSE OF THE REPORT**

- 1.1 This report recommends extending the partnering arrangements via Solihull MBC framework, for the delivery of Non- Housing property repairs and maintenance for a further year whilst the council considers future delivery options.
- 1.2 The original agreement period was 4 years (3+1) from 1 April 2015. The additional option to extend for 1 year has already been exercised. The current contractual agreement with Solihull MBC to provide repairs and maintenance to non-housing property is due to end in March 2019.

- 1.3 A further review of the function delivered by the service area is on-going. The additional year extension to the contract would enable continued uninterrupted delivery of Non-Housing Property Repairs and Maintenance and specifically compliance works as part of the contract. This will then allow further extensive work to be undertaken to provide options for the future delivery of the service provision moving forward.

## **2 IMPLICATION FOR THE SANDWELL'S VISION 2030**

- 2.1 A consistent approach to the on-going repairs and maintenance of the councils Non-housing assets provides and supports the councils wider service delivery in support of the council's ambitions and the 2030 Vision.
- 2.2 Effectively maintained buildings supports community aspirations where people can take pride in their community. In addition, well maintained schools provide the right facility for our children to benefit from quality education. All of which promoting distinctive towns and neighbourhoods.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 Sandwell council engaged with Solihull MBC in 2015 to provide non - housing property repairs and maintenance works as part of the Solihull Partnership framework.
- 3.2 The original contract arrangements provided for a range of services to include contract management and back office support in addition to existing council staff and access to nominated contractors and their preferred supply chain.
- 3.3 The arrangements over the last three years have provided a higher level of confidence from our client departments regarding the actual works undertaken on site by the contracting base.
- 3.4 The partnership arrangement with Solihull MBC has improved both delivery of works and the overall customer experience. By agreeing to an additional one year extension the council will have the additional scope to consider its options and consider further opportunities to improve the delivery of non- housing repairs and maintenance.
- 3.5 To mitigate any potential risks and dependencies it is recommended that engagement is subject to a new lighter touch SLA in relation to the access only arrangement to Solihull's nominated framework contractors.

## **4 THE CURRENT POSITION**

4.1 Works are progressing to update and inform a suite of documents that will provide the relevant information for a full procurement exercise in support of future delivery options for the service.

4.2 The indicative procurement timetable is as follows:-

Specification finalised - 31 January 2019

PQQ/Tender documents finalised - 15 March 2019

Issue of OJEU Contract Notice - 20 March 2019

PQQ return deadline - 23 April 2019

Evaluation of PQQs - 10 May 2019

Issue ITT to shortlisted Tenderers - 20 May 2019

ITT return deadline - 28 June 2019

Evaluation of ITTs - 19 July 2019

Award Report Submitted (approx.) - 21 August 2019

Estimated Cabinet Approval (approx.) - 18 September 2019

Contract Award - 21 October 2019

Contract commencement - 1 April 2020

4.3 Future delivery options are being considered to take account of on-going reducing resources.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

Customer feedback continues to endorse the current contracting model. Quality and performance providing overall value for money continue to improve.

## **6 ALTERNATIVE OPTIONS**

6.1 A review around the alternative options will be undertaken and reported back in due course in support of the suggested procurement timeline.

6.2 The objective of the review will be to clearly define the ongoing management arrangements of the contract, whether the provision is through a framework approach, via more traditional procurement route etc.

6.3 Ultimately the preferred option should deliver greater efficiencies, with the focus on improving contract delivery and increasing social value for Sandwell residents.

6.4 Subject to appropriate approval, formal contracts would look to take effect from 1 April 2020.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The access and management fee to Solihull MBC has been reduced over the last 12-month period by 50% from £247k down to £124k as part of an access only arrangement to Solihull's framework contractors.
- 7.2 As part of the proposed 12-month extension Solihull have offered a further reduction of 8% which would reduce the annual fee down to £114k.
- 7.3 Current average spend via the Solihull framework is in the region of £3m per year.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Regulation 12(7) of the Public Contracts Regulations 2015 (which codifies existing case law of the European Court of Justice) provides that the Regulations do not apply to contracts between local authorities which establish or implement a cooperation between them with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common, the implementation of the cooperation is governed solely by considerations relating to the public interest and the authorities concerned perform on the open market less than 20 per cent of the activities concerned by the cooperation. It is considered that the proposed arrangement with Solihull MBC falls within this exemption.
- 8.2 Advice on the new SLA will be sought from Legal Services.

## **9 EQUALITY IMPACT ASSESSMENT**

An original equality impact assessment was undertaken as part of the original contractual documentation. There are no material changes to the contractual arrangement that would impact the previous assessment.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

All data, systems and processes have formed part of a data protection review. Most of information is held at site level, however there are a small number of records that hold personal data which have been considered as part of the council compliance with GDPR.

## **11. CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 The Corporate Risk Management Strategy (CRMS) will continue to be complied with throughout, in identifying and assessing the significant risks associated with this proposal. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.
- 11.2 A divisional risk register has been compiled and is reviewed and updated on a regular basis. The risk register is monitored by the team and based on the information provided and any risks that have been identified, arrangements are in place to manage and mitigate these effectively.
- 11.3 The following red risks have been identified and are being managed as part of the divisional risk register.
- Compliance with procurement rules – an exemption is not authorised thus current service delivery would be impacted.
- 11.4 By keeping our assets in a good state of repair helps to limit and prevent vandalism associated with crime and disorder.

## **12 SUSTAINABILITY OF PROPOSALS)**

The proposed one year extension to the current contractual arrangements provides a continued level of sustainability in the short-term. Longer-term sustainability of on-going arrangements will form part of the options considered.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 By keeping our assets in a good state of repair promotes stronger community pride in the place where people live and work. This then has a wider community benefit around health and wellbeing.
- 13.2 The new contractual arrangements would require appointed contractors to be responsive to Social, Environmental and Local Economic prospects to help the Council achieve the best outcome by enhancing more work opportunities with the borough of Sandwell. As part of tender evaluation contractors need to demonstrate how they would construct and operate their works to deliver a positive impact on the local economic, social and environmental well-being of the local area. This could include the training, upskilling, education, apprenticeship and employment opportunities for people living with the borough of Sandwell.

## 14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

The proposed extension to the current arrangement for repairs and maintenance to non-housing property assets will have positive impact of the council's asset management plan providing a consistent level of repairs and maintenance to the councils built assets.

## 15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The current contractual agreement with Solihull MBC to provide repairs and maintenance to non-residential property via their framework is due to end in March 2019.
- 15.2 This report seeks authority to extend the contract for a further one year until 30 March 2020 to enable on-going options around the future provision of this service to be fully detailed and considered.
- 15.3 Given the on-going reduction in resources across the council a different approach is required to attain greater efficiencies from our available resources whilst still providing a value for money service delivering the same level of quality to our customers.

## 16 **BACKGROUND PAPERS**

None

## 17 **APPENDICES:**

None