

Birmingham City Council

Cabinet

16 January 2024



Subject: **Contract Award for the Provision of Repairs and Maintenance Gas Servicing and Capital Investment Works Programme – Interim Contract 2024-2026**

Commissioner Review

The three strategic Housing reports before Cabinet: the Housing Revenue Account (HRA) Business Plan and Rent Setting 2024/2025, Asset Management Strategy 2024-2029, Contract Award for the Provision of Repairs & Maintenance, Gas Servicing and Capital Improvement Works Programmes – Interim Contract 2024-2026 and the confirmation of the immediate commencement of the long-term procurement of the Repairs & Maintenance contracts starting in two years' time are key integral components to both the City Housing and Corporate Improvement and Recovery Plan(s) required by the Direction and Social Housing Regulatory regime.

The approval of these strategic plans and the award of the interim repairs' arrangements will provide the necessary but alone, insufficient foundations for improvement and recovery. The delivery of the plans will require corporate and housing commitment, prioritisation and a whole council focus and approach to improvement.

The repairs and maintenance contractors' performance are a key component to driving up tenant and leaseholder satisfaction, reducing complaints, delivering H & S compliance, and contributing to the achievement of Decent Homes Standards. BCC will need to ensure that good working relationship and strong contract management arrangements are in place throughout the term of the interim contracts, and this should be subject to appropriate and regular scrutiny.

It should be noted that there are significant opportunities and challenges that must be managed arising from the immediate commencement of procurement for the longer-term repairs and maintenance contracts. Timescales for procurement of this scale are relatively short and appropriate resource and expertise must be in place immediately to ensure that BCC fully maximises the opportunities that strategic procurement can and should bring and are required to support the achievement of the ambition, commitments, and targets set out in the Asset Management Strategy. This will require early significant stakeholder engagement, expert knowledge of market factors and the application of learning from benchmarking and best practice.

It will be necessary to regularly communicate with, engage and seek tenants and leaseholders' feedback and regularly report to them on progress and performance on key performance indicators for repairs and maintenance.

Commissioners have provided detailed comments and feedback throughout drafting and these have been incorporated into the body of the report.

It is essential that BCC continue to deliver R&M and asset improvement services across the estate. The failed strategic procurement has driven the necessity to extend the existing contract for a period to allow a new R&M procurement activity to commence and successfully conclude.

The award of a contract extension is providing the opportunity to re-negotiate the contracts to improve and re-focus R&M delivery which the paper clearly lays out. This is positive for BCC HRA.

As stated in the Cabinet submissions, these topics - Interim Contract Award, Asset Management Strategy and the BCC HRA Business Plan and Rent Setting, are interlinked and combine to deliver the HRA overall business plan. They refer to and require the strategic procurement of a new R&M HRA contract. Commissioners require the new procurement to:

Commence as soon as practically possible within the window of the extended/re-negotiated existing contract term.

Re-assess and re-design what BCC HRA R&M looks like, assess the market, develop the right RFI/RFP, correctly evaluate the responses and compliantly award. This must be done within the window this contract extension provides to allow for mobilisation of new suppliers and a smooth handover (this assumes a different model of delivery and different providers).

Ensure its approach aligns to the strategy, business outcomes, performance metrics and commercial principles of BCC.

Learn from the previous unsuccessful R&M procurement exercise. These lessons need to be articulated and reflected in the new procurement exercise.

Commissioners Support the submission of this Cabinet Paper