

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Executive Director
Place

Contact officer and telephone number:

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Agenda – Part:	KD Num: 4997
Subject: Repairs Service Materials Provision	
Wards: All	

1. EXECUTIVE SUMMARY

- 1.1 Our current contracts delivering day to day repairs and compliance contracts are due to end in April 2020 and we are insourcing the delivery of repairs by the creation of an insourced repairs service.
- 1.2 This paper identifies and recommends a contract arrangement for the provision of material, plant, tools, personal protective equipment and uniforms which will all be required for the efficient direct delivery of the repairs service.

2. RECOMMENDATIONS

- 2.1 That the Executive Director of Place approves entering into a 1-year agreement with an annual spend of £600k, for the provision of materials, plant tools, PPE and uniforms by joining the Pretium Framework.
- 2.2 That the Executive Director of Place to enter into one-year contract with Travis Perkins Group Limited for a 1-year agreement with an annual anticipated spend of £600k and a total anticipated spend of £600k. this will be funded from the HRA repairs revenue budget.

3. BACKGROUND

- 3.1 The Council owns 10,500 homes for which it carries full repairing obligations plus a further 5,000 leasehold properties for which it retains de-minimis repairing obligations (common parts, consequential damage from Council dwellings etc).
- 3.2 Enfield Repair Direct (ERD) as a part of the Housing Directorate is mobilising to directly deliver repairs and maintenance services, with a team of directly employed multi-trade staff, to the tenants and residents of the council's housing estate from the 1st April 2020. With some elements of works being taken early to assist with demobilisation of the existing contracts.
- 3.3 There will be a requirement for the provision of materials, personal protective equipment, tools, plant and uniforms to ensure a smooth and efficient service delivery.
- 3.4 The anticipated spend based on indicative annual budgets is £600k per annum. To meet ERD requirement and comply with CSO and the Councils Contract Procedure Rules (CPRs) a formal procurement process is required.
- 3.5 Materials supply in the housing maintenance sector is a mature procurement market. There are organisations who have established themselves to provide services to procure and handle all materials contracts.
- 3.6 National suppliers have invested in streamlining administration by developing ICT systems aligned to the service delivery of housing maintenance organisations.
- 3.7 There are several national groups who have offerings across the range supplies required and have suitably established supply chains to service the Councils requirements.
- 3.8 Contracts will need to allow for service to develop across a range of work streams to include future proofing for new works areas.

4. ALTERNATIVE OPTIONS CONSIDERED

Alternative options were considered including

- a) Do nothing – this is not an option as there is an ongoing repairs and maintenance obligation to maintain the housing stock borough wide. To be compliant under CSO EHR need to enter into a contract for the supply of materials plant and uniform.

b) Develop Enfield framework s/Call off contract- There is a high level of officer time in establishing and ongoing administration of these call off contracts. It is unlikely to achieve the same level of VFM and best outcomes due to the economies of scale that an established framework offers.

c) Individual contracts with multiple suppliers -High level of contract administration. It is unlikely to achieve the same level of VFM due to the economies of scale that an established framework offers.

5. REASONS FOR RECOMMENDATIONS

5.1 The value of this procurement exceeds the EU threshold and would therefore require to comply with the Public Contracts Regulation (PCR) (2016)s. This process can take between 9 and 12 months and will require extensive staff resources to prepare a full set documentation, undertake evaluation and ongoing management of the frameworks.

5.2 There are various third-party framework agreements which are suitable and available for the council to use. These frameworks have been competitively tendered and are compliant with PCR's. They are likely to demonstrate greater VFM than an Enfield individual contract could generate due to the favourable rates based on the economies of scale.

5.3 These frameworks have the added benefit of an experienced management team overseeing them, tried and tested procedures and a mature supply chain.

5.4 Frameworks solutions will provide the opportunity of introducing future service improvements as the industry continues to evolve.

5.5 Some of the benefits of using framework agreements are, reduced procurement timescales, assured supplier standards, aggregation of spend, pre-defined terms and conditions.

5.6 Established performance KPI are available.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

Completed by Atul Lad 26.11.19

6.1.2 As part of insourcing the housing repairs service there is a requirement to mobilise all the resources required to enable the successful delivery

of the repair service. The current HRA repairs budget is £4.8m annually plus £0.5m for the MOT service, the insourced services will be provided within the £5.3m budget. The budget of £5.3m has been included within the HRA business plan.

- 6.1.3 As part of the insourcing of the repairs service all costs have been identified and a budget has been created. These costs are within the £5.3m budget where all cost have been identified and a budget allocated for each line. The cost of materials and tools have been included within the budget.
- 6.1.4 This report is seeking the Executive Director of Place to approve the entering into a 1-year agreement with an annual estimated spend of £600k, for the provision of materials, plant tools, PPE and uniforms. Within the HRA £5.3m budget for repairs and maintenance there is a specific allocation for materials and tools, which covers the estimated annual spend of £600k.
- 6.1.5 Travis Perkins have been sourced through the Pretium framework. The framework is managed by an experienced team which ensures continued value for money through favourable rates achieved through economies of scale.

6.2 Legal Implications

(Legal imps provided by SM on 22.01.20 based on the version of the report circulated on 21.01.20):

- 6.2.1 Enfield Council is entitled to use the Pretium Framework provided that the framework was properly procured in accordance with the Public Contracts Regulations 2015, and the original OJEU advertisement for the Pretium Framework made specific reference to 'purchasing on behalf of Enfield Council' or similar wording.
- 6.2.2 Any award of contracts under the Pretium Framework must be carried out in accordance with the procedures set out therein and the council must be satisfied that such contract award(s) represent best value.
- 6.2.3 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. This power includes the power to enter into contracts. In addition, Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.
- 6.2.4 The Council must comply with all requirements of its Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015 ("Regulations").

6.2.5 The Council may need to enter into an Access Agreement in order to use the Pretium Framework Agreement and if so, legal advice can be sought on the terms of any such Access Agreement.

6.3 Procurement Implications

6.3.1 Procurement Implications provided by Peter Alekkou on 10th January 2020.

6.3.2 A review of known suitable materials framework agreements was undertaken by the Procurement & Commission Hub to identify available agreements to the Council, critiquing each option to narrow down those that can be considered.

6.3.3 Due diligence and approval of the Pretium (Materials Supply and Managed Services) Framework Agreement, the preferred agreement, has been undertaken by the Procurement & Commissioning Hub prior to any procurement.

6.3.4 A business case was presented to the Procurement & Commissioning Review Board on 10/09/2019 that reviewed the procurement and approved.

6.3.5 The Call-Off from the Framework must be carried out in line with the relevant framework process and via the Councils E-Tendering Portal, with all documentation retained.

6.3.6 The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

6.3.7 The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

6.4 Property Implications

No corporate property implications considered at this time

7 KEY RISKS

Identified risks for the procurement

The table below identifies the risks associated with this award, the likelihood of occurrence and the control in place to mitigate the risks:

Risk No.	Risk Identified	Risk level	Mitigation
R1	Possible risk of challenge	Low	The framework was competitively tendered' in accordance with Public Contracts Regulations 2015 (EU Regs)
R2	Pretium and /or Travis Perkins discontinue the framework due to impact of Brexit	Low	Both Pretium and Travis Perkins have agreed to contract under identical terms and conditions as per previous contract with a caveat that both parties need to give 3 months notice to terminate the contract
R3	Travis Perkins are unable to perform at the required standard on the increased turnover.	Low	Early consultation with Travis Perkins regarding additional stock levels and staffing to ensure suitable provision have already taken place.

8 INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

None at this time.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

9.1 Good Homes in Well-Connected Neighbourhoods

The service will support the wider asset management strategy and resident safety programme in delivering well maintained homes which meet the requirements of our residents, help residents stay in their home and tackle fuel poverty

9.2 Sustain Strong and Healthy Communities

Our service will give us the flexibility to tackle both individual homes and the communities in which residents live. By taking a proactive approach to responsive repairs we will be able to help tackle anti-social behaviours and give residents pride in their communities

9.3 Build our Local Economy to Create a Thriving Place

We will focus on supporting residents into work opportunities within the service and using the local supply chain to support the service

10. EQUALITIES IMPACT IMPLICATIONS

The Travis Perkins store is a newly built and fully compliant with the 2010 equalities act for access by ERD staff.

11. PERFORMANCE AND DATA IMPLICATIONS

- 11.1 A full suite of KPIs are included in the Pretium Framework this will be monitored and reviewed at the monthly contract meeting and quarterly core group meeting.
- 11.2 Performance will be monitored by a range of KPI, with rising targets linked to the aim of completing the work whenever possible on the first visit, with high levels of productivity and good customer feedback. The initial KPI are detailed in Table 3 with initial targets.

Table 3 Sample Monthly KPI report

MONTHLY MI & KPI DATA													
	TARGET	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Stock Availability	95%>						96.88%		97.44%	97.19%			
Deliveries on time	95%>												
Price Adjustments	<1%						0.00%		0.00%	0.00%			
Faulty Goods	<1%						0.00%		0.00%	0.00%			

- 11.3 Further operation data is provided with monthly and cumulative reporting sample reports are detailed in Appendix 1.

- Spend By Account
- Spend By Branch
- Spend by Ticket Type
- Count of tickets by Ticket Type
- Spend by Sub Group
- Purchases by Operative
- Credit Notes
- Top Products by Volume
- Top Products by Value
- Operative Visits

- Core %
- Invoice Data
- CSA

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1 The out-sourced model currently used leaves us vicariously liable for Health and safety of operative working on our projects. This is currently mitigated through the Contractors Health and Safety polices, driving policies, the CDM regulations, relevant insurance being in place and other measures. This is validated by LBEs Corporate Health and Safety Team undertaking regular audits of the contractor.
- 12.2 Any in-source model will mean that LBE take direct responsibility for all Health and Safety of operatives on site.
- 12.3 This will be mitigated by developing current Health and Safety approach for other directly employed operative into more specific approaches for this service. LBE will also need to ensure there is sufficient provision within our insurance policies. (delete this section if not required)

13. HR IMPLICATIONS

None at this time.

14. PUBLIC HEALTH IMPLICATIONS

Tenants living in social housing are often amongst the most vulnerable residents in the borough. Housing is a key element within wider determinants of well being, meaning that good housing is essential for good mental and physical wellbeing. We know that poor quality of housing can be a cause of significant health issues such as asthma, as well as a contributing factor in issues such as poor mental health. Nationally published literature also indicates that accidents in the home, often associated with poor housing conditions, are also contributory factors to falls among older people, injuries among children, and other accidents. In creating a service that is able to maintain excellent levels of housing maintenance in a timely manner we will contribute towards providing home environments that promote residents wellbeing.

Appendix 1

Top 50 items by product sample report

Product Type	PRODUCT				
Invoice Month	(All)				
Sum of Sales Quantity					
Product Code	Invoice Product Description	Sales Quantity Uom	Mandated Range	On CS A	Total
700113	LBC COMMONS BRICK 65MM PK390	EA	Branch Mandated	No	250
752939	SAXON PAV 450X450X35MM NATURAL	EA	Non Mandated	No	60
819012	SAXON PAV 300X300X35MM NATURAL	EA	Non Mandated	No	16
511572	BLUE CIRCLE QA MORTAR MIX 20KG	EA	Branch Mandated	No	16
519476	BLUE CIRCLE POSTCRETE 20KG	EA	Branch Mandated	Yes	12
994091	BSS PRES SLAB 400X400X50MM S/E	EA	Non Mandated	No	10
964127	HEP2O PIPE SUPPORT 15MM HX60/15W	EA	Branch Mandated	No	10
805196	SAXON PAV 600X600X35MM NATURAL	EA	Non Mandated	No	8
265418	ULTRAGRIME HUGE INDUSTRIAL WIPES PK100	EA	Branch Mandated	Yes	7