



Title	Extension of the Contract to Provide a Housing Reactive Repairs Service to Wokingham Borough Council
Purpose of the report	To make a key decision
Report status	Public report
Report author	Nick Burston, Head of Housing Property Services
Lead councillor	Cllr Ellie Emberson, Lead Councillor for Housing
Corporate priority	Inclusive Economy
Recommendations	<p>The Committee is asked:</p> <ol style="list-style-type: none">1. That the Assistant Director of Housing & Communities in consultation with the Lead Councillor for Housing, Assistant Director of Legal & Democratic Services and Director of Finance, be authorised to enter retrospectively into a further extension of the Response Housing Maintenance and Response Housing Engineering Maintenance Partnering Agreement with Wokingham Borough Council for a period of two years, expiring on 31 March 2025 and to negotiate and agree various variations to the terms and conditions as proposed by both parties as detailed in the report.

1. Executive summary

- 1.1. On the 31st March 2017 Reading Borough Council (RBC) entered into a partnering contract with Wokingham Borough Council (WBC) to deliver its repairs and maintenance work to its housing stock. Under the terms of that contract an agreed extension extended this to 31st March 2023.
- 1.2. WBC have been very happy with the service provided to date, however they are required to go through a process of market testing and possible re-tender of the contract which they are estimating will take approximately 24 months to complete.
- 1.3. As the current contract has come to an end and as they are not able to enter into a new contract at the current time, WBC have requested that RBC agree to extend the existing arrangement for a further 2 years.

2. Policy context

- 2.1. In 2011 RBC were approached by WBC to provide a Reactive Repairs service following the sudden market collapse of the contractor who originally provided their service. Due to the extremity of the situation and the need to have a service in place, RBC agreed to the provision of the service pending the negotiation of a contract which was formally put in place in September 2013, this contract was then extended and later renewed bringing us to the current date.
- 2.2. RBC's new Corporate Plan has established three themes for the years 2022/25. These themes are:

- Healthy Environment
- Thriving Communities
- Inclusive Economy

2.3. These themes are underpinned by “Our Foundations” explaining the ways we work at RBC:

- People first
- Digital transformation
- Building self-reliance
- Getting the best value
- Collaborating with others

2.4. Full details of RBC’s Corporate Plan and the projects which will deliver these priorities are published on the [Council’s website](#). These priorities and the Corporate Plan demonstrate how RBC meets its legal obligation to be efficient, effective and economical.

2.5. The Housing Repairs Service has successfully continued to provide this service since 2011 and has assisted in improving the Reactive Repairs service for WBC residents and has brought their housing stock, which had suffered from a lack of repair, up to standard.

2.6. Currently WBC are very satisfied with our performance, and this is underlined by their last star survey results which reflect a 9% upwards shift in overall satisfaction with the Repairs Service by their residents.

	Wokingham
PERFORMANCE MEASURE	Mar 22-23
% Repairs Calls Answered	91.05%
Average time to answer a call	128s
Emergency and Urgent Jobs raised as a % of all jobs raised	10.66%
% of Emergency jobs done in agreed time-frame.	100%
% of Urgent jobs completed in agreed time-frame.	66.67%
% of Routine jobs completed in agreed time-frame.	82.69%
Average days to complete an Emergency & Urgent job.	2.39%
Average days to complete a Standard job.	16.85%
Percentage of jobs which had an appointment kept.	98.24%
Percentage of jobs completed on first visit.	90.13%

2.7. The benefits to RBC of the provision of this service to WBC include:

- Reducing costs for RBC tenants by benefitting from economies of scale and sharing overhead costs.
- Putting the service on a good footing to take advantage of any new trading opportunities due to its experience in the provision of a commercial service.
- Joint learning between the authorities on tenant consultation and best practice

2.8 The Wokingham Repairs Contract runs separately to the Repair Service Reading Borough Council provides for it’s own tenants. There are staff members employed with duties specific to the Wokingham Repairs Contract. This allows for a separation to meet the needs of the Wokingham Repairs Contract whilst also providing a Repair Service for Reading Borough Council tenants.

- 2.9 The risks to RBC of entering into this extension to the contract is a possible challenge from an alternative contractor. This could result in WBC having to terminate the extension early. However due to the relatively short duration and type of work involved this is likely to be a low risk and TUPE would apply so any staff would transfer and limit any RBC costs. These risks are significantly mitigated by the fact that providing a Reactive Repairs service is core business for RBC in terms of its own stock. In addition, RBC has been successful in the provision of this service to WBC for a number of years as demonstrated by the resident satisfaction results and there is a desire from WBC to negotiate this extension.

3. The proposal

- 3.1. WBC have a requirement to market test and retender the building maintenance contract that RBC undertakes for them. WBC have stated that they are very happy with the service provided and wish to work collaboratively with RBC to undertake the market test and look at future options for how the service can be delivered either through a retender or subject to the market test and negotiated position. To allow sufficient time to undertake this exercise WBC wish to extend the existing contract for a further 2 years, our recommendation is to agree to the proposed extension of the existing contract for 24 months.
- 3.2. During the extension period the parties have proposed various areas to vary the existing terms and conditions. These areas are still to be fully finalised and authority has been requested for these to be able to be negotiated and finalised during the extension period. The areas to be negotiated are:
- 3.2.1 adoption of the NHF Schedule of Rates and annual price increase
 - 3.2.2 incorporation of all the new legislation requirements around social housing regulations, fire and building safety as far as it relates to the repairs and maintenance service being undertaken
 - 3.2.3 exploration of Northgate ICT platform integration
 - 3.2.4 adoption of any key service improvements from WBC's independent review to be carried out with tenants
 - 3.2.5 market testing for re-procurement
- 3.3. **Current Position** – The current contract came to an end on the 31st March 2023 and therefore RBC are currently working at risk out of contract.
- 3.4. **Options Proposed** –To extend the current contract on the existing terms and conditions as potentially varied as detailed above but with an uplift in costs to ensure RBC are not subsidising the work undertaken for WBC. The amount is yet to be fully negotiated.
- 3.5. **Other Options considered but not recommended -**
- 3.6. To enter into a new contract for the two-year period – this option was not offered by WBC.
- 3.7. To work with no contract in place however this offers no protection for either party and RBC would not be able to implement required price increases.
- 3.8. To withdraw the service. This would currently not be in the best interest of either party and would have TUPE implications.

4. Contribution to strategic aims

- 4.1. Although this contract is for WBC and therefore outside of the borough of Reading the two boroughs are intrinsically linked. Many of the staff that work on this contract live locally and therefore this contract is beneficial to local labour and local businesses in and around the Reading area. This fits with the Corporate Plan and its three themes of delivering a

Healthy Environment for tenants building Thriving Communities and working in an Inclusive Economy.

- 4.2. This contract also underpins “Our Foundations” in putting tenants first, looking at how RBC and WBC can better deliver services through digital transformation, meeting best value through jointly using subcontractors and material purchasing and collaborative working in areas such as tenant engagement and tenant satisfaction.

5. Environmental and climate implications

- 5.1. RBC declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. This contract is for repairs and maintenance only on WBC properties and it is therefore not directly related to RBCs climate emergency declaration. However, in using and sharing ideas across the boroughs small changes and improvements can always be achieved, this will include the use of IT and digital communication with tenants to reduce the use of paper. Ensuring that products and materials used are sustainably sourced through our stores provider. Ensuring that works are managed and allocated as efficiently as possible to reduce vehicle movements, along with the use of impressed van stock and a policy of right first time to eliminate unnecessary additional journeys.

6. Community engagement

- 6.1. As this work is related to WBC housing stock it will be for WBC to engage with its tenants on this proposal.
- 6.2. In producing this report discussions have been held with both WBC Senior Management Team and RBC’s Legal Team and Senior Housing Management Team.

7. Equality impact assessment

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An Equality Impact assessment is not required for this decision.
- 7.3. This decision will not have a differential impact on people with protected characteristics these are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (gender) or sexual orientation.

8. Other relevant considerations

- 8.1. If RBC decide not to continue to offer this service, there will be TUPE implications for the staff employed by RBC on the delivery of this contract.

9. Legal implications

- 9.1. The legal implications are:
 - Whilst RBC are a party to this contract, RBC is undertaking the role as ‘service provider’ rather than ‘purchaser’, therefore the requirement to comply with Public Contracts Regulations 2015 is the responsibility of WBC.
 - Having an extension in place offers the best protection for RBC in the absence of a new contract from WBC as it provides certainty in respect of the service to be provided by RBC and price to be paid by WBC for provision of that service.

10. Financial implications

- This proposal to extend the contract by a further 2 years is a continuation of the existing financial position of the council, therefore represents no change to the existing financial implications.
- There are budgets available for the costs of the scheme held within the DLO budgets of the council
- The key financial risks with this contract are the failure to recover all costs associated with the works undertaken, however this has not been an issue to date and mitigation processes are in place to offset this risk.

1. Value for Money (VFM)

As stated in the main body of the report, this contract offers **value for money** through shared services and additional buying power and economies of scale through the purchase of materials and subcontractor works.

2. Risk Assessment.

There are no key financial risks with this extension to the existing contract, as the costs incurred are covered by the income received.

11. Timetable for implementation

11.1. Not applicable.

12. Background papers

12.1. There are none.

Appendices – None