

Appendix B – Medium term plan

1. The table below summarises the strategy for exiting the Cablesheer contract.

Contract	Purpose	Strategy	Timeline
Cablesheer Construction Limited	Voids	<p>There have been problems with the Council's void providers since the start of the current repairs and voids contracts in August 2020.</p> <p>A Business Case is being developed to evaluate the options for the future of the voids service. This will include the option to in-source some or all of the delivery, utilising the existing 'H&F Maintenance' in-house team.</p> <p>If the Business Case recommends reprocurring any part of the voids service then this will lead to the drafting of a specific Procurement Strategy. It is likely that procurement would be via a framework mini-competition or an open tender. The timeline in the next column is therefore speculative.</p>	<p>Speculative timeline if Business Case recommends re-procurement:</p> <p>Spec finalised: July 2022 Pre-tender Governance: Aug 2022 Tender period: Sept 2022 Tender evaluation: Oct 2022 Post-tender Governance: Nov 2022 Mobilisation: Dec 2022 Go live: Jan 2023</p>

2. This contract is to provide additional capacity to assist while the service faces significant backlogs of voids and overdue repairs.
3. The key to the recovery of the service is that the two incumbent responsive repairs and voids contractors improve their performance. Recovery plans are in place that detail the actions that these contractors must take. The Annual Review of August 2021 led to contract variations and commercial uplifts for both contractors that will support their improvement journey.
4. With the Economy department, a thorough review of processes, aided by external consultants, was launched in February 2022, with a view to making improvements in how the contracts are cliented, and how repairs are raised and managed. There is a particular focus on resident communication and complaints handling. This review will also support the recovery of the service.
5. Fundamentally there is a need for greater investment in the borough's housing stock to reduce the demand for responsive repairs to sustainable levels. There is a particular need to invest in roofs, windows, kitchens and bathrooms, as well as address structural issues, damp and energy efficiency. In September 2021, Cabinet approved a Capital Strategy that lays out the planned investment over the next twelve years, totalling £700m.

6. The Cabinet paper also included a procurement strategy (see Appendix D) for delivering the first tranche of capital programmes. The Cabinet-approved procurement strategy is that the Council procures five additional contracts on the same model as the first Responsive Capital contract (won by Kier). These contracts would be flexible vehicles able to cover any form of capital work over a period of 5 years, with no guaranteed work but maximum contract values of up to £50m each.
7. Pricing will be similar to the Responsive Capital contract. Bidders will be required to submit a fixed Central Overhead and Profit % that will apply to all projects. This will be capped between 3% and 10% to prevent unsustainable bids or poor value bids. Bidders will also submit a set of generic project preliminaries (primarily related to key labour roles and to key site facility/welfare costs) that will apply to all projects. Wherever appropriate, we will seek schedule of rate discounts, but the nature of the work is such that these will rarely be appropriate (given how the projects will be large and complex, whereas schedule of rates works best for very standard, routine work). Project pricing will primarily revolve around open book tendering of sub-contractors – and each contract will give LBHF strong rights to demand and scrutinise this tendering process, building on the process in the Responsive Capital contract.
8. The Cabinet-approved procurement strategy is that the contracts will be procured via Competitive Procedure with Negotiation (CPN, on the basis that the operation of the contracts is likely to be complex and require some form of negotiation in order to secure best value.
9. The medium term strategy for securing capital investment is therefore to utilise the existing Cabinet-approved procurement strategy. This will start with ‘procurement exercise 1’ described in the procurement strategy, which is to procure two Responsive Capital contracts as two lots within one exercise. This exercise will commence in summer 2022.
10. Once the contracts are in place, they will (combined with the Kier contract) equip that the Council has three high capacity, high flexibility vehicles for delivering up to £150m of capital investment. The Asset Management team will lead work to identify programmes for these to carry out from day one of mobilisation, including a plan for the greater utilisation of the Kier contract.
11. If ever there are capital projects that are not suited to these Responsive Capital contracts, for example where there is less urgency and a greater imperative to establish Value For Money through open prime-contractor competition (as opposed to Open Book scrutiny of the contractors’ competitive sub-tendering), then bespoke open tenders will be carried out. These tenders will require individual procurement strategies to be written and approved.
12. In addition, there will be further development of the Economy department’s in-house ‘H&F Maintenance’ service (‘the DLO’) so that they can carry out more Planned Preventative Maintenance (PPM). There is scope for the DLO to carry out elements of the soil stack programme, working in parallel with a contractor and then taking over the programme entirely. The tender for a soil stack

programme contractor (described in section 10) will be designed to accommodate this growing role for the DLO. There are ongoing projects to equip the DLO to carry out windows maintenance and communal redecoration programmes in summer 2022. There remains a need for a comprehensive Business Case, roadmap and development plan for the DLO that looks to accelerate and scale up their contribution to PPM programmes.