

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 February 2022

Portfolio:	Housing
Subject:	Extension of Void Property Works and Component Improvement Package Works Contract 2019-2022
Report of:	The Deputy Chief Executive Officer
Corporate Priorities:	Providing Housing Choices

Purpose:

This report considers the extension of the existing contract for Void Property Works and Component Improvement Package Works for the Council's building portfolio for a further two years.

Executive summary:

This report provides the Executive with information on of the existing contract with Mountjoy Ltd for Void Property Works and Component Improvement Package Works and its performance. Approval is sought to extend the existing contract for a further 2 years.

Recommendation/Recommended Option:

It is recommended that the Executive agrees that the existing contract with Mountjoy Ltd be extended for a further 2 years from its existing expiry date of 30 April 2022.

Reason:

To comply with the Council's statutory duty to its tenants and to maintain the Councils assets to a good standard.

Cost of proposals:

The annual projected cost for this extension for both void works and component improvement package works is £1.370 million and £1.466 million. The elements particular to the contract have been included in the Revenue Budget and Capital Programme for the Housing Revenue Account.

Appendices: None

Background papers: None

Reference Papers:

Report to the Executive 7 February 2022 – Housing Revenue Account 2022/23

Report to the Executive 4 February 2019 – Award of Tender - Void Property Works and Component Improvement Package Works Contract 2019-2022

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Executive Briefing Paper

Date:	07 February 2022
Subject:	Extension of Void Property Works and Component Improvement Package Works Contract 2019-2022
Briefing by:	The Deputy Chief Executive Officer
Portfolio:	Housing

INTRODUCTION

1. On the 4 February 2019 the Executive awarded a contract to Mountjoy Ltd to undertake void property repair and improvement works; and component improvement package works to occupied dwellings across the borough to the Council's building portfolio for a period for 3 years with a proviso to extend for a further 2 years.
2. The option to extend the contract for a further 2 years was subject to satisfactory performance by the contractor.

CONTRACTOR PERFORMANCE

3. The contract offers a number of Key Performance Indicators designed to monitor the contractor performance in a number of key areas.
4. The primary indicator of performance for this contract and contractor is the number of void properties being handed back on time following the maintenance and improvement works. Our percentage is currently 100%.
5. Customer satisfaction is monitored by Mountjoy and detailed information is presented to the Council at progress meetings. The most recent results demonstrate that 100% of customers were satisfied with the service provided.
6. All invoices are checked for validity and quality. In the last 12 months the variance between applications for payment and agreement payment is at an acceptable level. Large variances are generally due to interpretation of the schedule of rate description which can be ambiguous. Additional schedule of rate items have been introduced over the term of the contract to reduce time spent on agreeing final accounts for both Council officers and Mountjoy's accounts department.
7. A percentage of all work completed on this contract is reviewed by Council surveyors and the level of issues identified is very low. The work is considered to be of a high standard in respect of materials and workmanship. Mountjoy also conduct Quality Checks on 100% of all voids, kitchens, bathrooms, and disabled adaptations. They

conduct checks on 10% on any reactive works. These checks are carried out to make sure all Mountjoy staff are complying with the high standards they set, as well as ensuring all the tenants' requirements have been met.

8. Complaints are recorded and investigated. In the last 12 months there have been no formal complaints recorded from the hundreds of dwellings served on this contract per annum. This results in a compliance level of 100%.
9. There have been no recorded incidents of health and safety events in the last 12 months on the existing contract. Mountjoy also conduct Health and Safety Audits on their operatives to ensure they are conducting the work in a safe and professional manner. Quality Checks has a compliance level of 100%.
10. The contractor's performance against the contractual requirements is demonstrated as being more than satisfactory therefore supporting the recommendations of this report. The contractor's performance would continue to be monitored in the same manner should the contract be extended as recommended.
11. Contract monitoring is undertaken by way of monthly progress meetings and 6 monthly strategic reviews.
12. At the monthly meetings the Council receive Mountjoy's operational report for information and scrutiny. This report provides information on operations, finance, performance and Health & Safety.
13. The strategic reviews focus on higher level matters including delivery and demand, financial projection, improvements, environmental strategy etc. These are attended by Mountjoy Directors and the Council's Head of Service. The appointed tenant representative will be invited to join this meeting following Covid restrictions being reduced.

SOCIAL VALUE

14. In October 2021 Mountjoy carried out re-decoration and some general fabric repairs to improve the hair salon facilities for Fareham Housing at Crofton Court sheltered accommodation as part of their Social Value commitment, investing & supporting the local community. All Mountjoy staff have one paid volunteering day per year and they regularly carry out community projects to support the local area. This was very much appreciated by the residents at Crofton Court.
15. Mountjoy have a good apprenticeship scheme across all roles within the company to help the succession plan.
16. Mountjoy have a work experience scheme offered to those locally in education, or who are unemployed or returning to work. Typically, these are in 1-week blocks, with targeted engagement campaigns used to promote opportunities.

FINANCIAL IMPLICATIONS

17. These works would be funded from the existing Housing Revenue Account revenue and capital budgets for Council Housing properties.
18. The total projected cost for this work over the extended two-year term will be £2.836 million.

Housing Programme	2022/23	2023/24
Improvements to Existing Stock	£1,370,000	£1,466,000
Improvements	400,000	428,000
Voids (capital and revenue)	870,000	931,000
Adaptation	100,000	107,000

19. The contract contains a formula for an annual increase in cost of the works. The contractor has agreed that this will continue to be the basis for future annual increases.
20. The market in this sector is demonstrating that building maintenance costs are increasing due to a myriad of reasons; examples of this being post -Covid demand for building contractors and tradespersons, building material costs, Brexit, etc.
21. Desktop soft market testing by comparing framework contractors' costs against tendered rates secured under this contract for similar work. This supported the recommendation of this report continues to offer value for money to the Council.

CONCLUSION

22. The Council has a statutory duty to provide decent housing for its tenants and to maintain the building portfolio assets.
23. Based on the contractor performance information detailed above, Mountjoy Ltd is considered as performing to a good standard and will continue to provide value for money to the Council.
24. Mountjoy Ltd has confirmed they will accept an extension of the contract for a further 2 years based on the existing terms of the contract.
25. In order to discharge the Council's duty, it is recommended that the existing contract with Mountjoy Ltd is extended by 2 years from its existing expiry date 30 April 2022.

Enquiries:

For further information on this report please contact Shaun Barnett. (Ext 4825)