

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 13th July 2015

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PART I **NON KEY DECISION**

ADDENDUM TO MEDIUM TERM FINANCIAL STRATEGY UPDATE

Reprocurement of major contracts.

- 5.12 The MTFs is also predicated on savings being delivered from the various major contract reprocurement exercises which are underway across the council, co-ordinated by both the Commissioning Board and the Major Contracts Reprovision Board.
- 5.13 Of the contracts, the Housing related RMI (Repairs, Maintenance and Investment), currently the 'Interserve Contract' is the most advanced and is aiming for market exposure in February 2016 with a provisional start date of November 2017. However in preparing for this exercise the Commissioning Board wishes to ensure that the council has current and accurate stock data relating to its 7,000 council homes with which to test potential bidders and it has recently come to light that the current Stock Condition Survey (SCS) was completed in 2005 and assessed about 20% of the Housing stock; however, the survey was restricted to a limited number of key building elements and did not provide meaningful financial forecasting or risk exposure. The 2005 SCS information is now outdated, inaccurate and unverified; it is in need of updating.
- 5.14 In order to provide tenants with a cost effective and efficiently managed service and to safeguard the council's 30 year HRA Business Plan, it is essential that decisions relating to overall expenditure, capital projects and general maintenance are based on accurate, current and meaningful data.
- 5.15 In addition to enabling properly informed discussion and decision making the information provided by the SCS underpins the managing and monitoring of critical elements of the service including:

- General property related Health & Safety issues
- Management of risk and liability for prosecution
- Accurate and timely budget allocation and forecasting
- Informed prioritisation of improvement expenditure
- Focused and accurately budgeted capital and major works programmes
- The long term effectiveness of the Decent Homes programme and other major projects.

5.16 A full survey of this sort will cost in excess of the £250,000 and as such standing orders require cabinet approval before procuring such a contract and while the expenditure is not inconsiderable, in the context of a long term RMI contract which could be valued in excess of £10M per annum, it is considered an essential investment to safeguard longer term investment. Unfortunately the need for the survey was not known when the annual report to cabinet listed the proposed tendering exercises, hence this request to Cabinet to endorse the proposals. The urgency is to ensure that field work is undertaken in time to inform the tendering exercise commencing in the Spring of 2016.

Recommendation

2.2 That Cabinet is requested to resolve

That following adopted procurement rules, officers seek to tender a stock condition survey of the HRA owned council homes expeditiously in order to inform the major contracts procurement exercise.