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Cambridge City Council

Community Services Scrutiny Committee

Agenda

B

Agenda despatched and placed on public deposit: 21 June 2010

Date: Thursday, 1 July 2010
Time: 1.15 pm
Venue: Committee Room 1 & 2 - Guildhall
Contact: Glenn Burgess **Direct Dial:** 01223 457169

Items shown on Agenda B will already have received approval in principle from the Executive Councillor. Before the meeting of the Scrutiny Committee begins, the Executive Councillor will be asked to approve the Records of Decision set out in Agenda B. There will be no debate on items, but members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

1 **Public Questions (See information below)**

Decision of the Executive Councillor for Art and Recreation

2 **Non-Key Decision - Project Appraisal: Works to upgrade the utility supply to Kings Hedges Learner Pool**

Officer Contact: Head of Active Communities, Debbie Kaye 01223 458633

(Pages 1 - 8)

Decision for the Executive Councillor for Housing

3 **Non-Key Decision - Home Aid Procurement of Partner Contractors for Private Sector adaptations and repairs.**

Officer Contact: Home Aid Manager, Dee Irving, Tel 01223 457934

(Pages 9 - 18)

Information for the public

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Agenda Item 2

CAMBRIDGE CITY COUNCIL

Record of Executive Decision

UPGRADE UTILITY SUPPLY TO KINGS HEDGES LEARNER POOL

Decision of: Executive Councillor for Arts & Recreation, **Councillor Cantrill**

Reference: 10/CS/09 (Agenda B)

Date of decision: 1 July 2010 **Recorded on:** 1 July 2010

Decision Type: Non Key

Matter for Decision: To recommend this capital scheme (which is not included in the Council's Capital Plan) for approval by Council, subject to resources being available to fund the capital cost associated with the Scheme.
To add the programme to the Capital Plan.

Why the decision had to be made (and any alternative options): The project is to upgrade the existing electricity supply to Kings Hedges Learners Pool as the current supply is underpowered for the required operational demand of the site.

The Executive Councillor's decision(s): The Executive Councillor Agreed to;

- Recommend this capital scheme (which is not included in the Council's Capital Plan) for approval by Council, subject to resources being available to fund the capital cost associated with the Scheme. The total capital cost of the project is estimated to be £25,000, this is to be funded from Repair and renewal funds. There are no revenue implications arising from the project.
- To add the project to the Capital Plan.

Reasons for the decision: As detailed in the officers report.

Scrutiny consideration: None

Report: Item 4 of Agenda B on 1st July 2010

Conflicts of No conflicts of interest were declared by the Executive

interest: Councillor.

Comments:

Project Appraisal and Scrutiny Committee Recommendation

Project Name	Upgrade Utility supply to Kings Hedges Learner Pool
Committee	Community Services
Portfolio	Arts & Recreation
Committee Date	1 st July 2010
Executive Councilor	Councilor Rod Cantrill
Lead Officer	Ian Ross

NON-KEY DECISION

Recommendation/s

Financial recommendations –

For schemes not included in the Council's Capital Plan

The Executive Councillor is asked to;

- Recommend this capital scheme (which is not included in the Council's Capital Plan) for approval by Council, subject to resources being available to fund the capital cost associated with the Scheme. The total capital cost of the project is estimated to be £25,000, this is to be funded from Repair and renewal funds. There are no revenue implications arising from the project.
- To add the project to the Capital Plan.

Officer Scrutiny	Contact	Date
Asset Management Group	<i>Annette Baker</i>	June 2010
Finance review	<i>Service Accountant</i>	June 2010
Health & Safety approval	<i>Paul Parry</i>	N/a
ICT Steering Group	<i>James Nightingale</i>	N/a
Legal implications	<i>Simon Pugh</i>	N/a
Procurement process	<i>Debbie Quincey</i>	N/a
Risk Register	<i>Karl Tattam</i>	N/a
Section 106 allocation	<i>Claire Rymer</i>	N/a
VAT implications	<i>Andrew Stannard</i>	N/a
Other:	<i>Sarita Haggart</i>	June 2010

1 Summary

1.1 The project

The project is to provide a higher voltage electricity supply cable from the local sub station along with associated cabling routes to the Kings Hedges Learners Pool.

Target Start date	August 2010
Target completion date	August 2010

1.2 The Cost

Total Capital Cost	£ 25,000
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Capital Cost Funded from:

Funding:	Amount:	Details:
Reserves	£ 0.00	N/a
Repairs & Renewals	£ 25,000	01-21157
Section 106	£ 0,000	N/a
Other	£ 0.00	N/a

Revenue Cost –

None all utility consumption paid by SLM Ltd

Year 1	£ 0.00
Ongoing	£ 0.00

1.3 The Procurement

There is no procurement on this project. An exemption from the procurement rules under paragraph 5.1.5 (c) has been obtained and logged with internal audit on the basis that EDF are the sole utility supplier, who are authorised to make connections to the National Grid and consumer units.

Capital Project Appraisal & Procurement Report

1.4 What is the project?

The project is to upgrade the existing electricity supply to Kings Hedges Learners Pool as the current supply is underpowered for the required operational demand of the site.

1.5 What are the aims & objectives of the project?

Main objective is to upgrade the electricity supply for greater volts/amps required by the pool. This was originally part of the scope of works for the Kings Hedges refurbishment back in 2006, but was not carried out by the utility company at the time.

This meant that the existing supply loading had to be utilised to complete the project and open the pool to the public on time.

The pool equipment was installed as required for the full operational requirements of the building, but individual items were reduced/down rated and loads balanced to match that of the existing maximum supply level.

The supply now needs upgrading to the true energy demand for the pool as bad winters over the last couple of years has meant the pool has struggled on the underpowered balanced load to maintain standard operational temperatures throughout these extended cold periods.

1.6 Summarise the major issues for stakeholders & other departments?

SLM Ltd manages the pool on behalf of the City Council under the existing leisure management contract and are the key stakeholders. SLM have been managing the pool with the reduced loading but the winter months has seen numbers decline in usage due to the colder environment especially in the pool hall as the heating plant has not been able to consistently maintain the operational air temperatures.

It is feared if there is yet another prolonged cold winter, usage of the pool, which has greatly increased over the years, will rapidly decline over these months.

1.7 Summarise key risks associated with the project

The main risk for the project is if the supply is not upgraded then another cold winter will see a downturn in usage and a potential reputation loss for both the City Council and SLM Ltd for its inability to maintain the operational temperatures.

If this did occur and the decline in attendance could be proven by SLM Ltd as a direct result of the reduced loading of the utility plant the City council may be liable to pay out for a loss of earnings claim to SLM Ltd.

Stored water heating needs to be maintained at 60oc and above for Health and Safety reasons and by diverting loads to the air supply over cold months could compromise the temperature capability of stored water to reach its optimal safe operational temperature.

1.8 Financial implications

- a. Appraisal prepared on the following price base: **2009/10**
- b. Quotation and scheme of works submitted by EDF

1.9 Capital & Revenue costs

(a) Capital	£	Comments
Building contractor / works	25,000	EDF
Purchase of vehicles, plant & equipment		
Professional / Consultants fees		
IT Hardware/Software		
Other capital expenditure		
Total Capital Cost	£25,000	

(b) Revenue	£	Comments
All Utilities consumption	0	Paid by SLM LTD
Total Revenue Cost	0	

1.10 VAT implications

There are No VAT issues to Cambridge City Council on this project.

1.11 Other implications

There are no other implications that have not already been highlighted in the report

1.12 Estimate of staffing resource required to deliver the project

Staff resources will be from Active Communities Recreation team, to monitor the progression of works and onsite H&S checks.

1.13 Identify any dependencies upon other work or projects

There is no inter dependency on any other project for delivery for this project

1.14 Background Papers

- Quote of works from EDF Energy

1.15 Inspection of papers

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Date prepared:	20/05/2010

Appendix A – Route of new cable run

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CAMBRIDGE CITY COUNCIL

Record of Executive Decision

HOME AID PROCUREMENT OF PARTNER CONTRACTORS FOR PRIVATE SECTOR ADAPTATIONS AND REPAIRS.

Decision of:	Executive Councillor for Housing: Cllr Smart		
Reference:	10/CS/08 (Agenda B)		
Date of decision:	1 July 2010	Recorded on:	1 July 2010
Decision Type:	Non Key		
Matter for Decision:	The current partnering agreement with a panel of 4 contractors is due to come to an end in April 2011. Permission is therefore being sought to procure and appoint a panel of contractors for a further period of up to 5 years.		
Why the decision had to be made (and any alternative options):	Home Aid acts as a project administrator for private sector clients wishing to have repair or adaptation works carried out in their home. This work is funded either by grant assistance or private funding. The client has freedom of choice regarding which contractor they have to do the work but in most cases choose a contractor from our panel as they feel they can trust them. The contract for the building work is between the homeowner and the contractor they have chosen – not Cambridge City Council and the chosen contractor. However the client does sign an Agency Agreement Form, which allows us to act on their behalf.		
The Executive Councillor's decision(s):	Agreed that the officers are to carry out a selection process and selecting a panel of up to 5 contractors to work with the Home Improvement Agency team to carry out for adaptation and repair works for vulnerable clients in the Private Sector.		
Reasons for the decision:	As detailed in the officers report.		
Scrutiny consideration:	None		

Report: Item 3 of Agenda B on 1st July 2010

Conflicts of interest: No conflicts of interest were declared by the Executive Councillor.

Comments:



To: Executive Councillor for Housing: Cllr Smart
Report by: BOB HADFIELD – HEAD OF SERVICE
Relevant scrutiny committee: Community Services Scrutiny Committee 01/07/2010
Wards affected: All

HOME AID PROCUREMENT OF PARTNER CONTRACTORS FOR PRIVATE SECTOR ADAPTATIONS AND REPAIRS.

Not a key decision

1. Executive summary

The current partnering agreement with a panel of 4 contractors is due to come to an end in April 2011. Permission is therefore being sought to procure and appoint a panel of contractors for a further period of up to 5 years.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To agree to the officers carrying out a selection process and selecting a panel of up to 5 contractors to work with the Home Improvement Agency team to carry out for adaptation and repair works for vulnerable clients in the Private Sector.

3. Background

- 3.1 Home Aid acts as a project administrator for private sector clients wishing to have repair or adaptation works carried out in their home. This work is funded either by grant assistance or private funding. The client has freedom of choice regarding which contractor they have to do the work but in most cases choose a contractor from our panel as they feel they can trust them. The contract for the building work is between the home-owner and the contractor they have chosen – not Cambridge City Council and the chosen contractor. However the client does sign an Agency Agreement Form, which allows us to act on their behalf.

- 3.2 In the past all work undertaken by the Home Improvement Agency for the clients was subject to the normal tendering process, obtaining 3 quotes for each project. However in 2005 Home Aid entered into a “Soft Partnering” arrangement with a panel of contractors. This is not a full partnering contract but is more than an approved list of contractors. The process undertaken was approved by Members at the time and has since been approved by Debbie Quincey, Procurement Officer. The existence of this arrangement has enabled Home Aid to reduce the time frame for delivering repairs and adaptations (but still testing the market to ensure that value for money is secured) and subsequently to have a beneficial effect on staff resources by reducing the time taken to prepare and issue tender documents, assess them when they have been returned and award the contract. This has reduced the lead in time for starting work on site and allowed staff to spend more time on other projects.
- 3.3 Working in partnership with the 4 contractors on this panel for 4 years has resulted in very good value for money for both the client and the authority.
- Lead in times for the carrying out of the works have been reduced from an average of 21 weeks to 5 weeks due to not having to fully tender each project;
 - The number of defects found at handover of completion of works has greatly reduced because of the improved understanding between Home Aid and the contractors regarding the quality of work and attention to detail expected;
 - Joint work has been undertaken with these contractors to trial and ultimately introduce a shower tray which is recyclable and is itself made from recycled material;
 - We have shared ideas and learned lessons from each of the contractors’ experiences elsewhere in the putting together of specifications for works to be carried out, and the contractors’ ability to source more cost effective fittings of the same standard to those specified;
 - Contractors often carry out ‘goodwill’ work outside of the defect liability or warranty periods ie beyond the contractual obligation;
 - Contractors are sensitive to and have a heightened awareness of the needs of vulnerable clients;

- Contractors have been known to carry out minor works for the client whilst on site without charge.

3.4 Customer satisfaction surveys were carried out on over 85% of all jobs completed during 2009/10. Of these jobs 58% related to building work carried out by the panel. The other 42% were specialist contractors. Results for the panel contractors are as follows:

- 99% said they were “very satisfied” with the quality of work (highest score possible)
- 1% said they were “somewhat satisfied” with the quality of work (2nd highest score possible)
- 99% were satisfied with the contractor allocated to them
- Each of the contractors received specific praise or expressions of gratitude

3.4 This current arrangement was due to come to an end in March 2010. However there is a Countywide HIA Review being undertaken that may result in the agency service, currently provided by the City Council, being delivered in a different way in the future. Because of this uncertainty a Waiver Request was completed and permission was granted to extend the Partnership Arrangement until 2011. In order to inform this Waiver Request further assessments were undertaken to establish whether or not the Partnering Agreement was delivering value for money. The findings of this assessment are shown in Appendix 1 to this report but in brief they are:

- Reduced lead in times
- Flexibility in choosing the right contractor for the job
- Better relationships with the contractors
- Better understanding of clients by the contractors
- Value for money in the cost of work, time saved, satisfaction of the client and officer time

3.5 The new agreement would last for a period of up to 5 years and would incorporate a clause allowing each party to withdraw from the agreement subject to a reasonable notice period without penalty. This will provide the flexibility to enable the contract to be terminated depending on the outcome of the countywide review of Home Improvement Agencies.

3.6 Although the final outcome of the review has not yet been decided it will be necessary to commence the procurement process for new contractors by early autumn 2010 in order to have a new agreement in place by April 2011. The process undertaken will be in accordance with advice from the City Council’s Procurement Officers.

4. Implications

4.1 Financial

The comparisons carried out with neighbouring authorities has demonstrated that the city residents are receiving value for money both in terms of price paid and service received from the contractors via this arrangement.

There may be financial costs relating to advertising the contract in the local press and relevant construction publications.

4.2 Legal

The selection process for Partner Contractors will be carried out in accordance with advice from Cambridge City Council Procurement Officers and Legal Department.

4.3 Staffing

This work will be carried out within the current staffing resources.

4.4 Equal opportunities

Private Sector clients do not have to use the contractors from this partnership, and are always given a choice. However by taking away the need to put every building project out to tender the timescales are reduced and the vulnerable clients receive their adaptation or repair in a more timely way.

4.5 Environmental

During the selection process contractors will be assessed on their environmental policies, an Environmental Impact Assessment will also be carried out and the outcomes and associated actions agreed with partner contractors.

4.6 Community Safety

Home safety and security are elements taken into account when deciding what work is to be carried out on private sector properties under the Grant & Loan scheme. Contractors will be expected to comply with CRB regulations and have all appropriate checks carried out on staff.

5. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Dee Irving
Author's Phone Number: 457943
Author's Email: Dee.Irving@cambridge.gov.uk

Review of Home Aid Contractors

In order to establish whether or not we are still achieving value for money 4 tests were carried out.

1. Comparison with neighbouring authorities

A schedule and set of plans for a project carried out in the city was submitted for pricing to a contractor working for Huntingdon DC and another working for East Cambs Care & Repair. We asked them to price this project as if they were carrying out the work in their local area and if they were carrying out the work in Cambridge City. We then compared this with the price paid to the Home Aid contractor.

The Results are shown in the following table

Home Aid Contractor	East Cambs Contractor	Hunts Contractor
Actual Price £7,613	Local price £6200	Local price £7369
	City price £ £6665	City price £7885

As you can see both of these contractors have indicated around 7% increase for working within the City, this gives a comparable cost with that actually paid to our own contractor for the work.

2. Generic Level Access Shower Price

Home Aid issued each of our contractors with a plan and schedule for a generic level access shower. They were each asked to price this project with the understanding that in future ALL level access showers would be at that price and the only variations to the cost would be via a schedule of rates for variations.

Each contractor was then approached to establish whether these costs could be reduced any further. Further negotiations took place, which ultimately brought the prices to an average of £5370.

3. Schedule of Rates for Level Access Shower Variations

A schedule of rates was issued to each contractor for pricing. This covered items commonly associated with the installation of a level access shower but not always required. We then assumed the worst-case scenario and

added the cost of each element together for each contractor and compared the totals. This was then also compared to prices we had been given in 2007.

The Results are shown in the following table

Contractor	Warics	BSG	F&S	City Services
2007 price	£5,924	£6,427	£6,425	£7,805
2009 price	£6,026	£6,161	£6,525	£7,894

As you will see in one instance the price has fallen slightly and in others the increase is less than £200 in 2 years. The highest price quoted is via City Services who are the City Council's chosen contractor to carry out adaptation works to their own stock. We feel this demonstrates that our panel of contractors provides excellent value for money.

NB City Services are only allocated work for Private Sector properties when the other 3 partners are not in a position to take work on or cannot start work within a reasonable timescale.

4. Pricing of Repair Works

In order to ensure that contractors priced a schedule accurately it was decided to issue them with a plan of a generic property and a list of repairs to be undertaken at that property. We asked them to price each item twice – firstly as if they were doing the whole works and then secondly as if they were attending just to carry out that element of the work.

The Results are shown in the following tables

All work carried out at the same time as one project

<i>Repair</i>	Warics	BSG	F&S	City Services
Roofing	8,715	7,594	7,550	8,140
Kitchen	4,000	2,627	3,835	4,353
Bathroom	1,000	1,102	1,565	1,446
Windows/Doors	4,000	3,840	5,975	3,873
Electrical	3,000	3,998	3,575	2,557
Plumbing/heating	7,000	9,128	8,190	8,170
<i>Total Cost</i>	£27,715	£28,289	£30,690	£28,539

Work carried out as individual elements

<i>Repair</i>	Warics	BSG	F&S	City Services
Roofing	8,414	7,594	8,615	8,140
Kitchen	4,786	2,627	4,237	4,353
Bathroom	1,483	1,102	1,838	1,446
Windows/Doors	5,750	3,840	6,740	3,873
Electrical	4,380	3,998	3,960	2,557
Plumbing/heating	9,249	9,128	8,285	8,170
<i>Total Cost</i>	£34,062	£28,289	£33,675	£28,539

NB City Services very rarely take on repair works for the Private Sector due to their heavy workload relating to council stock, however they are used on occasions when their workload permits.

Conclusion

We believe the above exercise has demonstrated that our contractors are still competitive on price. When considering whether the current arrangement is value for money one needs to consider all the areas which have had a positive impact for all concerned, for example;

- Reduction in lead in times for clients having adaptations and repairs carried out due to not tendering each project;
- Reduction in staff resources by not tendering each project;
- The ability to choose the contractor best suited to that client's need and who can carry out the work in a timely way;
- The trust and understanding that has been built up between Home Aid and the contractors;
- The contractors have engaged fully with us with regard to improving the standard of work on site;
- A major reduction in the number of defects found at handover;
- Willingness of the contractor to deal with issues outside of the defect liability or warranty periods; and most importantly
- The satisfaction of clients. We often receive very positive feedback on their workmanship, their attitude and their attention to detail.