

FOR PUBLICATION

CONTRACT IN RESPECT OF CLEANING COMMUNAL AREAS IN BLOCKS OF FLATS (H000)

MEETING:	1. CABINET 2. EXECUTIVE MEMBER FOR HOUSING
DATE:	1. 11 TH MARCH 2014 2. 28 TH FEBRUARY 2014
REPORT BY:	HOUSING SERVICE MANAGER - CUSTOMER DIVISION
WARD:	ALL
COMMUNITY ASSEMBLIES:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	317

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE: LOCATION:

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to ask Members to award the contract in respect of the cleaning of the communal areas of blocks of flats, to the in-house Building Cleaning Team (the ISP) from 1st April 2014, for a period of 3 years.

2.0 RECOMMENDATIONS

- 2.1 That Members award the contract for the cleaning of communal areas in blocks of flats to the Building Cleaning ISP following value for money principles being satisfied, and a very successful trial being carried out.

3.0 BACKGROUND

3.1 Members will be aware that in 2009 the Council changed the way in which it dealt with the cleaning of the communal areas of blocks of flats and as a result what had previously been a tenant responsibility, became a service delivered by the Council and paid for by tenants by way of a service charge, which is eligible for housing benefit.

4.0 CURRENT POSITION

4.1 Following an external tendering process in 2009 the contract was awarded to Superclean for 3 years and the Council were happy to extend the contract for a further two additional years, in accordance with the contract provisions.

4.2 Following the recent expiry of the contract it was due to be re-tendered and as a pre-cursor to this the specification for the contract was reviewed.

4.3 As part of this discussions took place with the ISP to consider if the service could be delivered in-house.

4.4 It was decided that the ISP would carry out a trial on a small number of flats, delivering the new specification for 6 weeks to test both their ability to carry out the work, the cost of them providing the service and quality standards.

4.5 The trial was very successful with positive feedback from the tenants of the flats in the trial and from staff visiting the blocks, regarding the quality of the work.

4.6 The trial enabled the ISP to come up with an accurate price for the provision of the service, submitting a price of £165,000, which includes additional services, for example a quarterly clean of all bin stores.

4.7 The current cost of the service delivered by Superclean is £160,000 and therefore the price submitted by the ISP represents a 3% increase on the current contract price.

5.0 VALUE FOR MONEY AND QUALITY ISSUES

5.1 Awarding the contract in-house brings many benefits, not least being the absence of the need to go through the procurement route and the time and costs which this entails.

5.2 The price for the work from the ISP is just over 3% higher than the price with the current provider. Given the levels of inflation it is reasonable to

assume that if we went out to the market we would expect prices to be significantly higher than this, therefore delivering the service in-house demonstrates excellent value for money.

- 5.3 The pilot has enabled the ISP to test new working methods and they have demonstrated an appreciably higher standard of cleaning, including carrying out additional work, for example the cleaning of bin stores.
- 5.4 The contract management is also likely to be better and more responsive, particularly once the building cleaning team move into the Depot so will be sited alongside the Neighbourhoods Team who manage the contract.

6.0 PERFORMANCE MANAGEMENT

- 6.1 The contract will be managed under a Service Level Agreement with the ISP, with a performance management framework in place and an annual review of the service, including relevant sector benchmarking carried out to ensure ongoing value for money.
- 6.2 A full review will be carried out following the expiry of the three year contract period.

7.0 EMPLOYMENT ISSUES

- 7.1 The Superclean employees working on the contract are eligible to be transferred under the TUPE Regulations and this process has commenced.
- 7.2 The six cleaners delivering the service will be transferred to the employment of the Council, bringing with them their experience of delivering the service and they will benefit from the Council's terms and conditions, moving from their current pay levels of minimum wage to the relevant council pay scales.

8.0 FINANCIAL CONSIDERATIONS

- 8.1 The costs of providing the service are met by tenants by means of a service charge, which since it was introduced in 2009 has remained at £1.50 per week.
- 8.2 From 1st April 2014 this charge will increase to £1.58 per week, a 5% increase in line with other service charges, and which will fully cover all the increased costs of providing the improved service.
- 8.3 The service charge is fully covered by housing benefit.

9.0 RISK MANAGEMENT

Description of Risk	Likelihood	Impact	Mitigating Action	Resultant Likelihood	Resultant Impact
Complaints from customers regarding new service providers	Low	Medium	Trial already carried out Information will be given to tenants re new provider	Low	Low
ISP fail to deliver service as per contract	Low	Medium	Robust Contract management in place Good working relations between ISP and Neighbourhoods Team	Low	Low

10.0 RECOMMENDATIONS

10.1 That Members award the contract for the cleaning of communal areas in blocks of flats to the Building Cleaning ISP, following value for money principles being satisfied and a very successful trial being carried out.

11.0 REASONS FOR RECOMMENDATIONS

11.1 The recommendation is made in order to improve the levels of service provided in relation to the contract and to ensure value for money.

J. McGROGAN
HOUSING SERVICE MANAGER - CUSTOMER DIVISION

Further information on this matter can be obtained from Julie McGrogan on extension 5135.

Officer recommendation supported/not supported/modified as below or Executive Members' recommendation/comments if no Officer recommendation.

Signed



Executive Member

Date

28.2.14

Consultee Executive Member/Support Member comments (if applicable)