

REPORT TITLE: REPAIRS AND MAINTENANCE PROCUREMENT AND AUDIT UPDATE

6 JULY 2026

REPORT OF CABINET MEMBER: Cllr Mark Reach Cabinet Member for Good Homes for All

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WARD(S) ALL

PURPOSE

This report supports the council's corporate priority, Good Homes for All.

The procurement of the repairs and maintenance contract was agreed by Cabinet in May 2025, including approval of a seven-year contract term and the use of framework arrangements for Heating, Electrical, Fire Safety, Asbestos and Water Hygiene contracts (Cabinet paper CAB3506). Cabinet also set the evaluation methodology, based on a 60% quality and 40% cost weighting, to ensure best value for tenants, residents and the Council.

This report provides an update to Cabinet Committee Housing on the procurement of new contract delivery for repairs and maintenance, electrical and heating services across the council's housing stock and associated assets. The report will outline the process the procurement has gone through, including the number of bidders involved, the evaluation methodology applied and the outcomes of the assessment, such as scoring and how the preferred bidders were identified for each contract.

The procurement of the repairs and maintenance contract was conducted under the new Procurement Act 2023 (PA23) procedures with a go live date of August 2026 and the electrical and heating contracts were procured under a Public Contracts Regulations 2015 framework to ensure a go live date of 7th May 2026.

The paper also provides an update on the status of the contracts for Water Hygiene, Asbestos, Lifts and Fire Safety

The report will also provide an update on recommendations relating to a repairs and maintenance audit, including the development of an action plan, progress made and the governance framework that has been put in place to ensure effective oversight and continuous improvement.

RECOMMENDATIONS:

Cabinet Committee Housing is asked to note:

1. The repairs and maintenance contract has been awarded to Wates Property Services.
2. The Heating contract has been awarded to Signix Ltd.
3. The Electrical contract has been awarded to Signix Ltd.
4. The Repairs and Maintenance audit action plan and progress made to date.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 Greener Faster

Greener Homes' is one of the key strategic objectives within the Housing Strategy 2023 to 2028 and will help develop and support a greener district and address the climate emergency. A key driver is to improve thermal performance of existing council homes through planned works and the retrofit carbon reduction programme to aid residents with maintaining warm homes. It is intended to require contractors to demonstrate how they will reduce their carbon footprint in service delivery.

1.2 Thriving Places

Delivering a quality repairs service is essential. Residents often view how well the repairs service is run as representative of the performance of the council as a whole. The views of residents were key and therefore be a key driver in designing and setting the new service standards. The tender sought to seek to understand the use of the local market in delivery of services thus aiding the prosperity of the local economy.

1.3 Healthy Communities

The tender evaluation process assessed the social value that contractors will deliver and in so doing enhance and support local communities.

1.4 Good Homes for All

Repairs and maintenance have a direct influence on the quality of the council's housing stock and the wellbeing of residents. Homes are improved and repaired to increase the lifespan of a property's fabric whilst ensuring that residents' homes meet decency standards and comply with the Housing Health and Safety Rating system (HHSRS)

1.5 Efficient and Effective

Due to the complexities detailed in the purpose, the council has checked externally with sector specialist to ensure that the council procures the best solutions considering all the requirements and timeline. The council intend for the contractors to receive the resident repairs requests directly, so the repair's specialist triage ensures the best resource is appointed to the repair. This will assist in first time fix and less impact on repeat visits, supporting improved resident satisfaction. A data download of the day's events will interface with Orchard at the end of each day so that customers can use My Winchester tenancy to track their repair.

The new appointed contractor demonstrated an IT system that has the capability to provide customers and enhanced repairs tracking and delivery system.

1.6 Listening and Learning

The planned and completed engagement process prior to procurement allows the council to be open, transparent, inclusive and enabling, providing good value. The emphasis of the term contractor/s is to establish a resident centric ethos and deliver the service 'With and For' residents and not 'To'. Our recommended approach does not undermine or contradict the outcome of the consultation process that was undertaken to inform the previous decision.

TACT requested that 2 members were included in the customer satisfaction scoring, this was decided by the TACT members themselves and not the council.

2 FINANCIAL IMPLICATIONS

- 2.1 The contract(s) will encompass repairs and maintenance, voids, planned kitchens and bathrooms, and circa 50 test and inspect compliance regimes to include gas and electric works to the council's housing stock across the district. It will include retrofit works within tenanted dwellings and works to the communal areas of blocks and building curtilage. The tender budgets were referenced in the invitation to tender (ITT) in line with the prior approved budgets
- 2.2 The business plan agreed in February 2025 includes agreed estimates of reactive repair, void costs and compliance works within the scope of this procurement within the HRA revenue budget, and within the capital programme for planned and reactive kitchen and bathroom replacements and the retrofit programme.
- 2.3 The overall revenue budget in the agreed business plan for revenue works in the scope of the procurement is £56.7m, and capital budget for works in scope is £43.7m over the proposed 4+3 years for the R&M and 3+1+1 +1years for the heating and electrical contracts. period. The business plan allows for assumed inflation and repairs growth, which is included in these estimates.
- The Heating award WCC's internal project Id: WCC-Lum/property services 002 - Heating
 - Scope of work brief: Providing repairs and maintenance inc; Voids. Planned and ad-hoc maintenance and out of hours services
 - Contract Start Date: 11/05/2026
 - Contract End Date: 10/05/2029
 - Optional Extension Period (in months) - 36
 - Contract Sum Amount (excl. VAT): £1,700.00.00 pa

- Electrical award WCC's internal project Id: WCC-Lum/property services – 003 - Electrical
- Scope of work brief: Electrical testing, remedial repairs, planned and ad-hoc rewires/ maintenance and out of hours services to WCC housing stock.
- Contract Start Date: 11/05/2026
- Contract End Date: 10/05/2029
- Optional Extension Period (in months) - 36
- Contract Sum Amount (excl. VAT): £1,500.00.00 pa

3 LEGAL AND PROCUREMENT IMPLICATIONS

The procurement exercises were conducted in accordance with relevant legislation and the council's contract procedure rules. All three contracts were procured in line with the agreement from the Cabinet in May 2025. (CAB3506).

- 3.1 Given the significance of this service to our customers, the process was assessed with a 60% quality and 40% cost weighting, differing from the weightings outlined in paragraph 35 of the Council's Contract Procedure Rules. Additionally, 10% of the quality evaluation focused on environmental and social value considerations
- 3.2 The procurement strategy for these contracts prioritised quality over the lowest price, aiming for excellent service at a fair cost. This approach sent a clear message to bidders about the Council's priorities in terms of outcomes.

4 WORKFORCE IMPLICATIONS

- 4.1 The existing housing repairs staff will remain employed by the council and there are no TUPE implications for housing staff involved at this time.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 This contract provides opportunities for the council to drive changes that will improve the standard of council owned housing and the lives of residents, regenerate communities and tackle climate change. However, the changes may put significant pressures on budgets and resources, so there is a need to ensure that the council's assets are managed effectively.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation and communication was undertaken as part of the procurement process, in line with council policy and Contract Procedure Rules. Prior to the November 2024 recommended approach, a survey relating to the repairs service was sent to all tenants, leaseholders and shared owners for whom

Winchester City Council hold an email address to be completed online and a paper copy sent to all those for whom no email address is recorded.

- 6.2 Respondents to the survey had the opportunity to register their interest in attending the workshops. Everyone who registered their interest received a reminder and an invitation to attend. The workshops were also advertised on the tenant involvement Facebook page. All the venues were accessible, and parking was available. Transport was offered free of charge for anyone who wanted to attend.
- 6.3 The approach recommended in a previous report was discussed with the TACT board on the 29th April 2025. Two TACT board members were involved in the procurement and evaluation process. Resident engagement was completed prior to the procurement in line with the council's tenant engagement strategy and TACT board updates, as outlined in previous Cabinet paper CAB3463 in November 2025. The relevant section 20 NOI letters covering the full workstreams procurement were sent for both Stage 1 and subsequent award following stage 2.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Term Contract/s will require the successful bidder to support the council's Carbon Neutrality objectives and Nature Emergency. The procurement was supported by members of the council's sustainability team to assist with development of appropriate tender assessment approach and ongoing reporting mechanisms post contract let. The successful bidder will be resourced, as required, to fully support the council's Retrofit Team with the delivery of works, developing technical opportunities and seeking potential funding.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 This tender process and contract must uphold the principles of equality, transparency and fairness of all suppliers. The successful bidder will be required to comply with the council's Equality Policy. The council also included questions within the PA 2023 compliant Questionnaire to determine whether any of the bidders has had any complaints made against them in the last three years, which were upheld following an investigation by the Equality and Human Rights Commission (or equivalent).

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 It is not anticipated that the award of a new contract(s), will lead to any significant changes to the purposes and way in which personal data is used or processed. Officers will undertake a review, by way of a Data Protection Impact Assessment, of any additional data protection or privacy risks arising from changes to procedures. This will ensure that personal data continues to be processed in accordance with the data protection principles and legislation.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Financial Exposure	Follow Financial Procedure Rules, Contract Procedure Rules and best practice to minimise exposure. The proposed approach and use of a schedule of rates will provide greater cost control. The financial exposure is significantly reduced due to the proposed cost model of NHF V8 SOR's. These are sector wide accredited values for the repairs and prelim costs	Ensure the principles with the council's <u>Contract Management Framework</u> are adopted for ongoing management and an appropriate level of resource is in place to ensure robust contract management for the duration of the contract(s)
Exposure to challenge	Procured in line with best practice, Contract Procedure Rules and the PA2023. PCR 2015	The process and contract delivery will be robust and enables a sound working relationship between the council, its stakeholders and its contractors, fully supportive of the council's objectives
Innovation	Develop systems in association with the successful bidder that enable the council to own, manage and effectively analyse repairs data	Collaboration with the successful bidder
Reputation	Reputable and suitably qualified contractors employed to undertake the works. Undertake Conflicts of Interest assessment and maintain register throughout.	Enhanced reputation with suppliers through early market engagement
Achievement of outcome	The procurement of has commenced and finished.	Creating a more effective service for residents that delivers good value and robust contract management
Property		

Community Support	Existing engagement strategy methods will be used to engage with customers. TACT board members will be closely involved with the procurement process so as to ensure the tenants voice is heard throughout.	Involve interested residents in evaluation process
Project capacity	External sector expertise to support	
Local Government reorganisation	Set contract term to accommodate LGR in line with guidance.	Included extensions to the contracts to ensure service delivery

11 SUPPORTING INFORMATION:

11.1 Repairs and Maintenance Contract

A PA2023 2 stage procurement for a 4+3 year contract was tendered for R&M/Voids/ Kitchens and Bathrooms

The council have been supported through this procurement process by Lumensol. Lumensol are a housing sector specialist who the council engaged with to support and facilitate the procurement of R & M, Heating and electrical contracts. Lumensol have assisted in preparing all the term briefs documents in line with the requisite procurement act and facilitated as moderators for the evaluation. Lumensol worked closely with all of the council's services to ensure a robust, fair and complaint process was followed.

11.2. The procurement process for the R & M contract was in two stages. In Stage 1 the council received 9 expressions of interest. 1 was disqualified on financial measures. The remaining 8 were scored by the Interim Head of Property Services, Retrofit Manager and the Repairs and Maintenance Manager and the moderation evaluation facilitated by Lumensol and the top 5 were put through to stage 2 as set out in the ITT. (invitation to tender)

Of the 5 put forward, 1 company withdrew and the remaining 4 were scored in line with the brief and the scoring criteria as outlined in Appendix 3

Stage 1 is the RFT (Request for Tender) this stage is for bidders to make expressions of interest and provide requested detail to enable the evaluation to be made to proceed to stage 2. We advised in stage 1, that the top 5 scoring returns would proceed to Stage 2.

Stage 2 is ITT (Invitation to Tender) whereby the top 5 were invited to submit their tender in line with the WCC requirements for evaluation as described above.

The results of the procurement process was that 3 of the bidders scores were extremely close and 1 was significantly lower. All the process was completed on Mercel, this is the recognised portal where all submissions and outcomes are published and is open for the Public. See Appendix 3 for the evaluation report in relation to the R & M contract

- 11.3 Challenge was received from all the unsuccessful bidders as allowed under the procurement rules, and the responses were formally replied to and accepted. The council's legal and procurement services assisted the housing service with this alongside an external, leading housing specialist, Lumensol. The initial challenges were from the 3 contractors who were not awarded. Challenge was based upon the scoring as these were all so close. Clarification letters were provided and two of the contractors accepted the response and duly withdrew their challenge. The incumbent contractor continued to challenge, and this is now resolved
- 11.4. Following the process outlined above the R & M contract was awarded to Wates Property Services with an anticipated go live date of 1st August 2026, this will be a 4 + 3 year contract.
- 11.5 **Heating and Electrical Contracts**
- 11.6 The Heating and Electrical contracts have been awarded under 2 separate contracts. Both contracts were procured under a compliant –Public Contracts Regulations 2015 Framework. See appendix 1 for the electrical evaluation and appendix 2 for the heating evaluation.
- 11.7 The contracts were procured under a mini competition under the framework which included the incumbent contractor, CCS. This ensured they had the ability to win the contract and to mitigate risk to award.
- 11.9 The council received 06 bids for the heating contract and 08 bids for the electrical contract. For the Heating contract 02 bids were shortlisted and for the electrical contract 03 bids were shortlisted
- 11.10 The council received challenge from the unsuccessful bidders for both contracts. The challenge was around areas that the council would expect from the process, such as a request of a review of the scoring, there wasn't anything exceptional. The council's response to these challenge's was supported by the council's procurement and legal services along with external consultants Lumensol to achieve and facilitate award of the contracts.
- 11.11 Both Heating and Electrical contracts have been awarded to Signix Limited, and both were mobilised on the 11th May 2026 and both contracts are on a 3+1+1+1 year contract to avoid the cessation being in the same year as the repairs and maintenance contract.

11.12 In addition to these contracts the council has procured a new lift contract, and this was procured under a compliant framework as a direct award to Jaksons and was successfully mobilised in September 2025 over a 3-year term

11.13 The council have also procured fire safety remediation and fire safety consultancy contracts that were procured under a compliant framework, and these were awarded to Eco safe and Tetra tech respectively, both contracts are 3+1+1+1 year terms

11.14 The asbestos and water Hygiene contract has been extended with Allium and new contracts will be procured in Q4 of 2026/27 as per the Housing Services procurement plan to avoid multiple go lives and mobilising 3 new contracts as mentioned above

11.15 Repairs and Maintenance Audit October 2025

11.16 In October 2025 the Southern Internal Audit Partnership completed their internal audit on the council's repairs and maintenance service. The audit was requested and completed as the council's s151 officer was concerned that there could be potential weakness and non-compliance. The audit sought to assess the effectiveness of controls in place, focusing on those designed to mitigate the risks to the achievement of the service objectives. The risk being a lack of compliance with financial controls for maintenance and reactive work including raising jobs and inspection of work prior to payment, and inflation of work, late submission of invoices and accuracy of transaction coding

11.17 The main findings of this audit were;

The audit concluded that there was no overall of assurance in 3 main areas, and that immediate action was required to address the fundamental gaps, weaknesses and compliance identified. The audit found that the system of governance, risk management and control was inadequate to manage risks to the achievement of the objectives in the areas that were audited. The main areas of weakness were;

Processes

1. Lack of Process notes
2. Backlog and delay in processing and authorising invoices
3. Delay in submission of invoices

Raising work orders (jobs)

Notional jobs are raised in order to get these quickly passed to the contractor but they are raised for inconsistent amounts

Variations to the initial job aren't recorded on Orchard

Authorising Jobs

1. Automatic approval for jobs over £250
2. No evidence of inspections recorded on the system
3. Orchard doesn't store photos of works completed

Billing

1. For large workorders there was no breakdown of cost for Labour, materials, quantities etc
2. 25 properties had unresolved works or indications of duplication

11.18 In January 2026 an action plan to rectify the audit's conclusions was developed. The progress against the actions is being overseen by the Head of Landlord Services and the Repairs and Maintenance Manager and reported into Housing Leadership Board

11.19 An update of the audit was also presented to the council's Audit and Governance Committee on the 29 of January 2026 as outlined in the section of 'Audit Results report '

11.20 Progress against the action plan is also monitored by the council's PAC board monthly where an update on progress against the actions is provided.

11.21 The new contract with Wates and Signix Limited will also address many of the risks identified in the audit report, and Lumsensol have confirmed that the audit actions will be cemented into the mobilisation of the contract. Further detail can be found in point 11.25

11.22 Since January 2026, officers have been progressing the action plan to address the audit findings and drive improvements across all key areas. The actions implemented so far are;

- Process notes have been created for officers and contractors; this will improve the amount of information given to our contractors. The council's repairs and maintenance manager will ensure this new process is being adhered to and will make delivery better by 30 June 2026 and this increases assurance by 1 July 2026
- A new full instruction guide process has been devised detailing all the steps to ensure that Cardo payments made on orchard (Housing IT System) are linked to the VAT invoice, this ensures continuity when there is turnover of staff. New staff were trained by 31 May 2026 and the R & M manager will ensure that these processes are being followed
- Surveyors have been reminded to record all inspections onto the system- This will ensure that there is an audit trail on considerations made as part of the authorisation process for payments being approved. This will be discussed and reviewed along with spot checks at 121s. These changes from the action plan will improve the delivery to customers through more accurate order

details through the interface and on to their in-house repairs system and will improve transparency for the variation approval and invoice authorisation process

- 11.23 The term brief (as set out in appendix 4) for the new contracts sets out clear requirements for the contract with specifics for the commercial management which will give the council assurance and rectify many of the risks raised in the 2025 audit. Examples of some of the process is below.
- Liaising with the council and/or their appointed consultants to ensure accurate understanding of any required design to ensure accurate costs are provided for the Tasks.
 - Preparing schedules of Tasks and pricing models and any amendments required.
 - Processing and payment of any fees such as planning applications, building control etc.
 - Preparing, tendering and presenting recommendations for the appointment of specialists.
 - Validating costs for variations, this is to include site inspections and measurement as required, which may at times be in conjunction with WCC or their appointed consultant.
 - Preparation of valuations and any supporting documents including any required meetings with WCC and/or their appointed consultants to review and resolve any issues.
 - Preparation and submission of applications for payment including responding to and resolving WCC queries.
 - Controlling costs in relation to both directly delivered and subcontracted Tasks.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Due to expiry of previous contract there was no option other than to put the contracts to the market under the prevailing procurement legislation.
- 12.2 The R&M audit action plan could have been delayed as many issues would be subsumed and addressed into the new contract administration from go live in August 2026. Although the issues have been addressed in the future contract brief the serious nature of the findings required immediate responses prior to new contract go live and the implementation of an improvement plan short term.

BACKGROUND DOCUMENTS: -

Previous Committee Reports:

CAB3463 Procurement of HRA Repairs and Maintenance Term Contract
 CAB3506 HRA repairs and maintenance contract procurement

Appendices

Appendix 1 Tender evaluation report – Electrical

Appendix 2 tender Evaluation Report -Heating

Appendix 3 Tender Evaluation Report- R&M

Appendix 4 'term brief' for R & M Contract