

**Sub-Contracting Arrangements (Building Maintenance) 2015-16
Internal Audit Report Update**

Summary

1. This report provides Members with an update following the internal audit report for Sub-Contracting Arrangements and Building Maintenance) 2015-16 discussed at the meeting held on 28 September 2016. A copy of the internal audit report is at Annex 1 to Agenda Item 7 (Sub-Contracting Arrangements (Civil Engineering) 2015-16 Internal Audit Report Update) .
2. This report outlines the actions taken to address the issues raised in the report.

Actions within Building Maintenance (Audit Report)

3. Action 1.2 & 2.2

Suppliers for the following trades, which are used to support our in-house team during periods of high demand or where a specialist trade is required, have now been secured via formal framework contracts;

Lot	Description	Subcontractor spend in 2015/16
1	Ground Works	£50k
2	Fencing & Gates	£40k
3	Drainage	£75k
4	Brickwork & Wall Tiling	£75k
5	Roofing (reactive)	£200k

6	Carpentry & Joinery	£100k
7	Plasterwork	£240k
11	Glazing	£150k
20	Scaffolding	£50k

The following lower value trades will be secured via requests for quotation (RFQs) as per procurement policy (below £100k for contract period) – This exercise will be completed as and when service is required

Lot	Description	Subcontractor spend in 2015/16
8	Floor tiling & sheet flooring	£60k
9	Painting & Decorating (reactive)	£30k
10	Cleaning & Clearance	£30k
13	Heating Repairs (reactive)	£30k
14	Electrical (reactive)	£50k
15	TV aerials	£10k
16	Ventilation	£10k
18	Pest Control	£10k
19	Maintenance of renewable tech	£5k

The following is in the process of being procured via –.

Lot	Description	Subcontractor spend in 2015/16
17	Disabled adaptations * This is contract for Housing Standards Team not Building	N/A

	Services	
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- All 9 framework contracts procured are now operational
- Copies of contracts are held both centrally with Procurement and with Building Services
- Performance standards have been agreed with contractors.
- Performance (quality and financial) of contractors is closely monitored by our supervisors via monthly contract meetings.
- Contracts are all Schedule of Rates based
- Processes for ordering, payment
- Processes for ordering, payment application and consolidated monthly invoicing are in now place – although these are currently manual processes and are labour intensive. Building Services are meeting with Procurement and Finance colleagues on 18 July to agree the steps required to automise this process within our existing work management and finance IT systems. Without this work we will be unable to realise the full efficiencies and benefits of the new contracts – and release staff resources for other administration functions that are due to move to Building Services during the course of 2017/18 such as management of repairs recharges to tenants.
- The process of incorporating the above processes onto IT systems is not straight forward and will require cooperation across a number of departments to implement. We estimate that this process will is likely to take 9 months to complete.
- Training for all officers involved in the procurement process has been undertaken and further training for new staff will be given as required.

Recommendations

7. Members are asked to note the work undertaken by the service areas to address the audit report actions.

Reason: To update the Committee, following the internal audit report on Sub-Contracting Arrangements (Building Maintenance) 2015-16 .

Contact Details

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	Report Approved	✓	Date 11/07/17
Specialist Implications:			
Wards Affected:			All ✓