

Cabinet

25 August 2026

Gateway 1 Procurement Commencement: Repairs and Maintenance for Temporary Accommodation Owned, One Medway Lettings, One Medway – Inspiring Change LA Hostels, Housing Revenue Account (HRA) Requirements, Medway Development Company (MDC) and the Sanctuary Scheme

Portfolio Holder: Councillor Louwella Prenter, Portfolio Holder for Housing and Homelessness

Report from: Adam Bryan, Director of Place

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Total Contract Value (estimated): £2,052,485 / £9,065,142 total

Regulated Requirement: Yes

Proposed Contract Term: 29 Months + 24 month extension

Summary

This report seeks permission to commence the procurement for the Statutory Housing Service of a Responsive Repairs and Maintenance contract. This contract is intended to include void property repairs and running maintenance of Temporary Accommodation (TA) owned and managed through the general fund and One Medway Lettings in Housing Needs, extending to include One Medway - Inspiring Change LA Hostels, work for the Housing Revenue Account (HRA) as required, the property portfolio of Medway Development Company (MDC) and the Sanctuary Scheme (Domestic Abuse provision) for installation of enhanced security measures in the homes of domestic abuse survivors.

This contract is intended to improve the Council's management and control of repairs and maintenance works required for the maintenance and safety of property that sits with the Council to manage.

The property portfolio of Medway Development Company (MDC) is subject to board approval. The total contract value takes into account MDC's involvement.

1. Recommendation

- 1.1. The Cabinet is asked to agree to the commencement of the procurement of a repairs and maintenance contract for general fund Temporary Accommodation, LA Hostel and One Medway Lettings for Housing Needs. Including One Medway - Inspiring Change LA Hostels, HRA work as required and MDC properties in Medway; also, to include requirement for the contractor to fulfil requirements for the Sanctuary Scheme.

2. Suggested reasons for decision

- 2.1. The recommendation for procuring this service has been made as it is the most effective way to procure a suitably qualified provider to deliver repairs and maintenance. Currently, there is a reliance on maintenance and repair work to be completed by the contract holders for the HRA Responsive Repairs and Capital Works contract. This is outside of current contract scope and risks impacting performance of the contractual obligations and thus performance of the HRA, leading to significant risk of the current contractor withdrawing from additional services further burdening the Temporary Accommodation budget. By enabling any successful contractor on this contract to perform required HRA work, will in turn reduce pressure on the HRA repairs and maintenance contract.

3. Budget and policy framework

- 3.1. This contract enables Medway Council Housing to deliver high quality, safe and secure temporary accommodation to those who are homeless and owed temporary accommodation duties by Medway Council under part 7 of the Housing Act 1996.
- 3.2. The works and services detailed in this report will be funded by a mixture of Revenue and Grant funds. Income generated through rent income from general fund TA properties, funding allocated for the Sanctuary scheme from the Housing General fund, and charges levied from MDC.

4. Background

- 4.1. Medway Council Housing Services has a responsibility as a landlord to ensure that the properties the council owns and uses as temporary accommodation are well maintained, safe and compliant.
- 4.2. Since 2024 to date, a target of 218 properties will be purchased by Medway Council for use as temporary accommodation.
- 4.3. At present, maintenance and repairs of this stock are being carried out as additional work to the HRA contract for responsive and capital works, however the current HRA contractor has been assessed as not performing to expected Key Performance Indicators (KPI's).

- 4.4. Further pressure is expected to be felt on the current HRA contract with the 600+ units procured from L&Q expected in Q1 of 2027/28.
- 4.5. Strategic Housing is recommending a tendering activity to procure a contract separate to this HRA contract to deliver repairs and maintenance to all general fund temporary accommodation. This new contract will provide additional capacity to support the current HRA contract.
- 4.6. This contract is not intended to have responsibility for property compliance requirements. This activity will remain with the HRA and recharged to the Housing Needs budget.
- 4.7. One Medway - Inspiring Change project is a partnership approach between Housing Services and Adult and Social Care providing LA Hostels for households with support and/or care needs. With a target of 10 to 12 Units (60 to 70 bed spaces), income will be generated via Enhanced Housing Benefit and managed by Adult Social Care and Housing Services.
- 4.8. Strategic Housing is recommending the inclusion of the One Medway Lettings project repairs and maintenance requirements. Operating since 2025 providing Private Rented Sector council managed properties to discharge homeless duties. Managed by the Housing Options team in Housing Needs with a target of 200 properties. Currently utilising the Mears contract with the HRA covering essential and emergency repairs.
- 4.9. It is recommended that there is inclusion in the proposal any additional repairs and maintenance of aids and adaptations for the HRA as and when required.
- 4.10. In addition, in partnership with Medway Development Company (MDC), we are recommending this contract being able to provide repairs and maintenance for 309 of the MDC units, with the potential for this expanding at a later date.
- 4.11. It has also been identified that our current contract to deliver enhanced security measures to survivors of domestic abuse (the Sanctuary Scheme) is currently not providing value for money, and out of contract. Therefore, the recommendation is to include the Sanctuary contract in with this repairs and maintenance contract.

5. Options

- 5.1. Option 1 – Do nothing: The option of doing nothing is not a viable option because the Council has a statutory duty to undertake repairs to its properties and maintain them in a safe and watertight condition.
- 5.2. Option 2 – Extend the current agreement with HRA provision. Regarding this option the HRA is required to ensure:

1. Financial separation

- Required under the Local Government and Housing Act 1989.

- Transactions must be allocated specifically to HRA vs General Fund.
2. No cross-subsidy
 - No general discretion to breach the ring-fence.
 - HRA funds must not support general services.
 3. Fairness and transparency
 - Fair to tenants and taxpayers.
 - Rents reflect actual housing costs.

As such it is felt this is not a viable option as this risks impacting performance of the contractual obligations and thus performance of the HRA.

- 5.3. Option 3 – Develop and employ an in-house team to deliver this service. This team would require tools, transport and materials to complete works required. However, additional risks include requirement for alternative insurance, and the existing management team being under-skilled to appropriately manage and ensure quality of work carried out. This would also require additional time resources of existing staff to develop processes and policies to enable an efficient service.
- 5.4. Option 4 – Development and utilise a local framework to meet this need. With the Council and Medway SME's benefiting with multiple suppliers being part of the framework, minimising supply risks with smaller agreements and facilitating more local SME's, in turn growing the local economy and employment is certainly great for Medway. Although this option would have a greater burden on the Rehousing team by way of management, development of a framework is considered a viable option.
- 5.5. Option 5 – Competitive procurement: Given the consideration of the above options, a contract requirement can require sub-contracting and direct labour to be committed to local SME's benefiting Medway SME's. Is easiest to manage by internal Rehousing teams requiring internal teams only to engage with one contact. In light of the above factors competitive procurement is considered the most viable option.

6. Advice and analysis

- 6.1. The advice is that competitive procurement is pursued to ensure robust and efficient repairs and maintenance can be delivered to Medway residents who are owed an accommodation duty by Medway Council Housing Services.
- 6.2. Including the Sanctuary Scheme and the repairs and maintenance of MDC properties, One-Medway Inspire project and One Medway Lettings within this contract streamlines similar contracts and ensures continuity across multiple Medway Services.
- 6.3. A Diversity Impact Assessment (DIA) has been completed, attached as Appendix 1 to the report, and has identified that there would be no adverse effects to the equality of those with protected characteristics. Instead, it is anticipated that this report will advance equality in all situations as it will improve the Councils management and control of repairs and maintenance

works required for the maintenance and safety of vulnerable residents' homes.

7. Risk management

- 7.1. The following table considers any significant risks arising from procurement action and award of the proposed contract.

Risk Categories	Outline Description	Plans To Mitigate Risk	Risk Rating
Procurement process	Incorrect procurement could lead to breach of EU procurement rules.	Support from Category Management Team and Procurement Team will be sought, and detailed project plan developed.	D2
Contractual delivery	Contract does not commence on 1 October 2026.	Commence tender process as soon as possible.	C2
Service delivery	Customer satisfaction significantly reduces during start of new contract and quality of work drops.	When tender awarded to new contractor robust weekly meetings will take place to manage new contractor until confidence in delivery is attained.	D3
Reputation / political	Ineffective or poorly managed contract may lead to poor levels of customer satisfaction leading to increased enquiries or complaints to Members. Additionally, tenants may perceive Members to be at fault in terms of poorly managed service.	Effective and robust management arrangements in place for contract management with suitably skilled staff. Progress in respect of mobilisation and ongoing performance is regularly reported to the Housing and Homelessness Portfolio Holder, Overview and Scrutiny and through other internal monitoring processes.	D2
Health & Safety	Failure of repairs and maintenance requirements leads to death of tenant/employee/co	Dedicated TA Owned team in place to reduce risk and monitor statutory obligations.	D1

Risk Categories	Outline Description	Plans To Mitigate Risk	Risk Rating
	Contractor or critical injury.	Daily block property inspections by officers and officers on site at blocks Mon-Fri. Officer inspections of repairs and maintenance activity once completed. Health and safety approach to works detailed and recorded by contractor.	
Equalities	Service specification produced that prohibits service being accessed by all service users.	Full diversity impact assessment will be undertaken to address any areas and take necessary action.	D3
Sustainability / Environmental	Reduction in carbon emissions not met or sustained and indeed increased.	Specification sets out clearly targets to be achieved and robust performance management framework and contract monitoring meetings in place to monitor and achieve this.	D3
Legal	Failure to comply with legal requirements and statutory responsibilities in terms of either contract procurement or contract delivery of the service leads to poor PR of the Council or even death of a tenant.	Clear timetable for procurement in place at outset of the tender process so Legal advice can be sought with ample time. Timescales in contract reflect statutory obligations.	D2
Financial	Poorly compiled contract and or tendered contract leads to additional costs being sought during contract leading to budget overspends	Potential for price per property for responsive repairs will alleviate this. Benchmarking data is available and will be reviewed to understand current market values.	C1

Risk Categories	Outline Description	Plans To Mitigate Risk	Risk Rating
	throughout duration of contract. Contract has not been tendered and costs are not sustainable. Current volatile financial market resulting in unprecedented inflation and significant cost increase.	Non statutory compliancy functions in new specification can be costed separately by the tenders allowing the Council to “pick and choose” additional services.	
Other/ICT*	Ineffective ICT links lead to a poorly managed and inaccurate performance data. Lack of appointments system for customers In the event of a new contractor being appointed their ICT software may not be compatible immediately to allow the contractor interface to be in place from the start of the contract.	Effective ICT service level agreement in place to clearly set out response times to service/ICT failures. Clear specification of service requests at outset of tender and compatibility of ICT systems.	C1

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Critical 2 Major 3 Moderate 4 Minor

8. Consultation

- 8.1 Public and wider consultation is not required for this contract; however we will review plans and approach with the following areas:

Internal

Medway Housing: Chief Housing Officer.

Medway Housing: Head of HRA Property and Development.

Medway Housing: Head of Tenant Services.

Medway Council: Portfolio holder for Housing and Homelessness.

External

MDC – Managing Director.

9. Climate change implications

- 9.1. As per requirement of the social value measures that will be required as part of the awarded contract, there will be an expectation of positive impact on climate change.

10. Financial implications

- 10.1. The procurement requirement and its associated delivery as per the recommendations will be funded from income generated from rent collections from temporary accommodation owned and managed by Medway Council.
- 10.2. The funding for all works and services within this proposed tender are fully funded from the income generated through rents collected through the provision of temporary accommodation and OML, recharges to tenants, charges levied from services rendered from MDC and from grants received for the Sanctuary scheme.
- 10.3. If costs are unrecoverable through rents, recharges and other forms of income this will be a revenue pressure.

11. Legal implications

- 11.1. This procurement activity will be above the services threshold and therefore a FTS award and contract details notice will be required, given this is a direct award.
- 11.2. The procedure gives a high degree of confidence that the Council's primary objectives for procurement are met, as required by Rule 2.2 of the Council's Contract Procedure Rules ("the CPRs").
- 11.3. Under the Council's Contract Procedure Rules, the procurement is a Process 3 procurement (Rule 18), and the process set out in this report meets the requirements for such procurements. The procurement was advertised on the Kent Business Portal, in compliance with rule 18.4 of the CPRs.

- 11.4. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions. The process described in this report complies with the Procurement Act 2023 and Medway Council's Contract Procedure Rules.
- 11.5. This report has been presented as a medium risk / key decision procurement, and therefore the Monitoring Officer, in consultation with the Procurement Board will set the risk and reporting stages for the remainder of the procurement process.
- 11.6. The proposal will not conflict with the agreement in place with the HRA's current supplier as that is not an exclusive arrangement and therefore does not prevent Medway from engaging alternative contractors as and when appropriate.

Lead officer contact

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Appendices

Appendix 1 - Diversity Impact Assessment

Background papers

[National Plan to End Homelessness](#)

[Medway Council Homeless Prevention and Rough Sleepers Strategy](#)