

Subject:	Update on the Programme for future delivery of responsive repairs and empty property refurbishments, planned maintenance and improvement programmes and major capital projects to council housing stock		
Date of Meeting:	19th June 2019		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report updates committee on the progress of the programme for the future delivery of responsive repairs, empty property refurbishments, planned maintenance and improvement programmes and major capital projects to council housing stock post April 2020 (the 'Programme') when the current contractual arrangements expire.
- 1.2 A report recommending options for delivery of the works and services from April 2020 onwards was taken to Housing & New Homes Committee and Policy, Resources & Growth Committee ('PRG') in October 2018. Following PRG's decisions in October 2018 a programme team has been set up and the actions required to deliver a successful transition have been mapped out.

2. RECOMMENDATIONS

That Housing & New Homes Committee notes the progress with the Programme for the future delivery of responsive repairs and empty property refurbishments, planned maintenance and improvement programmes and major capital projects to council housing stock which is outlined in the body of this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The council (Housing department) currently operates a ten year partnering contract with Mears Limited ('Mears') under which the following services and works are provided for the council's housing stock:

- Responsive repairs and empty properties refurbishments
- Planned maintenance and improvement programmes
- Major capital projects

Decisions for future delivery

3.2 PRG made the decisions set out below on 11th October 2018 following detailed debate at Housing & New Homes Committee on 26th September 2018.

That:

- Customer service and quality assurance services are brought in house
- Responsive repairs and empty property refurbishments works to council housing stock are brought in-house
- Planned maintenance and improvement programmes are procured through at least one contract for a term of five years with the option to extend for up to a further two years
- A multi-contractor framework agreement is procured for major capital projects with a term of four years
- That specialist works will continue to be delivered through individual contracts, with reports coming back to committee in accordance with the council's Constitution
- Affirmed its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition

For a full list of decision please see Appendix 1.

Strategic objectives for the future delivery

3.3 Feedback from all stakeholders enabled the programme team to develop clear strategic objectives for the future delivery of the services and works as follows:

- Excellent customer service including the ability to self-serve and greater direct customer access to repairs and maintenance services
- A strong focus on investment in pro-active maintenance of existing assets
- Increased transparency, control and accountability around cost and programme information and quality assurance
- Clear demonstration of value for money
- A social value offer that reflects priorities around work opportunities and skills building for the construction sector, and maximised local investment

KEY AREAS OF PROGRESS

3.4 There are many areas of activity currently taking place in the programme through various projects and work streams. The main areas that are of note at this time are detailed in this paper.

Tenant and leaseholder engagement

- 3.5 The programme team has carried out a range of engagement actions with tenants and leaseholders following committee decisions. These have included:
- Providing an update to all Area Panels in October 2018
 - Presenting at the Citywide Conference on 19th October 2018
 - Providing regular updates to the Home Service Improvement Group
 - Presenting at the Leaseholders Annual General Meeting on April 6th 2019
 - Regular updates in Homing In
- 3.6 Recently the programme has been setting up and working with a specific ‘task and finish’ group to support the Programme. This group is made up of representatives from our existing resident engagement structure as well as recruiting two new volunteers.
- 3.7 This task and finish will focus on working with council officers through the period of change for the repairs service to represent the views of tenants and leaseholders. The group will use the feedback that residents gave through the consultation period before the future service options were decided in October 2018 (this includes survey data from both on-line and face to face and feedback from workshops) to refer to when making key decisions.
- 3.8 Four representatives from the group attended a market engagement day that was held on 1st May to engage with suppliers interested in works that will be delivered through the major capital projects framework agreement.
- 3.9 The programme team also presented to the Leaseholder Action Group Annual General Meeting in April 2019 to update on the progress of the Programme. Leaseholders fed back the following points:
- A proactive maintenance programme is vital to leaseholders to be evidenced in the new arrangements
 - Leaseholders want to be able to sign post contractors to work opportunities to work with the council
 - Leaseholders want to see the council accountable for the specification, design and quality assurance of works.
- 3.10 All of the above has been fed into the delivery of projects within the Programme by the methods we use to procure contracts and how we work with leaseholders throughout the process.

Procurement update

- 3.11 The project team for the major capital projects framework agreement are working on the draft procurement documentation which is due to be advertised to the market in the summer of 2019. The framework will cover five key work types:

- Loft conversion and extensions
- Conversion of use, alteration or refurbishment of existing property
- Hidden homes projects
- New build projects – car parks, garages and infill
- Major works projects – to our medium and high rise blocks

3.12 The framework will be split into two lots for works based on the value of projects. After evaluating feedback from the market engagement day (discussed below) and in order to invite interest from Small to Medium Enterprises (SMEs) the values of the lots will be works above and below 300k.

Market engagement

3.13 On 1st May 2019 the programme team carried out a market engagement day to talk to interested organisations about the council's proposals for the major capital projects framework agreement. The day was well attended with over 27 organisations attending. Tenant and Leaseholder representatives from the task and finish group also attended. Officers will be taking the feedback provided from the day in order to help to appropriately shape the framework arrangements by feeding them into the specification and tender process.

3.14 Some of the areas of discussion with suppliers who attended the session included:

- Value of projects
- Types of projects
- Working with residents and leaseholders
- Delivering social value and apprenticeships
- Contractual terms and types

Stock information review

3.15 The council are currently procuring a consultant to undertake a stock review and survey a sample of our properties to help inform the council's investment plan for its stock moving forward. This is currently at the award stage and the surveys will be completed through the summer. This will help to inform what maintenance and improvement programmes to council housing stock the council takes forwards from April 2020 onwards.

Social Value

3.16 The programme team is committed to driving social value through all project streams within the Programme, including through procurement processes or the in-house delivery team. The council's in-house service will have great opportunity to develop, own and increase its social value over time.

3.17 Social value will be delivered through the following areas:

- Keeping tenants homes warm, safe and in good condition
- Investing in the local economy and support the local supply chain
- Supporting services in tackling fuel poverty
- Provide a high quality and trusted service to residents
- Providing targeted employment or training opportunities
- Reducing the environmental impacts in service delivery
- Community involvement
- Working in partnership with local services and charities

Apprentices

3.18 Apprentices who TUPE transfer into the council will be supported to complete their courses. The council will also support other work place training developments and opportunities for staff through the process of bringing services in-house. This will include:

- Apprenticeships for existing staff to develop skills
- Opportunities for secondments and internal job opportunities in other areas of the council

3.19 The council will also enhance its current apprentice programme for the delivery of the new in-house repairs and empty property refurbishments service. In addition to the development of the apprentice scheme we will also be looking to offer other educational training opportunities, for example T-level training placements.

3.20 Currently the apprenticeship scheme delivered through the contract with Mears includes the following areas:

- Carpentry
- Plumbing
- Electrical
- Painting and Decorating
- Administration (for delivering housing services)

Staff and union engagement

3.21 The programme team has carried out a range of engagement actions with staff and union representatives. These have included:

- Regular updates for Property & Investment staff and unions
- Drop-in sessions for other housing staff
- A presentation for stakeholders impacted by service changes
- Two sets of workshops for Mears staff and unions
- Attendance at various team meetings
- Regular updates through the council's Departmental Consultative Group meetings with union representatives

- 3.22 The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended (TUPE) protects the terms and conditions of employment of transferring staff and the programme team are working closely with Mears management and staff to support those affected by the changes in service delivery through the transfer process.
- 3.23 Following the decisions being made for the delivery of future services the programme team has held two sets of workshops with Mears staff and unions in November 2018 and April 2019. There is a positive working relationship with Mears and regular management meetings are in place to ensure staff are supported through the TUPE process.
- 3.24 Mears have provided two sets of TUPE information and the council is committed to ensuring that staff have all the support they need to continue to carry out their roles safely and with the correct tools and equipment required from 1st April 2020.
- 3.25 Following formal TUPE processes, approximately 150 Mears staff will transfer to the council with their current terms and conditions protected. These include apprentices, operatives (tradespersons), supervisors, administration staff, branch management, call centre staff and others.
- 3.26 Headline feedback from staff transferring into the council highlights the following as key areas of focus:
- Ensuring staff have the right equipment required to complete their jobs
 - Support with parking issues when on site
 - Confirmation of Out Of Hours (OOH) procedures
 - Confirming ICT equipment and software arrangements
- 3.27 Council officers who are affected by the changes in service delivery attended a stakeholder presentation to start to scope the impacts on other teams/areas of the organisation. This exercise has informed the outcomes of projects within the Programme.
- 3.28 The programme team is near to being fully resourced, with the key positions as follows:
- Senior Programme Manager – David Canham
 - Programme Manager – Sharon Davies
 - Project Manager Communication and Culture Change – Fran Hodgson
 - Project Manager Planned Maintenance and Major Projects Framework – Peter Mustow
 - Project Manager – (interviews being held in June 2019)
 - Project Support Officer – Nick Austin

Orbis Support

3.29 Colleagues in Orbis and Orbis Public Law have been supporting the programme team to scope and deliver the following vital programme areas:

- HR, pay, training and support for transferring staff
- Procurement arrangements
- Financial arrangements
- Health and Safety requirements of the new in-house service
- Payment and invoicing for new suppliers
- Office space, ICT hardware and software requirements
- Customer service and customer experience objectives

Peer Engagement

3.30 In order to develop market knowledge on the delivery of the works and services, the programme team has continued engagement with the following housing providers to gain insight and best practice advice:

- Royal Borough of Greenwich Council
- Stoke-on-Trent City Council
- Islington London Borough Council
- Southern Housing Group

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 As this report is intended to update committee on the progress of the Programme alternative options are not required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Extensive engagement with stakeholders was undertaken alongside the development of the options presented to committee on 26th September 2018. Full details are included in the report to that committee.

5.2 Formal leaseholder consultation will also be taking place throughout the programme. We are working with the Leaseholder Action Group (LAG) to plan this and support leaseholders throughout the process.

5.3 Further engagement with stakeholders is set out in the body of this report.

6. CONCLUSION

6.1 This report updates committee on the progress on key areas of preparation that the programme team are focused on to ensure that the works and services are in place, staff are effectively supported and procurement processes are successfully delivered to provide the best works and services

that we can to residents and achieve the councils objectives for the Programme.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 7.1 The HRA budget for 2019/20 includes a budget of £0.250m for the costs associated with supporting the Programme and a further earmarked reserve of £0.982m for mobilisation and set up costs associated with the Programme.
- 7.2 The costs of the stock information review will be managed within the HRA budget for 2019/20.
- 7.3 All costs will be monitored as part of the council's Targeted Budget Management (TBM) process. Any significant forecast variances at month 2 for the HRA will be reported to PR&G on 11th July 2019 as part of the council's overall budget monitoring report.

Finance Officer Consulted: Monica Brooks

Date: 22/05/19

Legal Implications

- 7.4 There are no legal implications arising directly out of this report for noting other than those covered in the body of the report.

Lawyer Consulted: Isabella Sidoli

Date: 28/05/19

Equalities Implications

- 7.5 None of the changes in works and services involve reducing or altering the nature of service provided to residents. It is therefore not anticipated that the options would have a detrimental impact on any group with a protected characteristic. An equalities impact assessment will be carried out and a further report will be presented to this committee if any detrimental impacts are identified.
- 7.6 The Programme will involve transfer of staff from the existing contractor to the council. An equalities impact assessment is being undertaken to consider the impact of the transfer on various groups.

Sustainability Implications

- 7.7 As part of the procurement process potential providers will be assessed on their ability to deliver works in a sustainable and energy efficient manner in line with the council's HRA energy strategy.
- 7.8 As part of the setting up of the in-house repairs service the council will look to implement initiatives to deliver the council's HRA energy strategy where possible.

Risk and Opportunity Management Implications:

- 7.9 A detailed risk management plan and register is being maintained to cover the Programme.

Corporate / Citywide Implications

- 7.10 A number of Corporate, Citywide and Housing strategies are relevant to this Programme. These are set out in full in the reports to Housing & New Homes Committee on 14th March 2018 and 26th September 2018.
- 7.11 Key strategies aligned to this Programme include: the Housing Strategy, the Housing Asset Management Strategy and the Housing Revenue Account Energy Strategy.

SUPPORTING DOCUMENTATION

Appendices:

1. Decision record Policy, Resources & Growth Committee 11 October 2018

Documents in Members' Rooms

None

Background Documents

None

Appendix 1:

**BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE
4.00pm 11 OCTOBER 2018
COUNCIL CHAMBER, HOVE TOWN HALL
DECISION LIST**

OPTIONS FOR FUTURE DELIVERY OF HOUSING REPAIRS, PLANNED MAINTENANCE AND CAPITAL WORKS

Contact Officer: Sharon Davies *Tel:* 01273 121295
Ward Affected: All Wards

RESOLVED: That the Committee –

Customer service and quality assurance

(i) Agreed that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;

Responsive repairs and empty property refurbishments

(ii) Agreed that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;

(iii) Approved a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;

Planned maintenance and improvement programmes

(iv) Approved the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;

Major capital projects

(v) Approved the procurement of a multi- contractor framework agreement for major capital projects with a term of four years;

Specialist works

(vi) Noted that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to

procure and award such contracts if required in accordance with the council's Constitution;

Delegation

(vii) Granted delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:

- (1) Commence the procurements and award the contracts required to implement the recommendations;
- (2) Use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;
- (3) Award call-off contracts under the major capital projects framework agreement;
- (4) Take any other steps necessary to implement the recommendations in this report.

(viii) Affirmed its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

