

<b>Subject:</b>	<b>Update on options programme for future delivery of housing repairs and maintenance</b>		
<b>Date of Meeting:</b>	<b>14<sup>th</sup> June</b> 13 <sup>th</sup> June 2018 – Housing & New Homes Committee		
<b>Report of:</b>	<b>Executive Director for Neighbourhoods, Communities &amp; Housing</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This document updates Housing & New Homes Committee on progress with the options programme for delivering housing repairs, maintenance, improvements and capital works post April 2020 when the current contractual arrangements expire.
- 1.2 Brighton & Hove City Council (Housing) operates a ten year partnering contract with Mears Limited under which the following services and works are provided for the council's housing stock:
- Responsive repairs and empty properties maintenance
  - Planned maintenance and improvement programmes
  - Major capital works projects
- 1.3 An initial report initiating the programme was taken to Housing & New Homes Committee in March 2018.

**2. RECOMMENDATIONS:**

- 2.1 That committee notes progress with the options programme for the future delivery of repairs, planned maintenance and capital works for the council's housing stock, as detailed in the body of this report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 A programme board is in place and led by the Executive Director, Neighbourhoods, Communities & Housing. The board includes representation from procurement, legal and finance alongside housing. Human Resources officers will also attend future programme board meetings.

### 3.2 Member and committee activity

3.3 An initial report initiating the programme was taken to Housing & New Homes Committee (H&NHC) in March 2018. This report detailed:

- The structure of the programme and the programme board in place led by the Executive Director, Neighbourhoods, Communities and Housing.
- Arrangements for engaging members through Procurement Advisory Board (PAB) with additional attendance by lead members for housing.
- The commissioning of consultants to develop an initial options and market research report.
- The high level timetable for the programme and any resulting procurement activities.
- Arrangements for engaging with residents and keeping both residents and members informed of progress with the programme.
- High level risks associated with the programme.

3.4 This report above was also taken to Policy, Resources & Growth Committee following a request by PAB.

3.5 Members of the programme team have attended the Members Procurement Advisory Board (PAB) on three occasions since the commencement of the programme. The existing board members are joined by lead members for housing for this item.

3.6 PAB has been provided with further information on the structure of the options programme, timetable and critical dates, details of sub-contracting arrangements within the existing contract, lease arrangements for the Housing Centre, details of housing contracts that are not currently delivered through the existing contract and feedback from site visits undertaken by the programme team.

3.7 The April meeting of PAB received an options report commission by the council and was also attended by the consultants who developed this report. This was followed up with a further session on this item on 4<sup>th</sup> June. Further details of the options report are detailed in 3.22.

3.8 An aligned report detailing the independent review of the existing contract undertaken by 31ten consultancy in 2017 is scheduled for discussion at Housing & New Homes Committee on 13<sup>th</sup> June. The report contains a combination of recommendations for the final two years of the existing contract and lessons learned for consideration in the context of the options programme.

3.9 Where other related housing procurement reports are being taken forward to committee, officers are working with procurement colleagues to consider how these relate to this options programme. The forthcoming procurement report for fire alarms servicing, maintenance and installations includes details explaining why this procurement is moving forward as a stand-alone project.

### 3.10 Resident engagement activity

3.11 To date programme officers have attended the following resident meetings to provide an initial brief of the programme and next steps for resident engagement:

- Area Panels
- Home Service Improvement Group
- Leaseholder Action Group – Annual General Meeting

3.12 Residents at Area Panel meetings provided some initial feedback around the current contractual arrangements and raised some questions about delivery methods moving forward - feedback was included in the March 2018 report to Housing & New Homes Committee.

3.13 Representatives at the Home Service Improvement Group were keen to be updated at future meeting of the progress of the programme and gave appreciation around the scale of the programme.

3.14 The programme team presented on the programme at the Leaseholders Action Group (LAG) – Annual General Meeting in April 2018 and will work with the newly elected LAG representatives over the coming months to engage with leaseholders and collect feedback on the current arrangements.

3.15 Leaseholders fed back that they welcomed the opportunity to be engaged in the programme alongside the work being undertaken to improve engagement with leaseholders. Other feedback included that the council should ensure value for money is being delivered through major housing projects and that there should be a stronger focus on maintenance programmes through future delivery arrangements.

3.16 The programme team are currently in the process of developing the following activities for tenant and leaseholder engagement to take place up until September 2018:

- Independent sample of face to face surveys
- On-line questionnaire
- Social media / Homeing In updates
- Workshops for tenants and leaseholders

3.17 As well as formal leaseholder consultation and continued engagement with residents groups it is also of note that smaller a group of residents (representative of the demographic profile) will be engaged throughout any tender evaluation process.

### 3.18 Staff engagement activity

3.19 Staff have received regular updates on the programme through the initial phase. The programme team have presented on progress with the programme at the regular all staff meetings held for the Property & Investment team.

3.20 In addition the team have received email briefings alongside the development of reports and the release of any public reports on the programme.

3.21 The Programme Board now includes Human Resources representation and updates on the programme will be given to union representatives at forthcoming Departmental Consultation Group meetings alongside a specific workshop for staff to feedback on the current arrangements.

### 3.22 Initial options report

3.23 As detailed in 3.3 Trowers & Hamblins and Savills were commissioned to jointly produce an initial options report detailing the main options for the delivery of services currently undertaken under the existing contract. A copy of the report is included as Appendix 3.

3.24 This report is supported by a matrix which sets out the options available for the future delivery of the service (Appendix 1) and an executive summary of the options report (Appendix 2) which sets out the main advantages and disadvantages of the delivery models set out below in 3.26.

3.25 Rebecca Rees, Partner at Trowers & Hamblins LLP and John Kiely, Director at Savills (UK) Limited attended Procurement Advisory Board meetings on 30th April and 4<sup>th</sup> June to talk to the report and answer questions.

3.26 The report details four options for delivery of these services in the future. For clarity each option is not stand alone and the report details that the council may wish to use a combination of delivery options for different parts of the current service. The primary options detailed in the report are set out as follows:

- Direct delivery of the services
- Outsourcing
- Wholly-Owned Subsidiary/Managed Service model
- Joint Venture company

### 3.27 Next steps

3.28 Key activities over the coming months include undertaking resident engagement activity and workshops for tenants, leaseholders, councillors and staff. The programme team will also carry out further visits of other providers and prepare summaries of these for both PAB and Housing & New Homes Committee.

3.29 A further report will be prepared for Housing & New Homes Committee in September where agreement will be sought for the preferred option(s) for the future delivery of the service. This report will include summary of the engagement activities and workshops undertaken as well as other work undertaken by the programme team.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 No alternative options to the delivery of the options programme are available. The provision of repairs and maintenance to council owned housing stock is a core landlord responsibility under housing legislation.

4.2 As detailed in 3.22 above a number of options are being considered for the future delivery of these services. A further report to Housing & New Homes Committee and Policy, Resources & Growth Committee in September/October 2018 will seek to identify the preferred option(s) for delivery following the end of the current contract arrangements in 2020.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 The report sets out engagement activities undertaken to date with residents in the city at 3.10 – 3.15. The report also sets out the broad engagement activity being undertaken over the coming months at 3.16 – 3.17.

#### **6. CONCLUSION**

6.1 The programme will cover the options for future delivery of a significant proportion of the council's investment in its housing stock. Future reports to committee will enable members to make decisions on the options and delivery strategy for 2020 onwards.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

7.1 The Housing Revenue (HRA) budget for 2018/19 includes £0.250m for the preparation of the future delivery of housing repairs, planned maintenance and capital works once the Mears contract ends in March 2020.

7.2 A further report requesting member agreement on the preferred procurement option for this service will include the financial implications of each option.

*Finance Officer Consulted: Monica Brooks*

*Date: 16/05/18*

##### Legal Implications:

7.3 There are no direct legal implications arising out of this report which sets out a recommendation for noting.

*Lawyer Consulted:*

*Isabella Sidoli*

*Date: 29/05/18*

### Equalities Implications:

- 7.4 An equalities impact assessment has not been carried out for this programme at this stage. Assessments are in place for any work carried out under the current contract arrangements. It is anticipated that a similar process will be appropriate here.
- 7.5 It is possible that options identified as a result of this programme will involve transfer of staff from the existing contractor.
- 7.6 Engagement with staff is detailed in section 3.18 – 3.21.

### Sustainability Implications:

- 7.7 The work carried out under the existing contract arrangements in this area contribute significantly to the council owned stocks energy performance. Future arrangements will need to assess any potential providers ability to deliver services in a sustainable and energy efficient manner in line with the council's HRA energy strategy.

### Any Other Significant Implications:

#### Risk and opportunity management implications

- 7.8 The programme includes a detailed risk management plan and register which is being maintained throughout the programme

#### Corporate/Citywide implications

- 7.9 There are a number of Corporate, Citywide and Housing strategies that are relevant to this programme. These are set out in full in the 14<sup>th</sup> March 2018 Housing & New Homes Committee report initiating the programme.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Matrix of options available for future delivery
2. Executive summary of options report
3. Options report for the delivery of responsive repairs services, planned maintenance and improvement programmes and large capital projects

### **Documents in Members' Rooms**

None

### **Background Documents**

None