

## LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION:	14th February 2024	
REPORT TITLE:	Repairs Contracts Update	
CORPORATE DIRECTOR:	Susmita Sen, Corporate Director for Housing	
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LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes and Deputy Mayor	
KEY DECISION?	No	REASON: The purpose of this report is to provide update on the progress of the repairs' contracts and budgets
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

### 1. SUMMARY OF REPORT

**1.1** This report presents an overview of the mobilisation of the Housing Responsive Repairs contracts with Mears, Wates, and K&T Heating and sets out how the service, including our contractors are currently performing. The report also highlights the delivery of Social Value initiatives.

Several years of significant under-investment in properties, including insufficient growth in the responsive repair budgets, has resulted in an increase in Legal Disrepair claims, an increase in non-decent properties, and there has been a significant increase in the volume of repairs being reported since the new contracts mobilised on 1 August 2023. This spike in demand is placing the in-year budget (2023/4) and staffing resource under intense pressure, and to recover the situation, additional budget provisions will be required this year and in future years. On the positive side, the repairs team have significantly reduced the number of legacy voids, resolved a large number of overdue complaints and member enquiries.

## **1.2 RECOMMENDATION**

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

**1.2.1** To note the progress following mobilisation of the new housing repair contracts on 1 August 2023.

**1.2.2** To agree the actions proposed as outlined in this report and to report back to Members with an update within six months.

## **2. REASONS FOR RECOMMENDATIONS**

**2.1** The Executive Mayor in Cabinet endorsed the recommended procurement strategy for delivery of the Housing Responsive Repair Service and Heating in June 2022 (Reference CCB1750/22-23).

**2.2** In accordance with the Procurement strategy, the Council carried out a procurement process compliant with the Public Contract Regulations 2015 (PCR) using the Competitive Procedure with Negotiation (CPN) in relation to Housing Responsive Repairs and Voids. Three main contracts were awarded to Wates Ltd, Mears Group and K&T Heating. These contracts commenced service delivery on 1 August 2023.

**2.3** The main purpose of this report is to provide an update on the progress of the aforementioned contracts since 1 August 2023 to the present.

## **3. BACKGROUND AND DETAILS**

**3.1** On 6 March 2023 the Executive Mayor in Cabinet approved the contract award report to replace the Council's former Housing Responsive Repairs Contract with Axis Europe. Axis had served notice to end the contract with the Council. To mitigate the risk of appointing a single provider, and to attract local and Small and Medium-sized enterprise (SME) contractors, the procurement strategy report (22 June 2022) recommended splitting the contract into four parts as follows:

- Contact Centre – to be insourced
- Area 1 Responsive repairs and voids excluding heating
- Area 2 Responsive repairs and voids excluding heating
- Heating related services

**3.2** A subsequent Cabinet meeting was held on 24 May 2023, in which the contract award report was approved for the appointment of K&T Heating. This was due to the late withdrawal of PH Jones, who had initially been awarded the heating related services contract.

**3.3** The three contracts commenced on 1 August 2023, and the Contact Centre was insourced to the London Borough of Croydon (LBC). Each initial contract term is six years and

eight months, with an option to extend to a maximum contract duration of 10 years and eight months.

The contracts have been split across specified lots as follows:

- Wates Property Services Ltd (Lot 1) - responsive repairs and voids excluding heating, with optional planned programmed works. This covers approximately 70% of the Council's housing stock (tenanted/leasehold dwellings and shared ownership dwellings).

The Out of Hours (OOH) contact centre is also managed by Wates, and covers emergency repair calls across Lots 1 & 2. The service operates between 6pm – 8am week days, and 24 hours over the weekend and bank holidays. Wates commenced this service from 1 August 2023.

- Mears Group Services (Lot 2) - responsive repairs and voids excluding heating, with optional planned programmed works. This covers approximately 30% of the Council's housing stock (tenanted/leasehold and shared ownership dwellings).
- K&T Heating (Lot 3) - heating related services covering 100% of the Council's housing stock.

LBC In-sourced Contact Centre – The repairs contact centre operates Monday to Friday (8am – 6pm) and is responsible for receiving calls and e-mail enquiries, logging repairs and scheduling appointments for all contractors.

#### **4. CONTRACT MANAGEMENT AND PERFORMANCE MONITORING**

**4.1** The contracts commenced on 1 August 2023. LBC's partnering advisors, Echelon, have been engaged in managing the demobilisation of the former contract with Axis and ensuring all legacy repairs outstanding on 31 July 2023 transferred to the new contractors. A total of 3,135 works orders were transferred to Mears, Wates and K&T Heating on 1 August 2023 and these repairs have all been completed. Echelon has also supported the final account closure which is expected to be concluded imminently.

**4.2** A Strategic Client team has been put in place following the 2023 re-evaluation of Contract Management. The team has implemented the revised strategic contract management function in the Housing department, including managing and monitoring Social Value initiatives. A Contract Management plan is in place, and this outlines how the contracts will operate and be managed. The plan supports robust contract management with weekly operational meetings taking place, and monthly strategic core group meetings with each contractor. Processes are aligned with the Term Partnering Contract (TPC) including provisions for an Emergency Action Plan and escalation hierarchy to the Strategic Core Group meeting if the service is deemed to be failing.

**4.3** The contract management team consists of surveyors and workstream managers across repairs, actively monitoring the contractors in respect of quality of work and service delivery, which includes analysing Key Performance Indicators (KPIs). As it is 6 months since the contracts mobilised, we are working with Echelon to undertake a KPI data validation exercise to ensure the KPIs reported to date are accurate and reflect the requirements of the

contractual KPI handbook. We expect this validation exercise to be completed during February and for the KPI dashboards to be published from March 2024.

**4.4** Echelon have also delivered training to ensure the Council's Corporate Contract Management approach and document suite is fully utilised by the repairs team. Additionally, during 2024 accredited contract management training will be arranged to further strengthen contract management.

**4.5** Residents are an essential part of monitoring the performance of the new contracts. During the procurement of the contracts, residents were heavily involved in developing the KPIs and establishing expectations for overall supplier performance management. Resident satisfaction data is being progressed via independent telephone surveys run by our survey provider, Acuity, and this is reviewed at the core group meetings. The Contract Management team are working collaboratively with the Resident Involvement team to ensure residents continue to be engaged through a Repairs Contracts Monitoring Group (RCMG). This group is currently being formed, and the Chair of this group will also attend future Strategic Core group meetings.

## **5. CONTACT CENTRE UPDATE**

**5.1** Background: The repairs contact centre was insourced on 1 August 2023. This enables residents to contact the Council directly to report repairs. Previously the contact centre was managed by Axis, and very little call volume data was shared with LBC during the term of their contract. Additionally, during the demobilisation period, the TUPE information detailing the staff who would transfer to LBC was received late.

**5.2** As a result of the lack of call data, setting the contact centre up and determining the required resourcing levels has been very challenging. As the TUPE information was provided very late in the demobilisation period, temporary staff were recruited in June 2023 to deliver the service, and whilst these staff received training during July, call volumes from the commencement of the new contracts have been significantly higher than expected (and higher than available benchmark information from similar service providers) which is placing the service under intense pressure. This has led to higher levels of staff turnover and sickness over the last 3 months. Of the 23 FTE posts within the contact centre, 18 posts are currently filled by temporary staff.

**5.3** In respect of the current service, the call wait time, call handling time and number of abandoned calls are too high. Repeat callers chasing progress on existing job orders is also a contributing factor, leading to an additional c2,000 calls per month. The contact centre manager is working closely with the contractors to ensure regular updates are being provided to residents in respect of open jobs and follow-on works. The tables below detail performance since the service commenced:

Reporting month	Calls Received	Calls answered
AUG	12709	10600
SEPT	11604	9900
OCT	14474	12178
NOV	15903	10801
DEC	9794	7934

Contact Centre KPI Data						
Key Performance Indicator	Bigger or Smaller is better	Frequency	Target	Croydon position (Dec 2023)	Croydon position (Nov 2023)	Croydon position (Oct 2023)
Average contact centre wait time (Housing call centre only)	Smaller is better	Monthly	<i>Working towards 20 secs*</i>	6m 02s	9m23s	3m49s
Average contact centre call handling time	Smaller is better	Monthly	5mins 30 secs	6m 48s	8m 09s	5m 20s
% of residents that ended the call before we spoke to them (housing call centre only)	Smaller is better	Monthly	<i>Working towards 5%*</i>	19%	31%	16%

\* Stepped targets have been introduced so that we work towards achieving the benchmark targets by 1 October 2024

**5.4 Improvement Plan:** An improvement plan has been developed and key actions are detailed below. The improvement plan is led by the Director, with support from the Head of Repairs and Contact Centre Manager:

- Recruitment – A recruitment campaign commenced early January and we received over 200 applications for advisor and team leader roles. Shortlisting has been completed and interviews are scheduled for late January/early February. We will also recruit more part-time advisors so that we have flexibility within our resource plan to meet peak call demand periods, and cover lunchtime and training periods. We expect successful candidates to start joining us from late February and taking calls from 1 April 2024.
- Training and induction – we have reviewed the training plan utilised in June 2023 and also considered feedback we've received from our contractors about diagnostic information which support them to achieve first time fix. We have revised the training materials and will adapt our approach to ensure our new colleagues receive a thorough induction and training on our culture, the vision for our service (easy to do business with) and IT systems, so that the service is efficient and professional. We will focus on accurate repair diagnosis, along with capturing up to date customer contact information. Our new advisors will also

focus on offering an appointment at the first point of contact as we know this is an area of current tenant dissatisfaction.

- IT – We have requested the erection of wallboards so that the contact centre team and wider repair colleagues have real-time visibility of the call-handling service. The wallboards will support developing a performance culture. We are also introducing IT to support advisors, who in the main are non-technical staff to accurately diagnose repairs (Repair Finder) which should support out contactors to achieve higher levels of first-time fix.
- KPIs – We have introduced real-time monitoring of our call handling service including call wait time, call handling time, abandoned call levels and failure demand (the percentage of calls where tenants are chasing for updates); Call quality monitoring has been enabled allowing our Team leaders to focus on ensuring our advisors follow agreed processes, raise repairs which are the landlord's responsibility (in line with our service offer) and offer advice/sign-post tenants where repairs are the tenants responsibility, update systems accurately and ensure the service is efficient, professional and caring. The contact centre staff are supported by a technical team, including our on-duty surveyor and contractor staff to support with more complex cases. Due to the increased call volume and current service level, we have introduced stepped targets for call wait time and percentage of calls abandoned to support the team to achieve 'benchmark' targets for these areas by 1 October 2024.

## **6. REPAIRS TECHNICAL TEAM**

**6.1** A new repairs technical team is now in place. Training has been undertaken on the full scope of the new contracts including the commercial model.

**6.2** The Post Inspection process has been agreed, and since the commencement of new contracts, Croydon officers undertake post inspections on all works over £500.00 and all voids. They also target communal and in-property repairs to ensure that works are undertaken to the desired standard and quality. Contractors provide before, during and after photographs of works and these are added to job notes and are available to Croydon staff to support the post inspection process.

**6.3** The team have established a surveyor duty rota to provide an "in office" presence for contractor enquiries, contact centre enquiries and rapid response to variation order requests. Redesignation of surveyor patch areas has been undertaken and our 10 surveyors have been allocated a patch and each contractor is aware of the surveyors operating in their areas.

**6.4** The estate inspection programme has been shared with residents and the programme is monitored for attendance. For the period August to December 2023, we attended 100% of estate inspections on time (32).

## **7. COMPLAINTS**

**8.1** Historically Axis managed complaints through their own internal process and information/data was not shared as part of the demobilisation. The lack of complaints data has greatly impacted on progression of complaint resolutions both for Croydon Council and the new contractors.

**8.2** As part of the mobilisation, a dedicated complaints team was put in place and a complaints process was agreed with the new contractors. On the 31 July 2023 (demobilisation date) there were 197 stage 1 complaints. Our new contractors were quick to assist with the outstanding legacy complaints which supported speedy resolution of 160 cases within the first 3 months. Legacy complaints (37) are being investigated and we anticipate resolution by 31 January 2024.

The table below details complaints raised for the new contractors since 1 August 2023. The figures are relatively low to date, as the majority of complaints raised up to 31 December 2023 were linked to legacy work from the previous contractor.

Contractor	Stage 1 complaints allocated to contractor	Stage 2 complaints allocated to contractor	Compliments
Wates	8	0	1
Mears	4	0	0
K&T Heating	6	0	1

## 9. OOH Contact Centre – Wates

**9.1** Wates provide the emergency out of hours call handling service. This operates from 6pm until 8am weekdays, and weekends/bank holidays. Again, no call volume information was provided by Axis in relation to their service. Wates have seen higher than expected call volumes, however, many of the calls received do not relate to emergency repairs. We will review the information on the LBC website to ensure it clearly details what the service covers, and support this with articles in Open House newsletters and communication to members, tenants, and resident groups.

## 10.0 VOIDS

**10.1** Since 2022, Croydon had a WIP (Work in Progress) in excess of 350 empty properties (voids). Since then, work to reduce the historical backlog of voids has been undertaken and on 31 December 2023 we had 60 voids.

**10.2** In addition to the historical voids, we have seen the number of voids each week increase this financial year from c10 voids per week to an average of 15 new voids each week. The main drivers for the increase in voids have been higher levels of abandonment; death of tenant (we have a significant number of older tenants); and tenants moving out into the private rented sector or to housing association properties. Additionally, we are seeing c20% of voids requiring significant investment to bring them up to meet the new lettable standard resulting in the average void cost increasing to c£7,000 (from a previous average of c£3,000) which has placed our responsive repairs budget under intense pressure. The additional volume of voids has also resulted in Mears and Wates recruiting additional operatives to complete void works. By 31 December 2023, we had relet over 650 voids, against a budget that assumes 700 voids per annum.

**10.3** A void tracker is used to obtain estimate return dates. For the first 3 months, void turnaround was significantly below the KPI target at 18 days (target 12 days). As Mears and Wates have employed additional resource, including sub-contractors to support them to achieve the KPI, void turnaround has now reduced to c14 days.

**10.4** LBC are responsible for the specification of void works and approving any subsequent variation requests. The new lettable standard has been shared with Wates and Mears and we are working collaboratively to ensure voids are turned around as quickly as possible to minimise rent loss. Additionally, all voids are post inspected on completion by LBC surveyors.

## **11. DISREPAIR**

**11.1** There is an historic backlog of disrepair works awaiting completion which has been building since 2019. Legal disrepair cases issued to enforce completion of these disrepair works have doubled from 105 cases in 2020 to 246 in 2022, to 414 in 2023. For the first month of 2024, 68 new legal disrepair claims have been received suggesting another increase this year. On average the legal team receive 7 new letters of claim per week and are currently managing over 700 live litigation claims brought by residents.

**11.2** There has also been a rise in the number of legal cases where the Council is now in breach of a legal settlement agreement reached with the resident's solicitors for completion of works.

**11.3** To ensure these cases are resolved as soon as possible, Wates and Mears have recruited additional operatives, and have mobilised supply chain partners to support us to close as many cases as possible by 31 March 2024. A detailed 12-month recovery plan is in place to resolve the backlog of cases by 31 March 2025, sooner if possible, and ensure new cases logged are progressed, works completed and cases closed within 6 months.

## **12. DAMP AND MOULD**

**12.1** Following the tragic death of Awaab Ishak and in response to regulatory requirements, a new damp and mould team was created in January 2023 to manage the significant increase in reports of damp and mould. On average we receive 25 cases each week. Our process involves undertaking a visit and arranging an initial mould wash and reviewing heating and ventilation of the property (Stage 1). All stage 1 visits are followed up with a further visit within three months, to ensure there is no reoccurrence of the damp and mould. Some cases progress to Stage 2, where additional measures often including changes to the building may need to occur. Wates and Mears support LBC with the Damp and Mould works, and both contractors have agreed to recruit additional resources to support damp and mould works. This will result in additional preliminary costs from the contractors where additional management and administration resource is required.

**12.2** The table below shows the progress of damp and mould related works between 1 August 2023 – 31 December 2023. Both contractors have agreed to clear the backlog of stage 1 cases by 31 March 2024. Stage 2 cases require more complex works, and these are managed on a case-by-case basis. Additionally, the Government recently announced an 8-week consultation in relation to completion times for damp and mould works. We will be responding to the consultation, whilst also preparing the service to meet the target times

proposed, as we expect them to become legislative requirements potentially within the next 6 months.

Contractor	Stage 1 raised	Stage 1 complete	Stage 1 WIP
Wates	459	364	95
Mears	240	148	92
Contractor	Stage 2 raised	Stage 2 complete	Stage 2 WIP
Wates	218	89	129
Mears	26	9	17

### 13. HEATING

**13.1** The K&T Heating contract was mobilised with a shorter lead-in period due to the late withdrawal of PH Jones, the previously appointed supplier. The Council worked collaboratively with K&T to prepare the mobilisation which was impacted by several challenges:

- Lack of customer contact data to arrange appointments for annual gas service.
- A significant number of Landlord Gas Safety checks (LGSRs) due in first 3 months of the new heating contract
- Difficulties recruiting additional engineers to support the spike in the LGSR programme.

**13.2** Despite these challenges, on 31 December 2023 the number of overdue LGSRs had reduced to 465 (334 as at 31 January 2024). Although this is a slightly slower rate of recovery than expected, K&T have recently recruited additional resource to support the recovery plan to achieve 100% compliance and they are also offering evening and Saturday appointments.

**13.3** Looking ahead, the number of LGSRs due prior to 31 March 2024 reduces significantly (72 in January, 74 in February and 152 March). With continued focus, we expect to achieve compliance of c99.7% or higher by 31 March 2024. K&T are undertaking 'smoothing' of the annual gas safety programme so that we undertake checks between April and September and reduce the number of checks over the winter period, when tenants are using their heating system, and when the repair demand increases.

### 14. ALTERNATIVE OPTIONS CONSIDERED

**14.1** No alternatives have been considered.

### 15. CONSULTATION

**15.1** There has been consultation as part of the contract management process with the following:

- Residents
- Contractors
- Members
- Staff within the Housing Team

## **16. CONTRIBUTION TO COUNCIL PRIORITIES**

**16.1** A key Council priority is the safety and welfare of all its residents in a way that delivers value for money. The management and performance of these strategic contracts is key to ensure that the Council fulfils its duty of care towards residents and enable it to maintain its responsibilities and fulfil its obligations as a landlord. The nature of contract management processes and the commercial positions taken by the Council help ensure the contracts will deliver value for money.

**16.2** This is in accordance with the following Mayor's priorities which are detailed in the Corporate Plan and highlight which outcomes the report is related to: [Mayor's Business Plan 2022 - 2026 \(croydon.gov.uk\)](https://www.croydon.gov.uk/croydon-business-plan-2022-2026) - The council balances its books, listens to residents and delivers good, sustainable services.

## **IMPLICATIONS**

### **17. FINANCIAL IMPLICATIONS**

**17.1** Revenue and Capital consequences of report recommendation, at period 8 (November 2023), the Housing Revenue Account (HRA) revenue forecast remains at an overspend of £12.0m. This is broken down to an overspend of £8.6m within responsive repairs, due to additional repair demand including damp and mould, a significant increase in voids, and £3.4m of disrepair costs, legal fees and settlements. The capital budget has been increased by agreement from Cabinet on 6 December 2023 from £35.39m to £37.18m. The update to the budget reflects the changes agreed through the Capital Programme and Capital Strategy 2023-29 report. As a result, there is £1.8m forecast overspend on the capital programme.

**17.2** The proposed increase in rent and tenant service charges for 2024/25 will fund both the required revenue costs of providing services (including inflationary pressures) and funding the revenue borrowing costs of required capital improvements to properties. The draft budget for 2024-25 includes a 33% increase on the proposed spend within responsive repairs, reflecting the ongoing investment required to resolve the backlog of historic legacy repair work, voids and resolving issues experienced nationally including damp and mould and fire safety set out above. Further management controls and regular reporting of pressures will be required in 2024-25 to ensure that costs are maintained within the revised budget. A review of budgets will take place in the summer 2024, to take account of the stock condition survey data which may result in reforecasting of budgets.

Approved by Orlagh Guarnori – Head of Finance – 31/01/2024

### **18.LEGAL IMPLICATIONS**

**18.1** The Council is responsible for making sure the structure of rented property is kept in good condition (which includes the walls, ceiling, roof, and windows); gas and electricity appliances work safely; and shared parts of a building or housing estate are kept in good condition.

**18.2** The Council's Tenancy or Lease Agreements set out express terms in relation to both the rights and obligations of the Landlord and the Tenant regarding repair and maintenance responsibilities.

**18.3** In addition, repairing obligations are implied in certain circumstances pursuant to a range of legislation such as the *Defective Premises Act 1972* and the *Landlord and Tenant Act 1985*. Failure to comply with these implied terms can result in a civil claim for damages and specific performance. A claim for compensation can also be made under the *Housing Act 1985*. Claims in common law nuisance or negligence can similarly arise. Allegations of statutory nuisance can also be pleaded in the Magistrates' Court under the *Environmental Protection Act 1990* where this is evidence to support such a claim. A housing conditions claim may include a personal injury element.

**18.4** Also, the *Homes (Fitness for Human Habitation) Act 2018* contains implied covenants that residential rented accommodation is provided and maintained in a state of fitness for human habitation.

**18.5** It is a breach of these obligations which are pleaded by residents in housing disrepair litigation issued against the Council.

**18.6** Separately, The Housing Ombudsman (THO) established under the *Housing Act 1996* (as amended by the *Localism Act 2011*) is responsible for investigating complaints about member landlords in accordance with a scheme approved by the Secretary of State.

**18.6** In addition, the *Housing and Regeneration Act 2008* established the Regulator of Social Housing (RSH) an executive non-departmental public body of the MHCLG. The RSH sets regulatory standards, codes of practice and guidance for registered providers of social housing. The regulator will consider complaints and referrals to determine whether there is evidence of a breach of its regulatory standards. The Council has self-referred itself to the regulator.

**18.7** The *Charter for Social Housing Residents – the Social Housing White Paper* published in November 2020 set out actions the government proposed to take to include a Charter for Social Housing Residents, plans for new regulation, a strengthened Housing Ombudsman to speed up complaints, and a set of tenant satisfaction measures those social landlords will have to report against.

**18.8** The *Social Housing (Regulation) Act 2023* received royal assent on 20 July 2023 and provides the legal basis for many of the measures set out in the Social Housing White Paper above. The majority of the Act amends Part 2 of the *Housing and Regeneration Act 2008* which sets out the framework for the regulation of social housing in England. Key measures include provisions which will require the Council to investigate hazards and fix repairs including damp and mould in their properties within strict new time limits or rehouse residents where a home cannot be made safe, new and stronger powers for the regulator and the requirement for social housing managers to have an appropriate level housing management qualification. Whilst some provisions came into force on the day of royal assent or within 2 months thereafter the majority of the provisions are subject to the issue of Regulations by the Secretary of State upon which consultation was issued late in 2023.

**18.9** The *Renters Reform Bill* due to pass into law in 2024 will empower tenants to challenge the minority of landlords who provide poor quality housing without worry of a ‘no fault’ eviction.

**18.10** Finally, the *Local Government Act 1999* (LGA) imposes a requirement on all local authorities to deliver ‘best value’ which requires the Council to demonstrate that it is making arrangements that are economic, efficient, and effective and the Council has had regard to the need to secure continuous improvement in how it carries out its work. Where the Secretary of State is satisfied that an authority is failing to comply with its Best Value Duty it has powers to intervene. On 20 July 2023 the Secretary of State issued Directions under section 15(5) of the LGA requiring the Council to take a range of actions including ‘to continue to improve the capacity and capability of the Authority’s housing service’. The Directions are expected to remain in force until 20 July 2025 but could be amended or revoked at an earlier date by the Secretary of state if appropriate.

**18.11** The contracts referred to in this report were awarded following competitive procurement procedures as detailed within the previous procurement strategy report (Cabinet 22<sup>nd</sup> June 2022, item 7) and award report (Cabinet 6<sup>th</sup> March 2023, item 5). Any variations to those contracts must comply with Regulation 72 of the Public Contracts Regulations 2015 (“Modifications of contracts during their term”) and the Council’s Tenders and Contracts Regulations.

Approved by Sandra Herbert, Head of Litigation and Corporate Law and Kiri Bailey, Head of Commercial and Property Law on behalf of Stephen Lawrence-Orumwense, Director of Legal services and Monitoring Officer.

## **19. EQUALITIES IMPLICATIONS**

**19.1** The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, “have due regard to” the need to comply with the three aims of the general equality duty. These are to

1. Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
3. Foster good relations between people who share a protected characteristic and people who do not share it

**19.2** When a service is contracted out both the contractor and the public authority that commissioned the service must give due regard to the three principles of the General Duty as set out above. Any supplier that is exercising public functions also has an obligation to fulfil the general duty.

**19.3** The Contract Management Framework is required to work within the framework of the Equality Strategy 2023- 2027. The deliverables in the Equalities Strategy should be incorporated into the Contract Management Framework and policy documents as detailed below:

“Outline how the proposed contract(s) will comply with the Public Sector Equality Duty outlined in Section 4 of the EQIA; and meet the outcomes of the Council’s equality strategy, particularly:

- i. Ensure that every strategy, delivery plan, council contract and staff appraisal have an equality objective with a link to anti racism.

- ii. That contractors be requested to adopt Croydon’s Equality and George Floyd Race Matters Pledges”.

The Equalities Strategy including the Pledges named above, are provided to all bidders during the tendering stage of the procurement process. Social Value objectives also mirror the Council’s commitments to equalities and diversity.

Approved by Denise McCausland – Equality Programme Manager – 31/01/2024

## **OTHER IMPLICATIONS**

### **20. PROCUREMENT IMPLICATIONS**

**20.1** The Contracts were procured in accordance with the Public Contract Regulations and the Council’s Tenders and Contract Regulations. Now these contracts are live they are being contract managed by the SC Team as set out in this report.

**20.2** Due to pressure on delivery in some areas including voids and disrepair the Council has secured contingency to utilise other contractors outside of the 3 term contractors on an ad hoc basis should this be required

### **22. HUMAN RESOURCES IMPLICATIONS**

TUPE applied in relation to the in-sourcing of the 5 staff who transferred to the Council on 1 August 2023. A small number of these staff were part of the LGPS pension scheme, and their pension rights remain. Through negotiation, the sharing of the risk between the Council and Contractors in relation to these employees has been agreed. Advice has been sought from the Croydon Pension Team to ensure these risks are minimised and mitigated as far as possible.

### **23. CRIME AND DISORDER IMPLICATIONS**

Ensuring homes are well maintained and fit for purpose, helps support Croydon and prevents any increase in crime and disorder.

### **24. ICT IMPLICATIONS**

The Council implemented a new Housing Management IT solution in June 2023 and interface software was implemented in August 2023 to link the three new repair contractors. This interface enables works orders to be raised and appointments to be offered to tenants at the first point of contact. Using NEC gives Croydon full visibility of repairs information and KPI reporting is no longer controlled by contractors.

### **25. ENVIRONMENTAL IMPLICATIONS**

**25.1** The main environmental impacts from the three contracts are as follows:

- Energy use and associated carbon dioxide emissions, from both running buildings, and contract vehicles
- Water use in buildings
- Use of natural resources –products and materials used
- Pollution to air, land or water from vehicle use
- Waste -disposal of construction waste
- Transport – congestion from contract vehicles

**25.2** Whilst there is an environmental impact of running the responsive repairs service as there will not be fundamental changes to the service scope there should not be adverse changes compared to the status quo.

**25.3** In addition, the re-procurement was designed in a way to encourage bidders to offer solutions that minimise environmental impact in a way that offers value for money. Social value formed a significant part of the documentation with a standalone Social Value Term Brief. In addition, it was a key part of the negotiation process with a dedicated social value meeting with each bidder.

**25.4** Social Value was also evaluated throughout the process. There was a selection question at SQ stage, and it formed part of evaluation at Tender stage for both Housing Responsive Repairs and Heating (both ISIT and ISFT for Housing Responsive Repairs) worth 10% of total marks. Part of the social value section included environmental impact with 5 measures relating to environment covering carbon reduction, fleet emissions, % electric fleet, waste management and air quality.

## **26. RISK IMPLICATIONS**

**26.1** Joint risk registers are being developed between the Council and each repair service provider. These registers are reviewed at Operational and Strategic Core group meetings. The key risks that have been highlighted to date relate to increased work volumes (repairs and voids) which pose a significant risk to service delivery and supplier relationships, and stabilisation of the contact centre. Mitigation is in place to manage risks some of which include improvement plans.

## **27. DATA PROTECTION IMPLICATIONS**

**27.1** The personal data will relate to information on tenants' personal information this will include name, address, contact details and other key details. This is required to allow contractors to contact tenants to gain access to properties.

**27.2** A Data Protection Impact Assessment (DPIA) was approved by the Information Management Champions on 31st July 2023 and covers all three contracts.

## **28. APPENDICES**

N/A

## **29. URGENCY**

NOT APPLICABLE

Contract Management Contacts

Area	Main Contact
Head of Repairs and Maintenance	Jerry Austin
Strategic Contract Manager	Duncan Mutembani
Head of Compliance and Building Safety	Niall O'Rourke
Repairs Operations Manager	Lisa Goldstone
Strategic Contract Officer	Rebecca Robertson