

REPORT TO:	Cabinet 22 June 2022
SUBJECT:	REPORT FROM SCRUTINY & OVERVIEW COMMITTEE ON THE RE-PROCUREMENT OF THE RESPONSIVE REPAIRS CONTRACT
PUBLIC/EXEMPT:	Public

1. EXECUTIVE SUMMARY

- 1.1. Prior to the report being included on the Cabinet agenda for a decision by Executive Mayor Perry on 22 June 2022, the Scrutiny and Overview Committee was given the opportunity to review the work undertaken to date by the Council in preparation for re-procuring the responsive repairs contract. In doing so the Committee was asked to evaluate whether there was assurance that a robust process was being used and that the process was open, transparent and informed by residents
- 1.2. This report is presented for the consideration of the Executive Mayor to inform his decision-making on the responsive repairs contract report. In doing so, it will set out work of the Committee in advance of its meeting to engage with residents to ensure that their experience and views informed the questioning at the meeting. Following its discussion of the responsive repairs contract at its meeting on 14 June 2022, the Committee agreed to put forward recommendations for the consideration of Executive Mayor Perry, and these are set out, along with the conclusions from the meeting for additional context, in section 3 of this report.

2. SCRUTINY OF THE RE-PROCUREMENT OF THE RESPONSIVE REPAIRS CONTRACT

- 2.1. One of the underlying principles for Scrutiny in the forthcoming year is to increase the level of community engagement in the scrutiny process, to ensure there is an opportunity for the experience of residents and businesses to inform the decision-making process. When it was agreed that the Scrutiny & Overview Committee would review the work completed to date on the re-procurement of the responsive repairs contract and the proposed way forward, it was immediately identified that it would not be possible to scrutinise the report effectively without first engaging with residents, whose lives had been directly impacted by the poor performance of the Housing Repairs Service.
- 2.2. The first opportunity to listen to residents came from visits to three separate housing blocks across the borough, which also gave Members the opportunity to view repairs first hand. The housing blocks visited were 1-87 Regina Road in South Norwood, Cedar & Beech House in New Addington and Cromwell House in Waddon. During these visits, Committee Members heard the frustrations of residents with the repairs service and witnessed housing conditions which were still of significant concern, even though it is over twelve months since the conditions

at Regina Road were first reported. These individual concerns have been reported to the Housing Service to follow up directly.

- 2.3. The second opportunity to engage with residents was at an online meeting organised for 13 June. Over forty residents joined the meeting, and the Committee would like to give thanks to the attendees for honest and constructive feedback on their experience of the repairs service as council tenants. To maximise the opportunity for residents to speak at the meeting, ten breakout groups were set up, chaired by councillors, which asked for feedback on what needs to change in the housing service, what they were pleased to see in the plans for the new contracts, and what needed to be included. A summary of the feedback from residents at the meeting is provided for the information of the Mayor and the Cabinet in Appendix A.
- 2.4. As well as community engagement, the Committee also spoke with Councillor David Renard, Leader of the Conservative led Swindon Council and an LGA spokesman on housing, who recommended in-house provision as a great way forward given the level of control it gave his council over the service it provided. As did Calum Davidson at the LGA, citing Lambeth's new Direct Labour Organisation called 'Community Works', which offered value for money and higher degrees of social responsibility.
- 2.5. Finally, the Committee also received a briefing from the Council's Director of Housing, Stephen Tate, in the lead up to the meeting. This ensured that Members understood what was being proposed and afforded the opportunity to seek clarification where needed. The Committee would like to thank Mr Tate and his team for their support and engagement with the scrutiny process both in the lead up to and at the meeting.
- 2.6. The Committee would also like to thank the residents who attended the meeting on 13 June, the Chair of the Housing Improvement Board, Martin Wheatley, the Vice-Chair of the Tenant and Leaseholder Panel, Leslie Parry and a resident representative from the meeting held on 13 June, Ramona Beckford, who attended the meeting to provide their own insight on the re-procurement process. Their insight along with the responses received to the questions of the Committee helped to shape the conclusions and recommendations set out below.

3. CONCLUSIONS OF THE SCRUTINY & OVERVIEW COMMITTEE ON THE RE-PROCUREMENT OF THE RESPONSIVE REPAIRS CONTRACT

- 3.1. In preparing for the meeting, the Committee identified four key areas within the report, which were: -
 - Contract Options,
 - Tenant Services,
 - Risk
 - Social Value

The following conclusions and recommendations from the Committee have been grouped under these four headings.

Contract Options

- 3.2. From all the evidence heard, the Committee agreed that it would be reasonable to conclude that the Council has done a competent and professional job at assessing the options available when notice was given on the current responsive repairs contract. Officers demonstrated an understanding of the risks presented by the short timeframe to reprocure the present service, which it was proposed would be split across three contracts (one for gas related services and two geographically split contracts for responsive repairs) and an insourced contact centre.
- 3.3. It was accepted that given the need to ensure there was a responsive repairs service in place beyond the end of the current contract in July 2022, that the immediate focus needed to be on the re-procurement process. Although it was advised that the contract left scope for potentially insourcing parts of the service at a later date, the Committee agreed that options for insourcing should be evaluated now, informed by best practice at other local authorities, to ensure the Council had the best delivery model in place for residents. This was supported from evidence from the LGA, Swindon and Lambeth, which indicated that insourcing the responsive repairs service could deliver significant benefits, not least placing the Council in full control of the service it provided to residents.

RECOMMENDATION 1: That the scope for bringing all or part of the current responsive repairs service inhouse is evaluated as a priority to ensure that the outsourcing delivery model proposed by the Council offers the best outcomes for residents.

RECOMMENDATION 2: That there should be periodic reviews of the delivery model, including an options appraisal on the benefits of insourcing either all or part of the service, to ensure the optimal structure is in place.

RECOMMENDATION 3: That the current re-procurement and delivery of the new responsive repairs' contracts should be informed by best practice and experience from other local authorities.

- 3.4. Given the challenges experienced with the present contractor, the rationale provided for splitting the contracts and bringing the call centre in-house seemed to be logical, given that this option should improve the service for residents. These plans were clearly popular amongst those tenants who had been consulted by the council officers and the Scrutiny and Overview Committee.
- 3.5. The Committee recognised that insourcing the contact centre would ensure that the Council maintained direct communication with its residents, which was lost under the present arrangement with the contact centre delivered by the contractor. It would also enable to Council to have greater ownership of the data needed to performance manage the new contracts, which was seen as a significant benefit. Given the poor performance of the Council's current telephony

system, it was essential for the new contact centre that the installation of the new telephony system was successfully delivered.

- 3.6. The Committee welcomed the commitment to upholding the living wage in the contract. The confirmation that break-clauses and no-fault termination clauses would be included in the contract was also reassuring given the length of the contract sought.

Tenant Services

- 3.7. The Committee welcomed confirmation that the performance criteria for the new contracts would be designed in cooperation with residents to ensure that these new contracts delivered a significantly better service than the previous one. The Committee would also request the opportunity for Scrutiny to review the performance indicators prepared for the contract, before they are finalised, to bring an additional level of rigour.

RECOMMENDATION 4: That the key performance indicators created to performance manage the new contracts are reviewed by Scrutiny before they are signed off.

- 3.8. It was highlighted that the satisfaction rate for the current service was lower amongst BAME groups, which was concerning and would need to continue to be tracked under the new contract. A greater level of analysis was a needed to understand the reasons why there was a lower satisfaction rate in BAME groups, which may be helped under the new contracts, as the Council would retain control of the data collected. Similarly tracking the service satisfaction for other vulnerable groups such as those who are elderly or with disabilities is essential.
- 3.9. Given residents had endured poor performance and sub-standard housing conditions under the current contractor, it was likely to be a long journey for the Council to rebuild trust. The Committee agreed that that the inclusion of a compensation scheme for residents would go some way to demonstrating the Council's commitment to a new start for the service. Although it was likely that bidders would build the cost of a compensation scheme into their pricing, it was agreed that it would also provide the contractor with a financial incentive to ensure appointments are kept, repairs are made promptly and are completed thoroughly.

RECOMMENDATION 5: That provision for a compensation scheme for residents who experience poor performance, and paid for by the contractor, is included in the contracts for the new services . The Committee would ask to be kept updated on the outcome of this work.

- 3.10. The Committee welcomed confirmation that there would be an expectation that new technology would be used to keep residents informed on the progress of their repairs. Not only would this help to improve communication with residents, but it would also help to manage the capacity of the contact centre to ensure those residents who were unable to use these options, found it easier to speak directly to the Council.

RECOMMENDATION 6: That the of use technology to improve the level of communication with residents needs to be set as a minimum expectation in the tender specification.

- 3.11. The responsibility for and the tracking of communal repairs was a reoccurring concern for residents which needed clarification. It also chimed with other concerns raised that many tenants did not know what their rights were or the complaints process. As part of rebuilding trust with residents, basic information such as responsibility for services and the complaints process should be communicated to all residents as a priority.

RECOMMENDATION 7: That Housing Services commits to ensuring that the Tenants Handbook is updated and distributed to all residents to ensure they are aware of the level of service they can expect, how to access these services, how to complain when the expected service is not delivered along with confirmation of their dedicated Housing Officer.

- 3.12. Another reoccurring issue for residents was the management of legitimate concerns about damp and condensation in Council properties, particularly those of non-standard construction. The Committee agreed that there needed to be a better understanding of the condition of the Council's housing stock and welcomed confirmation that a system of rolling stock surveys would start in early 2023. In doing so, it would inform the Council's asset improvement strategy, which would be used to prioritise improvement work on properties with significant damp issues.
- 3.13. Many residents echoed the benefit of having a caretaker either onsite or shared between a number of blocks to repair simple issues. At present this service was understaffed and the Committee agreed that it would create considerable goodwill if the Administration gave a commitment to ensure this service was fully resourced with staff who were provided with regular training.

RECOMMENDATION 8: That a political commitment is given to ensuring the Caretaker/Handyman Service for Council housing is fully resourced and trained.

Risk

- 3.14. The Committee was reasonably reassured that there was mitigation in place for most risks, although it would request that the full risk register is shared with the members of the Committee to provide an extra level of reassurance. It was also requested that a map of the customer journey through the Housing Service is provided.
- 3.15. The integration of the new software in the Housing Service and the new telephony system in the Council, with the systems of the three new contractors was identified as a significant risk, which needed to be resource appropriately to ensure that it could be delivered.

3.16. Although the performance of the current contractor had not been at the level expected by either the Council or residents, the Committee agreed with residents that the culture within the Housing Service was equally poor and needed to be addressed if the service was to be improved. Given that many of the existing Axis staff would transfer across to the new providers through TUPE, there was significant concern about whether the Council had the capacity to change the behavioural culture that contributed to the poor performance. Further evidence was needed to provide reassurance that there was a robust plan in place to change the culture of the service and ensure that the new contract required the contractors to deliver similar culture change amongst staff transferred under TUPE. The Committee agreed that monitoring the change in culture would need to be a priority for the Streets, Environment & Homes Sub-Committee.

RECOMMENDATION 9: The expectations of the Council on the contractors to improve the culture of the staff transferred through TUPE needs to be clearly set out in the contract, with accompanying performance measures to track progress.

3.17. Reassurance was given that senior management recognised that the culture within certain parts of the Housing Service needed to change, and work was underway to ensure this was delivered. The Committee was concerned about whether there was sufficient capacity within the service to deliver a cultural change programme at the same time as a large procurement process and agreed that additional support may need to be allocated to ensure that any culture change programme could be well advanced by the time the new contracts were awarded. This would help to ensure the new contractors were being effectively supported and managed by the Council.

RECOMMENDATION 10: That sufficient capacity is allocated to ensure the delivery of the culture change programme within the Housing Service can be progress as far as possible by the time the new contracts are awarded.

3.18. The Committee agreed that the figures provided for the cost of the new contracts needed to make clear that they were a prediction based upon current known factors. Given the potential risk from high inflation and supply chain issues, the Committee would recommend that a cost range is provided rather than a specific figure.

RECOMMENDATION 11: That the estimated figures provided for the cost of the contract are reviewed and replaced with a cost range, to take account of the uncertainty in both the national and world economy.

Social Value

3.19. Both residents and the Committee welcomed the commitment to social value being included in the weighting of the contract, particularly the emphasis on local employment, apprenticeships and delivering climate change targets. It was recognised that to ensure delivery of these commitments would require careful

wording in the final contract to ensure that outcomes were both deliverable and could be tangibly measured.

RECOMMENDATION 12: That the tender documents explicitly set out the Council's social value priorities it expects bidders to help deliver, particularly in terms of local employment, supporting the local suppliers and climate change commitments.

RECOMMENDATION 13: That the measure to track the delivery of the social value aspect within the new contracts are reviewed by Scrutiny before they are signed off.

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APPENDICES: Appendix A – Feedback Summary from Residents Meeting

BACKGROUND DOCUMENTS: None

APPENDIX A: SCRUTINY & OVERVIEW COMMITTEE

RESIDENTS MEETING ON HOUSING REPAIRS SERVICE – 13 JUNE 2022

Feedback Summary

To inform its consideration of the Housing Repairs report on the agenda for its meeting on 14 June 2022, the Scrutiny and Overview Committee arranged a meeting for Council tenants to attend and provide their views on the service. This meeting was held online on the evening of 13 June.

The meeting was structured around two breakout sessions to ensure residents the maximum amount of time to provide their views on the Housing Repairs Service. The first session focussed on the question 'What needs to change in our housing repairs service'. This was followed by a presentation by the Council's Director of Housing, Stephen Tate, on the proposals for the new contract. A second breakout session was then held to discuss 'What are you pleased to see in these plans? What is missing or needs changing?'

What follows is a summary of the feedback provided by residents during the breakout sessions.

BREAKOUT 1: What needs to change in our housing repairs service?

From the feedback provided by residents, the following common themes have been identified: -

1. Communication with tenants is a key issue that needs to be addressed throughout the Housing Service. Residents advised that there is a lack of communication around repair requests and appointments, particularly not being notified of cancellations. There also needed to be clear ownership between the Council and contractor over repairs.
2. There is also a need for greater transparency over the performance of the Service and communication with residents over their rights and how they can help to inform the process. This should also include communication on how the Council was managing performance when it was not at the level expected.
3. Similarly, being able to contact either the contractor or the Council about repairs needed to be made easier, with long waiting times when calling and the complaints process not being clear.
4. Another key issue was the need to increase the number of repairs being completed at the first visit. At present, repairs could often take multiple visits and examples were given of staff being sent who were not trained for the repairs required.
5. The quality of the repairs was often not at the standard expected and additional work was needed to provide a quality check.
6. Contractors do not understand those buildings of non-standard construction. They also do not have plans or knowledge of the building in terms of pipes and services, which results in repairs not being completed.

7. There was a concern that the needs of those with disabilities are ignored or not prioritised appropriately.
8. Given the long history of poor performance, there was clear lack of trust in the Council, which would need significant time and effort to rebuild. It was also felt that the views of residents could often be dismissed by the contractor and Council, which added to the lack of trust.
9. How the council deals with mould is an issue. Many residents live in homes with poor or no insulation, especially those who live in homes of non-standard construction. Residents are blamed for condensation when it is the lack of insulation that is the cause.
10. The Housing Service is understaffed, particularly block caretakers. Action needed to be taken to address this as soon as possible

BREAKOUT 2: What are you pleased to see in these plans? What is missing or needs changing?

From the feedback provided by residents, the following common themes have been identified: -

What are you pleased to see in the proposals?

1. The residents supported the proposal to split the contract, particularly for gas servicing. The acknowledgement that the procurement of the new contract would not stop the Council in-sourcing parts of the service in the future was also welcomed.
2. There was unanimous support for bring the contact centre in house, as it was hoped this would improve some of the issues around communication experienced by residents with the contractor.
3. The proposal to prioritise local recruitment was welcomed, with agreement that the contract should include incentives for the creation of local apprenticeships and employment.

What should be included or changed in the proposal

1. There was a need to ensure that any potential contractor had specialist teams available for work on non-standard constructions. They also needed to have the plans for the buildings.
2. It would be good to provide residents with the ability to track the status of repairs on the phones or computer.
3. Whether in or out house, must have good communication and accountability.
4. Compensation: If an appointment is broken by the contractors, especially 3 or 4 times, contractor should pay a financial penalty to pay to the tenants.
5. Repairs should always be completed within a stated timescale, which will meet a performance matrix. Compensation should be paid if the timescale is not met.
6. Repairs should be completed properly by competent staff who are appropriately trained.

7. Appointments should always be kept wherever possible. If the chosen repair staff cannot attend because of a vehicle problem or sudden sickness, residents should be notified, and the repair rearranged as soon as possible
8. A hybrid model between in-house contractors and outsourced contractors should be investigated.
9. The means of obtaining feedback from residents needs to be rethought to ensure that the response rate is as wide as possible.
10. As there is 20% frontline vacancies in the Housing Service at the moment including caretakers needs to be prioritised immediately.
11. Inspection of empty property before new tenants move in and work by axis is poor needs addressing
12. There needs to be clearer communication, so all tenants know who their housing officer is.
13. There needs to be better prioritisation of jobs to ensure urgent repairs are dealt with quickly.
14. There needs to be incentives and penalties in the contract to reward good performance and penalise where the contractor is not performing as expected.
15. Council staff need to be checking and following up complaints.
16. There needs to be a greater level of transparency with tenants throughout the housing service
17. There needs to be a greater use of technology to efficiently track and log repairs
18. The Council needs to invest in its own staff to build trust with residents. Not all the current issues were down to the contractor. Who holds the Council to account for their own performance?
19. A publicly available comms plan was needed to ensure tenants are aware how they can participate in the process.
20. There needs to be a dedicated Housing Complaints Team, which was separate from the existing Corporate Complaints Team.