

CABINET

20 MARCH 2012

Title: Housing Repairs and Maintenance Service	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Summary: The current Housing Repairs and Maintenance Contract expires at the end of April 2013. This report reviews the current procurement process agreed by Cabinet on 23 August 2011, which agreed that a procurement exercise would take place to establish new separate contracts for the delivery of specialist repairs, cyclical maintenance (including voids) and general repairs and maintenance to tenants' homes. The remaining services, the call centre, the current contractor's client arrangements and the maintenance of primarily common parts on estates would transfer in-house, or in the case of the call centre potentially to Elevate East London LLP ("Elevate"). This Report sets out proposals to bring further elements of the service in house. The Report sets out the reasoning for this approach as well as the resourcing needed to achieve this, including the service delivery, legal, human resources, financial and risk implications. The Report also highlights the steps needed to enable this proposal to be put in place.	
Recommendation(s) The Cabinet is recommended to agree that: <ol style="list-style-type: none">1 The day to day responsive housing repair, gas servicing and voids services be provided primarily as an in-house function from the end of the current contract in April 2013;2 The current Housing Repairs and Maintenance procurement exercise approved by Cabinet on 23 August 2011 be revised to provide for the procurement of a service provider for voids and repairs services (to supplement the in-house function) on a call-off term contract;3 A procurement exercise be conducted for the selection and award of one or more	

contracts to external providers of gas servicing and maintenance services (to supplement the in-house function) with contract lots based on geographic areas;

- 4 The Council continue with its procurement exercises for the selection and award of contracts to external providers of mechanical and electrical services, aids and adaptations services, and a range of small contracts including asbestos testing and removal services;
- 5 A procurement exercise be commenced or incorporated in the existing procurement exercise, for the procurement of a stores function, any necessary infrastructure requirements, equipment, vehicles, ICT hardware, software, licenses and services, and all other necessary supplies and services, required for the operation of in house services;
- 6 The existing proposals to provide an in-house client and complaints team continue to be developed;
- 7 The existing OJEU procurement strategy and process be revised as necessary to facilitate the implementation of recommendations 1 to 6 above, and that any required new or revised notices in respect of voids, repairs and gas servicing services, values and scope, be issued and published;
- 8 In line with Cabinet's earlier decision of 23 August 2011, authority is delegated to the Corporate Director of Housing and Environment, in consultation with the Corporate Director of Finance and Resources, the Divisional Director for Legal and Democratic Services and the Cabinet Members for Housing and Finance, Revenues and Benefits, to agree the procurement strategy (including the procurement procedure, contract structure, contractor selection and evaluation criteria and detailed proposals for client management) and take any other related or necessary actions to facilitate the implementation of Recommendations 1-7 above, including assessing and agreeing TUPE requirements and associated staffing structures;
- 9 The existing proposal to provide an in house call centre through Elevate East London LLP continue to be pursued subject to satisfactory delivery and cost proposals;
- 10 Section 20 leaseholder consultation requirements be amended and reissued as necessary, and capital and revenue expenditure needed to deliver these revised arrangements be identified and funded from HRA balances and the Housing Capital programme;
- 11 Appropriate discussions and consultations with Trade Unions take place; and
- 12 A communications plan be developed and put in place.

Reason(s)

To assist the Council to achieve the corporate themes of 'Better together' and 'Better Home'.

1. Introduction and Background

- 1.1 In April 2003 Barking and Dagenham Council let a 10 year contract for Housing Repairs and Maintenance to Thames Accord, later taken over by Enterprise. This contract expires at the end of April 2013 and in order to enable sufficient time for the procurement of new arrangements a report was brought to Cabinet proposing a procurement strategy for Repairs and Maintenance services.. On 23 August 2011, Cabinet agreed to commence the procurement of new arrangements for housing repairs and maintenance following an option appraisal and value for money assessment. This process is currently underway and prequalification questionnaires have now been submitted by potential tenderers and are currently being assessed.
- 1.2 The contract strategy proposed in the report learnt many lessons from the existing arrangements with Enterprise PLC and formerly Accord PLC. The proposals split the overall repairs and maintenance service into its constituent parts and proposed to procure a series of stand alone contracts that would provide specialist, routine and cyclical maintenance arrangements. Elements of the service would also be brought in house or be potentially transferred to Elevate. These are the Enterprise client team (including complaints management which would be an in house service, the call centre, which would potentially transfer to Elevate subject to negotiation, and the local handyman service which would primarily carry out common parts repairs through the new locality structure, which would also be an in house service. As a result of this approach contract values were also reduced to make them more attractive to local builders and social enterprises and the contract strategy moved from a cost based payment mechanism to a more closely controlled price based structure. This was to transfer service quality and delivery risk to the contractor.
- 1.3 Improvements have been made in service delivery during the contract, but the current service outcomes still lag behind the best performing housing repairs services both in terms of cost and quality.
- 1.4 Many lessons have been learnt from the current arrangements and these along with a comprehensive option appraisal were brought to Cabinet in August 2011. The option appraisal considered a range of potential contracting options and concluded that the 'mixed economy' approach, best met the objectives of this procurement which were identified as:
- Deliver the strategic aims for the repairs service including VFM, service quality, support corporate aims, meet statutory obligations and contribute to decent homes.
 - Achieve the appropriate balance between clienting responsibility and control, and contractor delivery
 - Ensure the right scale and scope of contracts to achieve efficiency and make best use of technology
 - Significantly reduce overheads and duplication
 - Maximise customer satisfaction and local delivery options
 - Maximise opportunities for local employment including local businesses
 - Minimise risk

1.6 The report therefore proposed separating out the constituent elements of the repairs and maintenance service into a mixed economy of in house and smaller outsourced contracts. These were:

1. To bring together the current in house client team with the contractor client team into a single team to plan and oversee the delivery of all elements of the repairs service. This service would also handle service complaints;
2. To bring the management and maintenance of primarily communal areas of tower blocks and other smaller maintenance in house and deliver through the new locality based management structures;
3. To bring the call centre in house and subject to negotiation transfer its delivery to Elevate;
4. To let void and other cyclical maintenance works as a series of small contracts, with the expressed intention of encouraging smaller local builders and social enterprises to bid for this work;
5. To let a series of contracts for specialist repairs such as gas safety, mechanical and electrical contracts and lift maintenance.
6. To let two main repairs contracts for breakages and other general repairs, primarily within tenants' homes.

1.7 Officers with support from the Elevate procurement service have been working to deliver these new arrangements and currently have advertised the specialist, cyclical and general repairs contracts in the Official Journal of the Economic Union (OJEU) and expressions of interest and prequalification questionnaires were submitted by the deadline of 30 January 2012 and are currently being appraised.

2 Proposal to bring further elements of the Service in House

2.1 During the consultation process strong interest was expressed in the potential to bring further elements of the service in-house. In addition the option appraisal showed that an in house service could also offer strong advantages, and initial work in developing the arrangements for future tendering also highlighted the need for further consideration of this option. The potential to strengthen the in-house element of a mixed economy service has therefore been examined. This would still be a mixed economy approach as set out above, although the relative balance of in-house and outsourced work would change.

2.2 Since the Repairs and Maintenance Strategy was agreed in August 2011 officers have been working on developing the detailed documentation, including the specifications needed as part of the procurement process. This has also involved looking in further detail at the current costs and overheads, working arrangements, and the potential for TUPE of staff from Enterprise to any new contractor as well as to the Council.

2.3 This more detailed work has shown that the service improvements needed and the existing costs will be a risk and are likely to be reflected in the prices submitted by contractors, and savings will therefore take time to deliver. Consideration has therefore been given to other options to assist in mitigating this risk., bearing in mind some of the original issues raised in the option appraisal The option appraisal demonstrated that a mixed economy approach was the best option, however, in house provision also scored highly. Therefore consideration has been given to

whether there would be advantages to increasing the overall balance of in house provision within the overall context of the mixed economy approach set out within the option appraisal.

- 2.4 This appraisal has demonstrated that it would be possible to build on the handy person approach set out within the August report to extend this approach to all elements of the day to day repair service. This would also reduce the need to develop processes to address work allocation between handy person and contracted services.
- 2.5 This would enable the needed changes to be introduced more speedily, more directly tailored to the needs of Barking and Dagenham. This would be aimed at delivering service improvements whilst reducing the management overhead. This approach will enable the necessary development of the service by the Council, with the Council able to take the gains from this at the earliest opportunity. This approach will not restrict the Council from making decisions about any future procurement at an appropriate point.
- 2.6 It is proposed to maintain a mixed economy approach in accordance with the option appraisal to ensure best use of the market, to utilise specialist services, to encourage competition, as well as to encourage local labour and local businesses. It is therefore also proposed that gas servicing and voids works will be delivered in house. It is however proposed that call off contracts are put in place for the void and repairs work to enable external contractors to carry out elements of this work to supplement the in house provision and address any capacity or performance issues that arise, both within voids but also the general repairs and maintenance service.. In respect of gas servicing it is proposed that this be split on a geographic basis with the potential to grow or reduce the relative proportions of the work carried out by each. This will also give resilience, enabling resources to be drawn down to supplement the in house provision as needed as well as enable effective arrangements for the provision of cyclical maintenance, specialist services, gas servicing and void repairs.
- 2.7 An outline of the high level activities required in order to achieve this is set out below:
- Notices to be issued amending the value and scope of the current OJEU process for day to day responsive repairs
 - Notices to be issued amending the current values and scope of void and gas servicing work in the current OJEU process
 - All prospective tenderers who have responded to the current process to be notified of the termination of the existing notices and the new proposed arrangements
 - Revised OJEU notices to be issued if required
 - Discussion to be held with Elevate/Agilisys.
 - Communications strategy put in place with residents and stakeholders including statutory consultation with leaseholders
 - Infrastructure requirements including arrangements for finance/ICT/accounts/invoicing etc
 - Revised management and staffing structures developed.
 - TUPE and associated arrangements to be assessed
 - Procurement arrangements to be put in place for supplies and materials

- Stores arrangements to be developed and arrangements put in place.
- Accommodation requirements to be identified as well as vehicles/equipment needs etc
- Staff development plan put in place.
- Procure and put in place any required new software/hardware and interface arrangements.

2.8 Providing an in house service can have advantages where the right skills, infrastructure, standards and management arrangements are in place. Direct Council delivery of aspects of the service would give direct accountability and control of services, potentially enabling faster delivery of change and improvement, as well as closer links with members and residents, providing we can demonstrate value for money. There is also the potential for closer relationships with housing management staff, enabling joint initiatives and developments to be carried out at local level, without the need for variation orders which can increase costs and overhead. This flexibility could also extend to the range of work carried out. As there would be no profit element to the work there is also the potential to widen the service provided to residents.

2.9 The main further elements of the current service which it is proposed to bring in house are the current routine repairs service as well as voids and gas servicing. This is in addition to the clienting, call centre, complaints management and associated functions which it is already proposed be brought in house. The remaining specialist and cyclical services are recommended for continued external procurement.

2.10 Routine Repairs to Tenants' Homes (Estimated Value £6million pa). This work is the major general repairs work undertaken by the contractor. This is largely process based work where the tenant calls the council to request a repair inside their home or in the communal area of the block or estate and a trades person visits, normally by appointment, to undertake the repair.

2.11 This type of general repair work is the core of the work completed by the current workforce. In general performance is adequate, and in recent years cost effectiveness has significantly improved.

2.12 However the service is in need of significant modernisation to meet current best practise which will include the need for flexibility, modern ways of working and practise, use of technology, as well as an increased customer care focus.

2.13 In order to provide this service in house there will also be a need for a stores function, vehicle and equipment arrangements, as well as finance/IT/HR arrangements.

2.14 Cyclical Maintenance and Voids (estimated value £3 million pa). In the current contractual arrangements Enterprise often complete cyclical (or capital scheme) maintenance on our behalf. This is where a repair would not be economic and a replacement is needed, or where a series of small jobs are grouped together to create a scheme. Much of this work is not completed by Enterprise staff, but is subcontracted by Enterprise to specialist contractors dependent on the nature of the work.

- 2.15 Voids are a particularly significant area for the Council affecting a number of aspects of the service.
- 2.16 It is intended to provide this primarily as an in house service, however it is also proposed to tender this work, together with day to day repairs in order that there are call off contracts in place to supplement the in house service. This will enable any peaks in demand to be managed, enable benchmarking to be established and provide alternatives in the event of any performance issues.
- 2.17 Specialist Repairs (Estimated Value £1.65 million pa).** The majority of these services are not directly completed by Enterprise with most being subcontracted and therefore are not recommended for bringing in house. These are services such as mechanical and electrical maintenance, lift servicing, door entry systems, water sampling and surveys. Enterprise do however provide our gas servicing and boiler breakdown service and it is intended to bring this aspect of the service in house.
- 2.18 Our performance in gas safety is compliant with legislation but currently offers poor customer service and poor value for money. The council uses a very high number of formal warrants to get access for gas safety checks as they guarantee that the check can take place even if the tenant is absent. Tenants are charged for the warrant. This is required due to the high level of no access reported by Enterprise. The new arrangements will be focused on completing the repair via an informal appointment at a time convenient to the tenant and without the need for a warrant. This is successfully in place in many other boroughs. .
- 2.19 The quality, cost and customer focus we are looking for is also readily available in the market and it is therefore proposed that some of this work be procured externally on a geographic basis. The contract will provide flexibility in enabling these areas to be increased or reduced in line with the Councils requirements.

3. Key Issues

- 3.1 The option appraisal that accompanied the August 2011 Cabinet Report concluded that the arrangements most likely to bring improved value for money to repairs and maintenance, as well as meet a range of other objectives for the service, were a mixed economy of in house and contracted services, delivered through smaller more manageable contracts. The option appraisal concluded that this approach best managed risk, balanced clienting and contractor responsibilities, achieved a scale and scope that could deliver efficiency and technology investment, secured local delivery, as well as supported corporate objectives.
- 3.2 This report remains consistent with this overall option appraisal but recommends bringing additional elements of the service in house. There are clear potential benefits to having an in house service, however these will require significant management effort to achieve. Very considerable focus and investment will need to be applied to this area prior to any transfer of service responsibility to the Council. The key issues are as follows:
- a) The organisational capacity required to bring this high profile and complex service in house.
 - b) The requirement to demonstrate competitiveness and value for money

- c) Changes to the scope of the work will need to be subject to discussion with Elevate.
- d) Organisational focus will be needed to address the TUPE and associated staffing issues. There will be a range of change management issues to address.
- e) The investment needed to provide the infrastructure necessary to secure service improvement.

3.3 If the above are successfully addressed there are potential gains that can be levered from a level of in house provision. This was recognised within the original option appraisal where in house provision also scored highly. It is considered that the following gains can be achieved, although some may take time to deliver:

- The service would become part of mainstream council services and therefore have a role in contributing to the Council's objectives including sustainability, employment and community safety.
- Direct management responsibility for the service should enable greater responsiveness
- There is the potential for more flexibility in implementing new initiatives and service improvements
- There would be a greater ability to move investment between capital and revenue, dependent on service need
- Any savings would not be needed as profit, but could be used to improve services
- The need to negotiate and agree contract variations would be removed, potentially making change more straightforward to introduce.
- There would be a direct link (and accountability) to Councillors and residents.
- There would be the potential for increased joint working with housing management staff to improve service provision
- With strong management there would be greater flexibility in changing/developing the scope of work carried out including repair specifications.

4. Legal Implications

Implications completed by: E Taylor-Camara, Legal Group Manager

- 4.1 Under Regulation 32 (11) of the Public Contracts Regulations 2006, the Council, as a "contracting authority" has the right to cancel a procurement at any time before awarding a contract. The contracting authority must however, as soon as possible after the decision has been made, inform any bidder which submitted an offer, or which, as the case is here, applies to be included amongst the economic operators to be selected to tender for the contract, of its decision to abandon or to recommence a contract award procedure in respect of which a contract notice has been published.
- 4.2 There is therefore no legal reason preventing the Council from aborting this procurement if it so wishes. Where, as in this case the contracts were advertised in OJEU, Cancellation Notices setting out the reason for cancelling the procurement of the contracts will also need to be published in OJEU. As we have already received a number of expressions of interest in relation to the contracts, it would be necessary to write to those contractors who have expressed an interest, to notify them directly of the cancellation.

5. Human Resource Implications

- 5.1 The Housing Repairs and Maintenance contract procurement strategy agreed by Cabinet in August 2011 already presents significant human resources challenges. There are a wide range of TUPE implications associated with the current proposals, as well as human resources issues associated with the close down of the Enterprise arrangements.
- 5.2 There are currently 172 trade based staff engaged by Enterprise and approximately 111 managerial and administrative staff providing a range of functions including finance, IT, HR, call centre, complaints administration, as well as Quantity surveying and supervisors and surveyors.
- 5.3 In some instances there will be a TUPE transfer of staff from the existing contractor to any new contractor. In some instances staff will move back to their management or supervisory roles within Enterprise Group and in the some cases staff will TUPE transfer back to the council.
- 5.4 If additional staff are to TUPE back to the council to directly deliver repair services then significant work is necessary to firstly identify the staff roles appropriate, determine organisational structures and the staffing and workforce implications.
- 5.5 Alongside this a workforce development strategy is needed, that improves workforce flexibility and broadens skills. Significant work will also be required to modernise work practises, introduce technology and new ways of working.
- 5.6 All TUPE issues regarding staff potentially transferring to LBBB and any staffing related issues will be subject to the Council's normal consultative processes and HR policies and procedures.
- 5.7 In addition when the council originally outsourced the service in 2003, all of the management capacity, finance, payroll, procurement and HR support was transferred. This will also need to be assessed and addressed.

6. ICT Investment Needs

- 6.1 The Repairs and Maintenance service performs around 79,000 responsive repairs to tenant's homes. Currently the service benefits from the Enterprise workflow and scheduling ICT system which is linked to their call centre in Liverpool.
- 6.2 The ICT systems that manage this work, including the scripting and process design for the call centre will need to be replaced if the service is transferred to the Council.
- 6.3 New hardware, software, process engineering and web design would be needed so that the call centre, most likely linked to the current Elevate contract was fully integrated with the repairs service, and information flow to the staff and the customer was timely and accurate.
- 6.4 In addition the current contractor provides their own financial support which will need to be replaced. This would need changes to the Oracle financial system to manage the purchase and management of consumables and other ancillary services.

6.5 In addition, there would also need to be an investment in a job-costing system.

7. Financial Implications

Implications completed by: Jo Moore, Group Manager Finance

7.1 The target price with Enterprise for all contracted elements of the service for 2011/12 is £17 million plus an additional £1m outside of the target price for capitalised works. HRA budgets include provision for the target cost plus provision to cover an estimate of additional works to be spent outside of the Enterprise contract and to fund client staffing costs of £500k and the use of the Pondfield depot giving a total revenue budget of £20.6m in 2011/12 and £19.04m in 2012/13.

7.2 This budget is made up of a fixed overhead of £7m to Enterprise and a works and materials value of just over £10 million to Enterprise inclusive of a 8.696% partnering fee (profit element). Monthly stage payments are made to Enterprise of around £1.5m. The estimated value of the work packages that make up the overall Enterprise works costs are:

Classification	Estimated Value £'000
Gas servicing and breakdowns	2,000
Dry riser testing	15
Water Management sampling and surveys	90
Door entry systems	15
Lift servicing and breakdowns	115
Asbestos sampling and removal	300
General Mechanical and Electrical	100
Domestic Stair lifts	75
Voids	2,500
General Repairs	4,790
Total	10,000

7.3 The major package of work that is proposed for direct provision is the general repairs contracts with the estimated value above of approximately £6 million. This may be funded by the £4.79m above table as well as savings by not having to pay a partnering fee currently approximately £1.4m to Enterprise.

7.4 It is anticipated that savings can be achieved on the £7m overhead as a result of a review of the existing service management and supervisory structure.

7.5 However, additional support will be needed from the Council's support services such as Human Resources, Finance, Procurement, and ICT. As some of these support services are now supplied to the Council by Elevate any impact on target cost will

also have to be considered. The current payments to Enterprise include provision for these services but detailed modelling is needed to identify the exact nature of the support needed and the costs associated particularly with the start up of the new service in-house.

- 7.6 If the general repairs part of the contract is brought in-house then the Council would be required to have a complex job-costing system which would need to interface with the Council's current systems e.g. Capita Housing. The Council's financial system will be moving to a new Oracle platform from 2012/13 which will be a vanilla package i.e. not bespoke in anyway and therefore the costs and feasibility of any additional modules required e.g. stock handling will need to be considered.
- 7.7 Other investment will be needed in improving ICT, including workforce scheduling, call centre technology and mobile technology alongside the hardware, systems, interfaces and payment systems that will be required. It is not possible at present to quantify these costs as the final agreed termination arrangements with Enterprise will have an impact but the costs are likely to be significant.
- 7.8 A provision of £250,000 has been made within the HRA in 2011/12 for the Council's costs associated with the termination and re-procurement of the repairs and maintenance contract. There is no provision within the HRA business plan or 2012/13 budgets for any other investment associated with this contract as it was anticipated that this upfront technology investment would be provided by the incoming contractors.
- 7.9 From April 2012, and the introduction of HRA self-financing, the Council will also be prohibited from further borrowing above the settlement cap (unless repaid within the financial year). Therefore any additional HRA investment will have to be met from existing reserves or surpluses generated in-year which will impact on the current proposals for investment within the HRA business plan.

8. Other Implications

8.1 Risk Management

There are inevitably a wide range of risks and issues associated with any procurement process and there are some specific risks associated with in house delivery. The key risks identified and their potential mitigation are set out below:

- **Workforce:**
A workforce plan will need to be developed and put in place addressing TUPE and associated staffing arrangements. In addition consultation, clarity of expectations and a performance management culture will need to be ensured.
- **Management Capacity:**
A skills assessment and evaluation will be needed of all management levels with any gaps in managerial capacity identified and addressed.
- **Financial Control:**
There will be a clear need for firm financial and budget control of this area of the service. This will include productivity, scope of work, materials ordering etc.

Specific work with the call centre will be needed to gate keep the repairs process and to provide intelligent clienting. Specific budget control measures will also be put in place.

- **Modernisation:**
There is a need for significant modernization of systems and processes as well as changes in working methods. Whilst many of the IT needs can be addressed through existing systems there will be a need for investment in IT and equipment. This will include work scheduling, GPS, text ahead arrangements etc. Arrangements for fleet, uniforms, IT hardware etc will also be required.
- **Stores:**
The Council will need to manage and procure equipment and materials to operate a stores service. It is intended that we would work with Elevate to develop this, operating a “just in time” approach to materials storage using a range of suppliers to secure value for money.
- **Contractual/Procurement:**
There are some risks in moving from the current OJEU arrangements, however at this stage these are considered minimal.
- **Contract close and Mobilization:**
There are a number of risks associated with this aspect of the process, although for the most part these are relatively unaffected by whether the new contracts are externally procured or delivered in house.
- **Accommodation and Overheads:**
Accommodation will be needed for the repairs team as well as vehicles and materials. The existing accommodation at Pondfield House could be utilised or alternative accommodation identified elsewhere. In addition arrangements for payroll, financial support, accounts etc will need to be put in place and the Councils corporate overheads applied in respect of this workforce.
- **Mixed economy:**
Appropriate arrangements will need to be put in place to manage a mixed economy of internally and externally provided work. This will include processes for multi trade works as well as putting in place a client team and a separate repairs and maintenance delivery team for operational management.

8.2 Contractual Issues

The contractual issues have been set out within the report and include the current Enterprise contract, the Elevate contract, the current procurement process as well as future contractual arrangements in respect of supplies and services.

This proposal will require a change in scope to the current procurement and this will need to be the subject of discussion with Elevate who have been undertaking the current procurement with the Council. There will still be significant procurement needed to secure the new arrangements proposed and this will continue to be secured through Elevate.

8.3 Staffing Issues

The staffing issues have been set out within the report and include TUPE issues, the development of effective client and delivery arrangements, impacts on support services, the development of new structures for delivery, and implications of transferring staff. In addition there will be significant training, staff development and skills issues to be addressed, performance management arrangements to be put in

place alongside cultural change and service development arrangements. Revised service standards will require changes in working practises, the introduction of new technology, as well as clear customer care standards and expectations. In many areas new roles will be needed and new systems and processes put in place.

8.4 Customer Impact

The primary customers for this service are the Councils tenants and leaseholders, however a wide range of staff and all Councillors are also directly affected by the delivery of this service. Residents, staff and members will be consulted on the proposed changes, including further statutory leaseholder consultation. This is a service provided to 22,000 homes and a wide range of vulnerable residents, providing an essential service often with direct Health and Safety implications

9. Consultation

9.1 Wide ranging consultation will be needed on all aspects of these proposals. This will include formal and informal trade union consultation, consultation with staff under TUPE, as well as consultation on structures and proposals. In addition consultation with all residents will be required and a communications strategy will need to be developed for all users and stakeholders. Communications with prospective tenderers will also be required to address OJEU requirements.

10 Option Appraisal

10.1 There are a limited number of options for providing a repairs and maintenance service, although each option has a wide range of alternative mechanisms for delivery. The broad options are set out below:

- Externally procured service – this can be procured as a single contract with all client functions also procured, as with the current Enterprise arrangement or as a set of specialist contracts for different work areas with client management retained by the Council. Further variants relate to the type of contract, the packages chosen, the work values as well as the length of contracts.
- Direct Labour Organisation – all services are delivered in house through a directly employed workforce. In some instances this can also extend to some aspects of materials, including making up windows etc. This can be delivered as an integrated service or through stand alone trading accounts and may also include the potential to trade elsewhere
- Mixed economy – some services delivered in house and others provided through specialist companies. The range and extent of the in house and externally procured services can vary, enabling capacity and increased risk management to be provided through this arrangement. This is dependant on each organisations capacity to address the workload arising and the arrangements for client control of the process.
- Management arrangements – In all three options outlined above (but particularly the last two) the management of in house services and potentially external companies can be delivered directly by the Council or by tendering the management to a specialist company working in partnership with the Council.

The advantages of such arrangements are the specialist expertise that can be brought, as well as access to infrastructure arrangements that the Council would otherwise need to put in place. These models are however yet relatively untested, and a clienting function would need to be retained by the Council resulting in some potential duplication. The timescales for developing and putting in place such arrangements would also need to be considered as a new OJEU notice and tendering process would be required alongside existing processes.

Background Papers Used in the Preparation of the Report:

- “Housing Repairs and Maintenance Procurement” Cabinet report and minute, 23 August 2011

List of appendices: None