

Public Document Pack



OVERVIEW & SCRUTINY COMMITTEE

Wednesday, 7 November 2018 at 7.30 pm
Room 2, Civic Centre, Silver Street, Enfield,
EN1 3XA

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Councillors : Derek Levy (Chair), Huseyin Akpinar, Tolga Aramaz, Susan Erbil,
Gina Needs (Vice-Chair), Lee David-Sanders and Edward Smith

Education Statutory Co-optees: 1 vacancy (Church of England diocese representative), Simon Goulden (other faiths/denominations representative), Tony Murphy (Catholic diocese representative), Alicia Meniru & 1 vacancy (Parent Governor Representative).

Enfield Youth Parliament Co-optees (2)
Support Officer – Susan O’Connell (Governance & Scrutiny Officer)
Elaine Huckell (Governance & Scrutiny Officer)

AGENDA – PART 1

1. WELCOME & APOLOGIES

2. DECLARATIONS OF INTEREST

Members of the Council are invited to identify any disclosable pecuniary, other pecuniary or non-pecuniary interests relevant to items on the agenda.

3. CABINET MEMBER FOR FINANCE & PROCUREMENT, COUNCILLOR MARY MAGUIRE

This is a discussion item.

4. BUDGET PROGRESS UPDATE (Pages 1 - 6)

To receive a report from Fay Hammond, Director of Finance

5. PREVENTING HOMELESSNESS IN ENFIELD (Pages 7 - 24)

To receive a presentation from Harriet Potemkin, Strategy & Policy Hub Manager.

6. HOUSING REPAIRS - PERFORMANCE UPDATE AND FUTURE OPTIONS
(Pages 25 - 72)

To receive a report from Garry Knights, Head of Housing Property Services, Council Housing.

7. CHILDREN'S SOCIAL CARE SELF ASSESSMENT (Pages 73 - 78)

To receive a report from Anne Stoker Director of Children and Family Services.

8. MINUTES OF MEETING 11 OCTOBER 2018 (Pages 79 - 86)

To agree the minutes of the meeting 11 October 2018.

9. WORK PROGRAMME 2018/19 (Pages 87 - 90)

To note the work programme for 2018/19.

10. DATES OF FUTURE MEETINGS

To note the dates of future meetings as follows:

Provisional Call-Ins

- Thursday 8 November 2018
- Thursday 6 December 2018
- Thursday 20 December 2018
- Tuesday 15 January 2019
- Thursday 7 February 2019
- Tuesday 12 March 2019
- Tuesday 26 March 2019
- Thursday 11 April 2019

There is a Call-In meeting scheduled for Wednesday 14 November 2018 (6:00pm start).

Please note, the business meetings of the Overview & Scrutiny Committee will be held on:

- Tuesday 12 February 2019
- Wednesday 3 April 2019

The Overview & Scrutiny Budget Meeting will be held on:

- Thursday 31 January 2019

11. EXCLUSION OF PRESS & PUBLIC

To consider, if necessary, passing a resolution under Section 100A (4) of the Local Government Act 1972 excluding the press and public from the meeting for the item of business listed in Part 2 of the agenda on the grounds that it will involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 Schedule 12A to the Act (as amended by the Local

Government (Access to Information) (Variation) Order 2006), as are listed on the agenda (Please note there is not a Part 2 agenda).

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REPORT TO: OSC**DATE:** 7 November 2018**REPORT TITLE:** Budget Progress Update**REPORT AUTHOR/S:**

Fay Hammond

Fay.Hammond@Enfield.gov.uk

PURPOSE OF REPORT:

The aim of the report is to update Overview and Scrutiny Committee on the progress and timetable in setting the Council's budget. Further, to seek an indication of particular areas of interest from the Committee in advance of the focussed budget meeting on 15 January 2018.

SUMMARY:

The budget is set in the context of ensuring the council is financially resilient.

The budget gap as set out in Cabinet is set at £18m, to date £15.6m of savings have been identified. Officers continue to work on options for savings in preparation for finalising the budget in February 2019. A key feature of the savings is to ensure that these are ambitious but achievable.

Further, the budget consultation is now underway, the results of this will be reported at the Overview and Scrutiny Committee Budget meeting in January.

1. BACKGROUND

- 1.1. In February 2018, at Council, the 2019/20 budget gap was identified as £13.6m; subsequently, cognisant of the 2017/18 year-end position and cost pressures continuing in 2018/19, this saving target was increased to £18m. This gap has arisen from reduction in funding but also increasing demographic and cost pressures and unrealisable savings from prior years.
- 1.2. It is imperative that Enfield's budget is financially robust to address a number of issues:
 - Future funding uncertainty - in 2020/21 the national funding system for all councils will change, the settlement information will not be available until autumn 2019.
 - There are a number of local authorities in financial difficulties, which has been reported in the press. This places robust

financial planning at the forefront of ensuring we can deliver our corporate plan.

- Mindful of key lessons from a review of Northants, the importance of ensuring that savings are realisable and reducing reliance on one-off funding sources (i.e. use of the flexibility capital receipts) is key.
- Ongoing demographic and cost pressures across services supporting more vulnerable residents is continuing to place budgets under pressure.
- General economic climate impact over a sustained period.

1.3. The purpose of this report is to set out:

- Progress made to date in setting the 2019-20+ budget
- The additional budget challenge put in place
- The budget consultation
- Key areas of risk
- Next Steps

2. Budget Progress to Date

2.1. The approach to balancing the budget for 2019/20 and future years will take the form of six work streams focused on the Council's services:

- Corporate Services and Access
- Children's Services
- Adult Social Care
- Housing, Property and Regeneration
- Public Health
- Environment

2.2. These work streams are led by members of the senior leadership team. The workstreams apply four key tests in their reviews:

- Start/stop/do less
- Alternative service delivery models
- Digitisation and/or automation
- Demand management or preventative activity

2.3. Each workstream has been set with challenging targets to identify savings, with weightings applied to recognise the difficulties demand led services such as Children's Services will face in finding savings from stretched budgets.

2.4. Savings and Income Generation proposals identified to date are summarised in the table below. Phases 1 and 2 have been reported to Cabinet and agreed for progression and Phase 3 will be reported to Cabinet in December.

Savings and Income Generation Proposals against Target	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Target	(18,000)	(8,500)	(5,000)	(5,000)
Phase 1 Savings(agreed in July Cabinet Report)	(2,195)	(200)	(313)	(377)
Phase 1 Income (agreed in July Cabinet Report)	(704)	(6)	(6)	19
Phase 2 Savings (agreed October Cabinet Report)	(4,877)	1,067	0	0
Phase 2 Income(agreed in October Cabinet Report)	(2,953)	(570)	(290)	(41)
Phase 3 Indicative Savings (for December Budget Report)	(2,134)	(1,965)	0	0
Phase 3 Indicative Income (for December Budget Report)	(2,698)	(1,580)	(761)	(50)
Total Savings & Income	(15,561)	(3,254)	(1,370)	(449)
Over (Under) Target	(2,439)	(5,246)	(3,630)	(4,551)

- 2.5. For each saving, a detailed budget savings template will be completed which sets how the saving will be achieved and highlights any associated risks. An equalities impact assessment is also completed where relevant. The budget templates will be available for member scrutiny shortly.
- 2.6. As part of the budget preparation process all savings agreed in prior years to be delivered in 2019/20 will be reviewed and amended where assumptions have changed.

3. Additional Budget Challenge

- 3.1. A series of three Member budget challenge sessions have been set up in November with the administration (Resources and Chief Executives, Place, People). The purpose of these sessions is to provide additional scrutiny to the saving process.
- 3.2. Examples of the areas to cover in more detail could include; discussion regarding the current in year budget pressure and what plans are in place to address these; understanding of areas which have not been subject to savings and why; the equalities impact of the savings proposals; demographic and cost pressures; setting out broad ideas for 2020+ savings; testing how realistic the proposed savings are and what are the delivery risks.

4. Budget consultation

- 4.1. The Council is required to consult annually regarding the budget. The results will be set out in a report to the Overview and Scrutiny Committee Budget Meeting on 15 January.
- 4.2. The 2019/2020 budget consultation went live on the Council's website on 26 October 2018 and will close on 8 January 2019. This is just over 10 weeks. The budget consultation includes:
 - A budget simulator which enables residents to see the difficulties of prioritising services and achieving the scale of budget savings required whilst maintaining services. This can be accessed here: (the link is signposted from the council website): [Budget simulator](#)
 - In addition, a short budget consultation questionnaire is underway which asks residents to rate their top four service priorities. This is accessed via a link on the Council website and includes an easy read version. [Budget questionnaire](#)
- 4.3. Finance officers will also be attending the Voluntary Sector Strategy Group meeting on 10 December 2018 and the Health and Well-being Board on 6 December.
- 4.4. Posters and flyers on the budget consultation will be made available from 29 October in Council buildings including libraries. There will be an article informing residents of the budget consultation and how they can have their say in the next publication of Our Enfield which will reach doorsteps between 26 November and 3 December and the digital newsletter from 5 November.

5. ISSUES AND CHALLENGES

- 5.1. The challenges for the budget process for 2019-20+ include:
 - Risk that officers may be unable to identify sufficient savings that are agreed to fully meet the savings requirements
 - Additional budget pressures are identified increasing the gap
 - Savings for 2019-20 are not realised
- 5.2. A key area of risk is that due to the difficulty of finding savings, focus has been on 2019-20 savings which means that future savings beyond 2019-20 have not been identified. Identifying savings year on year becomes increasingly challenging in the context that the largest areas of budgeted expenditure support the most vulnerable groups. London Councils recently undertook a stress survey of all London Boroughs,

only 15% of the savings needed for 2020/21 had been identified demonstrating this issue is London wide.

- 5.3. For 2019-20, the savings are subject to additional scrutiny to reduce the risk of these not being realisable.
- 5.4. The current focus remains for Officers to continue to work on options to close the 2019-20 budget gap. For 2020+, the work will start as soon as the budget for 2019-20 is agreed.

6. RECOMMENDATIONS

- 6.1. Members are asked to:
 - Note the information regarding the budget process
 - Provide feedback on key areas of interest/concern for officers to ensure this is included in the January OSC.

7. NEXT STEPS

- 7.1. The budget timetable is set out below for information:

November 2018	Member budget challenge sessions
6 December	Draft Local Government Finance Settlement (LGFS)
12 December	Cabinet report Phase 3 Savings and budget update
8 January	Budget consultation closes
15 January	OSC budget meeting
31 January	Final LGFS
13 February	Cabinet – final budget position
27 February	Full Council – Final Budget and council tax setting for 2019/20

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Preventing Homelessness in Enfield 2018 – 2023

Draft strategy

Scope	This strategy explains how we will work with partners to prevent and tackle homelessness in Enfield. The strategy meets our obligations under the Homelessness Act 2002 for all housing authorities to have a homelessness strategy.
Approved by	<i>To be taken to Cabinet by April 2019 (with new Housing Strategy) - Date TBC</i>
Approval date	<i>The date of approval at Cabinet</i>
Document Author	Strategy, Partnership, Engagement and Consultation Hub
Document owner – Corporate	Director of Housing
Document owner – Portfolio Holder	Cllr Dino Lemonides, Cabinet Member for Housing
Review	A new Homelessness Prevention Board will review performance against the measures of success identified in this strategy, and will monitor performance against our strategy action plan on a six-monthly basis.

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Introduction

This strategy sets out our ambitions in preventing homelessness in Enfield and our proactive approach in delivering a high quality service that will support the needs of all our homeless applicants.

Since our last strategy was produced in 2013, homelessness has increased across the country, and at a significant rate locally. At 31st March 2018, there were 3,323 households in temporary accommodation in Enfield, a 70% rise from 2012. Enfield is now the second highest provider of temporary accommodation in England

In a climate of increased demand for services, increased costs of homelessness and cuts to public spending it is ever more challenging to provide effective services that are value for money. This makes it essential to share knowledge, expertise and pool resources with our partners in order to meet that challenge.

We know that the causes of homelessness are complex, and the options available to the council in meeting our duties are all the more challenging given the scarcity of social rented homes (compounded by the loss of existing stock through Right to Buy); the scarcity of adequate affordable housing in the private rented sector; and the changing habits of landlords. Loss of private rented accommodation is now the main reason for homelessness in Enfield.

Partnership working is key to successfully delivering housing options and advice services that are value for money. It is essential that all our partners ensure their role in preventing and tackling homelessness in Enfield remains a priority. We will work together to promote access to homelessness services and will continually review our service to identify and deal with gaps in service.

Vision

We will enable people to make informed choices so that they access housing that meets their needs and that they can afford.

We will identify people at risk of homelessness at an early stage. We will work with partners to prevent homelessness by providing advice, support and assistance to enable people to stay in their current accommodation or to gain sustainable alternative accommodation.

We will deliver on this vision through the following three ambitions:

- **Provide the right support and advice to residents to prevent homelessness and empower them to make positive choices about where they live**
- **Secure adequate accommodation to meet the needs of homeless households and those at risk of homelessness**
- **Enable households with assessed support needs to live independently in their own home.**

Our Preventing Homelessness Strategy contributes towards our wider strategic aims of good homes in well-connected neighbourhoods; sustaining strong and healthy communities; and building our local economy to create a thriving place.

The strategy plays an essential part in delivering key aspects of our **Housing Strategy**, which outlines our plans to:

1. Significantly increase the supply of **new** homes, which are of a high quality and are affordable to local people
2. Improve the quality of **existing** homes and neighbourhoods
3. **Prevent** homelessness in the borough and enable people to make their own informed choices for housing they can afford (Homelessness Prevention Strategy)
4. **Empower** residents through collaboration and co-production

Priorities at early stage of development and subject to change

Relevant policies for the delivery of this strategy include:

- Housing Allocation Scheme
- Temporary Accommodation Placement Policy (in draft as at September 2018)
- Discretionary Housing Payment Policy (in draft as at September 2018)
- Intermediate Housing Policy (in draft as at September 2018)
- Tenancy Strategy and Policy (in draft as at September 2018)
- Housing Enforcement Policy (in draft as at September 2018)
- Rent Policy (in development as at September 2018)

Our Preventing Homelessness Strategy links with the following Enfield strategies:

- Housing Strategy
- Health and Wellbeing Strategy
- Children and Young People Plan
- Family Resilience Strategy
- Safeguarding Adult's Strategy
- Market Position Statement (Health and Adult Social Care)
- Customer Experience Strategy

Homelessness Review

Homelessness Reduction Act 2017

The Homelessness Reduction Act 2017 places more emphasis on early identification and prevention work to tackle homelessness. The Act extends the period an applicant is 'threatened with homelessness' to 56 days. It extends our duties to provide all homeless applications with advice and information; and to secure suitable accommodation for all homeless applicants, regardless of whether they are 'intentionally homeless' or 'priority need'. We must carry out an assessment of the eligible applicant's case and agree a Personalised Housing Plan.

The Act also introduces a new 'duty on public authorities to refer cases to the local housing authority'. This means that there is now a duty on public services to make a referral to Enfield's Housing Options Team if they identify that someone is at risk of homelessness. This should help to enhance partnership arrangements and secure opportunities to share information and take early action to prevent homelessness.

The Act provides us with opportunities to further develop our approach to preventing homelessness, while also placing additional burdens on the local authority at a time of reducing resources and increasing levels of need. This calls for innovative solutions and effective partnership working to ensure we respond to the challenge.

Factors driving an increase in homelessness

A rising population and increasing levels of deprivation

Enfield is an outer London borough with exceptionally high housing demand and inequality in access to appropriate housing. As is the case across London, the population is large and growing – estimated to be 330,000 in mid-2016. ONS statistics on migration in and out of Enfield from 2004 show a net population increase, but this masks the underlying 'churn' of the population in Enfield which is significantly higher than in London and in England as a whole. Inward international migration has significantly contributed to the population growth.

Some parts of Enfield are amongst the most deprived in England. Enfield ranks 64th nationally on the 2015 Indices of Multiple Deprivation, and has become relatively more deprived when compared with other London boroughs (14th most deprived in 2010 and 12th in 2015). According to the Income Deprivation measure alone, Enfield is the 25th most deprived borough in England, and the 6th in London. According to the Barriers to Housing and Services measure, Enfield is the 16th most deprived nationally and the 10th most deprived in London.

Data from The Income Deprivation Affecting Children Index (IDACI) measures the proportion of all children aged 0 to 15 living in income deprived families. Their data concludes that Enfield is the 13th most deprived borough nationally and the 5th most deprived in London. The London Boroughs with greater levels of deprivation than Enfield have smaller baseline populations, meaning that Enfield has the largest number of children affected by poverty of any London borough. Enfield is ranked 20th in London as the borough with the highest percentage of people earning less than the London Living Wage per hour, an increase of 43.4% from

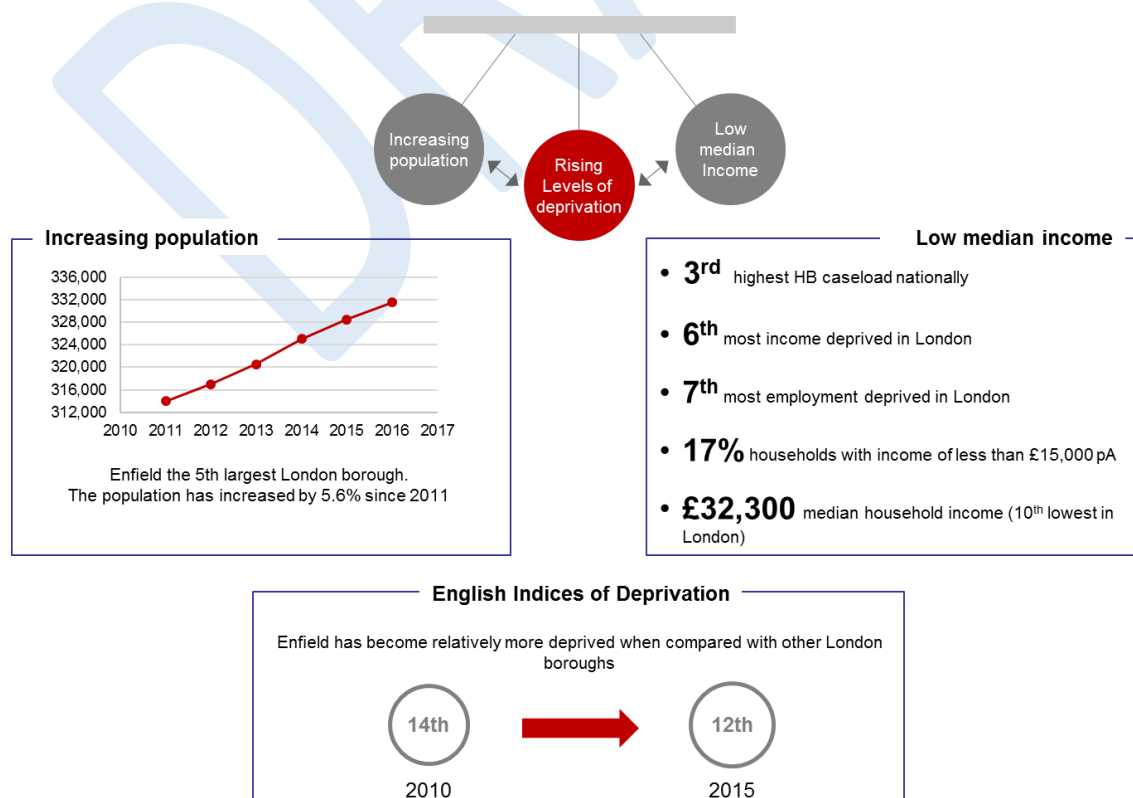
2008-2015. In 2014, 28.1% of children aged under 16 were living in low income families.

National changes to benefits entitlement are having a significant impact in Enfield. These include changes to the way LHA is calculated; restricting the housing benefit entitlement for social housing tenants with accommodation larger than necessary through the spare room subsidy; capping the total amount of benefit paid to working-age claimants; and the roll out of universal credit.

The benefit cap of £26,000 per year introduced in April 2013 affected around 1,800 households in Enfield within the first 10 months of adoption. This large figure reflects Enfield's sizeable number of benefits claimants. The spare room subsidy affected around 1,400 Enfield households when it was introduced. These households have had to either begin paying the additional rent or move to smaller properties. In autumn 2016 the benefit cap in London was lowered to £23,000 (£15,410 for single people). At February 2018, this was impacting 958 households in Enfield, the fifth highest number in the UK.

The administrative changes required for the implementation of Universal Credit have resulted in delays in payment and increases in rent arrears. Universal credit is also now paid direct to residents, rather than to landlords. This has meant that increasingly landlords in the private rented sector are reluctant to rent homes to people on benefits. This has been further exacerbated by the 'right to rent', introduced by the Immigration Act 2016, which means that landlords have to check the immigration status of prospective tenants before granting them a tenancy. Landlords are likely to go with prospective tenants who have their identification documents, rather than those who have none. Vulnerable households are therefore increasingly excluded from the private rental market and require assistance to make positive choices about where to live.

To add: increases in populations with disabilities/ support care needs (Lia Markwick providing this)



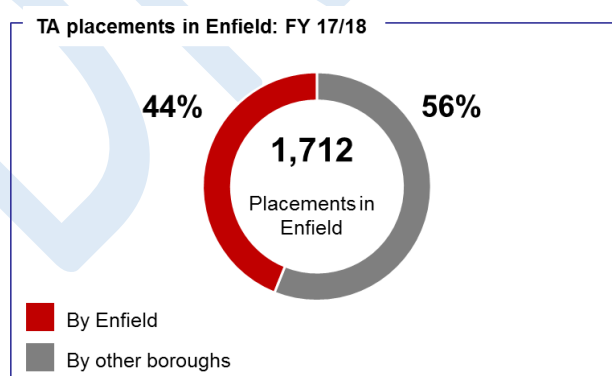
A lack of affordable accommodation

Enfield contains a variety of housing styles including Victorian terraced houses, 1930s semi-detached houses, council flat blocks and modern houses and flats. We have a relatively small number of detached and terraced houses, which makes up nearly one third and flats nearly two-thirds of homes.

As at 1 April 2017, the Department for Communities and Local Government estimated the total number of social housing units in Enfield to be 18,550. This equates to 55.8 units per 1,000 residents, compared to a London average of 91.8 units per 1,000 residents. In March 2018, there were over 4,000 households on our Housing Register. Between 1st April 2017 and 31st March 2018, just 500 social rented properties were let to households on the council's housing register. During that period, 1,233 households were placed in temporary accommodation.

The Localism Act gives flexibility to Registered Housing Providers to charge rent up to 80% of the local market rents. This means that in some cases in Enfield, affordable housing offered by Registered Providers is financially out of reach for households on low incomes.

Increased levels of inward migration, deprivation, low incomes and the limited supply of affordable social rented homes means that vulnerable and migrant communities are increasingly heavily reliant on finding accommodation in the private rented sector in Enfield. At the same time, the council is also reliant on the private rented sector for discharging our homelessness duty.¹ We are competing with other London boroughs for available accommodation: during 2017/18, just 44% of all temporary accommodation placements were made by Enfield, with 56% being made by other boroughs.



In addition, there is a trend for private renters, including those who are *not* claiming benefits, to migrate from more expensive parts of the capital to areas with comparatively lower rents, such as Enfield, thereby maintaining upward pressure upon rents in the borough.

¹ The Localism Act 2011 enables local authorities to fully discharge their statutory homelessness duty via a Private Rented Sector Offer.

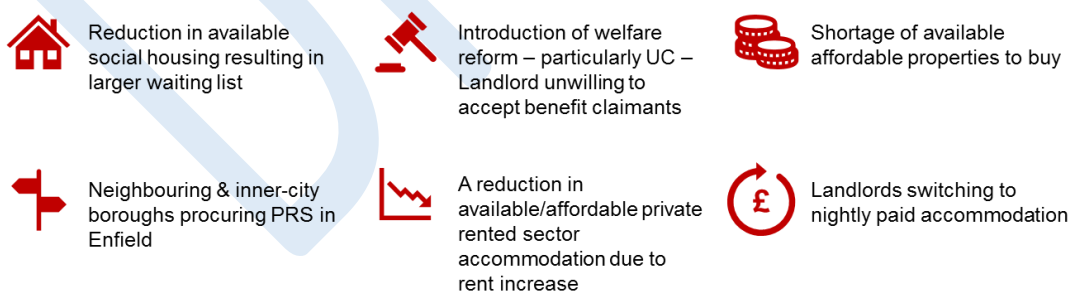
All of these factors mean that Enfield and neighbouring boroughs have experienced rising private rented sector rents over the past five years, while Housing Benefit income and remained static.



Increases in homelessness

Homelessness is increasing nationally, and as a consequence of the complex and interrelated factors set out above, homelessness in Enfield it is rising at a considerable rate. Since 2012/13, the number of households accepted as homeless in Enfield has been consistently above average for the London boroughs. During 2017-18 our Housing Options and Advice Team dealt with 1,072 homelessness applications, and booked 1,233 new households into temporary accommodation

Factors driving the increase in temporary accommodation



At 31st March 2018, there were 3,323 households in temporary accommodation in Enfield, a 70% rise from 2012. Enfield is the second highest provider of temporary accommodation in England. The increase in homelessness combined with the multiple pressures on the private rented sector mean that an increasing number of households are being placed in expensive nightly paid accommodation.

Enfield has a growing number of households placed in TA

1,956 (2012)  3,396 (2018)

Enfield is one of the highest providers of TA in England

1 in 24

Of all TA households in England are housed by Enfield (Dec 2017)

2nd

highest number of households in TA nationally

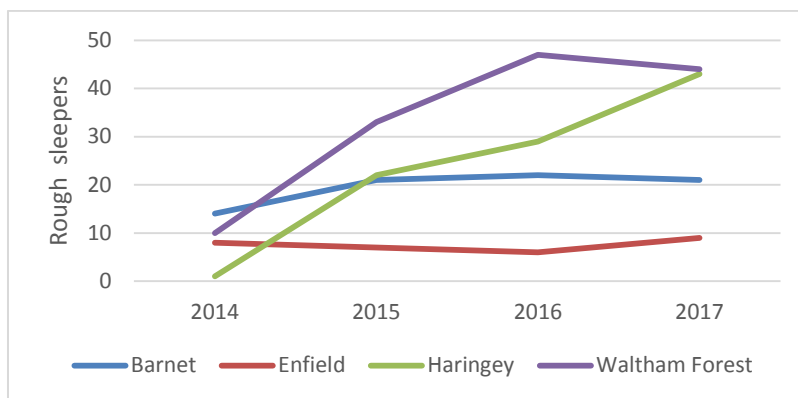
Loss of private rented accommodation is now the main reason for households accepted as homeless by the local authority in Enfield. Research by Trust for London² found that in 2015/16, Enfield had the highest eviction rate in London - 30 evictions per 1,000 renting households. Being evicted from the home of family or friends and becoming homelessness because of the breakdown of a violent relationship are also significant causes.

² <https://www.trustforlondon.org.uk/data/evictions-borough/>

		Number of accepted homeless cases					% of all homelessness cases				
Section E3: Main reason for loss of last settled home for households found to be eligible, unintentionally homeless and in priority need		2012 / 2013	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017	2012 / 2013	2013 / 2014	2014 / 2015	2015 / 2016	2016 / 2017
1. Parents no longer willing or able to accommodate		92	32	35	88	95	16.7	5.1	5.8	7.8	8.7
2. Other relatives or friends no longer willing or able to accommodate		99	57	54	91	117	18.0	9.1	8.9	8.0	10.7
3. Non-violent breakdown of relationship with partner		10	0	0	0	0	1.8	0.0	0.0	0.0	0.0
4. Violence	a. Violent breakdown of relationship, involving partner	22	15	13	33	30	4.0	2.4	2.1	2.9	2.7
	b. Violent breakdown of relationship involving associated persons	1	0	0	0	0	0.2	0.0	0.0	0.0	0.0
	c. Racially motivated violence	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	d. Other forms of violence	1	0	0	0	0	0.2	0.0	0.0	0.0	0.0
5. Harassment, threats or intimidation	a. Racially motivated harassment	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	b. Other forms of harassment	3	0	0	0	0	0.5	0.0	0.0	0.0	0.0
6. Mortgage arrears		17	6	0	0	0	3.1	1.0	0.0	0.0	0.0
7. Rent arrears on:	a. Local authority or other public sector dwellings	1	0	0	0	0	0.2	0.0	0.0	0.0	0.0
	b. Registered Provider dwellings	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	c. Private sector dwellings	20	0	5	19	35	3.6	0.0	0.8	1.7	3.2
8. Loss of rented or tied accommodation due to:	a. Termination of assured shorthold tenancy	190	413	414	657	537	34.5	65.9	68.3	58.1	49.0
	b. Reasons other than termination of assured shorthold tenancy	46	30	24	146	153	8.3	4.8	4.0	12.9	14.0
Loss of rented accommodation - Total		236	443	438	803	690	42.8	70.7	72.3	71.0	63.0
9. Required to leave accommodation by Home Office as asylum support		20	5	6	39	29	3.6	0.8	1.0	3.4	2.6
10. Left an institution or LA care	a. Left prison/on remand	4	0	0	0	0	0.7	0.0	0.0	0.0	0.0
	b. Left hospital	1	0	0	0	5	0.2	0.0	0.0	0.0	0.5
	c. Left other institution or LA care	4	0	0	0	0	0.7	0.0	0.0	0.0	0.0
11. Other reason for loss of last settled home	a. Left HM Forces	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	b. Other reason	20	12	5	26	43	3.6	1.9	0.8	2.3	3.9
11a - Other - not covered by any of the above		0	57	50	32	52	0.0	9.1	8.3	2.8	4.7
Total Acceptances		551	627	606	1131	1096	100.0	100.0	100.0	100.0	100.0

We are working with Adult Social Care and Children's Services to review local analysis on people 'vulnerably housed' ie those who don't have suitable housing to meet their care and support needs, including those in residential care, supported housing or hospital who would be able to move into general needs independent housing if it was available.

In common with many other outer London boroughs, rough sleeping is comparatively low in Enfield. However, we are sensitive to the risk of rough sleeping increasing as welfare reform and reductions in supported housing continue to impact.



Ambition 1: Provide the right support and advice to residents to prevent homelessness and empower them to make positive choices about where they live

The causes of homelessness are complex and multi-faceted. In the complex socio-economic climate described in our homelessness review, low financial resilience makes people turn to the Council. We need to work with residents to build both financial resilience and wider resilience - with employment, education and training support; and support to improve health and wellbeing. There are a range of universal, targeted and specialist services in Enfield, but we need to do more to target tailored support for those living in temporary accommodation so that they can make positive choices about their future housing.

We also need to capitalise on the new duty placed on public authorities to ensure that when services become aware that a person may be homeless or threatened with homelessness, that person is offered a referral for help to the local authority. We need to also help those authorities to understand the scarcity of social rented homes, and the reality of the support, advice and housing choices which will be available to people who are referred for help. The new duty³ to refer people at risk of homelessness to Enfield's Housing Options Team applies to the following authorities:

- prisons;
- youth offender institutions;
- secure training centres;
- secure colleges;
- youth offending teams;
- probation services (including community rehabilitation companies);
- Jobcentre Plus;
- social service authorities;
- emergency departments;
- urgent treatment centres; and,
- hospitals in their function of providing inpatient care.

³ *The Homelessness (Review Procedure etc.) Regulations 2018*

These services, as well as Enfield's vibrant voluntary and community sector, play a vital role in our multi-agency approach to address the complex issue of homelessness and ensure that the right support is in place with a focus on individuals and their needs.

We need to create an early intervention and homelessness prevention service, which facilitates partnership work and tackles the links between poor housing; low income and poor health outcomes. We need to work across services to support individuals in a tailored way in order to build resilience and prevent ongoing homelessness.

We need to ensure that in doing this, we also provide a positive customer experience for those accessing our advice, intervention and support.

We are delivering on the following priorities to achieve our ambition to provide the right support and advice to residents to prevent homelessness and empower them to make positive choices about where they live:

- Promote access to homelessness services so that people seek advice and support from services earlier in order to prevent homelessness. While promoting access, we will also increase awareness in the community that there is a limited supply of council and social housing, and for many people, their future housing choices will be in the private sector.
- Improve the customer experience for people accessing homelessness prevention services, in line with our Customer Experience Strategy, including tailored advice for adults with disabilities.
- Improve the range of advice and support provided to all households approaching the housing options and advice service to enable them to access housing that they can afford in and outside of the borough and to make positive and realistic choices about their future housing.
- Improve the support and advice we give to households living in temporary accommodation in order to empower them to make positive choices about their future housing options and facilitate their move on to more permanent accommodation.
- Explore the options for closing John Wilkes House and rebranding and relaunching the service from a new site which co-locates a network of facilities tackling homeless; worklessness; poor health outcomes; and building literacy and ICT skills ***For further exploration and discussion***
- Continue to work proactively with partners to offer pathways into legal employment and suitable accommodation for people sleeping rough/living in encampments in the borough

Measuring success

We will measure our success against this ambition by:

- A reducing number of people becoming homeless as a result of being evicted from private rented sector accommodation
- An increasing number of households whose homelessness we have prevented by either supporting them to stay in their existing accommodation; or by supporting them into alternative accommodation

- An increasing proportion of households living in temporary accommodation who have moved out into sustainable housing. This will include analysis of the number of 'relief' cases housed within 56 days and homeless cases moving out of temporary accommodation after 56 days.
- Increasing positive feedback from households on their customer experience of homelessness services (in line with our Customer Experience Strategy).

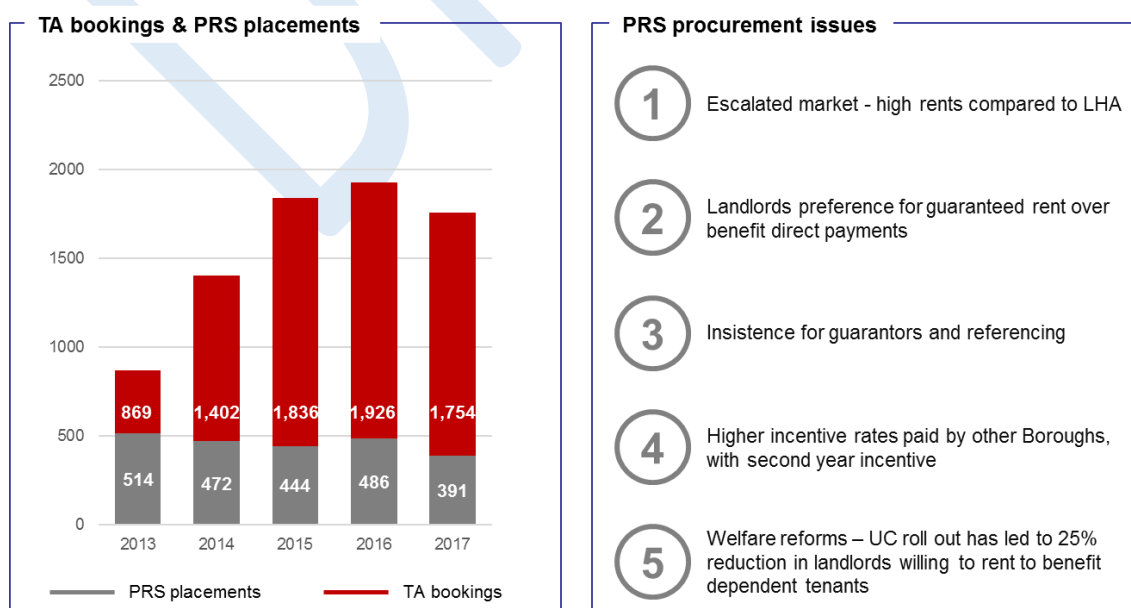
Ambition 2: Secure adequate accommodation to meet the needs of homeless households and those at risk of homelessness

Given the scarcity of social rented homes, where we owe a household the full statutory homelessness duty, we will in most cases discharge it via a Private Rented Sector Offer (PRSO). This means that we will arrange for a private landlord to make an offer of an assured short-hold tenancy in the private rented sector for a period of at least 12 months.

However, rising market rents have increased the challenge of discharging into the private rented sector, resulting in increased reliance on temporary accommodation. For the same reasons, it is also becoming increasingly challenging for us to source suitable temporary accommodation in the private rented sector.

We need to work proactively at a local and regional level to secure a portfolio of accommodation for people who are homeless, and work effectively with local landlords to prevent homelessness occurring.

We aim to assist local households in finding suitable accommodation in Enfield. However, the severe shortage of housing, rising rental costs, and acute pressures on local government funding mean that some homeless households may have to move further away. When we assist households in finding accommodation, we will do so in accordance with our Temporary Accommodation Placement Policy.



There are significant challenges in maintaining quality standards of management, lettings and addressing poor housing conditions with private rented sector lets. A huge part of the national, regional and local response to homelessness needs to be on driving up standards in this sector, while simultaneously increasing the supply of affordable housing. We continue to seek ways of working with private landlords and other organisations to find a coordinated and comprehensive set of measures to tackle rogue landlords. Our Housing Strategy sets out our vision for increasing supply of housing and wider measures to tackle problems in the private rented sector.

Recent legislative changes give local authorities further measures to improve standards in the private rental sector. The Deregulation Act 2015 protects assured shorthold private rented tenants against unfair eviction. The Housing and Planning Act 2016 introduced banning orders and civil penalties for rogue landlords, introduced a national database of rogue landlords, and extended the circumstances for when a tenant can apply for a rent repayment order.

We are delivering on the following priorities to secure adequate accommodation to meet the needs of homelessness households and those at risk of homelessness:

- Increase the supply of social rented homes, through the measures set out in our Housing Strategy.
- Manage the impact of a current shortage of social rented homes through fair and transparent allocation of homes through our Housing Allocation Scheme, while reducing expectation of a council home within the community by increasing understanding of the realistic routes out of homelessness.
- Increase the availability of best value private rented and temporary accommodation available to Enfield residents by securing accommodation both within Enfield and outside of the borough. We will do this through use of Council properties proposed for demolition in the longer term (decants); Housing Gateway acquisitions; our negotiation with landlords and largescale acquisitions; and delivering modular/ flexible housing. We will establish a local lettings agency to offer high quality management of private rented sector accommodation available to Enfield residents.
- Increase the availability of move-on accommodation options for adults with support/care needs who no longer require specialist housing.
- Work with other London boroughs to ensure transparency in incentives paid to landlords and work on a pan-London tenancy deposit project.
- Improve standards of management within Enfield's private rented sector. This includes taking robust enforcement action against poor conditions in line with our Housing Enforcement Policy. Our focus will be on stopping rogue landlords and rogue managing/ letting agents.

Measuring success

We will measure our success against this ambition by:

- A reduction in the number of people becoming homelessness as a result of being evicted from private rented sector accommodation

- An increase in the number of households whose homelessness is prevented or relieved by an offer of an Assured Shorthold Tenancy in the private rented sector.
- A reduction in the use of nightly paid accommodation for homeless households.
- A reduction in spend on temporary accommodation.
- A reduction in length of stay in temporary accommodation.

Ambition 3: Enable households with assessed support needs to live independently in their own home

We want to empower residents to make positive decisions about their own lives and take control over their health whilst encouraging independent living. We want to enable as many households as possible with care and support needs to remain living independently in their own home. We are doing this in the context of increased demand and challenges in health and social care funding.

Due to the scarcity of social housing in the borough, we need to consider the range of housing options available to households with assessed support needs. This will include supporting them to stay in their existing home wherever possible through adaptations and/or assistive technology, consideration of options in the private sector, as well as social housing.

Through our Housing Allocation Scheme, social housing will be prioritised for those with assessed support needs who:

- receive support from social care services; or
- could be in need of social care services in the absence of settled accommodation; and
- have a significant need for a social tenancy because their current housing circumstances are having a severe negative impact on their health condition and wellbeing.

We will work in partnership across local authority and health services to ensure that pathways into housing support respond effectively to individual circumstances and that the right support is offered at the right time.

We are delivering on the following priorities to provide the relevant support to enable households with assessed support needs to live independently in their own home:

- Keep under review the demand for appropriate Housing Related Support services for homeless households with assessed care and support needs and commission appropriate services to meet demand within the constraints of existing budgets.
- Keep under review the demand for general needs accommodation from Adult Social Care clients at key transition points (from hospital, from residential care, and from unrequired supported housing) in order to better support these households into appropriate general needs accommodation.
- Manage the scarcity of available social housing to meet the needs of people with assessed support needs through effective multi agency decision making and through the implementation of our Housing Allocation Scheme.

- Clearly set out the different housing options available for people with physical disabilities, people with learning disabilities, people with mental health needs and older people so that we offer a better customer experience and better outcomes for these client groups.
- Continue to make adaptations to accommodation wherever possible and develop and utilise assisted technology to help people live independently in their own homes
- Safeguard vulnerable people from abuse and harassment by joint working with partners to support them with their housing need
- Increase the availability of adapted and wheelchair accessible accommodation through measures set out in our Housing Strategy.

This section will be further developed through a workshop with children's and adult's services and public health, where we will reflect on case studies of people with assessed support needs and consider what we need to do differently to prevent homelessness, improve pathways into the most appropriate housing options, and work collectively to improve health outcomes for people living in poor or insecure housing.

Measuring success

We will measure our success against this ambition by:

- A reducing number of people experiencing delayed discharge from hospital or delayed move on from residential care/ specialist housing due to the need for general needs accommodation
- Grants made for adaptations to council, housing association, private rented sector and owner occupied accommodation (Measure TBC)
- A reducing number of people becoming homelessness as a result of being evicted from private rented sector accommodation – *the proportion of people in these circumstances with assessed support needs* (Measure TBC)
- An increasing number of households whose homelessness we have prevented by either supporting them to stay in their existing accommodation; or by supporting them into alternative accommodation – *the proportion of people in these circumstances with assessed support needs* (Measure TBC)

Sub-regional working

The London borough of Enfield is committed to working with neighbouring boroughs to compare and review current housing need and homelessness practises, and identify opportunities for coordination and efficiencies wherever beneficial.

Our commitment to such practises is demonstrated through our attendance at sub regional meetings, coordinated by the North London Housing Partnership, a strategic umbrella organisation that brings together housing and homelessness managers working within the London Boroughs of Barnet, Camden, Enfield, Haringey, Islington and Westminster. The partnership aims to:

- improve services through sharing knowledge and best practise across the sub region
- create better services and efficiencies through joint working wherever possible

- identify gaps in service provision across the sub region and work to ensure these are addressed
- bid for funding opportunities to provide additional assistance for boroughs wherever possible
- provide a governance structure to monitor sub-regional projects and ensure they are delivered effectively and within timescale and budget
- develop an excellent understanding of housing demand, needs and conditions across North and pan-London, and an understanding of how this impacts on wider strategic issues affecting the sub region.

Governance and measuring success

It is proposed that a Homelessness Prevention Board is set up to deliver an annual action plan which will be created to implement this strategy. This board will review performance against the measures of success identified in this strategy, and by monitoring performance against our action plan on a six-monthly basis.

Action plan

Template action plan - the detail of the action plan will be developed using ongoing consultation on the draft strategy during October – December 2018.

Provide the right support and advice to residents to prevent homelessness and empower them to make positive choices about where they live

Priority	Actions	Named lead	When	Measure of success

Secure adequate accommodation to meet the needs of homeless households and those at risk of homelessness

Priority	Actions	Named lead	When	Measure of success

Enable households with assessed support needs to live independently in their own home

Priority	Actions	Named lead	When	Measure of success

MUNICIPAL YEAR 2018/2019 REPORT NO.**MEETING TITLE AND DATE:****7th November****Overview and Scrutiny****REPORT OF:**

Executive Director of

Place – Sarah Cary

Contact officer and telephone number:

Garry Knights, Head of Housing

Property Services

E mail: garry.knights@enfield.gov.uk**Agenda – Part:****Item:****Subject: Housing Repairs – Update on improvements and future options****Wards: All****Key Decision No: KD4773****Cabinet Member consulted: Cllr Lemonides****1. EXECUTIVE SUMMARY**

- 1.1. The Housing service in Enfield carries out circa. 54,000 repairs and services annually to the borough's housing stock through a total of 4 external contractors (2 for Responsive Repairs, 2 for Mechanical and Electrical (M&E) works). All of these 5-year contracts are due to expire in March 2020, with the option of extensions for a further year or more.
- 1.2. In light of concerns about current performance, an improvement plan is currently in place, and consideration is being given to how these functions can best be delivered in future.
- 1.3. This report sets out a a) progress to date in improving the customer experience for responsive repairs, and b) a timeline for a full options appraisal of future delivery models, and a recommendation to Cabinet based on the outcome of that analysis.

2. RECOMMENDATIONS

- 2.1 That Overview and Scrutiny Committee note the establishment of the officer/member repairs task force and the improvements made since its inception, along with the work of the Transformation team on repairs.
- 2.2 That Overview and Scrutiny Committee note the creation of a small in-house 'property MOT' team under delegated authority to work alongside the term contractors, improving the quality of stock data and resolving routine repairs issues.
- 2.3 That Overview and Scrutiny Committee note the options for future delivery now being assessed, and delegate authority to the Director for Housing and Regeneration to consider further these options in consultation with the Cabinet Member for Housing
- 2.4 That Overview and Scrutiny Committee note the timeline and actions shown at para. 7.7, including the presentation of a further paper in April 2019 making recommendations on the future delivery model for repairs.
- 2.5 That Overview and Scrutiny Committee review the paper and provide feedback

3. BACKGROUND

- 3.1. As a social landlord the Council has a total of over 14,500 properties in management, occupied by circa 10,000 tenants and circa 4,500 leaseholders. Approximately 54,000 repairs and services of all types are carried out each year across these properties.
- 3.2. The current partnerships with private contractors mean that day-to-day repairs are delivered by 2 term contractors, MCP Ltd. and MNM Ltd., whilst T Brown Ltd. and Purdy's Ltd. deliver mechanical and electrical repairs and all compliance works.
- 3.3. The existing contracts all end in March, with the option of up to 5 one-year extensions. Within the contract is a requirement to give 1 years notice of any contract extension, therefore notice would be required by April 2019.
- 3.4. Our current delivery model has multiple repairs contractors across the borough which has led to a fragmented service which is difficult to deliver consistently to the required standard. The current perception of the existing contractors is largely negative based on resident and member feedback – while the service they offer could be improved, analysis of these difficulties suggests they also reflect previous procurement and mobilisation being sub-optimal and creating structural problems with the contracts.
- 3.5. In order that we tackle the issues of poor performance Council Housing has put in place a repairs task force, with member involvement, and worked closely with staff in the Transformation team who have identified housing repairs as a key process for improvement in the Customer Experience Strategy.
- 3.6. To supplement these intensive efforts to improve delivery through the contracts in the short term, a decision has now been taken to set up an internal 'property MOT' team to drive improvements and to test the operation of a 'hybrid' model for the stock in which contractors and directly employed staff each have an operational role.

4. Repairs Task Force

- 4.1. The repairs task force was created as a working group made up of Cllrs and officers who would take a targeted approach to identify and implement improvements.
- 4.2. Key to the success of the Task force has been the creation and monitoring of a number of performance indicators which have targeted officers' efforts in driving improvements.
- 4.3. The below table shows the improvement made in service since the creation of the task force;

Measures	Actions	Week 1 (2/8/18)	Week 15 (25/10/18)
1. Number of overdue repairs	Wider circulation of data to teams, intensive contract management, tightening of timescales on variation approvals	705 (6044) 11.7%	723 (12,862) 5.6%
2. Number of outstanding complaints (Stage 1 and Pre-complaints)	Ensure complaints closed when works completed; better analysis of complaints to address underlying issues	45	14
3. Number of complaints upheld	Incorporate into contract management meetings; better analysis of complaint reasons to identify where improvements need to be made.	8	7
4. Number of missed appointments (Appointments reported to the contact centre by residents as missed)	Proposed - contractors to contact call centre when they have a no access so outbound call can be made to resident to ensure they are not at home or less than 5 minutes away. Review of contractor appointment slots to minimise the changing of appointments by the contractor.	9 (370) 2.4%	5(555) 0.90%
5. Percentage of first time fixes	Surveyor based in call centre providing technical advice on correct priorities and codes. / Call centre staff (specialists) to re-locate to housing? Refining call centre scripts to improve diagnostic stage Options appraisal for call centre function Increase contractor self vary limit to £250 / streamline variation process / increase number of post-inspections / amend process and/or system to 'automate' approval up to limit	1058 (4027) 26.27%	105 (198) 53.0%

Measures	Actions	Week 1 (2/8/18)	Week 15 (25/10/18)
6. Overall customer satisfaction with the repairs contractor	Intensive contract management, ensure our surveys include the right questions Drill down to contractor q/a's rather than overall service Consider transferring to market research company through tender	82.79%	83.71%
7. Number of penalties/sanctions sent (Current penalties for missed appointments)	Ensure we are issuing all penalties in accordance with the terms of the contract Initial focus on main areas of concern (e.g. missed appointments, repairs completed out of time) Financial penalties applied in first phase (default notice as reserve position)	9	5

5. Transformation team

- 5.1. As part of the Housing Systems Programme, staff from the Transformation team were tasked with undertaking a review of several existing processes relating to repairs and understand where these failed to deliver customer focussed outcomes.
- 5.2. A total of 26 improvements were identified, some of which relate to the culture of the service and contractors while others are more IT- and process- driven.
- 5.3. Flowing from this work and related analysis within Housing, a number of 'quick wins' have been implemented including the following: improving the appointment process by ensuring contractors confirm appointment times in advance: changing the job variation limits to reduce the need for repeat inspections; making use of the financial penalties available to the Council (through which for example contractors pay tenants a compensation fee for missed and late appointments); and giving more ownership of issues to Council Housing staff through stronger performance management and information-sharing.
- 5.4. A number of other items are in the process of being implemented, including improving scripts for customer service staff, to improve the accuracy of the instructions going to contractors, and the introduction to the Call Centre of a new 'repairs diagnostic' software tool, which further improves identification of necessary repairs at the first point of contact.

- 5.5. An operational project board has been set up including members of Housing property services, customer service team, IT and the transformation team to continue to deliver improvements on the processes.

6. MOT Team

- 6.1. To enhance the above actions aimed at achieving service improvements, and to inform the consideration through the options appraisal of moving to an in-house delivery model, we are also establishing a 'property MOT' team within the Housing Property Repairs Service. This is a cyclical maintenance approach aimed at reducing the high cost and high resident impact of day to day responsive repairs.
- 6.2. On an agreed cyclical programme each property is visited, a standard checklist of items is checked, and any small repairs identified will be completed without being referred to contractors. These checks will tackle problems before they become a repair, moving from a reactive to a planned approach.
- 6.3. A typical MOT will take 1-2 hours and all items which generally result in repairs calls will be checked. These checks will tackle problems before they become a repair and essentially improve the condition of the property. The focus of the team will be minor repairs, although the team will also raise jobs, larger jobs and make appointments for further visits.
- 6.4. Whilst this is an approach which can be used to address issues in all of the stock, initially it will be targeted towards both high and low users of the repairs service, i.e. properties with persistent repairs issues and those where the absence of any repairs being logged gives rise to a concern about the condition of the property and/or the possible vulnerability of the resident. By targeting these categories we can tackle both problematic properties and those residents who may be using a disproportionate amount of the overall repairs resource. The team will also act as a 'troubleshooting' team who the Council will be able to direct in a more flexible way to tackle a range of issues for residents.
- 6.5. Initially we plan to engage 3 teams of two multiskilled in-house operatives, plus 1 planner/manager to oversee the programme. Recruitment will commence shortly. The team will be fully funded from existing Housing Revenue Account budgets – we are confident that these additional staffing costs will over time be wholly offset by a reduction in revenue spend, as fewer repairs need to be carried out by contractors and funded from the same budget source.

7. Timeline for future delivery model

- 7.1. Following discussions with members, in the coming months a full options appraisal will be conducted to arrive at recommendations for the best future service model. This will include analysis of benchmarking data, for example from the independent Housemark survey, to compare performance and costs under the current arrangements with those of other social landlords. Visits to other boroughs are also envisaged, as well as a robust analysis of all local intelligence and data to arrive at a fully considered view of the best way forward. This approach will also ensure that we learn all the lessons of the previous procurement and mobilisation exercises and arrive at the best set of future arrangements for residents and stakeholders.
- 7.2. In November 2017 the Overview and Scrutiny Committee recommended as part of their repairs workstream report that a feasibility study should be carried out into bringing the repairs service in-house. This feasibility study will form part of the options appraisal described above, and can now incorporate consideration of the property MOT team as a partial in-house model.
- 7.3. The issues with the current repairs service have been further exacerbated by procuring all repairs, compliance and major works contracts at the same time and with the same contract durations. It is therefore proposed that we look to stagger any procurement of these contracts in future. This change was recommended by the Overview and Scrutiny Committee in their report on repairs in November 2017.
- 7.4. We also believe it would be advantageous to move from two overall compliance contracts (in the North and South of the borough) to a number of individual contracts for the whole borough, e.g. for gas servicing in all properties. This will ensure the right specialist contractors are responsible for key areas of compliance, enhancing the safety of residents. It will also eliminate potential conflicts of interest. The proposed timeline below will allow officers to determine a more appropriate approach based on investigating all the available models.
- 7.5. The proposed timeline would mean that the existing contracts may need to be extended for circa 4 months whilst we mobilise new contracts. Any such extensions will follow existing contract structures and will be carried out according to the council's procurement rules.
- 7.6. The following indicative timeline shows how the service will complete the options appraisal, make a recommendation to Cabinet of the preferred future model, and then take the necessary steps to implement whatever option is selected. The key dates shown are common to all potential models, so that the new arrangements commence in August 2020. This is a provisional overall timescale as the exact timing of the steps towards implementation may vary according to the option which is selected.
- 7.7.

<p>November 2018</p> <p>November 2018 – April 2019 Options appraisal</p>	<p>November Cabinet Approval of options appraisal and overall timeline.</p> <p>Activities; Further involvement of repairs task force Key driver discussions, Full options appraisal Peer visits Assessment of feasibility of in-house model (including property HMO team) Customer engagement Strategy for staggering contracts</p>
<p>April 2019</p>	<p>April Cabinet</p> <p>Approval of recommended option based on the above information Key considerations include; length of contract (where applicable) social value requirements scale of works for partners and/or in-house service value for money/impact on HRA Business Plan relationship of responsive repairs to planned/cyclical repairs and of both to capital programme, major works Legal requirements, procurement rules, etc. ,</p>
<p>April 2019 - June 2019</p>	<p>(Subject to above decision) Preparation of; Tender approach (cost/quality, tender questions, minimum requirements etc) Works and product specifications Tender documents Repairs history Draft Contracts Other relevant information OR Notification of termination Consideration of TUPE/contractual issues etc.</p>
<p>June 2019 - February 2020</p>	<p>(Subject to above decision) Full OJEU tender process Timeline includes provision for full stages, cool-off periods, challenge periods OR Transition to new model (in-house/hybrid)</p>
<p>March 2020 - April 2020</p>	<p>(Subject to above decision) Contract Award Including any further required negotiations Execution of Contracts</p>

March 2020	Existing Contracts End
April 2020 -August 2020	(Subject to above decision) Contract mobilisation period Short extension of current contracts IT integration (Civica/Northgate issue) Cultural integration Call centre training Recruitment (internal/external) TUPE Supply Chain engagement Demobilisation of existing contractor (significant risk) OR Transition to new model (in-house/hybrid)
August 2020	Go live of new delivery model

8. NOVEMBER 2018 – APRIL 2019 TASK FORCE ACTIVITIES

8.1. As highlighted in the above table several actions will need to be undertaken prior to a recommendation being developed.

8.2. Key to understanding the potential solution is an understanding of our requirements from the future delivery model. These discussions will need to determine the relative importance of a number of factors including;

- internal/external delivery balance,
- length of contract,
- preference for partnering/Joint ventures,
- importance of social value,
- local supply chain,
- balance between cost and quality/customer outcomes
- level of control to be exercise by Council
- assessment of risk – appropriate model to mitigate and/or share financial/ reputational risks
- cultural influence
- appropriate scale of task for each party

8.3. Once these factors have been determined it will be possible to determine the most suitable model to deliver each of the requirements. A number of solutions are being considered and will be appraised ahead of a Cabinet recommendation, including;

- Full in-source delivery
- Creation of a Special Purpose vehicle (SPV)
- Full out-source solution through re-procurement

- Mixed or 'hybrid' delivery model, e.g. externally managed in-sourced delivery, mixture of delivery between partners and direct provision
 - Joint venture/partnering approach
 - Cost Sharing Model
- 8.4 An options paper already prepared for the repairs task force appears as Appendix A. This will form the basis of the options appraisal workstream and will be refined as this work progresses.

9. ALTERNATIVE TIMELINE OPTIONS CONSIDERED

- 9.1. Consideration was previously given to seeking cabinet approval for the future delivery model in November 2018, but for the reasons given above this is not recommended.
- 9.2. It may be possible to mobilise new contracts in a shorter period with a partial service based around manual processes, however we would be unlikely to see any initial service improvement (in fact we may initially see a worsening of service) and Cllrs would need to accept this compromise.
- 9.3. The timeline for moving to an in-house model may be different from the indicative timeline for all options set out above, as this would not require the same level of compliance with statutory procurement periods. It is recommended however that a relatively long period is still approved for what will be a significant change with impacts on budget, contracts, TUPE, and building the service's capacity.

10. REASONS FOR RECOMMENDATIONS

- 10.1 As detailed above part of the issues with the existing contract performance is because of poor procurement choices and poor mobilisation on the current contracts.
- 10.2 The approach of allowing sufficient time to undertake a fuller options appraisals exercise and allowing a suitable mobilisation/conversion period is recommended to achieve the optimum model. The service will continue in the interim to work on performance improvement with the current contractors, resulting in ongoing improvements in residents' experience of the repairs function.

11. COMMENTS OF OTHER DEPARTMENTS

11.1 Financial Implications

The repairs contract budget is included within the HRA 30-year business plan with annual inflationary increases. Therefore, extending the contract for a further 4 months will not affect the financial position.

11.2 Legal Implications

- 11.2.1 Under Section 11 of the Landlord and Tenant Act 1985 the Council, as Landlord, has the responsibility for keeping its property in good repair.
- 11.2.2 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.
- 11.2.3 In addition the Council has a general power of competence under Section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.
- 11.2.4 The recommendations in this report will enable the Council to facilitate its housing and lessor functions
- 11.2.5 The Council must comply with all requirements of its Constitution, Contract Procedure Rules (“CPRs”) and the Public Contracts Regulations 2015 (“PCR 2015”).
- 11.2.6 The proposed extension of the current contracts for 4 months from April 2020 must be in accordance with Regulation 72 of the PCR 2015
- 11.2.7 So far as the possible new procurement is concerned as the contracts are likely to be over the EU threshold a formal tender process must be undertaken, in compliance with EU requirements or a compliant Framework be used
- 11.2.8 The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.
- 11.2.9 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance and Legal Services.

11.3 Property Implications

- 11.3.1 None identified at this time

12. KEY RISKS

- 12.1 Make a hasty decision – Council officers and Councillors do not have all information to hand and could potentially make a poor decision on the future direction of the repairs service, replicating previous mistakes
- 12.2 Deterioration in service – the existing Contractors performance may slip if they are unsure of the future of the contract

13. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

- 13.1 *Good homes in well-connected neighbourhoods* – a high quality well performing repairs and maintenance service will ensure the highest possible quality of homes is provided to our customers
- 13.2 *Sustain strong and healthy communities* – well maintained homes and neighbourhoods will help to improve lives for our residents who in turn may invest in their local communities
- 13.3 *Build our local economy to create a thriving place* – a full assessment of delivery option for the repairs service will allow assessment of the use of SMEs and local supply chains which support our local economy

14. EQUALITIES IMPACT IMPLICATIONS

No assessment has been undertaken as the repairs service is open to all residents of LBE council housing.

15. PERFORMANCE AND DATA IMPLICATIONS

The performance of the MOT team and progress of action against the proposed timeline will be monitored by the repairs task force and regular updates to the portfolio holder for Council Housing.

16. HEALTH AND SAFETY IMPLICATIONS

There are no H&S implications involved with approving the proposed timeline.

A full H&S assessment will be undertaken (and document suite established) to include all risk assessments, safe working practices, PPE and relevant training as part of the mobilisation stage of the MOT project.

17. HR IMPLICATIONS

There are no HR implications involved with approving the proposed timeline.

Additional staff will be recruited to deliver the MOT service, this will be funded from existing budgets

18. PUBLIC HEALTH IMPLICATIONS

There are no public health implications involved with approving the proposed timeline.

The establishment of the MOT team will provide an opportunity to identify vulnerable residents, highlight safeguarding issues and identify properties which are suffering from inherent defects which potentially cause health and wellbeing issue. Feedback from the MOTS will be shared with the appropriate teams.

Appendix A – Ridge Report

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RIDGE

PROPERTY & CONSTRUCTION CONSULTANTS



REPAIRS AND MAINTENANCE OPTIONS REPORT

Draft for Discussion

February 2017

Prepared for

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1. EXECUTIVE SUMMARY

Ridge and Partners LLP (Ridge) has been commissioned by the London Borough of Enfield to undertake an Options Appraisal of delivery models for its reactive maintenance and void works.

In summary the London Borough of Enfield required specialist support in connection with the following elements:

- Indicative investment required for the establishment of an in house service to carry out Responsive Repairs and Voids bearing in mind the Council has no in house capability at all at this stage for this service. This needs to be in very broad terms;
- Some indication as to how these costs change as a result of moving to Joint Venture's or a mixed economy of the Provider;
- The likely timescale for establishing an in house service from the current standing start;
- Indicative costs of re-procurement of the Repairs contracts along fairly traditional lines using external contractors;
- Options for providing a regularised position for voids in the short-term; and
- General support in the preparation of the report.

Ridge undertook a four stage approach to this Option Appraisal comprising:

- a) A brief review of existing London Borough of Enfield documentation in relation to the existing service;
- b) Preparation of high level costs for the most appropriate service delivery models;
- c) Consideration of approximate timescales for the implementation of the most appropriate service delivery models; and
- d) Preparation of this report to set out all the options and associated costs together with risks to the London Borough of Enfield.

Ridge has been provided with outturn costs for 2015/16 and year to date figures for 2016/17 (as at February 2017) which are summarised in the table below:

Summary Outturn Costs	2015/16	2016/17 (part)	Ridge Benchmark
Responsive repairs (New, old and non term)	£2,296,659	£1,908,647	
Planned repairs (indicative turnover)	£1,414,468	£1,414,468	
Voids (New, old and non term)	£1,667,043	£1,893,449	
	<u>£5,378,170</u>	<u>£5,216,564</u>	
Costs per Unit			
Responsive	£343.40	£307.50	£360 to £380
Voids	£154.26	£175.21	£150 to £170
Combined	<u>£497.66</u>	<u>£482.70</u>	£510 to 550

The figures above exclude mechanical and electrical related repairs and other specialist works such as asbestos and cyclical maintenance. We have added the indicative turnover figures for planned repairs to provide a more realistic assessment of the quantum of responsive repairs however understand that these works have not been completed due to the lack of the responsive contractor's resources.

In overall terms the 2015/16 outturn costs compare relatively well with our own expected benchmarks however consideration needs to be given to the level of back log repairs and other associated works that have not been completed within that year. In addition the outturn costs do not include the London Borough of Enfield's own on costs such as management, supervision, office overheads etc. which would increase the overall cost of the service and result in significantly higher costs per unit.

Having reviewed the current contract Ridge then considered a number of delivery models for the service. Our report considers the following options in detail together with associated costs:

- 5.1 Outsourced i.e. traditional procurement of a new contract(s);
- 5.2 In House Direct Labour Organisation; and
- 5.3 A Managed Service Direct Labour Organisation.

Within our report we have provided a brief description, advantages, disadvantages and risks to the London Borough of Enfield for each of the first three options.

There are also a number of other models that could be considered however these generally require a higher level of turnover of repairs and voids works to justify the set-up and associated operational costs, which can be significant. Following the discussion with the London Borough of Enfield we agreed that the Wholly Owned Subsidiary, Joint Venture and Cost Sharing Vehicle options would not be considered in detail as these are not deemed appropriate at this stage. These options may however be considered longer term and mechanisms exist to migrate from options 5.1 to 5.3 above into these alternatives.

This report therefore considers the principles of these other models but does not contain details of associated costs. The longer term options considered are:

- 5.4 Wholly Owned Subsidiary;
- 5.5 Cost Sharing Vehicle; and
- 5.6 Joint Venture.

A summary of the estimated costs are shown in the table below. Detailed costings are provided within the main report.

Summary Costs							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
DLO - All Services In-House	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	
DLO - PSC Managed Service	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	
Outsourced contract	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

As can be seen from the table above the relative total costs of each option range between £36.9m and £38.8m with the Direct Labour Organisation Managed Service contract providing the lowest indicative cost in overall terms. There are however a number of advantages, disadvantages and risks associated with each option and the London Borough of Enfield should consider these in tandem with the cost estimates. These are set out within each section relating to each model. In respect of the Direct Labour Organisation models, the managed option also provides a significantly reduced Year 0 set up investment. This is partly due to the significantly reduced investment in IT that maybe avoided if using a private sector contractors system.

Timetable

For a new outsourced contract we would anticipate that due to the mandatory timescales required under OJEU and the need to review the specification for the service this process may be completed within 12 to 18 months. The implementation of an in-house Direct Labour Organisation is not a straight forward undertaking could be achieved within 18 months but could take longer dependant on the London Borough of Enfield's ambition for integrated Information Technology infrastructure requirements.

For a managed direct labour organisation the London Borough of Enfield could take advantage of contractors that can mobilise within a matter of weeks in emergency situations, however, as a guide and considering that an OJEU notice will be required for the management services, it would be prudent to allow a period of at least six months for set up.

Next Steps

Having determined the models for more detailed review, Ridge has identified a number of steps that the London Borough of Enfield will now need to consider:

- Presentation and discussion with the London Borough of Enfield senior management;
- Engage legal and financial advice relating to the shortlisted options;
- Undertake soft market testing and dialogue with potential Private Sector Contractors;
- Assess the in-house client side functions and undertake gap analysis to determine if further support/resources are required;
- Obtain more detailed costings from stakeholders, private sector contractor's, suppliers etc. for each model;
- Consider the menu of options available from private sector contractor's to reduce risk and set up costs;
- Undertake detailed risk analysis and mitigation methods;
- Develop a programme plan for implementation with detailed analysis of workstreams and likely roles, responsibilities and inter-dependencies e.g. finance, procurement, private sector contractor, consultants, residents etc.; and
- Review and validate against the London Borough of Enfield 30 year business plan.

2. INTRODUCTION AND BRIEF

Ridge and Partners LLP (Ridge) has been commissioned by the London Borough of Enfield to undertake an Options Appraisal of delivery models for its reactive maintenance and void works.

This report responds to the requirements of the London Borough of Enfield as set out within its Invitation to Quote document entitled “Strategic Repairs and Maintenance Advice Direct Call-off from Fusion 21 Framework” issued via email on 6 February 2017 by Due North Limited. A copy of the Invitation to Quote is included at Appendix A. In summary the London Borough of Enfield required specialist support in connection with the following elements:

- Indicative investment required for the establishment of an in house service to carry out Responsive Repairs and Voids bearing in mind the Council has no in house capability at all at this stage for this service. This needs to be in very broad terms;
- Some indication as to how these costs change as a result of moving to Joint Venture’s or a mixed economy of the Provider;
- The likely timescale for establishing an in house service from the current standing start;
- Indicative costs of re-procurement of the Repairs contracts along fairly traditional lines using external contractors;
- Options for providing a regularised position for voids in the short-term; and
- General support in the preparation of the report.

At present the responsive repairs and voids works are provided by MCP Property Services Limited and MNM Property Services Limited, external small medium enterprise contractors appointed through a JCT Measured Term Contract expiring in April 2020.

It should be noted that additional consultancy support may be required by the London Borough of Enfield depending on which delivery model is adopted in relation to specialist legal and accountancy matters.

3. OUR APPROACH

Ridge undertook a three stage approach to this Option Appraisal comprising:

- a) A brief review of existing London Borough of Enfield documentation in relation to the existing service;
- b) Preparation of high level costs for the most appropriate service delivery models;
- c) Consideration of approximate timescales for the implementation of the most appropriate service delivery models; and
- d) Preparation of this report to set out all the options and associated costs together with risks to the London Borough of Enfield.

We have set out below the documentation that the London Borough of Enfield has provided to Ridge. This has been analysed and considered by Ridge in the formulation of this report.

- Voids Briefing Paper – Appendix 2;
- Tender Book Pricing Summary;
- Stock Listing at February 2017
- Repairs Categorisations and Right to Repair rates LB Enfield;
- Indication of Possible Annual Turnover 2014;
- Existing SAP structure (as at March 2015);
- LB of Enfield – Priority Codes;
- Letting Standard June 2008;
- Options and costs November 2016 for Direct Labour Organisation IT systems;
- Staffing Costs; and
- Outturn costs for responsive and voids 2015/16 and part year 2016/17.

4. REVIEW OF THE CURRENT SERVICE

Ridge has reviewed a number of documents as detailed in Section 3 relating to the current contractual arrangements and performance of the service providers. In summary the original contract arrangements in respect of responsive and void works comprise:

- Contract – JCT Measured Term Contract;
- Commencement – 1 May 2015;
- Term – 5 years with an option to extend to annually for a further 5 years;
- Contractors – MNM Property Services Ltd and MCP Property Services Ltd;
- Schedule of Rates – National Housing Federation V.6 and the London Borough of Enfield bespoke composite rates. Deductions set out in the table below;

	MCP	MNM
	% Addition/ Deductions	% Addition/ Deductions
Council Composite Schedule of Rates – Day to Day Responsive Repairs	-2.00%	5.00%
Fixed Price Per Job of £70 – Day to Day Responsive Repairs to Dwelling Internals Only	-25.71%	-5.00%
National Housing Federation Schedule of Rates – Day to Day Responsive Repairs	-5.00%	-13.00%
Fixed Price Per Job of £70 – Day to Day Responsive Repairs to Dwellings Internals Only	-25.71%	-5.00%
National Housing Federation Schedule of Rates – Planned Repairs and Cyclical Maintenance Works	-3.00%	-20.00%
National Housing Federation Schedule of Rates – Void Property Works	-9.00%	-18.00%

There are nine priorities for responsive repairs as follows:

- Priority A – 1 working day
- Priority B – 3 working days
- Priority C – 7 working days
- Priority E – 4 hours (emergency)
- Priority 6 – 20 working days
- Priority 7 – 30 working days
- Priority 3 – 60 working days
- Priority 4 – 120 working days
- Priority 1 – 10 working days

Ridge would anticipate a maximum of four priorities with many modern day contracts having less than this.

A number of providers have moved away from the traditional priority codes and utilised the following options:

- Same day / next day repair service;
- A reduced number of categories e.g. voids only 3 and 10 days;
- Repair service as customer requires; and
- Average time to complete **all** repairs.

It is important that the objectives of the service are aligned to Key Performance Indicator's.

Current Performance

The London Borough of Enfield has not provided Ridge with projected outturn costs to determine how the current contracts are performing financially.

Set out in the table below is a summary of the key performance indicators and performance data that Ridge has collated and calculated for the responsive and void services.

Summary Outturn Costs	2015/16	2016/17 (part)	Ridge Benchmark
Responsive repairs (New, old and non term)	£2,296,659	£1,908,647	
Planned repairs (indicative turnover)	£1,414,468	£1,414,468	
Voids (New, old and non term)	£1,667,043	£1,893,449	
	£5,378,170	£5,216,564	
Costs per Unit			
Responsive	£343.40	£307.50	£360 to £380
Voids	£154.26	£175.21	£150 to £170
Combined	£497.66	£482.70	£510 to 550

The figures above exclude mechanical and electrical related repairs and other specialist works such as asbestos and cyclical maintenance. We have added the indicative turnover figures for planned repairs to provide a more realistic assessment of the quantum of responsive repairs however understand that these works have not been completed due to the lack of the responsive contractor's resources.

In overall terms the 2015/16 outturn costs compare relatively well with our own expected benchmarks however consideration needs to be given to the level of back log repairs and other associated works that have not been completed within that year. In addition the outturn costs do not include the London Borough of Enfield's own on costs such as management, supervision, office overheads etc. which would increase the overall cost of the service and result in significantly higher costs per unit.

In respect of void benchmarks, care needs to be taken to ensure this is aligned to the London Borough of Enfield Void Standard which may be higher than our expectations.

Costs/key performance indicators are based on the following core data:

- Stock: 10,807 (excludes 4,836 leaseholders)
- Responsive orders: 18,878 (51 weeks) pro-rated to 19,241 per annum
- Void: 396 (6 months) pro-rated to 792 per annum

REPAIRS AND MAINTENANCE OPTIONS



The proportions of Emergency, Urgent and Routine repairs in 2014/15 are set out in the table below:

TYPE	NUMBER	% OF ALL REPAIRS	RIDGE BENCHMARK
Emergency	3,636	19%	10%
Urgent	7,918	42%	20%
Routine	7,324	39%	70%
Total	18,878	100%	100%

As can be seen from the table above the proportions of Emergency and Urgent repairs were significantly higher than Ridge benchmarks which may still be impacting costs and reflect the improvements required in areas such as diagnosis and scheduling.

5. THE OPTIONS

Within this section we have identified the various delivery models which may be considered by the London Borough of Enfield for the service.

To summarise the options considered in this section are as follows:

- 5.1 Outsourced i.e. procurement of a new contract;
- 5.2 In House Direct Labour Organisation; and
- 5.3 A Managed Service Direct Labour Organisation.

There are also a number of other models that could be considered however these generally require a higher level of turnover of repairs and voids works to justify the set-up and associated operational costs, which can be significant. These options may however be considered longer term and mechanisms exist to migrate from options 5.1 to 5.3 above into these alternatives. This report therefore considers the principles of these other models but does not contain details of associated costs. The longer term options considered are:

- 5.4 Wholly Owned Subsidiary;
- 5.5 Cost Sharing Vehicle; and
- 5.6 Joint Venture.

We have set out a brief description of the commonly used delivery models in the housing sector. For the outsourced and Direct Labour Organisation options we have also included the following:

- Advantages/disadvantages to the London Borough of Enfield;
- Risks to the London Borough of Enfield;
- Costs associated with the model; and
- Ridge recommendation for further consideration.

In respect of the costs for each model we have made the following assumptions in our estimates:

- Stock number is 10,807 (excluding leaseholders);
- Responsive repairs orders per annum 19,241 (1.8 repairs per dwelling per annum);
- Void rate of 7.3% (792 voids per annum);
- Year 0 costs are for those incurred prior to a go live of 1 April 2018;
- Depot/stores costs are excluded on the basis of an expected agreement with a local supplier (e.g. Travis Perkins or similar for material purchases);
- Total number of operatives is 60, 40 responsive, 20 void;
- Allowance has been made for office overheads but will need to be confirmed with the London Borough of Enfield;
- Senior management costs (Client side) have not been included/apportioned at this stage;
- Legal and financial advisory costs have been included as provisional sums and should be confirmed directly with consultants by the London Borough of Enfield;
- Allowances have been made for support to the London Borough of Enfield through the implementation phase with the provision of consultant surveyor and program management to reflect the size and importance of this project and likely time that will need to be dedicated to it prior to go live in April 2018;
- Costs have been included to reflect the likely procurement approach and the number of contractual agreements that maybe required;
- Costs are exclusive of inflation;

- Costs and assumptions should be compared to the business plan to ensure that there is no double counting; and
- We have not included cyclical or responsive repairs related to mechanical and electrical (M&E) installations which are undertaken by separate contractors.

5.1 Outsourced

Brief Description

This model will be very familiar to the London Borough of Enfield being the same arrangement as currently exists with MNM and MCP. A new contract would be procured following an OJEU compliant process utilising an appropriate Form of Contract (such as JCT) and pricing mechanism (such as National Housing Federation V6). Alternatives include open-book, cost plus arrangements, bespoke schedules and increased cost certainty via annual prices / price per property and price per void arrangements. We would recommend that such an approach is best initiated on schedule of rates basis and when established move to a price per property and price per void basis.

As with any procurement, the London Borough of Enfield would need to undertake this process judiciously in order to ensure that any contractors who are ultimately appointed will deliver the most efficient and Value for Money service available.

The London Borough of Enfield are likely to secure greater value for money in return for a broader package of works i.e. extending the scope beyond responsive and void to include elements such as gas servicing, planned works, external painting, grounds maintenance and cleaning. Compliance related services (such as fire risk assessment, water quality, electrical testing etc.) and traditional client functions such as surveying and call centre management may also be considered for inclusion.

Responsive repair and other services benefit from longevity in the formal arrangements, incentivising the contractor's investment in the early years and it requires a strategically aware contractor for this to be successful. Contract durations of 10 and 15 years are not unusual in the sector at the present time e.g. Basildon DC have recently let a 15 year contract with Morgan Sindall. We would recommend suitable break clauses within such a long term contract and market testing at regular intervals.

Advantages to the London Borough of Enfield

- This is a tried and tested route for the London Borough of Enfield which transfers a large proportion of risk to the contractor;
- It is a model which is familiar to all partners alike;
- The contractor alone carries the risk of its own losses;
- The contractor can typically handle variations in work volumes;
- The contractor can bring in "best practice" from other contracts;
- Added Value and community benefits can be built into outsourced contracts e.g. apprentices, recruitment and training;
- The London Borough of Enfield are familiar with the process and have an established organisational structure, but for the new arrangement to be successful will require a review of the current team skills and capacity for change ; and
- Provisions can be included within the OJEU notices and tender documents to provide longer term flexibility if the London Borough of Enfield decided to move to an alternative delivery model such as a wholly owned subsidiary.

Disadvantages to the London Borough of Enfield

- Some risks still remain with the London Borough of Enfield in respect of the service delivery and a robust 'client side' team is required;

- Vagaries and financial events in the private sector (insolvency, takeovers etc.) can potentially negatively impact on the service provided to the London Borough of Enfield and its customers e.g. Connaught and ROK insolvency in the last recession;
- Changes to the service required by the London Borough of Enfield post-contract may need formal negotiation within a commercial context (adding cost);
- The London Borough of Enfield would still retain overall budget and compliance risk;
- A 'core' London Borough of Enfield business / service is delivered externally;
- The London Borough of Enfield will lack direct control over the workforce providing the service, and the performance of the service will need to be managed through the contract; and
- The London Borough of Enfield must have the correct skills (in-house or consultants) to effectively manage the Client/Employer side aspects of the contract from commencement including effective mobilisation of the contract(s).

Risks to the London Borough of Enfield

- Non/below required performance;
- Price increases that cannot be sustained;
- Form of contract not understood by client team;
- Contract only remedies for poor performance;
- Pressure to award more work to contractor; and
- Claims possible if terminated or volume of work reduced.

Costs associated with the model

Ridge has estimated the cost of a newly procured contract based on our knowledge of rates within the sector for undertaking similar responsive repair and voids work within the London area. In addition to the costs for the contractor's works we have also included the on costs that the London Borough of Enfield will incur in managing and administering such a contract such as the client side team, office overheads, mobilisation and a 10% contingency allowance.

A summary of the costs including an OJEU compliant procedure are set out in the table below:

Outsourced Contract	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Procurement costs & audit	£35,000	£5,000	£5,000	£5,000	£5,000	£5,000	£60,000
Responsive repairs	£10,000	£4,110,000	£4,110,000	£4,110,000	£4,110,000	£4,110,000	£20,560,000
Void works	£10,000	£1,745,000	£1,745,000	£1,745,000	£1,745,000	£1,745,000	£8,735,000
Supervision and management		£1,220,000	£1,220,000	£1,220,000	£1,220,000	£1,220,000	£6,100,000
Office overheads (IT/finance/HR/legal)		£165,000	£165,000	£165,000	£165,000	£165,000	£825,000
Mobilisation	£20,000	£0	£0	£0	£0	£0	£20,000
Contingencies	£5,000	£365,000	£365,000	£365,000	£365,000	£365,000	£1,830,000
Total	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

Timetable

It is expected that due to the mandatory timescales required under OJEU and the need to review the specification for the service this process can be complete within 12 to 18 months.

Other considerations

There are a number of other considerations which may be prudent for the London Borough of Enfield to consider as follows:

- The London Borough of Enfield has had a poor experience with the current external small medium enterprise contractors so there may be a stigma associated with this option;
- A robust and suitable procurement approach needs to be established by the London Borough of Enfield with lessons learnt from the current contract considered;
- If small medium enterprises are to be considered then a provider that is capable of working in partnership at a strategic level with the London Borough of Enfield will be essential;
- If a national contractor is appointed the actual service delivered locally can vary;
- The success of a contract is heavily dependent on the Area Manager appointed;
- External arrangement do provide a more 'arm's length' option and provide the London Borough of Enfield with a facility to pursue the contractor if there are any problems;
- Difficult to embed the London Borough of Enfield visions and values with an external provider;
- Question – do the London Borough of Enfield want an added value contract with return on social investment or just provide the basic service?
- Question – why have so many response categories? Preference to have those required by statutory regulations etc. and provide appointments to suit resident's needs.

Ridge recommendation for further consideration

An outsourced contract is an option that should be considered in further detail alongside a robust procurement strategy to ensure that selected contractors have the track record and infrastructure to deliver responsive repairs and void works on the scale anticipated by the London Borough of Enfield. A degree of future proofing can be included aligned to longer term London Borough of Enfield aspirations. Considering the inclusion of other services would also provide better value for money as the London Borough of Enfield benefit from the economies of scale and savings that a contractor would be able to pass on.

5.2 In House Direct Labour Organisation

Brief Description

The London Borough of Enfield could opt to exercise termination terms within the existing contracts (we understand separate legal advice is being obtained in this regard) and provide its own repairs and maintenance service by bringing the workforce in-house through the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) i.e. create a direct labour organisation. The alternative would be to continue with current contractual arrangements and try to implement a performance improvement plan for each contractor assuming that they have capability and resources to implement these measures.

All human resources involved in the delivery of the service would be directly employed by the London Borough of Enfield. The employment/ Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) transfer of an experienced senior manager to run the Direct Labour Organisation would be essential, although cannot be assured and recruitment may be necessary (this is not an easy role to fill within the affordable housing sector).

Advantages to the London Borough of Enfield

- Direct Labour Organisations can work well where the stock is concentrated, as is the case for the London Borough of Enfield;
- Enables the employment of local people to work on stock owned by the London Borough of Enfield;
- The London Borough of Enfield can influence the culture of the team, embedding customer centric ethos;
- The London Borough of Enfield can alter its service expectations without the need to negotiate with a third party and hence save costs;
- The London Borough of Enfield retains direct control over repairs - one of the most important service areas to customers;
- Avoids market vagaries of the commercial sector; and
- Enables the London Borough of Enfield vision, values and corporate objectives to be prioritised.

Disadvantages to the London Borough of Enfield

- The London Borough of Enfield retains all risks and costs (some of which will be significant) associated with the delivery of the repairs and voids services including:
 - IT provision and management;
 - Health and Safety compliance;
 - Employment (including pensions);
 - Commercial;
 - Waste Management;
 - Budget;
 - Quality Control;
 - Vehicles and plant; and
 - Supply chain management in particular materials purchasing and administration;
- Higher cost of mobilisation, compared to other models, for the London Borough of Enfield having no existing Direct Labour Organisation e.g. IT, vehicles and supply chain etc.;
- Shortage of skilled and experienced Direct Labour Organisation Managers in the sector;
- Risk of provider led internal culture losing customer focus;
- The London Borough of Enfield will need to consider the effect of TUPE as this option may mean that the staff currently providing the service employed by MNM and MCP have the right to transfer to the London Borough of Enfield (note this is a right therefore not a guarantee of workforce joining the London Borough of Enfield). Consideration will need to be given to any other regularly used sub-contractors e.g. voids

contractors procured via the London Portal. Staff may be on different terms and conditions from the London Borough of Enfield staff. The London Borough of Enfield would need to manage the integration of the staff into the workforce, including dealing with any equal pay issues;

- Additional finance resource required, especially regarding set-up costs; and
- Increased HR liability/support (pensions).

Risks to the London Borough of Enfield

- There will be pressure on the London Borough of Enfield to ensure that the Direct Labour Organisation performs and this will require significant investment in many elements affecting service delivery;
- Availability of suitable resource (trades & supervision);
- The London Borough of Enfield will need to consider the strength of its own client side team and whether this needs further support and resources;
- Securing a competent Direct Labour Organisation Manager, particularly if TUPE option not exercised;
- Risk that the London Borough of Enfield can become too focused upon the Direct Labour Organisation as opposed to other core housing services;
- Demonstration of value for money still needs to be shown/achieved;
- Sustainability; and
- Reputation as the service directly reflects upon the London Borough of Enfield.

The London Borough of Enfield need to consider what in-house management expertise is available and whether there is a need to procure third party Direct Labour Organisation management services, staff that transfer might not include such personnel. The European public contracts directive would apply to these third party Direct Labour Organisation management service and the London Borough of Enfield might need to run an OJEU procurement process if the likely value of the service is over the relevant thresholds (currently £164,176 for services net of VAT).

Costs associated with the model

Ridge has prepared estimated costs on the basis of our experience in setting up Direct Labour Organisation's for other clients and the assumptions are set out on page 9. We have set out below the main cost categories with estimates for Year 0 (i.e. mobilisation and implementation costs prior to contract commencement) and then for the next 5 years of operations. We have included contingency sums (15% per annum) this can be reduced as more certainty is evidenced.

LBE Responsive & Void Costs - All Services In-House							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Information & Communication Technology (ICT)	£800,000	£145,000	£135,000	£140,000	£135,000	£135,000	£1,490,000
Direct Costs - employee related	£111,000	£4,960,000	£4,960,000	£4,940,000	£4,940,000	£4,940,000	£24,851,000
Supervision & Management Costs	£0	£1,260,000	£1,260,000	£1,260,000	£1,260,000	£1,260,000	£6,300,000
Office Overheads (IT/Finance/HR/Legal)	£0	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
Consultant Surveyors Costs (PC/QS)	£0	£3,000	£3,000	£3,000	£3,000	£3,000	£15,000
Legal Costs (Provisional Sum)	£30,000	£0	£0	£0	£0	£0	£30,000
Program Manager (Implementation)	£100,000	£0	£0	£0	£0	£0	£100,000
Contingencies	£155,000	£985,000	£980,000	£980,000	£980,000	£980,000	£5,060,000
Total	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	

The cost table illustrates the significant cost items of labour, materials, IT (particularly in Year 0) and vehicles. Ridge estimate a Year 0 cost of £1.2m and thereafter an average annual operating cost of approximately £7.5m. Total estimated costs for Years 0 to 5 are £38,796,000.

Timetable

The implementation of an in-house Direct Labour Organisation is not a straight forward undertaking could be achieved within 18 months but could take longer dependant on the London Borough of Enfield's ambition for integrated Information Technology infrastructure requirements. Implementation time could be reduced depending on the urgency required and the utilisation of interim measures that could be adopted before full implementation and an integrated Information Technology system. Use of emergency measures and a different interim contractor could be considered but noting that certain elements such as Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) have defined timescales that could not be shortened.

Other considerations

There are a number of other considerations which may be prudent for the London Borough of Enfield to consider as follows:

- The Housing Management system (Northgate) is being reviewed so it may be an ideal opportunity to provide integrated IT for in-house requirements; and
- Concern over set-up costs especially IT.

Ridge recommendation for further consideration

An in house Direct Labour Organisation is an option that should be considered in further detail by the London Borough of Enfield providing a greater level of control over an important housing service. The London Borough of Enfield will need to consider its current strengths and weaknesses to provide such a service and the significant initial and on-going investment that will be required. Other local authorities have chosen such a route but it must be supported by sufficient infrastructure and capability to be successful. Gap analysis should be undertaken to identify areas that may need support or improvement and consideration of whether this can be sourced internally. The setting up of a Direct Labour Organisation does keep future options open such as the creation of a wholly owned subsidiary if this became an aspiration for housing service delivery.

5.3 A Managed Service Direct Labour Organisation

A variation to the in-house Direct Labour Organisation that the London Borough of Enfield could also consider is a Managed Service Direct Labour Organisation.

Brief Description

Under this arrangement, the London Borough of Enfield would create a Direct Labour Organisation which would carry out the works and services with directly employed operatives. A private sector contractor would then be procured to manage it and provide other support if required. The partner could for example provide the following:

- a) A senior manager to oversee the Direct Labour Organisation who is focused on service and productivity improvements with tight budget management;
- b) The IT system for the Direct Labour Organisation to use and manage work flow;
- c) Access to materials supply chain arrangements;
- d) Any other equipment, plant, uniforms, PPE etc. required; and
- e) Support when and as required to address key risks such as Health and Safety, customer service and supply chain management.

Advantages to the London Borough of Enfield

All of the benefits of the Direct Labour Organisation arrangement apply to this variation. Other benefits include:

- a) The majority of repairs and maintenance staff, including operatives, remain directly employed by the London Borough of Enfield;
- b) The private sector contractor can bring a tried and tested IT system that provides integrated processes and controls for the service delivery;
- c) An innovative mix of direct provision with private sector know-how which reduces the London Borough of Enfield's exposure to risk. The management of the Direct Labour Organisation would be provided by the private sector contractor with that individual responsible for the day-to-day operations. The Direct Labour Organisation Manager can also be allocated responsibility for more strategic issues such as bringing forward proposals for organisational restructures and the review of the overall repairs policy;
- d) The London Borough of Enfield retains direct control and assurance over service continuity; and
- e) Pricing arrangement with the private sector contractor is based on a straightforward annual management fee.

In the event, that the Direct Labour Organisation manager, or other resources, needs to be replaced or augmented, then it is the private sector contractor's responsibility to provide a replacement or support which meets the London Borough of Enfield's full requirements.

The London Borough of Enfield can select from a menu of services it wants to receive from the private sector contractor, which may be assessed through 'gap analysis' of the current arrangements and the London Borough of Enfield's own resources.

Disadvantages to the London Borough of Enfield

Similar disadvantages as the Direct Labour Organisation model apply to this option. Additional disadvantages would be:

- The loss of control at the top of the organisation with the appointment of the private sector contractor as the Project/Direct Labour Organisation Manager;
- Need to procure the management services through an OJEU compliant process; and
- Additional costs related to the private sector contractor management fee however often this can be off set against the savings made in other areas such as materials purchasing where savings are realised utilising the buying power of the contractor.

Risks to the London Borough of Enfield

Similar risks as the Direct Labour Organisation model apply to this option. Other risks include:

- a) The Direct Labour Organisation manager provided by the private sector contractor is not of the calibre that the London Borough of Enfield require;
- b) Not being able to totally embed the culture and ethos of the London Borough of Enfield; and
- c) The London Borough of Enfield will still need to consider the strength of its own client side team for any functions not provided by the private sector contractor and whether these need further support and resources;

Costs associated with the model

Ridge has prepared estimated costs on the basis of our experience in setting up Direct Labour Organisation's for other clients and the assumptions set out on page 9. We have set out below the main cost categories with estimates for Year 0 (i.e. mobilisation and implementation costs until the current contract expires) and then for the next 5 years of operations. The principle difference to the Direct Labour Organisation model is that the management is undertaken by the private sector contractor and therefore costs are deducted from the London Borough of Enfield supervision and management but with the addition of private sector contractor annual management fees. We have also assumed that Information Technology to run the Direct Labour Organisation function is provided by the private sector contractor. The client side costs (in-house or consultants) associated with implementing the IT interface with the private sector contractors system have not been included below. We have also considered the likely savings that may be achieved for materials reflecting the private sector contractor buying power discounts from the supply chain. We have included contingency sums of 15% per annum within our estimates.

LBE Responsive & Void Costs - PSC Managed Service							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Information & Communication Technology (ICT)	£84,000	£55,000	£45,000	£45,000	£45,000	£45,000	£319,000
Direct Costs - employee related	£111,000	£4,776,000	£4,776,000	£4,756,000	£4,756,000	£4,756,000	£23,931,000
Supervision & Management Costs	£0	£1,159,000	£1,159,000	£1,159,000	£1,159,000	£1,159,000	£5,795,000
Office Overheads (IT/Finance/HR/Legal)	£0	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
Consultant Surveyors Costs (PC/QS)	£0	£3,000	£3,000	£3,000	£3,000	£3,000	£15,000
Legal Costs (Provisional Sum)	£45,000	£0	£0	£0	£0	£0	£45,000
Program Manager (Implementation)	£100,000	£0	£0	£0	£0	£0	£100,000
Private Sector Contractor Management Fee	£200,000	£150,000	£150,000	£150,000	£150,000	£150,000	£950,000
Contingencies	£85,000	£950,000	£950,000	£950,000	£950,000	£950,000	£4,835,000
Total	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	

Ridge estimate a Year 0 cost of £625,000 and thereafter an average annual operating cost of approximately £7.3m. Total estimated costs for Years 0 to 5 are £36,940,000.

Timetable

This can be achieved in a matter of weeks in emergency situations, however, as a guide and considering that an OJEU notice will be required for the management services, the London Borough of Enfield should allow for a period of at least six months.

Ridge recommendation for further consideration

A managed Direct Labour Organisation is an option that should be considered in further detail by the London Borough of Enfield providing the benefits of an in house option but with advantages of a private sector know how and reduction of associated risks. A menu of options can be discussed with a private sector contractor to determine the key aspects that the London Borough of Enfield require and which would otherwise require substantial set up investment.

Again the setting up of a managed Direct Labour Organisation does keep future options open such as the creation of a wholly owned subsidiary if this became an aspiration for housing service delivery. A private sector contractor could also be engaged as part of the mobilisation period to deal with back log issues and immediate service delivery issues such as voids. Such an arrangement could provide time for more effective induction and training for operatives and other staff prior to go live.

5.4 Wholly Owned Subsidiary

Brief Description

This option is a hybrid of an in-house service and direct contract model mentioned above. Essentially under this model the operatives would be provided by a wholly owned subsidiary of the London Borough of Enfield and the management expertise provided by a private sector contractor. This is a model which has been adopted by Registered Providers in an attempt to replicate, as far as possible, a direct contract but on a more tax efficient basis. This model is also common in new build development with the creation of a Local Housing Company.

Current MCP and MNM staff that provide the operational part of the services to the London Borough of Enfield may transfer into the subsidiary. The subsidiary would then provide that labour workforce to the London Borough of Enfield. A private sector provider would manage and oversee the work carried out by those employees under a contract with the London Borough of Enfield.

The London Borough of Enfield would need to run a procurement exercises in relation to the private sector provider for the services it provides, again making sure that this is a robust process which ensures that as far as possible, the London Borough of Enfield engages with a private sector provider that it is happy with can provide the services it needs.

This option also allows clear delineation of the repairs and maintenance service from the rest of the London Borough of Enfield's housing functions.

Whilst operational staff would sit within the subsidiary, the management would be such that on a day to day basis the arrangements and delivery of the service would feel much the same as they do now where a Private Sector Contractor provides the services.

The subsidiary would have the obligations of an Employer for those that decide to transfer. This would include the requirement to pay costs associated with this employment transfer including responsibility for paying any employer pension contributions. This will mean the private sector contractor's fee under the services contract would be reduced by all relevant employment costs.

It will be important that in its relationship with the private sector contractor, the new subsidiary has the benefit of HR support functions from the private sector contractor through its contractual obligations. A consequence of this is that the London Borough of Enfield would need to have authority over the employees and the new subsidiary company would be reliant on enforcement of the contractual relationship to ensure that the private sector contractor remained compliant with employment legislation.

Amongst other things, the contracts between the private sector contractor and the London Borough of Enfield would need to be clear about details such as:

- Responsibility for management;
- Assessment of productivity and implementation of efficiency improvements (key performance indicators/metrics/service standards etc.);
- Training and support;
- Health and safety, compliance matters;
- Recruitment and appointment and agreement of pay/reward/benefits;
- Administration of holidays/sick leave;
- Career development and promotion;

- Dealings with unions; and
- Implementation of disciplinary proceedings including dismissals and grievances.

It would also be sensible for the subsidiary to require indemnification by the private sector contractor for any claims caused by the management of employees – for example for discrimination or harassment.

The London Borough of Enfield may enter into separate contractual arrangements with a private sector contractor to:

- a) Manage the subsidiary;
- b) Deliver the service, as a Private Sector Contractor; and
- c) Provide all necessary resources to deliver the works on the same basis as if it was fully outsourced (IT systems, plant, vehicles, support services input etc.).

Advantages to the London Borough of Enfield

- The model can provide the London Borough of Enfield with a platform for growth for service development and other deliverables;
- The London Borough of Enfield can secure all the benefits of an outsourced partnered service delivery arrangement including, for example private sector contractor warranties, responsibilities and management expertise whilst also receiving all the benefits of being the sole owner of the subsidiary;
- Risk is transferred to the external partner on the same basis as risks would be allocated under an outsourced service arrangement;
- The wholly owned subsidiary will be viewed by customers as being part of the London Borough of Enfield. This will help to shape the service's identity and culture whilst also building brand recognition and loyalty amongst residents;
- The London Borough of Enfield can maximise opportunities to support local craft training and employment initiatives and closely target community benefits;
- The establishment of a wholly owned subsidiary can be used as a platform to energise some new community initiatives and support social enterprises and local small medium enterprises;
- The London Borough of Enfield would receive the benefit of private sector contractor buying power through the use of the supply chain (materials, PPE, vehicles etc.);
- The London Borough of Enfield can achieve additional benefits through on-going review of which party is best able to deliver each function under the new arrangements;
- In the longer term the London Borough of Enfield through the wholly owned subsidiary could offer services to other affordable housing providers and leaseholders thus bringing income to the wholly owned subsidiary for potentially little increase on the established overhead. This additional income would be expected to generate a contribution for the London Borough of Enfield;
- The risk for getting the work done to the required standards remains with the private sector contractor which is also responsible for ensuring there is a 'match' in the labour and resource levels available via the wholly owned subsidiary;
- Employees in the wholly owned subsidiary will be subject to the employment terms and conditions, including pensions, established by the wholly owned subsidiary and these are likely to be more commercial than those that apply where the employees are employed directly by the London Borough of Enfield;
- A wholly owned subsidiary can later be amended to become a Cost Sharing Group (refer Section 5.6 below) should the London Borough of Enfield require that flexibility in the future (on expiry of existing contractual arrangements);

- The wholly owned subsidiary can trade with third parties (usually up to 20% of overall wholly owned subsidiary trading levels); and
- Joint decisions can be made on annual budgets and efficiencies.

Disadvantages to the London Borough of Enfield

- Some HR and other responsibilities will technically remain with the London Borough of Enfield (although these can be mitigated via the contracts with the external service provider);
- TUPE will apply and will need to be properly managed;
- Any pension issues will need to be addressed;
- Legal support will be required to establish the wholly owned subsidiary in the first instance and costs for this will need to be addressed by the London Borough of Enfield; and
- private sector contractor support staff will need to amend some of their processes, documentation and working practices to accommodate the fact that they do not employ the employees delivering most of the works (as the wholly owned subsidiary is the employer).

Risks to the London Borough of Enfield

- Higher costs than in-house/tendered;
- No guarantee of value for money;
- Securing correct private sector contractor/consultancy;
- Significant risk for contractor as private sector contractor and directing/supporting staff; and
- HMRC – who is the employer? This needs clear definition and processes to ensure adherence with tax regulations.

5.5 Cost Sharing Vehicle

Brief Description

The London Borough of Enfield could consider setting up a cost sharing vehicle to take advantage of greater economies of scale arising from the provision of services to a larger stock.

Under this structure the London Borough of Enfield would set up a separate cost sharing vehicle in partnership with at least one other Affordable Housing Provider who requires the same services. There are a number of different ways to staff a cost sharing vehicle, but for the purpose of this description we have assumed that all relevant staff would transfer into the cost sharing vehicle.

For reasons relating to EU procurement legislation, tax and profit (which would need to be reviewed by a financial consultant), a Private Sector Contractor (private sector contractor) is unlikely to be a member of the cost sharing vehicle. The London Borough of Enfield could provide the resource to manage the cost sharing vehicle thereby negating the requirement for a private sector contractor. The cost sharing vehicle would also source directly other elements such as IT, materials, safety equipment, fleet etc. with no private sector contractor contribution. If the cost sharing vehicle was unable to perform this management role, via the London Borough of Enfield, or provide other elements of the service then it would need to follow an OJEU complaint procurement process for a private sector contractor to provide them.

The London Borough of Enfield may not be able to identify other similar organisations locally looking for this type of arrangement at the moment. Within local authorities in London there has been limited activity in setting up such a model and it is therefore unlikely that the London Borough of Enfield would find a suitable partner in the short term.

Advantages to the London Borough of Enfield

- Efficiencies can be gained by virtue of pooling the resources of a number of providers;
- Partnership working;
- Economies of scale; and
- The London Borough of Enfield can take the lead to retain principle control and direction.

Disadvantages to the London Borough of Enfield

- Reduced control and greater complexity with a second provider in the model;
- No benefits gained from the use of a private sector contractor;
- Considerable time, resource and costs will be incurred in researching and reaching agreement with a partner organisation;
- Repairs Standards may not be as easily determined; and
- Legal and other fees can be significant.

Risks to the London Borough of Enfield

- Service standards may be compromised through a shared service model.

5.6 Joint Venture

Brief Description

There are two main Joint Ventures for the London Borough of Enfield to consider: A Joint Venture Company and a Limited Liability Partnership.

Joint Venture Company

A company limited by shares incorporated under the Companies Act 2006 is the most common legal form for joint ventures as the corporate structure is tried and tested and is underpinned by an established body of law and practice.

The London Borough of Enfield and a private sector contractor would each agree to subscribe for shares in the joint venture company and the rights and obligations of the partners with regard to the venture would be set out in a shareholders' agreement.

Limited Liability Partnership

The Limited Liability Partnerships Act 2000 allows a Limited Liability Partnership to combine limited liability for members with the relaxed internal regulation of a traditional partnership. It is also a body corporate which is a legal entity separate from its members.

The London Borough of Enfield and a private sector contractor would be the members of the Limited Liability Partnership and the relationship between them would be governed by the terms of a Members' Agreement. The Members' Agreement would set out any special protections to be granted to the members. A Limited Liability Partnership is a body corporate, a separate legal person from its members. The assets and liabilities belong to it and not the members. The members in turn participate in the Limited Liability Partnership under the members' agreement.

Advantages to the London Borough of Enfield of Joint Venture Company

- Limited liability – as a separate legal entity, the Joint Venture Company can own and deal in assets, sue and be sued and contract in its own right. The circumstances in which shareholders can be held legally liable for a company's debts (beyond their unpaid capital contribution) are extremely limited;
- Financial flexibility - in terms of overall control and financial and tax planning, the structure of a limited company provides considerable flexibility through the creation of different types of share and loan capital;
- Companies can only distribute profits as dividends if profits have been made because of rules relating to maintenance of capital; and
- A Joint Venture Company is, for tax purposes, treated as a separate entity from its shareholders. The Joint Venture Company will pay corporation tax on its profits/capital gains.

Advantages to the London Borough of Enfield of a Limited Liability Partnership

- A Limited Liability Partnership has no share capital. Capital can therefore be reduced or increased at the will of the members;
- Limited Liability Partnership members, like company shareholders, have limited liability;
- When the Limited Liability Partnership commits a tort (such as an act of negligence), the Limited Liability Partnership is liable in much the same way as a limited company;
- Members are also protected from direct liability for the negligence of other members and employees by the fact that the Limited Liability Partnership is a separate legal entity;

- The running of the Limited Liability Partnership rests with the members as they agree it. In practice, a body similar to a board is usually established as the decision making forum for most important matters; and
- The members are free to agree how to share profits and are also free to agree how management roles and responsibilities are divided.

The London Borough of Enfield would need to consider several other matters when considering these Joint Venture options including:

- Exit strategies;
- TUPE;
- Regulatory issues;
- Tax issues;
- Payments and benefits to board members and officers;
- Governance arrangements;
- Meeting the Landlord's objectives; and
- IT provision post-contract.

Advantages of a Joint Venture (both Joint Venture Company and Limited Liability Partnership) to the London Borough of Enfield

- The Joint Venture partners can agree to cap private sector profits and share any additional surplus;
- Joint Ventures can be seen as the pinnacle of 'partnering' arrangements;
- There is transparency around the profit and loss accounts and joint decisions can be made on annual budgets and efficiencies;
- The London Borough of Enfield can include some rights of veto over matters which it priorities in the shareholders / members agreement; and
- The Joint Ventures can be established in a way which encourages its growth and therefore maximise returns for all parties.

Disadvantages of a Joint Venture to the London Borough of Enfield

The main disadvantage is that there is some complexity to setting up a Joint Venture and therefore should only be considered where the turnover is significant enough to justify the effort and complexity. Ridge would suggest that a threshold of £10m turnover per annum is required for this model which is greater than the London Borough of Enfield's current out-turn/budget expectations. Therefore, for this reason this option is not to be considered further at this stage.

5.7 Regularisation of Voids Short Term

The London Borough of Enfield have advised that the current contractors have failed to perform their contractual obligations in relation to void works. The works required in voids are currently being individually procured via the London Procurement Portal resulting in increased costs and assumed time delays. The current estimated cost of 'stock' voids is in the region of £5,500 per void which is well above our recommended benchmark of £2,000 - £2,500 (minimum standard). The London Borough of Enfield require options to be considered for the regularisation of the void position in the short-term ahead of the decision on the new strategic route to be taken for Responsive and Voids contract.

Ridge considers the following to be viable options:

1. Interim short – term (sub-OJEU) procurement;
2. Establishment of Direct Labour Organisation for voids only
3. Interim Private Sector Contractor Repairs Team: and
4. Negotiation with a neighbouring provider.

Interim short-term (sub-OJEU) procurement

Based on a term of between 12-18 months duration, meaning the value is below current OJEU thresholds for works it would be possible to tender a contract based on a National Housing Federation Schedule of Rates. Utilising a select list of contractors approach without advertising will reduce the overall timescale. The likely costs of procurement for this will be £15,000 (including a review of the void specification/process) and this could be achieved with a start on site in approximately 6 months (subject to finding willing provider(s)).

Advantages

- Fairly quick mobilisation;
- Provides better value for money than the current arrangements; and
- With due diligence should provide an interim solution whilst the future procurement route is decided.

Disadvantages

- Cost of procurement; and
- Contractors may not find the voids only option attractive;

Establishment of Direct Labour Organisation for voids only

Consideration could be given to the establishment of an in-house provision (Direct Labour Organisation) just for void works. Given that the current contractors do not provide this work the TUPE issues could be simplified. Clearly this option should only be considered further if the strategic decision for Responsive and Voids was the establishment of either an in-house Direct Labour Organisation or a Managed Direct Labour Organisation.

Advantages

- The London Borough of Enfield has direct control of operatives and programming;
- The London Borough of Enfield would build up knowledge of this way of working which may be an advantage if a Direct Labour Organisation was established for Responsive and Void works;
- A re-defined specification/process should result in better value for money; and

Investment in IT projects is less than required for Responsive works.

Disadvantages

- At present the TUPE issues relating to the London Portal provider is unknown;
- Legal costs for TUPE advice;
- Health & Safety and reputational risks lie with the London Borough of Enfield.
- Upfront investment required in vehicles, communications, branding, tools, materials sourcing and equipment and training; and
- No certainty of Value for Money.

Risks

- Ability to recruit experienced and qualified workforce;
- Reputational risks rest directly with the London Borough of Enfield;
- Adequate experience in the current structure to manage and in-house provision; and
- Health and safety risks rest with the London Borough of Enfield

Interim Private Sector Contractor Repairs Team

It could be possible to negotiate with a Private Sector Provider to provide a short-term interim arrangement for the supply of labour and supervision to undertake all the voids work. A specific team of the correct size could be provided to work alongside the existing Client side team.

Listed in the table below are the indicative rates that might be relevant to an interim arrangement:

Managed DLO Assistance - Weekly Rates		
	From	To
Operations Director	£3,200	£3,400
General Manager	£2,800	£2,950
Quantity Surveyor	£2,600	£2,750
Specialist H&S Manager	£2,050	£2,250
Customer Care Manager	£2,000	£2,150
IT Support	£2,800	£2,950
Fleet Manager	£1,900	£2,075

Advantages

- Possibility of a short implementation period;
- Costs likely to be lower than the current arrangement; and
- Little input required from existing staff team as manager can be provided.

Disadvantages

- Cost may be higher than the tendered option; and
- Local knowledge of stock.

Risks

- Control of costs.

Negotiation with a Neighbouring Provider

This option could be considered but further research would be needed to establish if there was a willing provider a willing contractor and the neighbouring contract would have to have been advertised in their original OJEU notice. Also there would need to be an advantage to the housing provider to let their contractor do works for a neighbour whilst maintaining their current level of service to their tenants. Due to the above reasons this is the least likely option.

If there was a neighbouring housing provider with its own Direct Labour Organisation this could be explored but due to the short-term nature the likely level of interest would likely to be low.

Ridge recommends that Options 1, 2 & and 3 are explored in much further detail to establish the likely outturn costs in comparison with the current arrangements through the London Procurement Portal. The strategy should also be considered within the context of the likely model adopted for the responsive repairs for example utilising a private sector contractor team to undertake backlog repairs and voids during a mobilisation period. It is recognised that pursuing the direct labour organisation (option 2) route for voids would only be an advantage if this aligns with the intended strategic direction for Responsive and Voids in the long-term.

6. SUMMARY AND NEXT STEPS

Ridge has considered the models for service delivery and their associated advantages, disadvantages and risks.

Ridge has prepared estimated costs for the three models agreed as those with potential to deliver the service which the London Borough of Enfield requires. A summary of the costs is set out in the table below.

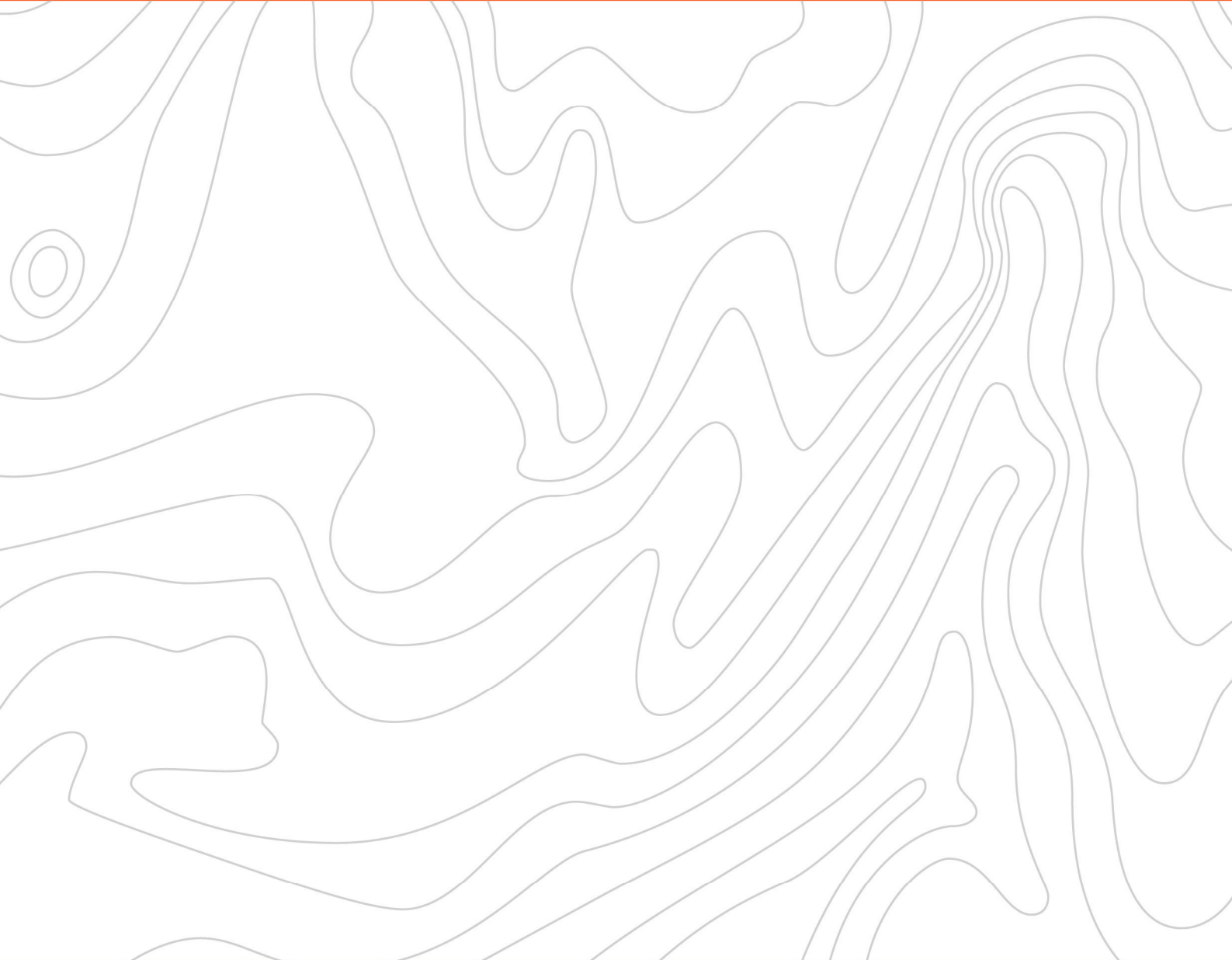
Summary Costs							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
DLO - All Services In-House	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	
DLO - PSC Managed Service	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	
Outsourced contract	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

Having considered the models set out in the table above and associated implementation and operational costs Ridge recommend that these are reviewed in more detail as set out in the next steps section below:

Next Steps

- Presentation and discussion with the London Borough of Enfield senior management;
- Engage legal and financial advice relating to the shortlisted options;
- Undertake soft market testing and dialogue with potential Private Sector Contractors;
- Assess the in-house client side functions and undertake gap analysis to determine if further support/resources are required;
- Obtain more detailed costings from stakeholders, private sector contractor's, suppliers etc. for each model;
- Consider the menu of options available from private sector contractor's to reduce risk and set up costs;
- Undertake detailed risk analysis and mitigation methods;
- Develop a programme plan for implementation with detailed analysis of workstreams and likely roles, responsibilities and inter-dependencies e.g. finance, procurement, private sector contractor, consultants, residents etc.; and
- Review and validate against the London Borough of Enfield 30 year business plan.

APPENDIX A – INVITATION TO QUOTE



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REPORT TO: OSC**DATE: 7th November 2018****REPORT TITLE: Children's Social Care Self-Evaluation****REPORT AUTHOR/S:**

Anne Stoker Director of Children and Family Services

Anne.stoker@enfield.gov.uk**PURPOSE OF REPORT:**

Under the new ILACS (inspection of local authority children's services) framework launched in 2018, all Local Authority Children's Social Care services are required to complete an annual self-evaluation to be shared with the regulator, Ofsted, in readiness for annual engagement meetings, visits and inspections. This report is a summary of the information captured in Enfield's self-evaluation, highlighting to the Overview and Scrutiny Committee the key areas shared with Ofsted in June 2018.

SUMMARY:

In Enfield, Children's Social Care services are on a trajectory of continuous improvement with strong, stable leadership in place.

During 2017/18 there has been considerable progress in many areas of practice for example in our work with for looked after children, care leavers and in fostering and adoption services.

The changes to the Single Point Of Entry and early help services have significantly improved the quality and timeliness of responses to vulnerable children. Early Help Services are making a real difference to children and their families. However, the high volume of work in the Referral and Assessment team is impacting on the quality and timeliness of assessments and visits to some vulnerable children.

Frontline staff, managers and leaders continue to work hard in challenging circumstances, with increasing demand and new pressures.

Social workers in a recent cultural review have said they like working in Enfield, they have passion for the profession. This enthusiasm must be supported by reducing caseloads and improving recruitment and retention across all areas. This will maintain and consolidate Enfield's strong reputation, in readiness for the next full Ofsted inspection expected within 6 months.

1. BACKGROUND

1.1 The London Borough of Enfield is London's most northerly and fifth most populous borough. The overall population is approximately 333,000 and this is projected to continue to rise over coming years. There are currently approximately 84,200 children (aged under 18) living in Enfield, making up 25% of the borough's population. Enfield has a relatively young population with the number of children and young people aged 0-15 representing approximately 23% of the total population (compared to a London average of 20.5%). Data from The Income Deprivation Affecting Children Index (IDACI) measures the proportion of all children aged 0 to 15 living in income deprived families. Their data concludes that Enfield is the 13th most deprived borough nationally and the 5th most deprived in London.

1.1.2 The Single Point of Entry (SPOE) continues to process around 2000 contacts every month. In March 2017 a restructure was implemented which increased capacity in the SPOE to manage demand. Evidence from the recent Ofsted focused visit indicates that the SPOE is making good, consistent triage decisions in a timely manner, based on sound information.

1.2 Early Help

1.2.1 There is a well-established range of early help services in Enfield including Change & Challenge (Troubled Families), Parent Support, Children's Centres and Behaviour Support Services. The Joint Service for Disabled Children (JSDC) has both an early help and statutory component for children and young people aged 0-17 years inclusive.

1.2.2 In 2017-18 there were **977** early help assessments completed the outcomes of which were:

- **470** families were supported with a range of interventions.
- **164** families were stepped down from early help targeted services and received ongoing support from universal or community services.
- **278** families continue to receive low level early help support.
- **46** cases were stepped up to social care.
- **8** families moved out of the borough.
- **11** families chose not to engage with early help support services.

1.2.3 As of the 31st March 2018, in Cheviots (part of the Joint Service for Disabled Children) social workers had **177** open cases; there were a further **370** children with disabilities who were receiving a support service.

1.3 Children in Need and Child Protection

1.3.1 The Referral and Assessment (R&A) team is responsible for assessing all children that meet the threshold for statutory services. They complete approximately 4,500 assessments per year. There are approximately 600 cases open at any one time in this service.

- 1.3.2 In 2017/18 there was a drop in the timeliness of assessments (just over **61%** of Child and Family Assessments had been authorised within the required 45 days). Increased caseloads and high staff turnover have an impact as social workers are over stretched.
- 1.3.3 The Child Protection and Family Support Teams hold the longer-term Child in Need cases including children subject to child protection plans, privately fostered and complex child in need cases. There are currently approximately 600 cases open at any one time in this team.
- 1.3.4 At the end of March 2018 there were **242** children subject to a Child Protection plan, a rate of 28.9 per 10,000 children, significantly lower than the national average (43.3) and our statistical neighbours (49). Importantly there were no children subject to a plan for more than two years as of this date; this follows on from a significant reduction in 2016/17 to from 0.4% and from 0.9% the previous year. This evidences a focus on timeliness in planning and decision making

1.4 Looked After Children

- 1.4.1 As of March 2018, there were 347 children in care. The rate of Enfield's children in care per 10,000 is currently 41.4 this has risen from 39 per 10,000 as of end of March 2017. The outer London average is 45 per 10,000.
- 1.4.2 The number of unaccompanied asylum-seeking children (UASC) looked after at the 31st March 2018 was **63**, rates in Enfield remain higher than the national threshold.
- 1.4.3 Personal Education Plans: Autumn term saw a **98%** completion rate, for Spring term there was also a **98%** completion rate and for the recent Summer term **95%** completion rate.
- 1.4.4 Exclusions: Fixed term exclusions for this year are **14%**. There are no permanent exclusions.
- 1.4.5 Persistent absence: In 2016-17 there was a reduction in persistent absence by nearly **4%**, **bringing Enfield** in line with the national average.
- 1.4.6 Statutory Health and Dental Checks: As of the end of June 2018 health checks completed within timescale was **87.70%** and dental checks is **57.40%**.
- 1.4.7 The rate of LAC and CPPs in Enfield is low when compared to national and statistical neighbour averages. There are several factors that may explain this;
 - The Children's Plan is explicit that keeping families together, wherever this is possible, is an important aim of our partnership work with vulnerable children and families.
 - Entry into care (except in emergencies) is overseen by a weekly panel of senior officers and chaired by the Director. This ensures consistent decision making and care planning for children and shares inherent risks at an appropriate level.
 - Timely and child focussed permanency planning and decision-making processes ensure the minimisation of drift as evidenced by the increase in

Special Guardianship Orders and the low number of children subject to a CPP for more than two years.

- Services are led by a stable team of leaders and managers experienced in managing risk and operational anxiety.

1.5 Care Leavers

- 1.5.1 The leaving care service works with approximately 350 young people of which just over 200 are over the age of 18. Young people are supported to develop the skills they need to be independent and to engage in education employment and training over 70% of care leavers are engaged in education employment or training, one of the highest rates in London.

1.6 Permanency

- 1.6.1 In 2017/18 Enfield's fostering service recruited **18** new foster carers, the highest across the 6 north London consortium boroughs.
- 1.6.2 In 2017-18, **32** Special Guardianship Orders were granted, **19** for Children previously in care to Enfield and **13** for Children in Need or subject to CP plans.
- 1.6.3 In 2017-18, **12** Adoption Orders were granted.

2. ISSUES AND CHALLENGES

- 2.1 Increasing caseloads, high staff turnover in some areas and national difficulties in the recruitment of qualified social workers and managers, particularly in Child Protection.
- 2.2 Increased number of families without recourse to public funds, homeless families, children with EHCPs (education, health and care plans), SGO's (special guardianship orders).
- 2.3 Older looked after children cohort due to UASC (unaccompanied asylum-seeking children), gangs, serious youth violence, sexual exploitation and modern slavery.
- 2.4 New legislative duties requiring the offer of continued support to be extended to all leaving care young people up to the age of 25 years of age from 1st January 2019.
- 2.5 In June 2018 new investment was secured to create extra capacity in the Referral and Assessment team, the recruitment processes are complete, and the new permanent team will be operational from 1st November 2018, releasing agency staff that were covering the posts. However, caseloads currently remain too high and the demand for support continues to rise with new cases coming in for assessment reaching 90 per week. The new team starting on 1st November alleviates some pressure, but further strategies are in development to ensure that caseloads within this team are manageable.

3. RECOMMENDATIONS

- 3.1 Overview and Scrutiny Committee receive the report for information.

4. NEXT STEPS

- 4.1 Children's Social Care will maintain a continuous focus upon improvement across all areas to maintain and consolidate Enfield's strong reputation in readiness for the next full Ofsted inspection expected within 6 months.
- 4.2 The Executive Director: People and the Director of Children and Family Services will seek further investment where possible to permanently increase frontline staff in the Referral and Assessment team to reduce caseloads to a manageable level.
- 4.3 The Director of Children and Family Services will lead a workforce development group to further improve recruitment and retention, succession planning and quality assurance processes ensuring the voice of child and the influence of staff is in the centre of all social work practice in Enfield.

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OVERVIEW & SCRUTINY COMMITTEE - 11.10.2018

**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON THURSDAY, 11 OCTOBER 2018**

COUNCILLORS

PRESENT Derek Levy (Chair) , Huseyin Akpinar, Susan Erbil, Rick Jewell, Hass Yusuf, Lee David-Sanders and Edward Smith

ABSENT Tolga Aramaz and Gina Needs

STATUTORY CO-OPTES: *1 vacancy (Church of England diocese representative), Mr Simon Goulden (other faiths/denominations representative), Mr Tony Murphy (Catholic diocese representative), Alicia Meniru & 1 vacancy (Parent Governor representative) - Italics Denotes absence*

OFFICERS: Tony Theodoulou (Executive Director, People), Nicky Fielder (Commercial Director), Susan O'Connell (Governance & Scrutiny Officer), Stacey Gilmour (Governance & Scrutiny Secretary)

Also Attending: Councillor Achilleas Georgiou (Cabinet Member for Children's Services), Councillor Ahmet Oykener (Cabinet Member for Property and Assets)

770**WELCOME AND APOLOGIES**

The Chair, Councillor Levy welcomed all attendees to the meeting. The following substitutes were noted:

Councillor Rick Jewell for Councillor Gina Needs
Councillor Hass Yusuf for Councillor Tolga Aramaz

771**DECLARATIONS OF INTEREST**

There were no declarations of interest.

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**CABINET MEMBER FOR CHILDREN'S SERVICES, COUNCILLOR
ACHILLEAS GEORGIOU**

The Chair introduced this item and welcomed Councillor Georgiou as Cabinet Member for Children's Services and Tony Theodoulou, Executive Director, People. He asked Councillor Georgiou to give a brief overview of what he considers to be the key objectives and priorities in respect of the portfolio.

Councillor Georgiou thanked Members for the opportunity to attend the meeting. He spoke of the difficult decisions that would have to be made over

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the forthcoming years because of government financial savings. (£18m savings for LB Enfield by 2019/20).

He highlighted the following:

- The key priority was around how we continue to safeguard our children and providing services that children and their parents need.
- Continuing to meet the different situations of schools in the borough as well as managing the conflicting demands between primary and secondary schools.
- The challenge is how to achieve all of this whilst continually trying to provide a better service in an environment where there is a departmental deficit as well as a council deficit.
- There is a lack of opportunity for further significant savings from children's services due to rising demand and cost pressures.
- Relatively modest savings are planned in future years either from deleting posts that had been vacant for a while or substituting base budget expenditure with grant funding as the only realistic options for reducing expenditure in children's services **without** compromising the Council's ability to meet its legal duties to children, young people and families in the borough.
- At the O&SC Budget meeting in December 2016 £10m of savings from children's services was proposed by conducting a zero-based budget exercise which ceased all discretionary expenditure on children's services. These savings have now been delivered, as far as possible, so any significant further reductions are likely to impact on the department's ability to meet its statutory requirements.
- Children's Services regularly talk to schools and their Governors and it is becoming increasingly clear that several schools are trying to set a budget that won't balance. The Local Authority does its very best to support schools with this, but the challenges faced are increasing.
- The LA prides itself on its good relationship with schools in the borough and everyone is pulling together to address the issues and challenges faced. However, it is becoming increasingly difficult, but schools continue to look to the Local Authority to assist them going forward.
- Crucially there is a growing demand on SEN (Special Educational Needs) in the borough. 700 children with SEN in the borough use transport of which 400 of these are transported out of borough.
- There is currently a £1.9m overspend in the transport budget. This overspend has slightly reduced by implementing various measures such as fewer transport routes and more children and young people on each bus. However, this overspend will not significantly reduce whilst SEN demand continues to grow in the borough.
- To address this issue, the strategy going forward is to cater for our pupils in borough as sending them out of borough has a significant impact on transport costs.
- Plans are in place to provide more SEN provision in borough either in existing or new schools. Some secondary schools currently have

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space, and this is being utilised by a few of the SEN schools setting up units within these schools.

- Within the next 18-24 months new SEN provision will be implemented in the borough. The Minchenden site will provide 70 additional SEN places and is due to open in September 2019. Edmonton County School has also won the tender to provide provision for approximately 70 SEN children and young people with social, emotional and mental health needs. The borough is actively building provision, but it does take time for this to come into play.

The following issues/ questions were raised:

- SEN units within secondary school will be run and managed by the Special Schools themselves and all staff will be SN staff, so the children and young people who attend these units will benefit from mainstream integration but with specialised SEN support.
- Enfield Council has a school place planning service, the predictions of which have been fairly accurate to date. The current projection is that in two years' time there will be pressure on secondary school places. However, plans are in place to open a new school on the Chase Farm Hospital site and conversations are taking place regarding what provision is needed.
- Clarification was sought on the number of families arriving in the borough from overseas that haven't been planned for and the impact of this on pupil place numbers. Members were advised that the LA are currently looking after 60 unaccompanied asylum seekers as well as approximately 50 young people over the age of 18 who have care leavers' rights. There have been a large number of families looking for places for their children which the LA had not planned for.
- How can we improve the ability to predict these inflows and can we find school places for them?
- This is certainly a challenge. Due to the churn across London families who were living in other parts of London have now been moved into London. Not every Enfield resident chooses to be educated in the borough though with many preferring for their children to attend schools in Haringey/Hertfordshire therefore the numbers often balance out.
- A certain number of casual admissions are anticipated each year. This is a challenge but one that has been faced and dealt with for the past ten years.
- Over the past few years substantial savings have been made in children's services. A good example where savings have been made whilst protecting services is the Youth Services. The use of youth centres has been maximised by hiring them out during the day and volunteers are also used to operate the centres.
- Another example highlighted as good practice was Children's Centres. 60/70% of the budget has been taken out of this service and there is now only one hub in operation. However due to streamlining and focusing the services provided by the centre it is still reaching and targeting the people who most need it.

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Councillor Levy thanked Councillor Georgiou and Tony Theodoulou for attending the meeting and for giving an overview of the Children's Services portfolio area.

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COMMERCIAL STRATEGY

The Chair, Councillor Levy introduced the Commercial Strategy October 2018. The Strategy will be presented to Cabinet on Wednesday 17 October 2018. As a subject of pre-decision scrutiny, the views of Overview & Scrutiny were requested.

The Chair reminded Members that tonight's meeting was for the Committee to play the role of critical friend and to make comments, observations and constructive criticism. The primary intention however is to assist and guide Officers and the Cabinet Member on how best to present this report to Cabinet next week.

The Strategy sets out how the local authority will take a holistic approach to stimulate the innovation and enterprise from within and working with its partners that will play a key role in securing future service delivery.

The following was highlighted:

- Enfield like many councils is facing the difficult challenge of managing funding reductions, coupled with increasing demand for essential services.
- The Strategy sets out how the local authority will take a holistic approach to stimulate the innovation and enterprise from within and working with its partners that will play a key role in securing future service delivery.
- It is vital that this culture is nurtured within the council to ensure the robustness of the local authority, forming a fundamental part of how it plans and does business in the coming years.
- The new strategy document sets the vision for Enfield to be a resilient, innovative and enterprising Council delivering sustainable services that meet resident needs. It will be a vital guiding asset for the local authority as it seeks to achieve these goals.

The following issues were raised:

- Members supported the principles of the strategy and agreed that everyone wanted to see a more innovative and holistic approach to service delivery. However, concerns were raised regarding the lack of detail in the report, for example, there were no 'Key Risks' identified. For a document to have none identified was of considerable concern to Members.
- The document talks about a new innovative approach; however, it is still written in a very public-sector way. It was felt that the document

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needed to be shorter and more 'pithy' as it was far too 'corporate' and 'woolly in places'.

- Questions were raised around the impact of generating income. Clarification was sought as to whether this was a short or long-term outcome, and it was felt that more information around this was needed in the document. It was also felt that the report lacked financial context, and this is key to measuring outcomes.
- Have other councils implemented such changes and if so what were the outcomes. Do we as a council have the skills and knowledge to implement this new, innovative way of working.
- The intention is to visit other authorities with Officers to look at how they are doing and how they have implemented the changes.
- The core focus of the strategy is to bring about a new way of thinking and working that will help create and capture the opportunities and expand the ways the council can secure income, explore new ideas, and implement alternative ways to acquire and use available resources to be more effective in meeting needs in the borough.
- This strategy impacts on all departments and services across the council, but it is recognised that no one approach can be applied to all and consequently different actions and areas of improvement can be expected. Cultural changes do not happen overnight, it is very much about changing the mindset of those involved in delivering the strategy.
- Further clarification was sought in relation to the Commercial Board. The document does not explain whether we intend to utilise the experience we already have or alternatively look to seek experts from the wider business. It would be helpful to include more detail on this in the document.
- It was suggested that it might be helpful to include some good test cases in the document to show how the strategy's principles would work in practice as this may be easier for people to understand.
- Page 22-Measuring Success. This section very much lacks detail and further detail/information was needed. It was suggested rewording this to 'Value for Money' so information on Key Performance Indicators could then be included.
- With regards to Impact on Council Priorities- Good homes in well-connected neighbourhoods (Item: 7.1 page 5 of report) no information is included as to how this will be achieved. Some examples would be useful.
- In relation to the Public Health Implications (Item 9 page 6 of the report) it is not ideal to continuously use the word 'should' in a document that is intended to be so transformational. If you believe it 'will' then say how and why.
- It was felt that the report was focused too much on income generation and this needed to be addressed. Councillor David-Sanders suggested re-wording the Executive Summary part of the report so that it is less income focused.

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- Nicky Fiedler Commercial Director responded that income generation is only one strand of the strategy and it is about more creative use of the resource that we have and how to focus on future need. The core focus of the strategy is commissioning, procurement, contract management, assets and investments, income generating services, traded services and trading companies.
- Another big piece of the strategy is working with our partners, influencing our partners and improving outcomes for our residents. It is not just about producing a paper but very much about putting things into a document that are doable and can deliver an outcome. This strategy is vital for Enfield Council going forward.
- Are there any costs involved in setting up a separate Commercial Board to oversee this process?
It was stated that the whole point of this is to have a large internal resource. It will be part of Officers' jobs and will be a very different approach of that previously seen where consultants are brought in.

It was noted that:

- All comments made were purely observational rather than critical, to potentially inform and enhance how the report might be better articulated at Cabinet.
- The report is a starting point and given the feedback there are some points for the Cabinet Member and Officers to consider in taking this strategy forward.
- If it was felt that there is a need for a supplementary bullet point or two in response to what has been discussed tonight, then it would be a good idea to attach this to the original document.

AGREED:

1. The Committee agreed to the recommendations of the report with consideration being given to the inclusion of the suggestions/comments made at this meeting.
2. Updates to be provided to future meetings of the Overview & Scrutiny Committee.

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WORK PROGRAMME 2018/19

NOTED the Overview & Scrutiny Work Programme 2018/19.

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DATES OF FUTURE MEETINGS

NOTED future meetings as follows:

Provisional Call-Ins

Thursday 8 November, 2018

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Thursday 6 December, 2018
Thursday 20 December, 2018
Thursday 7 February 2019
Tuesday 12 March 2019
Tuesday 26 March, 2019
Thursday 11 April, 2019

Please note, the business meetings of the Overview & Scrutiny Committee will be held on:

Wednesday 7 November, 2018
Tuesday 12 February, 2019
Wednesday 3 April, 2019

It was also noted that there may be a need to change the date of the Overview & Scrutiny Budget Meeting which was originally scheduled to be held on Tuesday 15 January 2019. Members will be advised accordingly of any change to this date.

Councillor Levy thanked everyone for attending the meeting.

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OVERVIEW AND SCRUTINY WORK PROGRAMME 2018/19

The Role of Scrutiny in Meeting the Public Sector Equality Duty

The Overview and Scrutiny Committee has a key role to play in ensuring that the Council meets all the statutory duties under the Public Sector Equality Duty of the Equality Act 2010, particularly in ensuring that the authority has due regard to the needs of diverse groups when designing, evaluating and delivering services in order to –

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

In order to do this, the Overview and Scrutiny Committee will scrutinise the Council's Equality and Diversity Action Plan and Annual Achievement Report each year to monitor the Authority's performance. The OS Committee will be flexible enough to pick up on issues of inequality, wherever they arise in the Council work programme, or to delegate to individual workstreams for investigation. OSC has a key role in providing a 'critical friend' challenge to the Council's strategic equality objectives and scrutinising performance in delivering those objectives.

In addition, as part of their normal work programme, each workstream will (where relevant and proportionate) -

- request information about the equality impact assessments/analyses that have been undertaken whenever discussing proposals for new policies or future plans, or for current services, to inform their comments on those proposals or services
- examine these assessments/analyses of impact in detail to check if they are robust and have been developed based on strong evidence and appropriate engagement
- question and consider whether appropriate people have been involved and engaged in developing equality objectives and plans, and when assessing the impact of policies and proposals.
- when procurement award criteria and contracts are determined, consider whether or not specific equality stipulations are required
- Scrutiny may also wish to investigate the accessibility of equality and other published documents, asking questions such as –
 - what is done to promote these documents?
 - what languages or formats is the information available in?
 - which documents are most regularly required?
 - how aware are the public of the Authority's equality plans and performance?

OVERVIEW AND SCRUTINY WORK PROGRAMME 2018/19

WORK	12 June (Planning)	12 July	26 th July	5 Sept	11 Oct	7 Nov	15 Jan	12 Feb	03 April
Date papers to be with Scrutiny Team		3 rd July	17 th July	24 th August		29 October	4 January	1 February	25 March
Specific Topics:									
Leader/ Cabinet Member			Leader-discussion item	Cabinet Member for Environment-Discussion item	Cabinet Member for Children's Services-Discussion item	Cabinet Member for Finance & Procurement			
Meridian Water								Report	
Pre-Decision scrutiny									
Genotin Road Carpark	Report								
Safeguarding Adults Strategy consultation 2018-23		Report							
Homelessness Strategy						Report			
Customer Experience Strategy				Report					
Budget						Report			
Housing Repairs and Maintenance									
Commercial Strategy					Report				

OVERVIEW AND SCRUTINY WORK PROGRAMME 2018/19

WORK	12 June (Planning)	12 July	26 th July	5 Sept	11 Oct	7 Nov	15 Jan	12 Feb	03 April
Standing Items									
Children's and Young People's Issues				Monitoring Items: Fostering & Adoption/IRO/LA DO/ Annual LSCB report		Children's Social Care Self - evaluation		Local Offer for Leaving Care	Regional Adoption agency Annual Complaints Report for Children's Social Care & Adult Social Care
Monitoring/Updates									
Scrutiny Involvement in Budget Consultation 18/19							Budget Meeting		
Safeguarding Annual Report - Adults Services									
Speech & Language Therapy Scrutiny Workstream								Update	
Housing Repairs Scrutiny Workstream						Update			
Human Trafficking Scrutiny workstream									Update
Annual Corporate Complaints Report									Report
Customer Experience								Report	

OVERVIEW AND SCRUTINY WORK PROGRAMME 2018/19

WORK	12 June (Planning)	12 July	26 th July	5 Sept	11 Oct	7 Nov	15 Jan	12 Feb	03 April
Work Programme									
Setting the Overview & Scrutiny Annual Work Programme 2018/19	Agree Work Programme and discuss workstreams	Finalise workstreams							
Selection of New Workstreams for 2018/19	Discuss new Workstreams	Finalise new workstreams							

Note: Provisional call-in dates: - 8th November, 6th and 20th December, 15th January, 7th February, 12th and 26th March, 11th April. These dates may also be used for pre-decision scrutiny as necessary. *11th October was originally a provisional call-in date but will now be used for business meeting. Any call-ins received will take precedence at this meeting.

Please note that the above programme may be subject to change during the course of the year