

Public Document Pack



OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 9 July 2019 at 7.30 pm
Conference Room, Civic Centre, Silver
Street, Enfield, EN1 3XA

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Councillors : Susan Erbil (Chair), Tolga Aramaz, Guner Aydin, Sinan Boztas,
Bernadette Lappage, Achilleas Georgiou (Vice-Chair), Edward Smith and Lee David-
Sanders

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).

Support Officer – Susan O'Connor (Governance & Scrutiny Officer)
Elaine Huckell (Governance & Scrutiny Secretary)

AGENDA

1. APPOINTMENT OF CHAIR FOR THIS CALL-IN MEETING

To Elect a Chair for this meeting only, due to the absence of the current
Chair and Vice-Chair.

2. WELCOME & APOLOGIES

3. DECLARATIONS OF INTEREST

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

4. CALL IN: FUTURE OF THE RESPONSIVE REPAIRS SERVICE (Pages 1 - 40)

To receive and consider a report from the Director of Law and Governance
outlining details of a call-in received on the Cabinet Decision taken on the
Future of Responsive Repairs Service (Report No 53).

The decision that has been called in was a Cabinet Decision taken on 12
June 2019 and included on the Publication of Decision List No 8/19-20 (List

Ref:4/8/19-20) issued on 14 June 2019.

It is proposed that consideration of the call-in be structured as follows:

- Brief outline of the reasons for the call-in by representative (s) of the members who have called in the decision
- Response to the reasons provided for the Call-in by a Cabinet Member responsible for taking the decision
- Debate by Overview and Scrutiny Committee and agreement of action to be taken.

5. CALL-IN: LED CONVERSION PROJECT 2019 FOR HIGHWAY STREET LIGHTING (Pages 41 - 72)

To receive and consider a report from the Director of Law and Governance outlining details of a call-in received on the Cabinet decision taken on LED Conversion Project 2019 for Highway Street Lighting (Report No. 54)

The decision that has been called in was a Cabinet Decision taken on 12 June 2019 and included on the Publication of Decision List No: 8/19-20 (List Ref: 3/8/19-20) issued on 14 June 2019.

It is proposed that consideration of the call-in be structured as follows:

- Brief outline of the reasons for the call-in by representative (s) of the members who have called in the decision.
- Response to the reasons provided for the Call-in by a Cabinet Member responsible for taking the decision.
- Debate by Overview and Scrutiny Committee and agreement of action to be taken.

6. MINUTES OF THE MEETINGS HELD ON THE 1 MAY 2019 AND 22 MAY 2019 (Pages 73 - 86)

To agree the minutes of the meetings held on the 1 May 2019 and 22 May 2019.

7. DATES OF FUTURE MEETINGS

To note the dates of future meetings as follows:

Business meetings of OSC

- Tuesday 23 July 2019
- Wednesday 4 September 2019
- Thursday 7 November 2019
- Wednesday 15 January 2020
- Thursday 13 February 2020
- Thursday 2 April 2020

Provisional Call-In dates

- Thursday 8 August 2019

- Thursday 19 September 2019
- Thursday 31 October 2019
- Thursday 28 November 2019
- Thursday 19 December 2019
- Thursday 30 January 2020
- Thursday 6 February 2020
- Wednesday 4 March 2020
- Thursday 26 March 2020
- Tuesday 28 April 2020

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MUNICIPAL YEAR 2019/2020 REPORT NO. 53**MEETING TITLE AND DATE:**

**Overview & Scrutiny
Committee,
9th July 2019**

REPORT OF:

Director of Law & Governance

Agenda – Part: 1	Item:
Subject: Call in- Future of Responsive Repairs Service	
Cabinet Member consulted: N/A	

Contact officers and telephone numbers:

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1. EXECUTIVE SUMMARY

1.1 This report details a call-in submitted in relation to the following decision:

Cabinet Decision (taken on 12/06/2019):

1.2 Details of this decision were included on Publication of Decision List No. 8/18-19 (Ref. 4/8/19-20 – issued on 14 June 2019):

1.3 In accordance with the Council's Constitution, Overview and Scrutiny Committee is asked to consider the decision that has been called-in for review.

1.4 The members who have called-in this decision do not believe it falls outside of the Council's Policy Framework.

2. RECOMMENDATIONS

2.1 That Overview and Scrutiny Committee considers the called-in decision and either:

- (a) Refers the decision back to the decision-making person or body for reconsideration setting out in writing the nature of its concerns. The decision-making person or body then has 14 working days in which to reconsider the decision; or
- (b) Refer the matter to full Council; or
- (c) Confirm the original decision.

Once the Committee has considered the called-in decision and makes one of the recommendations listed at (a), (b) or (c) above, the call-in process is completed. A decision cannot be called in more than once.

If a decision is referred back to the decision-making person or body; the implementation of that decision shall be suspended until such time as the decision-making person or body reconsiders and either amends or confirms the decision, but the outcome on the decision should be reached within 14 working days of the reference back. The Committee will subsequently be informed of the outcome of any such decision.

3. BACKGROUND/ INTRODUCTION

3.1 Please refer to Section 3 in the Decision Report.

4. ALTERNATIVE OPTIONS CONSIDERED

None – Under the terms of the call-in procedure within the Council's Constitution, Overview & Scrutiny Committee is required to consider any eligible decision called-in for review. The alternative options available to Overview & Scrutiny Committee under the Council's Constitution, when considering any call-in, have been detailed in section 2 above.

5. REASONS FOR RECOMMENDATIONS

To comply with the call-in procedure within the Council's Constitution.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

The financial implications relating to the called-in decision have been detailed in Section 6.1 of the Cabinet Decision Report.

6.2 Legal Implications

S 21, S 21A-21C Local Government Act 2000, s.19 Police and Justice Act 2006 and regulations made under s.21E Local Government Act 2000 define the functions of the Overview and Scrutiny committee. The functions of the committee include the ability to consider, under the call-in process, decisions of Cabinet, Cabinet Sub-Committees, individual Cabinet Members or of officers under delegated authority.

Part 4, Section 18 of the Council's Constitution sets out the procedure for call-in. Overview and Scrutiny Committee, having considered the decision may: refer it back to the decision-making person or body for reconsideration; refer to full Council or confirm the original decision.

The Constitution also sets out at section 18.2, decisions that are exceptions to the call-in process.

6.3 Property Implications

The property implications relating to the called-in decision have been detailed in Section 6.3 of the Cabinet Decision Report.

7. KEY RISKS

The key risks identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

8. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

Good Homes in Well-Connected Neighbourhoods, Sustain Strong and Healthy Communities Build our Local Economy to Create a Thriving Place

The way in which the called-in decision impacts on the Council priorities relating to good homes in well-connected neighbourhoods, sustain strong and healthy communities and build our local economy to create a thriving place have been detailed in the Cabinet Decision Report.

9. EQUALITIES IMPACT IMPLICATIONS

The equalities impact implications relating to the called-in decision have been detailed in the Cabinet Decision Report.

10. PERFORMANCE AND DATA IMPLICATIONS

The performance management implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

11. HEALTH AND SAFETY IMPLICATIONS

The health and safety implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

12. PUBLIC HEALTH IMPLICATIONS

The public health implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

Background Papers

None

APPENDIX 1

**Call-In: Cabinet Decision: Future of Responsive
Repairs Service**

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MUNICIPAL YEAR 2019/2020 REPORT NO. 8

MEETING TITLE AND DATE:

Cabinet
12th June 2019

REPORT OF:

Executive Director Place

Director of Housing and Regeneration
Joanne.drew@enfield.gov.uk

Contact officer and telephone number:
Garry Knights
Email: garry.knights@enfield.gov.uk.

Agenda - Part: 1	Item: 7
Subject: Future of Responsive Repairs Service	
Wards: All	
Cabinet Member consulted: Cllr Needs	

1. EXECUTIVE SUMMARY

- 1.1. The Councils current contracts delivering day to day repairs and compliance contracts to Council houses are due to end in April 2020. We have considered the most appropriate approach for delivering the services going forward, with an aim to:
 - a) provide improved value in terms of enhanced resident satisfaction;
 - b) support the local community and local supply chain; and
 - c) effectively improve the condition of our properties.
- 1.2. The day to day repairs service has seen an improvement in customer and technical performance over the past 6 months. However, there remains room for continued improvement which can be achieved through a new delivery model alongside greater flexibility as we improve the condition of stock through investment.
- 1.3. This report identifies and recommends a solution which seeks to manage risk, secure the continuing improvement of the service whilst providing value for money. It includes:
 - a) A phased approach to insourcing the day to day repairs service whilst continuing to outsource compliance services;
 - b) Proposed transitional arrangements for the gradual in-sourcing of repairs services whilst securing back up provision from existing contractors including beyond the end of existing contracts in April 2020 as necessary.
 - c) Procurement of compliance, cyclical maintenance and major works, but with a view to consider bringing these in house in the future

- d) The development of in-house capacity to ensure the commercial management of the in-house service and effective client-side arrangements for the mixed delivery model.

1.4. A budget of £1.2m from the HRA will be required to mobilise the new arrangements.

1.5. The report also proposes that progress with the new repairs service will be overseen by the Repairs Task Force chaired by the Cabinet Member for Housing and supported by an Operational Board and with engagement of the Customer Voice.

2. RECOMMENDATIONS

1. Agree a phased approach to in-sourcing the day to day repairs service as detailed in section 3 and note the creation of a multi-disciplinary Operational Board which will report on progress to the Repairs Task Force.
2. Approve a mobilisation budget of £1.2 million, allocated over 2 years, funded from HRA repairs reserve
3. Note that a 5 year business plan will come forward as part of the annual HRA budget cycle for 2020/21
4. Delegate authority to the Director of Housing and Regeneration to commence procurement and tendering exercises to mobilise 5 year contracts, for compliance works including gas servicing, electrical checks and lift services along with back up responsive repairs services.

3. BACKGROUND AND CURRENT POSITION

3.1 The Council owns 10,500 homes for which it carries full repairing obligations plus a further 5,000 leasehold properties for which it retains de-minimis repairing obligations (common parts, consequential damage from Council dwellings etc.

3.2 Services are currently organised as follows:

- Day to day responsive repairs currently being provided by MCP property services and MNM Property Services Limited on measured term contracts expiring in April 2020.

- Void works being provided by a number of small local companies of circa 450 HRA properties plus circa 500 Housing Gateway, Regeneration and PSL properties annually
- All compliance works and Mechanical and Electrical (M&E) (gas servicing, periodic electrical inspections, legionella, lightening protection, etc), heating installation and repairs, (domestic and communal), electrical installations and repairs are provided by T Brown and Purdy on measured term contracts expiring in April 2020.
- Lift servicing contracts via Liftech and managed through MAND and running to 2022.

3.3 The following performance is currently being secured on the repairs and M&E services following a period of improvement as overseen by the Repairs Task Force. This does demonstrate that better client management can make a difference to contractor performance:

- Number of overdue repairs has reduced from around 12% to 5%
- Number of missed appointments had reduced from 2.4% to 0%
- The number of first-time fixes has improved from 26% to 76%
- Number of properties with a current gas certificate 99.76%

3.4 The voids service performs well with an average turnaround time of 18 days.

3.5 The Council has out-sourced the repairs service for a number of years and whilst the service is improving there are opportunities to enhance outcomes further with a new service model and through taking more direct control

3.6 A stock condition survey is currently in progress and this will give us information to develop long term investment strategies which will also inform the nature of intermediate responsive repairs. Over the years the Council has maximised all sources of investment into the stock it has implemented capital programmes and agreed estate renewal programmes where stock is uneconomic to invest in. However, there remains a challenge as around the condition of ageing infrastructure in high risk blocks means that there is a significant backlog of works arising. The Council is committed to investing in its stock and has developed the Better Council Homes programme, which will see some £41m investment in the stock during 2019/20.

3.7 In addition, it has launched an in-house MOT repairs service to support our vulnerable tenants, identify high and low-end users of the repairs service and provide a quick response on problematic issues and residents.

3.8 With ongoing resident satisfaction testing through our quarterly BMG programme and the introduction of a new housing management system we will have greater knowledge and capacity to improve the service.

3.9 APPROACH TO DELIVERING BETTER COUNCIL HOMES

3.10 The Repairs Task Force has considered, along with specialist advice from APSE, the options for the future service. It has concluded that as well as the need for continued improvement in the delivery of responsive repairs services through a new service delivery model, strategically the best outcomes can also be achieved by having more control over the direction and delivery of the repairs service – especially as investment work takes place and over time the needs of the stock will change.

3.11 Key priorities for a new service model have been identified as follows:

- A high quality, right first-time repairs service with an appropriate approach to the replacement of components as opposed to repair to deliver overall value for money and resident satisfaction,
- A call resolution service which is focused on repairs diagnosis, scheduling the work of the operatives and ongoing customer service management. This will eliminate duplication inherent in the existing service model and ensure that the service has the best chance to deliver the right first-time service.
- The ability to deliver a repairs “plus” service which helps identify vulnerable tenants and meet their immediate need whilst supporting and signposting to additional help
- The development of resident’s awareness of how to take care of their home and how to complete minor jobs that are part of the day to day responsibility of renting a home. This to be through Information, Advice and Guidance to be provided in a range of formats.
- Employment and development of local people including the creation of apprenticeships and seeking to support female operatives.
- Increased use of local supply chains and small and medium enterprises (SMEs)
- Greater ability to influence the culture of the workforce including embedding a customer centric ethos.
- A more streamlined service, with an improved end to end experience for customers including efficiencies being delivered through better repairs diagnosis, replacement of components rather than repair where necessary and a reduction of administration associated with contractor payments and management.
- The ability flex and alter the service in the light of capital investment, estate renewal and new housing development without the need to renegotiate external contracts which can result in cost increases.

3.12 MIXED DELIVERY MODEL

3.13 In response to the service priorities, a mixed delivery model has been identified as the most appropriate solution. This would allow the in-sourcing of the parts of the service that will give us most control over resident satisfaction - emergency, urgent and routine repairs works, including small electrical and plumbing works and the continuation of the MOT service with the continued out-sourcing of the high-risk compliance works, major work programmes and voids.

3.14 This to include:

- An in-house emergency, urgent and routine repairs service, including small electrical and plumbing works, by growing the existing MOT service whilst undertaking a planned demobilisation period of the existing repairs contracts.
- An organic managed growth approach which will allow the in-house service to undertake a significant % of the service by April 2020 but supported by the existing repairs contractors until full implementation is achieved.
- The potential to negotiate a back up provision from existing contractors including direct repairs delivery or back office services beyond April 2020 should unforeseen challenges arise with the mobilisation.
- The development of in-house capacity to ensure the commercial management of the in-house service, with the potential for it to extend the range of services it offers to others and effective client-side arrangements for the mixed delivery model.

3.15 IMPLEMENTATION

3.16 A Operational Board has been established to deliver the mobilisation which will include ensuring the following:

- Commercial leadership – a senior project manager/repairs manager, with extensive experience of developing in-house services, will be engaged reporting directly to the Head of Property Services
- Back Office infrastructure – developing the appropriate back office structure which will include creating and employing (subject to TUPE) a number of new roles, including planners, charge hands and quality control)
- Technology – Identify all additional IT systems and mobile working facilities.
- Supply chains development – material suppliers, plant hire, fleet hire and other associated requirements will be developed along with the appropriate governance and financial control frameworks.

3.18 The service will be mobilised as part of the Better Council Homes transformation project which will ensure the relevant ICT solution is provided as an integrated part of the transformation programme already underway. (Civica CX will form the base system but we will need to develop additional modules, additional planning software such as DRS and stock control systems).

3.19 In order to secure this programme a budget of circa £1.2 million will be required to mobilise the infrastructure required to take on the service.

This has been informed by specialist advice received from APSE. A contingency budget has been included in this forecast.

The indicative costs are broken down as follows

Cost	19/20	20/21
IT infrastructure	300,000	
Initial van stocks		50,000
Parallel running of service	150,000	150,000
Temporary management resource pending permanent recruitment	120,000	30,000
Specialist technical advice	50,000	
Legal costs	50,000	
Provision of backup repairs contractor for an initial period		100,000
Initial training	25,000	25,000
Uniform/PPE and tools		50,000
Contingency	50,000	50,000
Total estimated costs	745,000	455,000

- 3.20 Ongoing costs will depend on final salary and benefit packages (subject to TUPE), fleet cost, ongoing IT support and development and other relevant supply chain costs but we expect to deliver the service within the current £4.8m included in current revenue budgets (circa £111/repair).
- 3.21 Mobilisation will also require significant support from other services including:
- ICT to be provided as part of the Better Council Homes Transformation Team
 - Dedicated HR support to manage the TUPE, employment framework and ongoing recruitment issues
 - Support from the Procurement Team to manage the procurement of the contracted services to go live from 1 April 2020.
 - Support from customer services to manage the transition to the new model
- 3.22 This approach would also require a controlled demobilisation period of the existing contracts and wider working arrangements.
- 3.23 A soft start approach in which LBE organically grows its in-house capability whilst reducing the dependency on external contractors would seem to be the most appropriate approach based on the relatively short mobilisation period available. There is provision in the mobilisation budget for this approach and scope from within existing budgets to manage a phased transition. LBE would grow its existing MOT service, which provides a suitable vehicle to test and hone front and back office processes, whilst having a back-up provision should initial problems occur.
- 3.24 This would require the Council to extend one or more of the existing relationships for an agreed period of time as a backup service. This would

require some negotiation as it would require a diminishing resource which differs from the current arrangement.

- 3.25 The Operational Board will report progress to the Repairs Task Force chaired by the Cabinet Member for Housing. We will also engage with the Customer Voice commencing at its meeting on 19th June to get their views on the proposal, the service model and approach to delivery.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 A number of models have been identified which could be used to deliver the repairs service;
- A full in-sourced service
 - A fully out-source model
 - A mixed delivery model
 - Partner with another public body
 - Establish a wholly owned company or special purpose vehicle
 - Establish a joint venture with a private organisation
- 4.2 With our current contracts ending in April 2020 a model will need to be adopted which is relatively quick to establish and will minimise any service downtime.
- 4.3 Any approach taken also needs to reflect the relatively high investment requirement in LBE homes, the increased health and safety requirements which will flow from the Hackett review, the impending change in the Decent Homes standard (which will likely bring a significant enhancement in the standard) and the number of High-Rise properties we have in our stock.
- 4.4 Accordingly, only two other realistically deliverable options were considered the fully out-sourced model or the fully in-sourced model.
- 4.5 Full in-source model** - To fully in-source all services, including the significant capital works programme, all compliance works (including gas safety, legionella and fire safety) would require a significant workforce and back office function. Anecdotal evidence from contractors shows how difficult it is to recruit quality trade staff at this time and LBE's own experience of the difficulty attracting quality back office staff would suggest that this should be a longer-term aspiration, incrementally implemented.
- 4.6 Additionally, the full risk for all delivery, performance, health and safety failures, and service failure would lie with LBE.
- 4.7 Out-Sourced Solution** -This would be a continuation of LBEs existing model, albeit following a re-procurement exercise which would potentially procure different contractors from those currently providing the service.
- 4.8 ONS repair and maintenance output prices (see appendix 1) would suggest we would see an uplift on the existing contracts of circa 5% if we undertook this approach.

- 4.9 However, it is very clear that the current performance of the contractors is caused in a large part by;
- Poor procurement - having 4 contractors delivering day to day repairs across a relatively small housing stock
 - The delivery model
 - Poor initial mobilisation with failure to adequately address basic policy and process issues
 - The lack of IT integration
 - The lack of cultural integration and a clear customer charter or code of conduct
 - The poor contract management from LBE
- 4.10 This remains the lowest risk option in terms of both cost and quality, and through relevant contract terms and pre-start approaches LBE could influence local labour, culture and an improved service to vulnerable tenants.
- 4.11 However, the contractual relationships would allow LBE less flexibility to change work flow as the benefits from the MOT service and major works programme are realised. It would also give LBE less direct control of operative in regard to high profile works or targeted improvement programmes.
- 4.12 Each of the other models working with third parties would likely require significant governance and procurement pieces which will likely preclude them being in place in time.

5. REASONS FOR RECOMMENDATIONS

- 5.1 This model provides the best balance of risk management and resilience whilst enabling us to implement a new service model and take control of the culture, quality and right first-time approach which will form the core requirements of the service by directly employing, training and engaging with operatives.
- 5.2 The council will be able to embed the repairs plus approach in the service taking direct control of the end to end customer experience whilst delivering employment and economic development strategies that will be of benefit to residents and SME providers.
- 5.3 The below table demonstrates the cost/benefit aims for the service:

Cost	Benefits
£1.2 million initial set up costs	Improved control over service to drive an improved customer experience reduce failure demand and adapt the service requirements as major investment in the stock takes place.
Additional overhead recharges (HR, Finance)	Support of the local economy, labour and supply chain
	Potential to create opportunity in apprentice schemes for local residents
	Reduction in the number of complaints

	and MEQs and the direct and indirect costs associated with these
	Quicker resolution of problems
	Greater flexibility to change service in line with the needs of the stock, changing legislation and the needs of customers
	Ability to drive cultural change in the workforce to enhance the overall delivery of our Council Housing Service
	Ability to develop a wider range of services for residents, private sector landlords and others to generate additional income to maximise the overhead costs and wider benefits from the model.

- 5.4 It should be noted that there is a risk that the performance of the service may initially dip as we embed new staff, processes and ways of working. Whilst this should be a short term issue other organisations who have implemented in-sourcing have experienced this and it may take some time to reach the expectations of this service. This can be mitigated to some degree by ensuring an effective mobilisation period.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.2 The mobilisation costs will be funded from the HRA Repairs Reserve.

- 6.3 The current cost of the responsive repairs service is £4.8m per annum and by in-sourcing it is estimated that the current budget will be adequate. The budget below summary shows the indicative spend for 2020/21 and the existing HRA Business Plan provides for increases in costs of CPI annually.

Trades Staff	20/21 (£)
Salaries inc on-costs x 36 FTE	1,800,000
Apprentices x 4 FTE	28,000
Tools	16,000
Vans	200,000
Mobile devices	50,000
Materials	550,000
PPE and Misc.	16,000
Training	20,000
Fuel	200,000
Back Office (additional staff)	
Salaries inc on-costs x 8 FTE	360,000
Specialist Services	

Scaffolding	250,000
Asbestos	350,000
Other Subcontractors	500,000
Plant Hire	25,000
Contingency 10%	435,000
Total	4,800,000

- 6.4 The in-house provision is not expected initially to demonstrate direct cost savings the aim of the service is to offer the broader benefits outlined previously.
- 6.5 It is also expected that the cost of delivering the service will reduce over time as the benefits of the new delivery model, the MOT approach and the significant capital works programme reduce the number of repairs required each year. It should however be noted that the construction sector in London is generally under pressure with a skills shortage and rising costs which will put pressure on any delivery model in the future. In addition with an in-house provision the direct impact of increased costs are experienced in year whilst in an outsourced model the contract price is often fixed. Effective financial management will therefore be required.
- 6.6 The 5 year business plan will include a number of key assumptions (indicative at this time):
- Inflation on material costs of 5%
 - Inflation on labour costs of 2%
 - An efficiency target of 5%
 - Income generation targets from year 2 of £200k with operating margin of 5%
 - A planned reduction in the number of responsive repairs being required as a result of the new delivery model, the investment in major works, cyclical programmes and the MOT approach from year 2

Other variables include:

- A period of parallel running as we take on jobs prior to the full live date of April 2020
- The actual costs of the fleet service
- Client management
- IT costs including licence fees
- Other direct and indirect costs of corporate and customer services

7. Legal Implications

- 7.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.

- 7.2 Under Section 111 of the Local Government Act 1972 local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions.
- 7.3 Under Section 11 of the Landlord and Tenant Act 1985 (as amended) the Council has repairing obligations in respect of properties which are occupied by its tenants. Under Schedule 6, Part 111 of the Housing Act 1985 similar responsibilities are placed on the Council in respect of properties held on leases after having been sold under the Right to Buy scheme.
- 7.4 The Council will need to ensure that any future procurements are compliant with the Public Contracts Regulations 2015 (where applicable) and the Council's Contract Procedure Rules.
- 7.5 Any contracts resulting from such procurements will need to be in a form approved by the Director of Law and Governance.

(Legal imps provided by MO'C on 14/03/2019 based on a report circulated on 12/03/19).

8. Procurement Implications

- 8.1 The Procurement and Commissioning Hub in collaboration with the Service will develop an insourcing strategy for housing repairs to ensure that the identified priorities will be effectively implemented.
- 8.2 Upon completion of the stock condition survey the Procurement and Commissioning Hub will develop in collaboration with the Service a commissioning strategy to deliver the long-term capital investment. The strategy will aim to maximise quality and value for money by ensuring supplier and market engagement.
- 8.3 The Procurement and Commissioning Hub will support the Service needs to ensure that the continued outsourcing of compliance works, major works programme and voids is undertaken to ensure procurement compliance alongside the development of the commissioning strategies to drive best outcomes.
- 8.4 Any procurement to support the delivery of the 'Future of Responsive Repairs Service' including the 'Better Council Homes' programme for Housing will be undertaken in accordance with the Councils Contract Procedure Rules and the Public Contracts Regulations (2015).
- 8.5 Consideration of the use of any Framework Agreement must first be approved by the Procurement and Commissioning Hub and it is essential that any procurement follows the framework process to remain compliant. Use of Frameworks Agreements must always be considered alongside all alternative procurement options and routes to markets,

- 8.6 The award of contracts, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
- 8.7 We will also need to ensure leaseholders engagement is undertaken as part of the mobilisation process to ensure all relevant legalisation is adhered to in regards to long term qualifying contracts, and to ensure that we can recover monies for relevant works completed under individual lease responsibilities.

9. Property Implications

No corporate property implications considered at this time.

10. KEY RISKS

<u>RISK</u>	<u>MITIGATION</u>
<u>Procurement Route</u>	
Model not tailored to our current position and future needs is adopted	Regular Engagement with the repairs task force has identified their preferred option as in-sourced Engagement with APSE to provide a summary report of the benefits and risk of the mixed model Will continue to engage with other relevant consultants as required
<u>Mobilisation/demobilisation</u>	
Ineffective service mobilisation	Develop a project board to drive the mobilisation of the service and keep progress under review
Civica implementation	The successful introduction of in-sourcing the responsive repairs service is reliant on the implementation of the Civica CX system which is programmed to go live in December/January 2019. Close monitoring of the Civica project team is in place and any projected delays will be escalated accordingly
IT infrastructure not in place	Ensure adequate resource in place and business support to deliver IT requirements. Back up arrangements with existing contractors procured
The existing contractor's performance dips significantly during the demobilisation period	Continue to work closely with the existing contractors to help manage the de-mobilisation
Cost overruns	The project group will provide financial control over the mobilisation budget

<u>Service development:</u>	
Available workforce on LBE pay grades and contracts	Significant marketing testing and benchmarking will need to be undertaken. It may be necessary to implement alternative packages
TUPE (poor quality transferred or no transfer)	Legal requirement, limited ability to influence Scaling up of MOT service gradually provides some capacity
Business support to mobilise the individual elements, especially around HR, Procurement and IT	Engage business early and often to gain commitment. Procure additional resource if required
External competition for staff	Ensure adequate benchmarking and flexibility in pay scales
Continuity of service during de-mobilisation of existing contracts	Look to engage contractor for a soft start mobilisation
Suitable back office support	Benchmark salaries, consider training and upskilling from within
Internal processes are not dynamic enough to support the pace required to develop the service	Work with governance teams to understand key milestones and potential bottlenecks. The delivery programme will need to be developed to reflect this.
<u>Service delivery:</u>	
Reputational risk for service failures fall directly on LBE	Ensure quality of staff, systems, quality control measures are in place ahead of go live
Poor quality of staff without the right front and back office skills	Targeted requirement and appropriate pay scales. Should we fail to recruit we could use an externally managed model DLO as an interim solution.
Poor quality control	Ensure an appropriate back office structure in place to check quality
Failure to support ongoing IT needs	Work with IT teams to understand need
Delivering and evidencing value for money	Develop a core KPI suite, benchmark against others
All H&S matters	Develop H&S training matrix, tool box talks
Fleet and driving issues	Adequate policies and controls in place
Maintaining the right supply chain	Ensure suitable procurement exercise undertake, due diligence
Higher delivery cost than existing model	Close cost control and governance mechanism will be in place overseen by relevant officers. Direct control will give us greater flexibility to change and alter the service should additional cost pressures occur and to look for service

	efficiencies where possible A 10% contingency has been included in the high level business plan
--	---

11. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

11.1 Good Homes in Well-Connected Neighbourhoods

The service will support the wider asset management strategy and resident safety programme in delivering well maintained homes which meet the requirements of our residents, help residents stay in their home and tackle fuel poverty

11.2 Sustain Strong and Healthy Communities

Our service will give us the flexibility to tackle both individual homes and the communities in which residents live. By taking a proactive approach to responsive repairs we will be able to help tackle anti-social behaviours and give residents pride in their communities

11.3 Build our Local Economy to Create a Thriving Place

We will focus on supporting residents into work opportunities within the service and using the local supply chain to support the service

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 A sustainable system for the repair of the properties owned by the Council will have positive impact on public health. Well maintained houses improve health and wellbeing, and protect the residents from hazards such as fire, fungus, asthma and legionnaire's disease. In addition, in-sourcing could make the services more responsive to changes in Council strategy in particular Making-Every-Contact-Count approach and Health in all Policies approach to improving the health of the residents

13. EQUALITIES IMPACT IMPLICATIONS

- 13.1 An equalities impact assessment has been undertaken and the change in service has been considered as providing a positive impact on residents with no negative impacts identified.
- 13.2 The proposal will deliver a much-improved repairs service for residents, with more efficient systems for residents to report repairs on line and by the telephone. Move information about accessing the service will be made available to residents on line and in publications such as Housing News. There should be a seamless transition to the new service for residents with the only noticeable difference being an improvement in the customer experience.

However, we will map out the customer journey to improve the customer experience where possible.

- 13.3 The proposal also presents us with an opportunity to refresh our Special Repairs Policy which supports vulnerable tenants or tenants with an illness of disability and our approach to consultation and customer feedback
- 13.4 The proposal will have a minimal impact on current staff but will see an expanded in-house workforce, both operatives and back office, which may include a number of staff transferred from the incumbent contractors under the TUPE regulations.
- 13.5 A restructure EQIA will be completed when the Model has been approved and a workforce development strategy agreed to ensure staff have appropriate customer care skills and an understanding of safeguarding, the Council's equality commitments and obligations and GDPR issues. Staff will have agreed training plans to address any gaps in their skills and knowledge and receive regular support from managers. We will also seek to increase the number of female operatives in the workforce using the Council's apprenticeship scheme.

14. PERFORMANCE AND DATA IMPLICATIONS

- 14.1 A full suite of KPIs will be developed which measure as a minimum:
 - 1. Calls – received and answered within corporate timelines
 - 2. Repairs – right first time for each of the classifications (surveys, emergency, urgent, routine)
 - 3. Repairs – cost for each of the classifications (emergency, urgent, routine)
 - 4. Repairs – Customer satisfaction with repairs – overall service and actual repair
 - 5. Major works – Customer satisfaction with works
 - 6. Major works - % of projects on programme
 - 7. Major works - % of projects on cost
 - 8. Compliance – the full suite as already published
 - 9. MOT – number completed
 - 10. MOT – Customer Satisfaction
 - 11. MOT – number of actual repairs (link to cost saving)
 - 12. MOT – number of follow on repairs
 - 13. Compliant – number overdue
 - 14. Complaints
 - 15. MEQs – number overdue
- 14.2 This will allow us to monitor the service against targets and also against our local peer groups
- 14.3 The successful delivery of the service will require an improvement in the current performance, especially around right first time, and we will work with relevant stakeholders to determine the most appropriate performance levels. Initially however we would be looking for a reduction in the number of complaints received around the day to day repairs service.

15. HEALTH AND SAFETY IMPLICATIONS

- 15.1 The out-sourced model currently used leaves us vicariously liable for Health and safety of operative working on our projects. This is currently mitigated through the Contractors Health and Safety policies, driving policies, the CDM regulations, relevant insurance being in place and other measures. This is validated by LBEs Corporate Health and Safety Team undertaking regular audits of the contractor.
- 15.2 Any in-source model will mean that LBE take direct responsibility for all Health and Safety of operatives on site.
- 15.3 This will be mitigated by developing current Health and Safety approach for other directly employed operative into more specific approaches for this service. LBE will also need to ensure there is sufficient provision within our insurance policies.

16. HR IMPLICATIONS

- 16.1 In sourcing of day to day repairs will initially require circa;
- 30 multiskilled tradesperson delivering all works.
 - 3 dedicated plumbers/heating engineers
 - 3 Electricians
 - A number of apprentices to support the team which LBE will train and support through to full competency
- 16.2 This represents a realistically achievable workforce which could be recruited given the timescale (some of which may come through TUPE from the current contractors).
- 16.3 Excellent, timely and effective communication will be required by all parties to ensure that time frames are realistic, urgencies and legal processes are clearly understood, and workloads are effectively planned.
- 16.4 Elements of this proposal could constitute a service provision change under the TUPE regulations. Should this be a TUPE situation staff assigned to the provision of these services would be entitled to transfer in to the organisation with their current terms and conditions intact and these can only be changed in very limited circumstances.
- 16.5 The contractor, as the transferor, will lead the formal consultation process however significant support and engagement will be required from both the department and HR teams to ensure that statutory obligations are met, and the transferring employees are smoothly on-boarded and welcomed into the organisation.

- 16.6 In accordance with statutory regulations and Council guidelines, consultation will need to take place with staff and trade unions for existing LBE employees who may be impacted by this proposal.
- 16.7 New job role profiles will need to be produced and formally submitted to HR for evaluation. In addition, there may be a requirement to conduct wider industry research to understand the current market rate for these roles and ensure that we are able to offer competitive rates of pay whilst adhering to the ethos of equal pay for work of equal value. New roles should be recruited to in accordance with Council guidelines.
- 16.8 Any potentially displaced staff will be given access to the Council's Redeployment site and, should they be confirmed as displaced, they will have additional rights and will be entitled to be matched to suitable posts arising via redeployment. If redeployment proves unsuccessful, a redundancy payment and early retirement benefits will be payable as appropriate to eligible employees in accordance with current policy. Formal Redundancy Payment Approval will be required.
- 16.9 Consideration will need to be given to both the short-term resource required to recruit, on-board, equip and train these new employees and the long term ongoing support that an additional team of this size will require.

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Enfield Council Predictive Equality Impact Assessment/Analysis

NB if there is likely to be an impact on different groups of staff as a result of this proposal, please also complete a restructuring predictive EQIA form

Department:	Place	Service:	Housing and Regeneration					
Title of decision:	Future of Responsive Repairs Service		Date completed:					
Author:	Garry Knights		Contact details:	garry.knights@enfield.gov.uk.				
1	Type of change being proposed: (please tick)							
Service delivery change/new service/cut in service	X	Policy change or new policy		Grants and commissioning		Budget change		
2 Describe the change why it is needed, what is the objective of the change and what is the possible impact of the change: <p>The proposal is to in-source the day to day repairs service provided to tenants and leaseholders. The objective of the change is to improve the council's performance in relation to the repairs service and improve outcomes for residents</p> <p>The Council is responsible for maintaining 10,500 tenancies and 5,000 leasehold properties. The repairs service has been contracted out for several years and whilst the service is improving, there are opportunities to enhance outcomes further with a new service model that gives the service more direct control over the repairs function.</p> <p>The model will change back office functions but this will have limited impact on current permanent staff. There will be an increase in the number of staff employed by the service.</p>								

3 Do you carry out equalities monitoring of your service? If No please state why?

Yes; going forward we will get equalities data from the Data & Information service to help continue to shape services.

4. Equalities Impact

Indicate Yes, No or Not Known for each group

	Disability	Gender	Age	Race	Religion & Belief	Sexual Orientation	Gender reassignment	Pregnancy & Maternity	Marriage & Civil Partnerships
1. Does equalities monitoring of your service show people from the following groups benefit from your service? (recipients of the service, policy or budget, and the proposed change)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Does the service or policy contribute to eliminating discrimination, promote equality of opportunity, and foster good relations between different groups in the community?	Yes	No	Yes	No	No	No	No	No	No
3. Could the proposal discriminate, directly or indirectly these groups?	No	No	No	No	No	No	No	No	No
4. Could this proposal affect access to your service by different groups in the community?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5. Could this proposal affect access <u>to information</u> about your service by different groups in the community?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. Could the proposal have an adverse impact on relations between different groups?	No	No	No	No	No	No	No	No	No

If Yes answered to questions 3-6 above – please describe the impact of the change (including any positive impact on equalities) and what the service will be doing to reduce the negative impact it will have.

The proposal will deliver a much-improved repairs service for residents, with more efficient systems for residents to report repairs on-line and by telephone. More information about accessing the service will be made available to residents on line and in publications, such as Housing News. There should be a seamless transition to the new service for residents with the only noticeable difference being an improvement in the customer experience. However, we will map out the customer journey to improve the customer experience where possible.

The proposal also presents us with an opportunity to refresh our Special Repairs Policy which supports vulnerable tenants or tenants with an illness or disability and our approach to consultation and customer feedback

The proposal will have a minimal impact on current staff but will see an expanded in-house workforce, both operative and back office which may include a number of staff transferred from the incumbent contractors under the TUPE regulations.

A restructure EQIA will be completed when the Model has been approved and a workforce development strategy agreed to ensure staff have appropriate customer care skills and an understanding of safeguarding, the Council's equality commitments and obligations and GDPR issues. Staff will have agreed training plans to address any gaps in their skills and knowledge and receive regular support from managers. We will also seek to increase the number of female operatives in the workforce using the Council's apprenticeship scheme.

5. Tackling Socio-economic inequality Indicate Yes, No or Not Known for each group	Communities living in deprived wards/areas	People not in employment, education or training	People with low academic qualifications	People living in social housing	Lone parents	People on low incomes	People in poor health	Any other socio-economic factor Please state;
Will the proposal specifically impact on communities disadvantaged through the following socio-economic factors?	Y	Y	Y	Y	Y	Y	Y	Y
Does the service or policy contribute to eliminating discrimination, promote equality of opportunity, and foster good relations between different groups in the community?	N	N	N	N	N	N	N	N
Could this proposal affect access to your service by different groups in the community?	Y	Y	Y	Y	Y	Y	Y	Y
The proposal will improve access to the repairs service for all residents. The current recharge policy will be enforced more robustly in the new model however recharge policy enforced – with mitigation for people on low income to manage costs incurred.								
6. Review								
How and when will you monitor and review the effects of this proposal? When the customer journey is mapped as part the implementation plan, a full review plan will be included								

Enfield Council Predictive Equality Impact Assessment/Analysis

NB if there is likely to be an impact on different groups of staff as a result of this proposal, please also complete a restructuring predictive EQIA form

Action plan template for proposed changes to service, policy or budget

Title of decision: Future of repairs

Team: Housing Property Service. Department: Place

Service manager Garry Knights

Identified Issue	Action Required	Lead Officer	Timescale/ By When	Costs	Review Date/ Comments
Enhanced service for vulnerable, ill or disabled tenants	Update special repairs policy Agree how to mitigate	Garry Knights	March 2020	None	
More robust recovery of recharges for repairs	Review recharge policy to include details of when recharges will be waived to prevent hardship	Garry Knights	March 2020	None	
Seamless transition to the new model	Map customer journey to identify areas for improvement	Garry Knights	March 2020	Included in the implementation costs	
Improved website/access	Co -design web content with residents	Garry Knights	March 2020	Within current business cost	
Workforce development plan	Complete Training needs analysis and develop training plan for all staff	Garry Knights	March 2020	Training included in implementation cost	
Recruitment of apprentices	Progress with HR	Garry Knights	March 2020	Included in service delivery costs	
Equalities data not available	Develop a reporting tool to monitor equalities fully, as part of the mobilisation plan	Garry Knights	March 2020	Included in service delivery costs	

Please insert additional rows if needed

Date to be Reviewed: March 2021

APPROVAL BY THE RELEVANT ASSISTANT DIRECTOR - NAME..... SIGNATURE.....

This form should be emailed to joanne.stacey@enfield.gov.uk and be appended to any decision report that follows...

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APPENDIX 2

**Call-in request form submitted by 8 members of
the Council**

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CALL-IN OF DECISION

(please ensure you complete all sections fully)

Please return the completed original signed copy to:
Claire Johnson, Democratic Services Team, 1st Floor, Civic Centre

TITLE OF DECISION: FUTURE OF THE RESPONSIVE REPAIRS SERVICE
KD 4868

DECISION OF: CABINET


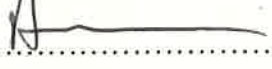




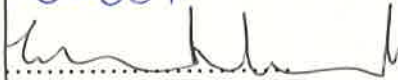
DATE OF DECISION LIST PUBLICATION: 14 JUNE 2019

LIST NO: 8/19-20 Ref 4/8/19-20

(* N.B. Remember you must call-in a decision and notify Democratic Services Team within **5 working days** of its publication).

A decision can be called in if it is a corporate or portfolio decision made by either Cabinet or one of its sub-committees, or a key decision made by an officer with delegated authority from the Executive.

(a) **COUNCILLORS CALLING-IN** (The Council's constitution requires seven signatures or more from Councillors to call a decision in).

(1) Signature: 	Print Name: EDWARD SMITH
(2) Signature: 	Print Name: A. Murre
(3) Signature: Elaine Hayward	Print Name: ELAINE HAYWARD
(4) Signature: 	Print Name: STEPHEN MOX
(5) Signature: 	Print Name: STEPHEN MOX
(6) Signature: 	Print Name: LINDSAY RAWLINS
(7) Signature: 	Print Name: CLARE DE SILVA
(8) Signature: 	Print Name: Terence Neville

(b) **SCRUTINY PANEL RESOLUTION** (copy of minute detailing formal resolution to request call-in to be attached).

NAME OF PANEL:

DATE OF PANEL:

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APPENDIX 3

**Reasons for Call-in by Councillor calling in the
decision**

&

Briefing Note in response to called in decision

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(1) Reason why decision is being called in:

1. The decision by Cabinet on 12th June 2019 to in-source the management of elements of the Housing Repairs Service is being called-in because:-
 - A) this will not lead to the required improvements in the Service, and
 - B) the substantial financial and other risks outlined in the report do not justify making the changes proposed.

Summary

2. The Council has utilized external contractors to undertake day to day repairs to the Council's housing stock for many years. The poor performance by the council in managing the four current external contractors appointed in 2016 is set out clearly (for the first time) in Paragraph 4.9 of the report.

3. It is noted that only day to day responsive repairs are to be brought back in-house. Compliance services, such as gas and electrical compliance, will continue to be outsourced as will works to void properties. Evidently back-up provision from existing contractors will be required beyond 2020. Cyclical maintenance and major works will continue to be outsourced, but with a view to bring them in-house at some point in the future. It seems the Council recognizes that this is a high-risk strategy.

4. Following internal staff changes, the management of the day to day repairs service has got better in terms of customer satisfaction and technical performance over the past 6 months as reported in para. 3.3 of the report, but there is still considerable room for improvement. The Council's aspirations for the repairs service going forward set out in Paragraph 3.11 have widespread support, but it is not clear from the report why these improvements could not be achieved under the current arrangements with the existing or new contractors going forward with fewer significant risks.

Financial Risks

5. The report claims that the additional cost of bringing the Housing Repairs Service in-house will be approx. £1.2m over two years. It is said the running costs can be kept within the current budget of £4.8m p.a. with a modest uplift in future years to compensate for inflation.

6. Under the financial implications set out in para. 6.6, significant costs items shown below do not appear to have not been fully factored into the proposed operations budget:

- The unspecified cost and period of parallel running by the exiting contractors.
- The costs of managing and maintaining the new fleet service.
- The staff costs of managing and monitoring the new arrangements

- The costs of introducing and managing the new Civica IT system
- Other unspecified direct and indirect corporate and customer service costs

7. At the expiry of the current contracts, some or most of the current operatives will TUPE across to the Council. The Council will then be forced to employ the same staff who it is claimed have provided such a poor service in the past. Staff who do not TUPE across will need to be replaced by new staff in a buoyant London construction market. The Council will be at risk of having to employ new staff at higher rates of pay or having to recruit inadequate staff who do not meet the council's requirements. In a unionized council environment this is likely to lead to higher wages and higher costs in the future plus poorer performance.

Practical Risks

8. Under external provision, the responsibility for incentivizing and disciplining operational staff is left with the contractors, who will normally have a strong financial interest in achieving high standards. This process only works as it should, however, where the Council's client management takes a robust role and the works contracts used are fit for purpose (e.g. including appropriate penalty clauses). Unfortunately, neither has been the case in Enfield.

9. The main reason for putting forward these proposals is that it will give the Council greater control and allow it to drive improvement in performance. This is far from true. The only lever available to the Administration to maintain and improve the standards of its own workforce will be the pressure that can be brought to bear on senior staff by the Cabinet Member responsible. Cabinet Members with the time and experience necessary to undertake this role successfully are few and far between. In reality, the calibre and experience of Cabinet Members varies considerably as does turnover and the priorities of the Administration. Moreover, the Cabinet Member will inevitably find it difficult to retain focus because they will be inundated with the financial, employment disputes and training aspects relating to managing the process that was previously the responsibility of the external contractors.

(2) Outline of proposed alternative action:

All in all, the costs and risks of this new approach in the writer's view greatly outweigh the likelihood of maintaining cost neutrality or of improved performance. The Cabinet is urged to reverse this decision and institute a procurement process to identify experienced contractors with appropriate financial backing and the right culture fit together with more adequate forms of contract that will allow the Council to manage the process properly. At the same time the Council needs to root out deficiencies in its internal client services role with particular emphasis on much better monitoring of contractor performance. The problems with its IT arrangements also need to be resolved before any new contracts are entered into.

Responsive Repairs Insourcing – response to the Call In questions:

- A. Insourcing will not lead to improvements in services.**
- B. The substantial financial and other risks outlined in the report do not justify making the changes proposed.**

Answer to A: The insourcing of the service provides an opportunity to review the service model improving our ability to respond more effectively with a dedicated call handling and scheduling service as an integral part of the team, to replace rather than repair and to support residents in looking after their homes. As we make major investments in the improvement of our homes this will change the nature and volume of responsive repairs. Under our direct control we will be able to vary the service model – rather than to have to renegotiate terms with external contractors or potentially terminate contracts earlier and re-procure. A wider structural review is being undertaken to ensure adequate clienting capacity and we will be working alongside residents including the Customer Voice to develop the new arrangements and to review their performance.

Answer to B: The current context for the proposal to insource is that there is a permanent staff team in place with the relevant experience and motivation to deliver this change. It will be implemented alongside our Better Homes transformation programme which is seeing the implementation of a new ICT system to help staff provide a more targeted, customer service along with a new operating model.

Mobilisation of the service will be closely overseen through an Operational Board with a detailed mobilisation programme and with the continued involvement of the Repairs Task Force. By taking a sensible controlled incremental approach we will be able to test systems and processes, ensure the correct management teams are in place, ensure all necessary infrastructure is in place, that support services such as HR, finance and procurement are appropriately resourced and that we have support from the external market should we need it. We have developed good working relationships with existing contractors who have committed to working with us collaboratively to implement the changes in the interests of both parties and the workforce.

On the financial risks

- Parallel running costs are shown in table at 3.19, these have been budgeted at £300k. it is estimated that we may need the backup service from the external market for a maximum of 6 months.
- The fleet management is undertaken in full by Corporate services, this cost is incorporated into the van cost shown in table 6.3
- The staff cost for managing and monitoring the new arrangement is included in the back office costs as details in table 6.3. This is in addition to the existing staff running the repairs service which currently includes a performance management officer in the team plus corporate support from the Data and market intelligence team.
- The costs of the new Civica IT system have already been agreed as part of the Better Council Homes programme.

On staffing we will be transitioning a workforce from the existing contractors as well as recruiting our own team as we have successfully done through the MOT service. The new team will be supported with an induction and training programme to support the delivery of our new service model and customer service requirements. We are also fully committed to a full apprenticeship programme and will therefore essentially be “growing our own” trades team to future proof employment issues. We will work closely with the unions who welcome the creation of directly

employed staff whilst appreciating the challenge, communication and collaboration will ensure good performance. TUPE would apply equally to an outsourced and insourced arrangement.

On the use of contractors, day to day repairs is an extremely low margin activity for external contractors and therefore their financial interests tend to be driven towards delivering volume of works and to maintains margins and this can be at the expense of the customer. Whilst we plan to run the service on a commercial basis (and will be looking for commercial opportunities to sell the service to others) achieving a commercial margin will be less important than providing an improved customer experience. It is also worth noting that external contracts tend to work best with genuine collaborations, cultures of penalties clauses and sanctions rarely create the positive environment which deliver great customer service.

On performance management of the new service, the Cabinet Member will continue to chair the Repairs Task Force which will provide oversight of progress and outcomes via the Operational Board. This will also be in close liaison with customers.

28th June 2019

MUNICIPAL YEAR 2019/2020 REPORT NO. 54**MEETING TITLE AND DATE:**

**Overview & Scrutiny
Committee,
9th July 2019**

REPORT OF:

Director of Law & Governance

Agenda – Part: 1	Item:
Subject: Call in- LED Conversion Project 2019 for Highway Street Lighting	
Cabinet Member consulted: N/A	

Contact officers and telephone numbers:

Jeremy Chambers, Director Law and Governance

Tel: 020 8379 4799

Email: Jeremy.chambers@enfield.gov.uk

Claire Johnson, Head of Governance & Scrutiny

Tel: 020 8379 4239

E mail: claire.johnson@enfield.gov.uk

1. EXECUTIVE SUMMARY

1.1 This report details a call-in submitted in relation to the following decision:

Cabinet Decision (taken on 12/06/2019)

1.2 Details of this decision were included on Publication of Decision List No. 8/18-19 (Ref. 3/8/19-20 – issued on 14 June 2019):

1.3 In accordance with the Council's Constitution, Overview and Scrutiny Committee is asked to consider the decision that has been called-in for review.

1.4 The members who have called-in this decision do not believe it falls outside of the Council's Policy Framework.

2. RECOMMENDATIONS

2.1 That Overview and Scrutiny Committee considers the called-in decision and either:

- (a) Refers the decision back to the decision-making person or body for reconsideration setting out in writing the nature of its concerns. The decision-making person or body then has 14 working days in which to reconsider the decision; or
- (b) Refer the matter to full Council; or
- (c) Confirm the original decision.

Once the Committee has considered the called-in decision and makes one of the recommendations listed at (a), (b) or (c) above, the call-in process is completed. A decision cannot be called in more than once.

If a decision is referred back to the decision-making person or body; the implementation of that decision shall be suspended until such time as the decision-making person or body reconsiders and either amends or confirms the decision, but the outcome on the decision should be reached within 14 working days of the reference back. The Committee will subsequently be informed of the outcome of any such decision.

3. BACKGROUND/ INTRODUCTION

3.1 Please refer to Section 3 in the Decision Report.

4. ALTERNATIVE OPTIONS CONSIDERED

None – Under the terms of the call-in procedure within the Council's Constitution, Overview & Scrutiny Committee is required to consider any eligible decision called-in for review. The alternative options available to Overview & Scrutiny Committee under the Council's Constitution, when considering any call-in, have been detailed in section 2 above.

5. REASONS FOR RECOMMENDATIONS

To comply with the call-in procedure within the Council's Constitution.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

The financial implications relating to the called-in decision have been detailed in Section 6.1 of the Cabinet Decision Report.

6.2 Legal Implications

S 21, S 21A-21C Local Government Act 2000, s.19 Police and Justice Act 2006 and regulations made under s.21E Local Government Act 2000 define the functions of the Overview and Scrutiny committee. The functions of the committee include the ability to consider, under the call-in process, decisions of Cabinet, Cabinet Sub-Committees, individual Cabinet Members or of officers under delegated authority.

Part 4, Section 18 of the Council's Constitution sets out the procedure for call-in. Overview and Scrutiny Committee, having considered the decision may: refer it back to the decision-making person or body for reconsideration; refer to full Council or confirm the original decision.

The Constitution also sets out at section 18.2, decisions that are exceptions to the call-in process.

6.3 Property Implications

The property implications relating to the called-in decision have been detailed in Section 6.3 of the Cabinet Decision Report.

7. KEY RISKS

The key risks identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

8. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

Good Homes in Well-Connected Neighbourhoods, Sustain Strong and Healthy Communities Build our Local Economy to Create a Thriving Place

The way in which the called-in decision impacts on the Council priorities relating to good homes in well-connected neighbourhoods, sustain strong and healthy communities and build our local economy to create a thriving place have been detailed in the Cabinet Decision Report.

9. EQUALITIES IMPACT IMPLICATIONS

The equalities impact implications relating to the called-in decision have been detailed in the Cabinet Decision Report.

10. PERFORMANCE AND DATA IMPLICATIONS

The performance management implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

11. HEALTH AND SAFETY IMPLICATIONS

The health and safety implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

12. PUBLIC HEALTH IMPLICATIONS

The public health implications identified relating to the called-in decision have been detailed in the Cabinet Decision Report.

Background Papers

None

APPENDIX 1

**Call-In: Cabinet Decision: LED Conversion
Project 2019 for Highway Street Lighting**

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MUNICIPAL YEAR 2019/2020 REPORT NO. **7**

MEETING TITLE AND DATE:Cabinet: 12th June 2019Council: 10th July 2019**REPORT OF:**

Executive Director Place

Agenda – Part: 1**Item: 6****Subject: LED Conversion Project 2019 for Highway Street Lighting****Wards: All****Key Decision No: KD4863****Cabinet Member consulted: Cllr Dogan**

Contact officer and telephone number: John Grimes 0208 3792220

Email: John.grimes@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 In February 2019 cabinet approved a 2019/20 budget which included realising savings from energy efficient street lighting.
- 1.2 This report proposes a solution to realise energy consumption savings from the Council's street lighting stock through the introduction of LED technology and a SMART central management system.
- 1.3 The LEDs will produce a white light which is more aligned with the environmental appearance achieved in daylight. This improved lighting will help both motorists and pedestrians see more clearly at night and so could help reduce accidents, as well as improving the general feeling of safety.
- 1.4 LED lighting has a number of other significant advantages over the current lighting. It enables significant reductions in energy usage and carbon emissions to be achieved. The light source is more controllable and concentrates the light where it is needed thereby creating less light pollution. The LEDs do not require a warm-up period as do traditional sodium lights and they have a much longer lifetime thereby reducing ongoing maintenance costs.
- 1.5 The project is estimated to generate a net revenue saving of £382k per annum once fully implemented. This is made up of £434k of energy savings and £326k reduced operational and maintenance costs giving total savings of £760k offset by the financing costs of £378k pa.

1.6 The original estimated net savings included in the MTFP were £250k in 2019/20 and a further £250k in 2020/21. Now that the savings and borrowing levels and costs have been confirmed, the implications are set out below:

- 2019/20 revenue budget - energy and operational savings will be generated as the new system is installed; any shortfall against the original £250k budgeted saving in 2019/20 will be dealt with within existing Environment and Operations budgets.
- 2020/21 and future years MTFP - The MTFP will be updated to reflect the revised net savings of £382k as part of the budget process during this year and reflected in the final 2020/21 budget agreed in February 2020.
- 2020/21 capital programme budget will be updated to reflect the estimated capital cost of this project of £6.375m; subject to agreement of the capital budget at Council

2. RECOMMENDATIONS

- 2.1 To approve a project to replace the existing street lights with LED lighting in line with current design standards and introduce a smart central management system.
- 2.2 To approve, for recommendation to Council, the inclusion of the Street Lighting Project in the council's approved Capital Programme at a cost of £6.375m.
- 2.3 To approve, for recommendation to Council, funding arrangements as set out in the report being external borrowing of £6.375m of which there is a five year interest free loan of £4.09m from SALIX.
- 2.4 To note the updated net savings will be reflected in the MTFP for 2020/21 and future years.
- 2.5 To delegate to the Director of Environment and Operational Services, in consultation with the Director of Law and Governance, approval to make any necessary changes to the terms of the Street Lighting PFI contract.

3. BACKGROUND

- 3.1 In 2002/03 a decision was taken to upgrade the Council's street lighting stock via a street lighting Private Finance Initiative (PFI) procurement process. The street lighting infrastructure and levels of lighting at the time were very poor with some 12,000 concrete columns in excess of 40 years old and beyond their residual life. At this time the majority of light provided was by low pressure sodium lighting units.

These were low wattage and gave off a distinctive orange effect which did not meet European and British lighting levels.

- 3.2 The Street Lighting PFI contract was awarded in 2006 for a period of 25 years to Enfield Lighting Services (ELS). ELS subcontract the operational aspects of the PFI to Bouygues Energies and Services. The first 5 years were designated the Core Investment Period (CIP) where the vast majority of the borough's street lighting infrastructure was replaced.
- 3.3 The contract required the Council to transfer the street lighting stock to the successful Street Lighting PFI provider (Enfield Lighting Service) who took on responsibility for the street lighting stock and were required to improve lighting standards to British and European standards. This was achieved with the introduction of 100 watt High Pressure Sodium lighting units (SON) which produce yellow/gold light that is better for all road and footway users. An average increase of 18% in the number of lighting columns, across the borough, was required to achieve the standards.
- 3.4 The increase in the number of columns and the more powerful lighting units substantially increased energy usage by the Council by around 450,000Kwh per year. The impact of the high-pressure sodium lighting increased carbon emissions by 45% which was equivalent to £80,000+ pa of Carbon Reduction Commitment (CRC) taxation. In addition, over the period 2007 to 2012, energy prices increased by 40%.
- 3.5 Over this period energy costs to the Council were high due to the fact that the council did not have a dynamic energy measurement system and relied on a passive system of pre-agreed codes.
- 3.6 During the CIP lighting improvements the Council received a large number of complaints in relation to lighting levels being too high. This had particularly been the case in relation to small side roads and cul-de-sacs. Following completion of the CIP it became evident that there was significant scope to reduce lighting levels whilst preserving significant improvements over and above the existing system and ensuring a safe and secure environment.
- 3.7 Considerations given at that time were to do nothing which would have led to spiralling energy costs, to switch off or partially switch off the Borough's street lighting infrastructure or to introduce new technology to reduce energy levels by 'Dimming or Trimming'.
- 3.8 A decision was made in 2012/13 for the Council to undertake a project to reduce the amount of energy used by its 21,000 street light stock through the introduction of a Central Management System that could reduce the level of emitted light from each street light lamp and thus reduce the amount of energy being used and adjust the switch on/off

times. Through the introduction of this project the Council has reduced energy consumption by approx. 4million kWh of energy per annum, a reduction of 31% and resulting in an annual energy saving of approximately £340,000.

- 3.9 Street lighting is an important service to all of Enfield's residents and the Council occasionally receives requests to increase the current level of lighting from the current 'dimmed' levels, particularly in areas where crime, or the fear of crime, is high.

Current Proposal

- 3.10 The Council approached the Street Lighting PFI provider (Bouygues) to find a best value solution to reduce the energy consumed by the current street lighting assets. The Council sought cost saving options that also reduce carbon emissions and taxation, improve the quality of the street lighting and open up possibilities for "Smart" city technology capabilities.
- 3.11 As part of this review the Street Lighting PFI provider has investigated where the current financial commitments originate and has sought solutions to achieve savings. These include reducing the energy consumption by installing more efficient lighting, re-designing lighting to current design standards and implementing a dynamic monitoring system. They have also reviewed the unitary charge to potentially reduce maintenance costs through improved lighting materials and extended supplier warranties thereby reducing planned and reactive maintenance costs with reduced contractor risks. Finally, the annual maintenance costs for the current CMS are seen as an area where savings could be made through the installation of a combined LED CMS system with no additional annual maintenance cost.
- 3.12 As the project has identified significant energy savings and carbon footprint reduction, it meets the criteria associated with the Salix Funding Scheme, which seeks to invest in Energy Efficiency Schemes. On that basis, a funding application is being submitted to Salix. Salix have confirmed that this application has provisionally been approved with the award of a £4.09m five year interest-free loan to support the project. The award of such a large sum of funding support demonstrates the positive energy and environmental benefits that the project will realise.
- 3.13 The installation of LED white lighting will enable the borough's street lighting to comply with the latest lighting design standards and current codes of practice. Along with the new lighting source (LED), the current central management system will also be replaced. The new central management system will provide added benefits which will enable the Council to control the street lighting profiles and develop new opportunities for "SMART" technologies through the introduction

of sensors and applications within the new Wi-Fi technology which may provide opportunities for other streams of revenue income in the future.

- 3.14 The white light provided by the LED light source will be well received by residents as it is generally considered that lighting appears to be improved and brighter when utilising a white light source. This is due to its ability to truly represent colours when lit after dark, whereas the existing light source does not have good colour rendition qualities. It is often considered that this enhances the aesthetics of an area and is considered to provide a safer feel to an area.
- 3.15 The Street Lighting PFI provider has produced a business case that identifies the capital cost of replacing the existing lighting stock with an LED solution at approximately £6.4m. However, through the evaluation of this project, savings have been identified that will contribute to the funding that Enfield will have to provide. These savings are a combination of energy savings, carbon savings and PFI contract operational savings. These gross savings total £760,000 per annum.
- 3.16 The table below details these savings

	Potential Savings (Feb 2019)
Energy Saving	£434,312
Carbon Saving	£33,442
Annual PFI Contract Saving	£246,000
Harvard CMS Charge Saving	£46,444
Total	£760,198

- 3.17 The existing central management system needs to be replaced as it would not otherwise be fully compatible with the new LED technology. This is included within the costs highlighted in this report.
- 3.18 The Street Lighting PFI service provider has indicated that the full installation of LEDs will take approximately 16 months to complete on a ward for ward basis. Given indicative timescales from the contractor we expect the installation to be completed by the end of December 2020.
- 3.19 Enfield's Street Lighting Client Team has been liaising with Barnet Council who also operate a Street lighting PFI with the same service

provider. Both authorities are proposing to implement the same LED and CMS solution over a similar time period, which has enabled the PFI provider to source materials at reduced costs.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To continue with the current lighting units and CMS system – with energy costs likely to continue to rise the financial impact upon the Council will grow year on year and place a significant burden on the Council's budget. This would not result in improvements to lighting quality and the consequent benefits to residents and motorists.
- 4.2 To partially or totally switch off the street lights in a road - considered not suitable for a London Borough environment as it creates 'black spots' and areas where residents feel unsafe, goes against one of the initial aims of the Street Lighting PFI contract to create a safe comfortable environment for all users of the highways and footpaths in Enfield. To achieve an equivalent annual saving, the Council would need to switch off the lights in half of the borough for the whole year.
- 4.3 Requesting alternative service providers to provide competitive prices for undertaking the project was not a viable option within the PFI. Alternative contractors would be less familiar with the operation and approval processes within the PFI, which would incur additional costs in order for the Street Lighting PFI Service Provider to determine that any equipment installed by third parties meets required standards. Any third party would also have to provide an extended 14-year warranty to the PFI Service Provider, all of which would lead to increased costs. This warranty would be required as the PFI Service Provider would not accept ongoing risk/responsibility in the continued operation of the LED lanterns that they did not install and this in contrary to the principles of a PFI contract which requires the Service Provider to hold the risk in all assets for the duration of the contract.
- 4.4 Officers have previously looked at other options of achieving this saving and have discounted the option to terminate the PFI on the basis that this would incur circa £20m in termination charges and no longer attract the government grant funding of £1.9m per year.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Replacing all Enfield's street lights with LED fittings and introducing a SMART management system will achieve a reduction in energy charges and operating costs, improve feelings of safety across the borough, and reduce the Council's impact on climate change.
- 5.2 The installation of the LED's will produce a whiter light which means that the natural colours displayed will be properly represented under

this light source. The new white lights are also more effective at directing light onto the roads and pavements, helping to reduce traffic accidents, crime (as well as the fear of crime) and are considered to provide a feeling of safety in an area.

- 5.3 The Street Lighting PFI contract can be varied during the contract term, enabling these changes to be made. The changes that are proposed will also have a positive impact on maintenance operations, in addition to the energy savings delivered by the project. In order to benefit from this, it is necessary to make amendments to various existing provisions contained within the PFI contract in the form of a Deed of Variation.
- 5.4 The street lighting industry recognises that LED lighting units provide a more reliable and energy efficient lighting source.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The introduction of LED technology and a SMART central management system is estimated to generate the Council a total net saving of £382k per annum. It should be noted that this saving does not include any assumptions regarding the benefit of cost avoidance in energy price increases arising due to lower energy consumption. The saving is made up of £760k operational savings, offset by £378k of capital financing costs as set out below. Following confirmation of the costs and savings, this net saving is less than initially anticipated (£500k in MTFP; £382k finalised). The detail and resulting actions are set out below.

Operational Savings

- 6.1.2 The introduction of LED technology and a SMART central management system is estimated to generate the Council a total gross MTFP saving of £760k per annum, for the duration of the asset's life (20 years) as set out below.

Saving Category	Gross Savings £
Energy Saving	434,312
Carbon Saving	33,442
Annual PFI Contract Saving	246,000
Harvard CMS Charge Saving	46,444
Total Gross Saving Per Annum	760,198
Assets Life (20 Years)	
Total Gross Saving Over Assets Life (20 Years)	15,203,960

Estimated Capital and Capital Finance costs

6.1.3. The total estimated cost of the project is £6.375m, which is proposed to be funded through a five year interest free loan from Salix of £4.1m and PWLB borrowing of £2.3m.

6.1.4 The total annual average financing cost of this project is: -

Capital Financing Cost	£
Minimum Revenue Provision (MRP), i.e. notional repayment of the principal	318,773
Interest Cost	59,355
Total Capital Financing Cost	378,128
Gross cost over 20 years	7,562,560

6.1.5. No capital financing costs will be incurred in 2019/20.

Summary

6.1.6. The original estimated net savings included in the MTFP were £250k in 2019/20 and a further £250k in 2020/21. Following the finalisation of the savings and borrowing levels and costs, the implications are set out below

- 2019/20 revenue budget - energy and operational savings will be generated as the new system is installed; any shortfall against the original £250k budgeted saving in 2019/20 will be dealt with within existing Environment and Operations budgets.
- 2020/21 and future years MTFP - the MTFP will be updated to reflect the revised net savings as part of the budget process during this year and reflected in the final 2020/21 budget agreed in February 2020.
- 2020/21 capital programme budget will be updated to reflect estimated capital cost of this project is £6.375m; subject to agreement of the capital budget at council

- 6.1.7. This principle of capital investment to save revenue costs follows previously successful projects. The payback period for the capital investment is 10 years (i.e. total cost of the loan repayment over the asset life and the interest/annual savings).

6.2 Legal Implications

- 6.2.1 As the Highway Authority the Council has a discretionary power under s.97 of the Highway Act 1980 to provide street lighting on roads for which it is responsible. However, in exercising its powers as to the extent, nature, maintenance and operation of street lighting the Highway Authority must act reasonably and in the interests of road safety.
- 6.2.2 Case law suggests that a Highway Authority would not be negligent for accidents arising from a failure to light a highway unless an accident arises because the authority has failed to take reasonable steps to prevent a hazard it has placed or caused to be placed in or around the highway (for example signs, bus shelters, lighting columns) from becoming a danger to the public. Therefore, it is within the Council's discretionary powers to modify the lighting levels on its streets.
- 6.2.3 Where the Highway Authority chooses to exercise its power to light a highway, BS EN 13201-2:2015 can be used as guidance for lighting class, or hours of operation. This recognises and provides a more flexible approach to lighting classes than set out in BS 5489:2013 standard.
- 6.2.4 Consideration has been given to the implications of Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006) and the potential impact on lower light levels on crime and disorder and consultation by Highways with the appropriate authority has indicated that it will have no impact.
- 6.2.5 Consideration has been given to the Council's equalities duties under the Equalities Act 2010 and consultation by Highways has been had with vulnerable groups that may be affected by this decision.
- 6.2.6 Any loan agreement entered into by the Council for the implementation of this project will need to be in a form and on terms approved by Legal Services on behalf of the Director of Law and Governance
- 6.2.7 The recommendation is therefore considered to be within the Council's powers and duties.
- 6.2.8 Following approval of this report there will be a need to agree a formal variation to the PFI contract and in particular the contract performance clauses within the contract. The documentation implementing the variation must be in a form approved by Legal Services on behalf of the Director of Law and Governance.

6.3 Property Implications

N/A

7 KEY RISKS

- 7.1. Any delay in achieving this programme will jeopardise the achievement of the savings identified in this report.

8. INTERNAL DEPARTMENT IMPLICATIONS/CONSULTATION

Community Safety

- 8.1. The Community Safety Unit have been approached by several members of local communities to request increasing lighting levels to either reduce the chances of crime or the perception of crime. In addition to reducing actual costs the chance to swap out the current lighting for LED whiter lighting will meet some of what the communities have been asking for. The Team leading on this project have involved Community Safety from the earliest discussions and we have been given the opportunity to prioritise the areas of highest (crime) need to be replaced earlier in the installation process.

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

- 9.1 Enfield's street lighting assets are one of the most visible community assets that the borough has to maintain and keeping these assets in good condition is fundamental to the economic, social and environmental well-being of the community.
- 9.2 The proposed changes within this report will enable the Council to deliver substantial energy savings whilst continuing to deliver street lighting throughout the borough.
- 9.3 In the Council's 2018 Residents' Survey street lighting was identified as one of the highest priority services provided by the Council.
- 9.4 These benefits support all three of the Council's priorities in providing good homes in well-connected neighbourhoods, sustain strong and healthy communities and build our local economy to create a thriving place.

10. EQUALITIES IMPACT IMPLICATIONS

- 10.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when designing and changing services or budgets so that our decisions do not unduly or disproportionately affect access by some groups more than others.
- 10.2 The changes to the street lighting service being proposed are considered to provide benefits for the whole community whilst also delivering energy savings.
- 10.3 An initial Equalities Impact Assessment has been undertaken and this has identified that there are no significant equalities and diversity issues associated with this proposal. However, the white light LED with fuller spectrum range than other lighting sources, will give better colour rendering and visual recognition to all users, especially partially sighted pedestrians.
- 10.4 It is envisaged that this EIA will be reviewed and updated as the Project progresses, especially as the designs are produced as it is this stage of the Project when any adverse impacts may become apparent, although this is anticipated to be highly unlikely.

11. PERFORMANCE AND DATA IMPLICATIONS

- 11.1. These proposed changes will require the Council to renegotiate the performance management criteria within the PFI contract as part of the Deed of Variation.

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1. The work will be planned and undertaken in accordance with current legislation to ensure the health, safety and wellbeing of the workforce undertaking the installation work and everybody affected by this project.

13. HR IMPLICATIONS

- 13.1. No HR implications have been identified.

14. PUBLIC HEALTH IMPLICATIONS

- 14.1. Providing a safe and comfortable outside environment is essential to residents' wellbeing as it enables residents to participate in physical

activity, active travel and such like in the outside environment. Importantly residents' perceptions of fear of crime and personal safety have potential to significantly impact these healthy behaviours as well as influence residents' mental wellbeing and social isolation.

- 14.2. It will be important that during consideration of changes to street lighting, locations at which crime is more likely to occur is reviewed.

Background Papers

None

APPENDIX 2

**Call-in request form submitted by 7 members of
the Council**

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CALL-IN OF DECISION

Please return the completed original signed copy to:
Claire Johnson, Democratic Services Team, 1st Floor, Civic Centre

TITLE OF DECISION: LED Conversion Project 2019 for Highway
Street Lighting.

DECISION OF: CABINET

DATE OF DECISION LIST PUBLICATION: 14th June 2019

LIST NO: 3/8/19-20

(* N.B. Remember you must call-in a decision and notify Governance & Scrutiny within **5 working days** of its publication).

A decision can be called in if it is a corporate or portfolio decision made by either Cabinet, or one of its sub-committees, a Cabinet Member, or a key decision made by an officer with delegated authority from the Executive.

(a) COUNCILLORS CALLING-IN (The Council's constitution requires seven signatures from Councillors to call a decision in).

Names and signatures should be here –

1. Signature.....	Print Name:.....
2. Signature.....	Print Name:.....
3. Signature.....	Print Name:.....
4. Signature.....	Print Name:.....
5. Signature.....	Print Name:.....
6. Signature.....	Print Name:.....
7. Signature.....	Print Name:.....

(b) SCRUTINY PANEL RESOLUTION (copy of minute detailing formal resolution to request call-in to be attached).

NAME OF PANEL: n/a

DATE OF PANEL: n/a

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APPENDIX 3

**Reasons for Call-in by Councillor calling in the
decision**

&

Briefing Note in response to called in decision

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Reason why decision is being called in:

Though the principle of what is proposed is meritorious with regards to reducing both energy usage and the carbon footprint there are alas a number of unproven economic and environmental assumptions that justify a call-in.

In section 1.6 it is suggested that the original estimated net savings included in the MTFP were £250k in 2019/20. However, it then goes on to say that there could be a possible shortfall against this as the new system is installed, but that any shortfall could be dealt with within existing Environment and Operations budgets. However, there is no mention of how this can be achieved, the detrimental impact this would have on other service areas, and the necessary re-profiling the budget this would require. In essence this has been casually thrown in without serious consideration given to the potential financial and service impact consequences.

In section 3.12 there is reference to the Salix Funding Scheme and that the intended energy savings and carbon footprint reduction meet the criteria for a 5-year interest free loan of £4.09m. However, this is a loan not a grant. A point I will return to.

In section 6.1.2 the annual savings are said to be £760,198 per annum and £15,203,960 over an idealised 20-year period. However, this assumes that the technology lasts 20 years, which is as yet unproven. What happens if the bulbs fail anytime over that period, say at year 5, 10, 15 or even 18? Where does liability lie? The PFI provider? The manufacturer? Or the Council? What for instance would be the cost of having to replace the entire LED bulb installation across all 21,000 light columns once or even twice over that 20-year period? How then do the financials stack up? And what about the central management system that needs to be installed, what happens if that fails at any point during the 20-year period, again at say year 5, 10, 15 or even 18? How is that factored in? Technology is changing at an ever more rapid rate and it is inconceivable that what is being implemented today will not be obsolete even within the next decade. Hence the figures are entirely speculative and based on a flawed and unlikely idealised scenario.

In section 6.1.3 the estimated cost of the project is £6.375m split between the interest-free 5-year loan from Salix of £4.1m and PWLB borrowing of £2.3m. However, this is not accurate. The loan is just that, a loan. It has to be repaid and therefore there is a further £4.1m liability seemingly not accounted for. Section 6.1.4 does not address this inconsistency, but again obscures the costings over an idealised 20-year period. The costing is not spread out over 20 years, but is upfront and the interest free loan must be repaid in 5 years.

However, in section 6.1.7 it states that the payment period for the capital investment is 10 years, but that the loan repayment is over the asset life, which would according to the projection be 20 years. This doesn't make sense.

With regards to the environmental impact no mention is made of the removal of the entire 21,000 street light stock of SON units, which are in full working condition. This will lead to a detrimental environmental impact and a negative carbon footprint as it is likely they will have to go to landfill rather than be recycled. Why is this not factored in or costed?

There is also the not inconsiderable matter that, as a result of the existing PFI contract, the decision was taken to relocate the lamp columns away from the kerb line. This has significantly compromised the capacity to maximise the usage of the lamp columns via electric charge points that other councils are now utilising e.g. Barnet's decision to install 80 CityEV charge points direct to their lamp columns. Such measures are also very much in line with the Mayor of London's policy to increase the number of electric charging points across London. Though there are standalone alternative options these are more expensive and lead to additional street clutter, whereas lamp columns provide the capacity for significant scaling up relatively easily in response to growing demand. There is nothing in the report to state how this position will be addressed, which if a major investment in street lighting is taking place should, of course, be the time to do so.

In summary, the presentation of costs and savings is artificially presented in a theoretical sense as to how everything should play out over an idealised 20-year period, but that is not how the technology or financials work in practice. There is also a potentially hidden and uncoded detrimental environmental impact of the unnecessary disposal of the 21,000 existing lighting bulbs and failure to address the poor positioning of the light columns given the growing demands for electric car charging points.

(2) Outline of proposed alternative action:

This report should be referred back to the Cabinet Member for reconsideration in light of the above.

(3) Do you believe the decision is outside the policy framework?

No

(4) If Yes, give reasons: n/a

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Response to Call-in of Street Lighting LED Proposal

Reason:

Though the principle of what is proposed is meritorious with regards to reducing both energy usage and the carbon footprint there are alas a number of unproven economic and environmental assumptions that justify a call-in.

In section 1.6 it is suggested that the original estimated net savings included in the MTFP were £250k in 2019/20. However, it then goes on to say that there could be a possible shortfall against this as the new system is installed, but that any shortfall could be dealt with within existing Environment and Operations budgets. However, there is no mention of how this can be achieved, the detrimental impact this would have on other service areas, and the necessary re-profiling the budget this would require. In essence this has been casually thrown in without serious consideration given to the potential financial and service impact consequences.

Response:

As set out in the Council's financial regulations it is the responsibility of Directors to identify management actions to keep within the Department's budget. Any shortfall against the budgeted saving will be dealt with through this responsibility and the relevant approvals described in the Constitution. Section 6.1.6 confirms that any shortfall will be dealt with within the £57,763,000 Environment and Operations budget.

Each month that the LED installation is delayed will deprive the Council of realising a twelfth of the annual saving figure identified in the report.

Reason:

In section 3.12 there is reference to the Salix Funding Scheme and that the intended energy savings and carbon footprint reduction meet the criteria for a 5-year interest free loan of £4.09m. However, this is a loan not a grant. A point I will return to.

Response:

It is agreed that the £4.09m is a loan. This is clearly stated at paragraphs 2.3, 3.13 and 3.1.3.

Reason:

In section 6.1.2 the annual savings are said to be £760,198 per annum and £5,203,960 over an idealised 20-year period. However, this assumes that the technology lasts 20 years, which is as yet unproven. What happens if the bulbs fail anytime over that period, say at year 5, 10, 15 or even 18? Where does liability lie? The PFI provider? The manufacturer? Or the Council? What for

instance would be the cost of having to replace the entire LED bulb installation across all 21,000 light columns once or even twice over that 20-year period? How then do the financials stack up? And what about the central management system that needs to be installed, what happens if that fails at any point during the 20-year period, again at say year 5, 10, 15 or even 18? How is that factored in? Technology is changing at an ever more rapid rate and it is inconceivable that what is being implemented today will not be obsolete even within the next decade. Hence the figures are entirely speculative and based on a flawed and unlikely idealised scenario.

Response:

Under the terms of the PFI, the Service Provider (subcontracted to Bouygues) is responsible for replacing any lamps that fail. The Council will not be responsible for any costs associated with replacing any lamps that fail. This is the same whether the lamps are the existing SONs or the new LEDs.

The Service Provider is also responsible for managing and maintaining the Central Management System (CMS) under the terms of the PFI.

Reason:

In section 6.1.3 the estimated cost of the project is £6.375m split between the interest-free 5-year loan from Salix of £4.1m and PWLB borrowing of £2.3m. However, this is not accurate. The loan is just that, a loan. It has to be repaid and therefore there is a further £4.1m liability seemingly not accounted for. Section 6.1.4 does not address this inconsistency, but again obscures the costings over an idealised 20-year period. The costing is not spread out over 20 years, but is upfront and the interest free loan must be repaid in 5 years. However, in section 6.1.7 it states that the payment period for the capital investment is 10 years, but that the loan repayment is over the asset life, which would according to the projection be 20 years. This doesn't make sense.

Response:

The costings in section 6.1.4 include the refinancing of the interest free loan from Salix through the Public Works Loan Board so that the overall financing of the investment takes place over 20 years. This ensure that there is a smooth profile for the repayment of the total principal. The annual interest payments reduce annually as the principal is paid down. There's a detailed spreadsheet which works through the 20 year life of the loan and is the basis for the figures in the report.

The payback figure in 6.1.7 is an entirely separate issue. This is the assessment of the breakeven point when the savings from the initiative exceed the initial outlay.

Reason:

With regards to the environmental impact no mention is made of the removal of the entire 21,000 street light stock of SON units, which are in full working condition. This will lead to a detrimental environmental impact and a negative carbon footprint as it is likely they will have to go to landfill rather than be recycled. Why is this not factored in or costed?

Response:

The cost of removing and disposing of the existing SON units is included within the financial proposal submitted by the Service Provider. There will be no additional costs to the Council.

Everything removed from existing stock will be disposed of as per WEEE regulations (Waste Electrical and Electronic Equipment) by a registered/licensed contractor by the PFI contractor Bouygues.

98% of the existing lighting units can be directly recycled. In practice it is unlikely the units will be thrown away and end up in landfill sites.

Reason:

There is also the not inconsiderable matter that, as a result of the existing PFI contract, the decision was taken to relocate the lamp columns away from the kerb line. This has significantly compromised the capacity to maximise the usage of the lamp columns via electric charge points that other councils are now utilising e.g. Barnet's decision to install 80 CityEV charge points direct to their lamp columns. Such measures are also very much in line with the Mayor of London's policy to increase the number of electric charging points across London. Though there are standalone alternative options these are more expensive and lead to additional street clutter, whereas lamp columns provide the capacity for significant scaling up relatively easily in response to growing demand. There is nothing in the report to state how this position will be addressed, which if a major investment in street lighting is taking place should, of course, be the time to do so.

Response:

The installation of electric charging points is a completely different project to the installation of LED units and is not relevant to this report.

This project relates to only changing the lamp units on top of street lighting column, not the column itself which would requires significant civil engineering and excavation works.

In summary, the presentation of costs and savings is artificially presented in a theoretical sense as to how everything should play out over an idealised 20year period, but that is not how the technology or financials work in practice. There is also a potentially hidden and uncoded detrimental environmental impact of the unnecessary disposal of the 21 ,000 existing lighting bulbs and failure to address the poor positioning of the light columns given the growing demands for electric car charging points.

OVERVIEW & SCRUTINY COMMITTEE - 1.5.2019**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON WEDNESDAY, 1 MAY 2019****COUNCILLORS**

PRESENT Derek Levy (Chair), Huseyin Akpinar, Tolga Aramaz, Susan Erbil, Gina Needs, James Hockney and Edward Smith

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: Nicky Fiedler, Director of Commercial
Mark Bradbury, Director of Property & Economy
Claire Reilly, Head of Service, Corporate Procurement & Commissioning
Stuart Simper, Head of Facilities Management
Susan O'Connell, Governance & Scrutiny Officer
Stacey Gilmour, Governance & Scrutiny Secretary

Also Attending: Councillor Lee David-Sanders (Call-In Lead)
Councillor Chanith Gunawardena (Observing)
Ian Davis, Chief Executive (Observing)

1113**WELCOME & APOLOGIES**

Councillor Levy welcomed all attendees to the meeting.
It was noted that Councillor James Hockney was substituting for Councillor Lee David-Sanders for item 3 – 'Call in of Decision: Enfield Norse Ltd – Provision of Cleaning Services.

Councillor Levy reminded everyone that discussion on the call-in to be looked at this evening, should be about the specific reasons for call-in given in the papers and responses to them. The reasons given should be evidence based and not opinions or statements. Discussion needs to specify what is being asked to go back to the decision taker for reconsideration.

1114**DECLARATIONS OF INTEREST**

There were no declarations of interest.

1115**CALL IN: ENFIELD NORSE LTD- PROVISION OF CLEANING SERVICES**

OVERVIEW & SCRUTINY COMMITTEE - 1.5.2019

The Committee received a report from the Director of Law and Governance outlining details of a call-in received on the Operational decision taken on Enfield Norse Ltd – Provision of Cleaning Services (taken on 01/04/19).

NOTED that this report was considered in conjunction with the information in the part 2 agenda.

All discussion on this item took place in the part 2 section of the meeting.

1116

MINUTES OF THE MEETING HELD 3 APRIL 2019

AGREED the minutes of the meeting held on 3 April 2019.

1117

EXCLUSION OF PRESS AND PUBLIC

Resolved in accordance with the principles of Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of the Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

1118

ENFIELD NORSE LTD- PROVISION OF CLEANING SERVICES

The Committee received the information provided on the call-in report: Enfield Norse Ltd – Provision of Cleaning Services.

NOTED

1. The information was considered in conjunction with the report on the part 1 agenda.
2. Councillor David-Sanders set out the reasons for calling in the decision:
 - Concern that the report does not fully explain the reasons why the extension has been unavoidable and required to be approved retrospectively.
 - Again, this is another decision that has been made very close to or after procurement has lapsed
 - The report does not fully explain how the extension will improve the contract management process between the Council and Enfield Norse Ltd.
 - The report is potentially misleading with what appears to be contradictory information regarding timelines.
 - The decision puts an additional cost pressure on the Council for 2019/20 which could have been avoidable if this had been addressed sooner.

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- The report does not fully explain why there has been a failure in the corporate governance of the company as it is a Joint Venture with the Council.
3. The response of Nicky Fiedler, Commercial Director. She highlighted the following:
- She did not feel that the report was misleading. The Council did, as stated, have a number of meetings with ENL. She did however hear the concerns of Councillors and will be mindful going forward to ensure that all reports are clear and concise.
 - As set out in the Part 1 report, sections 3.5, 3.6 and 3.7 it was the Council's intention to resolve this sooner had ENL been more responsive.
 - The Total FM solution was halted in May 2018 due to time restraints. It will take 9 months now to put in place a new service provision.
 - There are no additional costs pressures as a result of this decision. Part 1 3.10 highlights the existing cost pressure, which the council; sought to avoid by negotiations with ENL.
 - Part 1 4.2 and 4.3 sets out the alternative options, which would not have guaranteed to remove the cost pressures due to the TUPE undertaking of moving this contract to a 3rd Party.
4. Other issues highlighted by officers in support of the decision included:
- Up to 9 months contract extension will provide sufficient time for the most effective service delivery model in terms of cost/quality to be identified and implemented.
 - Officers have received assurances from ENL that they are willing to extend the contract under the existing terms. As the workforce and other resources are already in place there should be no delay or disruption in transitioning to and extending the agreement.
 - As set out in Part 1 section 5.3 of the report moving forward, all cleaning and budget management will transfer to the Property and Economy Department, thereby bringing all responsibility for financial and performance management within Property and Economy which is not currently in place.
 - Proposed changes to the Terms of Reference for the Shareholder Board had been discussed to ensure oversight of the companies the Council has an interest in.
5. The summing up by Councillor David-Sanders:
- any delay in procurement is of concern and needs to be fully investigated.
 - The whole process of procuring this contractor has been far too slow and should not have taken this long to get to this stage. He also felt that the Shareholder Board should have intervened at a much earlier stage.

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- Although it was evident that some elements of the procurement process had now been completed to turn this situation around, he felt that it was too little too late and was concerned that the Council were potentially 'getting back into bed' with this provider for the next 9 months.
 - He felt that this was not an ideal situation for Enfield Council to be in and did not feel confident that OSC would not be back here in 9 months' time.
6. Overview and Scrutiny Committee considered the reasons for the Call-In and responses provided. Having considered the information, the Committee **AGREED** to confirm the original Operational decision.

Councillors Akpinar, Aramaz, Susan Erbil and Needs voted in favour of the above decision. Councillors Hockney and Smith Abstained. The original Operational decision was therefore agreed.

7. The comment of Councillor Tolga Aramaz that most Call-Ins had not resulted in most decisions being referred back to the decision-maker, often with unanimous or semi-unanimous agreement of the Overview & Scrutiny Committee. He was concerned that the Opposition were reducing the Committee to a method of criticising Operational and Portfolio decisions rather than a neutral body to hold decision-makers to account.

OVERVIEW & SCRUTINY COMMITTEE - 22.5.2019

MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON WEDNESDAY, 22 MAY 2019

COUNCILLORS

PRESENT Susan Erbil, Tolga Aramaz, Guner Aydin, Sinan Boztas, Bernadette Lappage, Achilleas Georgiou, Edward Smith and Lee David-Sanders

STATUTORY CO-OPTEDS: *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: Joanne Drew (Director of Housing & Regeneration)
Fay Hammond (Acting Executive Director, Resources)
Garry Knights (Head of Housing Property Services)
Susan O'Connell (Secretary)
Stacey Gilmour (Governance & Scrutiny Secretary)

Also Attending: Councillor Nesil Caliskan (Leader of the Council)
Councillor Ian Barnes (Deputy Leader)
Councillor Gina Needs (Cabinet Member, Social Housing)
Councillor Alev Cazimoglu (Cabinet Member, Health & Social Care - Observing)
Councillor Rick Jewel (Cabinet Member, Children's Services - Observing)
Councillor Hass Yusef (Observing)
Simon Allin (Press – Barnet, Enfield & Haringey)

5

WELCOME & APOLOGIES

The Chair, Councillor Susan Erbil welcomed all attendees to the meeting.

Apologies for absence were received from Sarah Cary, Executive Director of Place.

6

ELECTION OF VICE CHAIR

Councillor Achilleas Georgiou was elected as Vice Chair for the Overview and Scrutiny Committee for the municipal year.

7

OVERVIEW & SCRUTINY COMMITTEE - 22.5.2019

DECLARATIONS OF INTEREST

There were no declarations of interest.

8

CABINET PRIORITIES FOR 2019/20

The Chair invited Councillor Caliskan, Leader of the Council to outline the Cabinet's priorities for 2019/20.

Councillor Caliskan congratulated Councillor Susan Erbil on her new role as Chair of the Overview & Scrutiny Committee and welcomed all Members to the Committee.

Councillor Caliskan said that having had a year in post, the Administration had now been able to dig deeper into some of the areas that affect the Borough and the Council. There were continued financial pressures on Enfield with more cuts coming down the line therefore the Council would have to look at how it could continue to deliver the best possible services in the hardest of times.

Councillor Caliskan set out the Cabinet's main priorities for the year ahead as follows:

Decent Homes/Regeneration – to include:

- Housing & Growth Strategy - culminating in the next couple of months
- Estate Renewal Programme
- Better Council Homes – addressing infrastructure issues and delivering £41m for planned improvements this year.
- Repairs – insourcing day-to-day repairs services. A report will go to Cabinet in June.

Economic Development

- Economic Development & Growth Strategy
- Focus on boosting growth in the borough's town centres including Enfield Town and Edmonton Green.
- This will involve working with Traders Associations and small businesses to come up with a detailed plan about how the council can support them
- Cultural Strategy- the current strategy ends in 2020 and Councillor Ian Barnes, Deputy Leader, is leading on the development of a new strategy. Cllr Barnes said the strategy would look at broadening access to culture so all people in the borough can have access and benefit from what the borough has to offer. Cllr Barnes outlined some ideas and stated he and officers are at the stage of developing possibilities.

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He said the plan should be ambitious and aspirational. The aim is to make this a transformational strategy, focusing on engagement and communication. Cllr Barnes referred to the Gaming Industry for the borough boosting economic growth by tapping into London's multi-billion-pound creative economy.

Community Safety

- Measures to improve community safety would continue including funding extra police officers.
- Needs to be long term investment for young people in the borough.

Burial Spaces

- Identify long term provision for burial space in the borough.
- Currently a burial consultation.

Tackling Poverty

- There were plans in place for a fully independent Poverty and Equality Commission amid concerns over the rising number of children living in poverty in Enfield.

The following comments/questions were raised:

- The plan to identify long term provision for burial spaces was welcomed.
- Concerns were raised regarding the current level of public engagement/communication and it was felt that as a council we needed to market ourselves better and be smarter about the way we communicate.
- Members welcomed the Poverty and Equality Commission and agreed that this would be a worthwhile piece of work.
- Members were very interested in the Cultural Strategy and were keen to see how this would be developed.
- The Improving Enfield Shopping Areas/Empty Shops Working Group had produced an interim report following its work over the past year and this was discussed.
- In response to a question on where the Administration saw itself in twelve months' time Councillor Caliskan hoped that:
 - the Housing and Cultural Strategies would be in place;
 - the Council's 'Housing MOT' service would be embedded;
 - long term provision for burial space will have been identified as part of Enfield's Local Plan;
 - Improvement to town centres would be underway including a programme plan for more events in Enfield town market square;
 - Detailed plans would set out how the £6m GLA Liveable Neighbourhoods Funding would be spent.

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The Chair thanked Councillor Caliskan and Councillor Barnes for their informative updates which had been most helpful in pointing the Committee towards populating its main Work Programme for 2019/20.

Councillor Caliskan said that having had a year in post, the Administration had now been able to dig deeper into some of the areas that affect the Borough and the Council. There were continued financial pressures on Enfield with more cuts of £40 million coming down the line therefore the Council would have to look at how it could continue to deliver the best possible services in the hardest of times.

Councillor Caliskan set out the Cabinet's main priorities for the year ahead as follows:

Decent Homes/Regeneration – to include:

- Housing Strategy - culminating in the next couple of months
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- Better Council Homes – addressing infrastructure issues and delivering £41m for planned improvements this year.
- Repairs – insourcing day-to-day repairs services. A report will go to Cabinet in June.

Economic Development

- Economic Development Strategy
- Focus on boosting growth in the borough's town centres including Enfield Town and Edmonton Green.
- This will involve working with trading associations and small businesses to come up with a detailed plan about how the council can support them
- Cultural Strategy- the current strategy ends in 2020 and Councillor Ian Barnes, Deputy Leader, is leading on drafting a new strategy. Cllr Barnes said the strategy would look at broadening access to culture so people from more disadvantaged backgrounds could benefit from what the borough has to offer. He went on to say that 'it is a wildly ambitious strategy, but I think we should be really bold and radical with our aspirations'. The aim is to make this a transformational strategy, focusing on engagement and communication. The question has to be asked as to why industries such as the gaming industry aren't lured into Enfield and what would it take to entice them? These industries like gaming, film and television would boost economic growth in Enfield by tapping into London's multi-billion-pound creative economy.

Community Safety

- Measures to improve community safety would continue including funding extra police officers.
- Needs to be long term investment for young people in the borough.

Burial Spaces

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- The Improving Enfield Shopping Areas/Empty Shops Working Group had produced an interim report following its work over the past year and this was discussed.
- In response to a question on where the Administration saw itself in twelve months' time Councillor Caliskan hoped that:
 - the Housing and Cultural Strategies would be in place;
 - the Council's 'Housing MOT' service would be embedded;
 - long term provision for burial space will have been identified as part of Enfield's Local Plan;
 - Improvement to town centres would be underway including a programme plan for more events in Enfield town market square;
 - some of the £6m GLA Liveable Neighbourhoods Funding would have been spent to rejuvenate and regenerate Enfield.

The Chair thanked Councillor Caliskan and Councillor Barnes for their informative updates which had been most helpful in pointing the Committee towards populating its main Work Programme for 2019/20.

9

FUTURE OF THE RESPONSIVE REPAIRS SERVICE

RECEIVED the report of Joanne Drew, Director of Housing & Regeneration.

Councillor Gina Needs, Cabinet Member, Social Housing introduced the report highlighting the following:

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- i) The Councils current contracts delivering day to day repairs and compliance contracts to Council houses are due to end in April 2020. It is therefore time to consider the most appropriate approach for delivering the services going forward, with an aim to:
 - provide improved value in terms of enhanced resident satisfaction,
 - support the local community and local supply chain and
 - effectively improve the condition of our properties.
- ii) The day-to-day repairs service has seen an improvement in customer and technical performance over the past 6 months. However, there remains room for continued improvement and greater flexibility as we improve the condition of stock through investment.
- iii) The report identifies and recommends a solution which seeks to manage risk, secure the continuing improvement of the service whilst providing value for money. It includes:
 - A phased approach to insourcing the day to day repairs service whilst continuing to outsource compliance services;
 - Proposed transitional arrangements for the gradual insourcing of repairs services whilst securing back up provision from existing contractors including beyond the end of existing contracts in April 2020 as necessary;
 - Procurement of compliance, cyclical maintenance and major works, but with a view to consider bringing these in house in the future;
 - The development of in-house capacity to ensure the commercial management of the in-house service and effective client-side arrangements for the mixed delivery model;
- iv) Key priorities for a new service model have been identified and is set out in full in the report.
- v) A stock condition survey is currently in progress and this will provide the information to develop long term investment strategies which will also inform the nature of the intermediate repairs.
- vi) The Council is committed to investing in its stock and has developed the Better Council Homes programme, which will see some £41m investment in the stock during 2019/20.
- vii) Recommendations in the report include:
 - The creation of a multi-disciplinary Operational Board which will report on progress to the Repairs Task Force;
 - Approve budget of £1.2 million, allocated over 2 years, funded from HRA repairs reserve;
 - Note that a 5-year business plan will come forward as part of the annual HRA budget cycle for 2020/21

Comments and questions were raised, and responses provided by Officers were as follows:

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- The move comes amid concerns that many repairs are not done properly first time and money is being spent on fixing follow-up problems.
- It is hoped that the proposed model will deliver better value for money, provide jobs for local people and boost local businesses in the supply chain.
- The cost of setting up the in-house team has been estimated at £1.2 million, while the ongoing costs are expected to be within the £4.8 million per year already spent on repairs.
- If the proposals are given the go ahead by Cabinet, day to day repairs will gradually be brought in-house as the current contracts with private firms ends in April next year.
- Under the new approach, a team directly employed by the Council would be responsible for emergency, urgent and routine repairs work, including small electrical and plumbing works.
- Compliance works, major work programmes and voids would continue to be dealt with by contractors.
- The Council's 'Housing MOT' service, an in-house team set up to carry out yearly checks on the boroughs' social housing would continue to operate alongside the other repairs services.
- Feedback from residents had been obtained in many ways including on the job, analysing complaints and Customer Voice. Members said they would like to see feedback from Customer Voice included in the report.
- Savings are anticipated over time as a result of lower volumes of repair work as the service model aims to deliver the right repair including renewal and replacement.
- Many residents were currently coming to Councillors' surgeries complaining about continuous works being carried out on the same issues. General opinion was that this was due to outsourcing as it was often difficult to hold contractors to account.
- Members expressed concerns about plans to raise awareness among residents of how to complete minor jobs that are part of the day-to-day responsibility of renting a home. It was felt that this could lead to extra costs if people tried to carry out repairs themselves but ended up causing further problems. Garry Knights, Head of Housing Property Services said that this would relate to basic maintenance such as decorating, unblocking sinks etc. It was very much about empowering people and information; guidance and advice would be provided in a range of formats.
- The new service model would offer the ability to deliver a repair 'plus' service which would help identify vulnerable tenants and meet their immediate needs whilst supporting and signposting to additional help.
- An Opposition Member state that there were serious reservations about the proposals. It was pointed out that there had already been significant improvements to the current model, with the number of first-time fixes rising from 26% to 76%. Concerns were also raised that the Council could be hit by extra costs, for example, having to spend money on things such as storage depots. Garry explained that in terms of depots there is a contingency in the business plan to allow for that. He went on

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to advise that the initial consideration is to use third-party suppliers therefore there will not be the need for significant investment in infrastructure.

- Members were concerned that the Equalities Impact Implications had been omitted from the report and, although the committee welcomed the idea of pre-decision scrutiny, they felt that it was imperative for the committee to receive at least completed draft reports if, as a Scrutiny Committee, it was to hold Cabinet reports to account.

AGREED that the Equalities Impact Implications for this report would be circulated to OSC members within the next couple of days.

Action: Joanne Drew/Susan O'Connell.

The Chair thanked Officers for their informative report.

10

WORK PROGRAMME & WORK STREAMS 2019/20

NOTED the Chairs for the Crime and Health Scrutiny Panels as follows:

- Councillor Lee David-Sanders was elected as Chair for the Crime Scrutiny Panel for the municipal year 2019/20.
- Councillor Sinan Boztas was elected as Chair for the Health Scrutiny Panel for the municipal year 2019/20.

The committee discussed Work Programme items and potential work streams for 2019/20.

The following suggestions were made:

- Continue with Empty Shops workstream – period of workstream to be defined;
- HR issues –
 - Sickness, why losing staff and why recruiting
 - Employment of BME, gender -at what grades, stats, have we improved, are we attracting and recruiting black people, women returning to work- is this successful
 - Council's policy of reducing the number of external consultants and agency staff
- ACM's to be invited to future OSC meeting to discuss roles and responsibilities
- Cultural Strategy – if timing fits in with the Work Programme
- Exclusions – possible workstream, 70% of all exclusions are BAME? Also, not in school or where they should be.
- Procurement process – possible workstream – lack of clarity over process/whose responsibility is this? Is this a service issue?

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- Temporary Accommodation – how this is managed and costs and mechanism for managing. Including Housing Gateway and the future role of this.
- Meridian Water – possible workstream – concern regarding number of jobs and Strategic Industrial Land (SIL)
- Customer Experience (this is already a carry forward item on the Work Programme). Members wanted to include how do we engage with residents and how this affects the council's reputation
- Planning and Enforcement – Work Programme – Cllr Aramaz said that his Empty Shops workstream had looked at this and recommendations had been included in the interim report.
- Report on population growth and housing targets, assumptions around this- possible item for the Work Programme.
- Members were happy for last year's Work Programme standing items to remain as appropriate.

The Chair advised that the Work Programme and work streams would not be agreed today. However, following this evening's discussions and the above suggestions a draft Work Programme and list of potential workstreams for consideration will come to the next meeting of OSC on in June 2019.

11

MINUTES OF THE MEETINGS HELD ON 11 APRIL & 23 APRIL 2019

AGREED the minutes of the meeting held on 11 and 23 April 2019.

12

DATES OF FUTURE MEETINGS

NOTED the dates of future meetings as follows:

Provisional Call-Ins

Thursday 20 June, 2019
Wednesday 3 July, 2019
Thursday 8 August, 2019
Thursday 19 September, 2019
Thursday 31 October, 2019
Thursday 28 November, 2019
Thursday 19 December, 2019
Thursday 30 January, 2020
Thursday 6 February, 2020
Wednesday 4 March, 2020
Thursday 26 March, 2020
Tuesday 28 April, 2020

OVERVIEW & SCRUTINY COMMITTEE - 22.5.2019

NOTED the business meetings of the Overview & Scrutiny Committee will be held on:

Tuesday 18 June, 2019

Tuesday 23 July, 2019

Wednesday 4 September, 2019

Thursday 7 November, 2019

Thursday 13 February, 2020

Thursday 2 April, 2020

The Overview & Scrutiny Budget Meeting will be held on:

Wednesday 15 January, 2020