

## MUNICIPAL YEAR 2019/2020 REPORT NO. 64

### MEETING TITLE AND DATE:

Cabinet 17 July 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: <b>1</b>	Item: <b>23</b>
<b>Subject: Future of Responsive Repairs Service paper following referral back to Cabinet from the OSC on the 9<sup>th</sup> July 2019</b>	
<b>Cabinet Member consulted: Cllr Needs</b>	

The paper is an addendum to the paper approved by Cabinet on the 12<sup>th</sup> June regarding the future delivery model for the Council Housing responsive repairs service.

The paper has been referred to Cabinet by the Overview and Scrutiny Panel to address the following questions

- 1. Whilst the principle and overall philosophy behind the Cabinet decision is generally supported by the Committee they felt that there was not the robust evidence to support the decision at present; and that the report itself was still something of a work-in progress.**

The paper taken to Cabinet on the 12<sup>th</sup> June 2019 seeking approval for in-sourcing was the last in a series of papers taken to Cabinet and OSC regarding the future delivery of Council Housing responsive repairs. These papers had been developed in the light of options appraisals undertaken by external experts, analysis and the conclusions of the Repairs Task Force.

The information considered by OSC and Cabinet is set out below:

- a) A paper was noted at Overview and Scrutiny Committee on the 7<sup>th</sup> November 2018 which asked:

*That Overview and Scrutiny Committee note the options for future delivery now being assessed, and delegate authority to the Director for Housing and Regeneration to consider further these options in consultation with the Cabinet Member for Housing*

*That Overview and Scrutiny Committee note the timeline and actions shown at para. 7.7, including the presentation of a further paper in April 2019 making recommendations on the future delivery model for repairs.*

*That Overview and Scrutiny Committee review the paper and provide feedback*

Included in that report was a number of options which were being considered alongside an expert review undertaken previously by Ridge consultants. This review detailed the strengths and weaknesses of each option. .

b) A paper was approved at Cabinet on the 14<sup>th</sup> November 2018 which asked;

*That Cabinet note the options for future delivery now being assessed, and delegate authority to the Director for Housing and Regeneration to consider further these options in consultation with the Cabinet Member for Housing*

*That Cabinet approve the timeline and actions shown at para. 7.7, including the presentation of a further paper in April 2019 making recommendations on the future delivery model for repairs.*

*Cabinet are requested to note the draft minutes for the Overview and Scrutiny Committee which will be tabled at the Cabinet meeting.*

A full assessment by Ridge consultants which detailed the strengths and weaknesses of a number of each option was appended to the report.

c) Following approval of the approach from both OSC and Cabinet the Repairs Task force, led by the Cabinet Member for Housing, discussed the options at the meeting on the 19<sup>th</sup> December and 23<sup>rd</sup> January 2019 and determined the preferred approach.

The Cabinet report of 12<sup>th</sup> June 2019 had been developed having regard to this full option appraisal and was therefore focused on implementing the preferred solution.

**2. In particular the issues of financial risks raised in the call-in and within the debate were not addressed sufficiently to persuade OSC to allow the detailed rather than headline decision to stand in its current form.**

OSC raised a number of specific questions regarding the financial elements of the service:

Is the inflation on labour costs realistic at 2% given the London labour market;

This assumption is based on advice from external advisors and is a key assumption in the HRA Business Plan. The workforce will be on Council terms and conditions. The five-year financial plan in development will include sensitivity analysis around higher labour costs.

Can we deliver the service within £4.8 million budget;

Our current externally provide repairs service delivers circa 40,000 repairs annually at an average cost of £120/repair. This figure includes the contractor's profits estimated at 3%-5% which we will not need to pay in the in-sourced model.

The breakdown at 6.3 shows a realistic assessment based on detailed knowledge of delivering a repairs service in a similar sized organisation with a similar stock profile.

Our current repairs model delivers 4 repairs per property per year, this is high in comparison to our peers and we should be undertaking around 2 repairs per property/year. This improvement will be achieved by our large-scale investment programme in our stock (£41million this year) plus our proactive approach of introducing planned cyclical maintenance, including MOTs, decorating and gutter clearance. We will be undertaking benchmarking against peers on our performance against quality and cost

- 3. The Committee suggested that more detailed SWOT analysis of both the recommended and alternative options should be completed to more explicitly support the deliverability of a phased approach to in-sourcing the day to day repairs service; that more depth be provided to the grid lists of benefits of the phased approach; and some of the mitigations within the risk analysis should be fleshed out to address questions of how, when, and what.**

Please refer to the answer to the first point. A detailed mobilisation plan has been developed for insourcing the service which has built in contingency measures against key risk areas.

We have also commissioned an updated assessment of implementation options building from the APSE report which will be used by the Operational Board in progressing with the mobilisation.