

MUNICIPAL YEAR 2017/2018 - REPORT NO.

MEETING TITLE AND DATE

EMT 15th August 2017,
Cabinet 13th September 2017

REPORT OF:

Chief Executive
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Agenda - Part:	Item:
Subject: Housing Repairs Scrutiny Workstream	
Wards: All	
Cabinet Member consulted: Cllr Oykenner	

1. EXECUTIVE SUMMARY

- 1.1 A workstream was set up following reports to the Overview and Scrutiny Committee detailing concerns with the performance of the Housing Repairs service.
- 1.2 A new contract commenced in May 2015 and there have been issues with performance from the start with two of the four new contractors. A number of measures have been undertaken by the Council and with the contractors that have resulted in some improvements.
- 1.3 Whilst there have been improvements in the overall performance there remains an issue with the delivery of voids. The current position is not sustainable and a long term solution is needed.

2. RECOMMENDATIONS

- 2.1 The Council run a campaign using estate based communication such as Housing News to provide details to tenants of their estate managers. This information is also to be provided to Ward councillors for use in their Ward Surgeries. (see 7.5-7.7)
- 2.2 Clear communication protocols and procedures between the Council, contractor and tenant should form part of the action plans with each contractor. (see 7.4, 7.8)
- 2.3 The Council consider phasing contracts in future to avoid all contracts starting at the same time. (see 8.1-8.3)
- 2.4 The Council undertake a detailed risk analysis/ feasibility study looking at the pros and cons of bringing the voids and the whole R and M Service in-house including reviewing what other local authorities have done, what has worked and what has improved. (see 6.1-6.7, 8.4-8.10)
- 2.5 The Council run a communication campaign advising residents what to do and what to avoid in contributing to condensation problems.(see 9.2-9.4)

Workstream Membership

The workstream consisted of the following Councillors:
Cllr Kathrine Chibah (Chair), Cllr Lee Chamberlain (Vice Chair), Cllr Erin Celebi, Cllr Jansev Jemal and Cllr Mary Maguire.

The members would like to thank the members of the Customer Voice who took the time to provide their views.

The workstream members would also like to thank the following members and officers for their contribution to the work of the review: Madeleine Forster (Housing Programme Manager), Chris Martin (Head of Technical Services), Cliff Mitchell (Senior Maintenance Surveyor), Cllr Ahmet Oykenar (Cabinet Member, Housing and Housing Regeneration), and Cllr Claire Stewart.

3. BACKGROUND

- 3.1 The scrutiny workstream was set up following reports to the Overview and Scrutiny Committee detailing concerns on the performance of the Housing Repairs Service.
- 3.2 The workstream agreed at the start that the key issues that they would like to investigate further were:

- How does the service compare today, to the previous contractors performance?
- Enfield's outcome measures/ performance indicators, are they suitably robust?
- The work of the Customer Voice, how are residents involved in evaluation and monitoring of performance?
- How can performance standards be improved?
- Should penalty clauses be invoked for poor performance? Update to be received on new strategies to deal with failures
- The processes involved in a simple repair, serious and complex repair and for complaints
- Review good value considerations on performance; whilst huge savings are being made if targets are not being met is this good value?
- Review comparisons to other boroughs on historic data on performance indicators.

3.3 The workstream has received detailed briefings on the Housing Repairs Service, the performance of the contractors, explored the processes involved from start to completion, met with the members of the Customer Voice and undertaken a site visit to gain an overview of the difficulties involved in complex repairs.

4. **Housing Repairs Service**

- 4.1 The Repairs & Maintenance (R&M) service delivers Council Housing repairs and planned maintenance to around 13,000 properties within the borough. The Service also carries out reinstatement and compliance works to void properties (properties made vacant) in order to re-service the properties to a lettable standard to enable them to be allocated and re let as quickly as possible.
- 4.2 There are currently four term contractors (two Building (Repairs and Maintenance) contractors and two Mechanical & Electrical contractors) who deliver the majority of the works. The Council also has access to a framework of contractors to carry out specialist works (i.e. asbestos testing and removal, Legionella testing etc.) and to enable back up service for surplus volumes or re-assignment of works due to poor performance issues.
- 4.3 The service also undertakes works for the Housing Gateway programme and supports the Temporary Accommodation team in delivering voids reinstatement works and responsive repairs for the private sector landlord (PSL) properties throughout the borough.
- 4.4 The current contracts are for a five year period and came into force on 1 May 2015. The contract award was weighted towards price and substantial savings on the cost of the contract have been delivered to date.

4.5 The workstream heard that the new contract is delivered via a paperless system designed to be streamlined and minimize staff involved. The contract had a very short mobilisation period of eight weeks. Normally, an extensive contract of this size with new areas and significant IT upgrades would require a mobilisation period of between six and nine months. This contract was awarded in March 2015 and the reintegration of Enfield Homes back into the Council also took place in this month.

5. Performance

5.1 The workstream was advised that the Council has recently re-joined Housemark. Housemark is a recognised provider of business intelligence and comparative data analysis across all London Boroughs and many London housing providers. As Enfield had previously been a member till 14/15, benchmarking comparison with other local authorities is only available up to this time; however going forward this information will be available.

5.2 Officers advised that the performance indicators (PI's) used by the Council are standard to those in use by other local authorities across the country. However, it is difficult to compare the performance of five years ago with today as the types of PI's measured then are not comparable with today's PI's.

5.3 Members compared performance in Enfield over a 4 year period noting that since the start of the contract performance has been below the contractual targets for all four contractors until relatively recently.

5.4 The performance over the first year in particular, provided cause for concern. Officers advised that during this time and in addition to the extensive liaison that already takes place including a minimum one operational meeting and further monthly individual performance meetings with each contractor; the local authority held regular meetings, a number of ad-hoc meetings and conducted additional workshops in an attempt to work through problems, review processes/working practices and IT requirements to improve performance and assist to help the contractors achieve targets. The Council also changed some of its processes to assist the contractors.

5.5 Members were informed that the Council has the ability to issue penalty notices as part of the contract. However, it was felt it unfair to invoke these in the first year; and better that failures are acknowledged instead. Had the Council gone down this route then 3 out of 4

contractors would have had areas of work removed. The penalties are based on historic performance so that should a contractor fail or the service is below par aspects of the contract could be removed and put with a better contractor. Financial penalties were issued from summer 2015, but not removal of contract areas.

- 5.6 The Council instead focussed on strategies to improve performances; developing action plans with each of the contractors to drive up performance and deal with areas of concern. As part of this process the local authority looked at its own processes to improve issues around payment, IT and contract management.
- 5.7 The action plans contain commitments from both the local authority and the contractors to jointly contribute to enabling performance and sustainability.
- 5.8 The workstream heard that the Council considered that closer working with the contractor and acknowledging its own issues has yielded better results than the issuing of penalty notices and assisted in building a constructive relationship going forward. All four contractors have improved performance; with significant improvements made with both M & E contractors and one of the Building contractors. The performance now is broadly in line with that of the previous contractors, other than the performance of the term contractors on voids which is detailed later in the report.
- 5.9 The workstream suggest that the action plans remain in place for the duration of the contract to continue to drive performance upwards and identify and deal quickly with any areas of concern.

6. Voids

- 6.1 Enfield has a large number of voids amounting to approximately 500-700 per year and it is important that these are turned around quickly to help minimise costs in temporary accommodation. All voids works are undertaken by the two Building Contractors.
- 6.2 This performance has been consistently poor from the start with both term contractors being suspended from undertaking any new voids works in August 2015.
- 6.3 Officers advised that the Voids team has had to source alternative non term contractors through the London Tender Portal in order to ensure continuity of customer service and minimal delays in turnaround times. Each void is currently competitively tendered, this does cost slightly more as the building contractors priced exceptionally low, but it does

enable each void to be tested for value for money. Whilst this is neither ideal nor sustainable voids are being turned around, providing a better performance in a quicker timescale than under either of the term contractors.

- 6.4 The local authority has attempted numerous strategies to improve this position. However, unfortunately these have all had minimal effect.
- 6.5 The workstream were advised that the exceptionally low pricing structure that the contractors bid is the main reason for difficulties with voids.
- 6.6 Voids work was re-introduced to both term contractors in November 2015 however performance did not improve. The contractors were unable to complete the works to the required quality and turnaround times.
- 6.7 The phased reintroduction of void works to the term contractors has been planned and attempted on other occasions. However, Framework contractors are continuing to deliver the significant majority of voids and whilst this has enabled standards to be maintained and re let times managed a more sustainable structured approach is needed for delivery of voids in the future.

7. The Customer Voice

- 7.1 The Customer Voice is one of the borough's strategic tenants and leaseholders' representative organisations. The Customer Voice receives regular updates on repairs performance at their bi monthly meetings. Officers and Heads of Service are also sometimes invited along to carry out presentations on specific issues that the Customer Voice wants to discuss. The CV has both a strategic function as well as decision-making powers for Estate Improvement Projects programme. The Customer Voice service provision and influence policies and standards across council housing.
- 7.2 The workstream members were invited to attend a Customer Voice meeting to discuss the Repairs and Maintenance Service.
- 7.3 Workstream Members heard some very positive comments and examples of where the service received had been very good.
- 7.4 Members of the Customer Voice stated that their main cause of frustration was issues of communication; they felt that there was a lack of communication between the Council, tenant and the contractor. They understood that there might be delays or issues due to lack of resources, but this must be communicated back to them. Tenants felt that they should not need to be chasing up information.

- 7.5 Communication was also raised again and they felt that there was inconsistency across the borough; with issues being experienced and taking much longer to resolve in areas where the Housing and Estate Officers were not known to the residents. Attending officers from the Council advised both workstream and Customer Voice members that there had been a large turnover of staff and had been vacancies in some of these positions. However there had been improvements and officers stated that the Council should be able to publicise the name of the relevant Estate Managers and Housing Officers in the near future.
- 7.6 Members were also advised by the Housing Programme Manager that early indications from the Tenant Satisfaction Survey are that this issue was also raised there with people expressing concerns that they do not know who their estate manager is. Ward councillors similarly confirmed that this concern is raised with them at their ward surgeries.
- 7.7 Members felt that a communication campaign using estate based communication providing details of the estate managers would be very helpful. This information to also be provided to Ward councillors for use in their Ward Surgeries.
- 7.8 Members also felt that clear communication protocols/procedures between the Council, contractors and tenant should form part of each of the action plans.
8. Future options
- 8.1 The Workstream discussed possible future options for the service. This is something that the Council would need to start to consider well in advance of the expiry of the current contract in 2020.
- 8.2 Looking towards the future, the workstream felt that whilst they appreciate that any new contract will be weighted on price, this is a false economy if the prices for any part of the contract are unrealistic and undeliverable. This appears to be what has happened with the voids part of the contract. The workstream would suggest that as part of the procurement process of any new contract, there is an evidenced reality check to ensure that the pricing in the contract is both affordable and deliverable.
- 8.3 Members felt that given the issues that have been experienced in the first year with all 4 contractors that as part of any new contract the Council should consider phasing the contracts so that all of them are not starting at the same time.
- 8.4 Members remained concerned regarding the unsatisfactory performance on voids since the commencement of the contract. They

noted that all attempts to resolve this situation had been unsuccessful and that a long term solution must be sought. Officers confirmed that the current position with voids is not sustainable.

- 8.5 The workstream found an example through independent research of a local authority that had bought the service back in house. Islington brought its repairs and maintenance service back in house in 2014, quoting on their website that this allows the local authority closer control enabling the Council to improve its service.
- 8.6 Officers provided a further example of Hackney who have a direct labour workforce although members were reminded that this does not guarantee success. The workstream were advised that there are also other local authorities that have in house services and often these contracts cover responsive repairs and emergencies.
- 8.7 Officers stated that many local authorities are currently reviewing their options and considering the possibility of bringing the service partly or wholly in house. The workstream felt that this was therefore an ideal time for the Council to look at what other local authorities have done, what works and what has improved using competitive robust data.
- 8.8 The workstream were informed that to take the whole Repairs and Maintenance contract in house is very complex and requires advance planning. However, voids could be explored as a feasibility study.
- 8.9 As part of consideration of any in house service, members were advised that there would need to be recognition of the need for effective management structures, cultures and style in place, the commercial acumen, cost driven leadership that characterises private business.
- 8.10 The workstream suggested that a detailed risk analysis/ feasibility study be undertaken looking at the pros and cons of taking voids in house is carried out. Should this show advantages the council look to see if this could be translated to the repairs contract.

9. Other Findings

- 9.1 The workstream discussed the sort of repairs that are commonly undertaken by the service.
- 9.2 Members heard that condensation is one of the main issues making up a significant proportion of all pre inspections. Whilst the workstream were advised that overcrowding can and does contribute to this, many properties experience problems and the lifestyles of the residents also contribute to this issue.
- 9.3 Members advised that problems with condensation are frequently raised with them at their ward surgeries. They felt that many residents

be they in temporary or permanent accommodation often do not realise that they are contributing to condensation issues and were unaware of any actions that they could take to reduce the impact of condensation. Officers echoed the fact that there is a lack of awareness on this issue.

- 9.4 Members felt it would be helpful if there was a communications campaign advising what to do and what to avoid in contributing to condensation.

10. ALTERNATIVE OPTIONS CONSIDERED

None

11. COMMENTS FROM EMT

EMT noted the report and the comments made by the Cabinet Member and the Director in response to the recommendations.

12. REASONS FOR RECOMMENDATIONS

To improve further the Housing Repairs Service and to seek a long term solution on the delivery of voids.

13. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

13.1 Financial Implications

Any costs from the Housing Repairs Scrutiny workstream recommendations will be met from existing budgets for 2017/18.

13.2 Legal Implications

The Council has a legal duty under the Landlord and Tenant Act 1985 to ensure repairs to its properties are carried out effectively and in a timely manner.

There may potentially be the ability to terminate the existing contracts early in the event of continued poor performance. This will depend on the terms of the relevant contracts.

13.3 Property Implications

The review has considered options for the provision of Housing repair services in isolation of the corporate requirement for repair and maintenance services.

Corporately, the council is currently assessing the options of its future delivery model, including a Total FM offer and it would be beneficial if the housing repair service was considered alongside this review.

14. KEY RISKS

The recommendations within the report should assist in reducing the risks identified within the report. Clear communication protocols/

procedures would make clear the expected communications between the council, contractor and tenant. By providing contact details of estate managers this will reduce the risk of inequality of this information borough wide and also prevents the dissatisfaction that some tenants have expressed over this issue. The suggested communication campaign on problems that contribute to condensation should assist with reducing the risk of this issue thereby providing a better environment for tenants. By undertaking a detailed risk analysis/feasibility study on the voids service this should assist in reducing the current risk with this service and help towards creating a sustainable evidenced based solution.

15. IMPACT ON COUNCIL PRIORITIES

Fairness for All, Growth and Sustainability and Strong Communities

The Overview and Scrutiny Committee uses focused, time-limited workstreams to scrutinise Council decisions and services that impact on the successful delivery of the Council's key priorities. The workstreams collect evidence, draw conclusions and make recommendations to improve effectiveness and ensure value for money.

16. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to approve the Housing Repairs Scrutiny Workstream.

17. PERFORMANCE MANAGEMENT IMPLICATIONS

Workstream recommendations are reported to the Overview and Scrutiny Committee who monitor the progress and effectiveness in implementing the recommendations. This complements service performance management arrangements.

18. PUBLIC HEALTH IMPLICATIONS

Good accommodation is a basic public health need without which the foundation of health is difficult to sustain. All efforts should be made to ensure that housing repair services are as effective and efficient as possible.

Appendix A

CABINET MEMBERS' AND EXECUTIVE DIRECTORS' RESPONSE TO THE HOUSING REPAIRS SCRUTINY WORKSTREAM REPORT & RECOMMENDATION

Recommendations	Director/Cabinet Members Response
Recommendation for the Cabinet Member for Housing and Housing Regeneration	Meeting with Cllr Oykenner, Madeleine Forster, Housing Programme Manager and Cllr Levy 20 July 2017
The Council run a campaign using estate based communication such as Housing News to provide details to tenants of their estate managers. This information is also to be provided to Ward councillors for use in their Ward Surgeries.	Agreed The information will be circulated in the September mailing of Housing News and sent separately to councillors
Clear communication protocols and procedures between the Council, contractor and tenant should form part of the action plans with each contractor.	Agreed Considerable work has been done with the contractor and Contact Centre to streamline procedures and improve communication. This is a key part of the action plans and will continue to be.
The Council consider phasing contracts in future to avoid all contracts starting at the same time.	Agreed Phasing will be considered as part of the proposals for future contracts (below)
The Council undertake a detailed risk analysis/feasibility study looking at the pros and cons of bringing the voids and the whole R and M Service in-house including reviewing what other local authorities have done, what has worked and what has improved.	Agreed The risk analysis and feasibility study will cover the whole of the R and M service (rather than just voids) and will inform the procurement strategy once the contracts reach their conclusion.
The Council run a communication campaign advising residents what to do and what to avoid in contributing to condensation problems.	Agreed This will be run during autumn/winter when the problem tends to increase.