

<b>REPORT TO:</b> Kirklees Council Cabinet 25 <sup>th</sup> April 2007
<b>STATUS OF REPORT:</b> PUBLIC
<b>COUNCIL AREA COMMITTEES/WARDS AFFECTED:</b> All Area Committees and Wards in Kirklees
<b>COUNCIL CABINET PORTFOLIO:</b> Safer Communities and Housing
<b>TITLE:</b> Housing Repairs and Maintenance Project – Progress Report
<b>WHY IS IT COMING HERE? / WHAT DECISION IS REQUIRED?</b> To note progress with implementing the new arrangements for Housing Repairs and Maintenance.
<b>IS THIS AN URGENT ACTION APPROVED BY THE COUNCIL'S CHAIR OF SCRUTINY?</b> No.
<b>KEY ISSUES:</b>
<p><b>1. <u>BACKGROUND</u></b></p> <p>1.1 On 3 January 2007 Cabinet received a report about the outcome of the market testing of Housing Repairs and Maintenance in the North Management Area. At the meeting, Cabinet agreed to appoint the Council's Building Services as the preferred partner as the Tender from Building Services was considered to be the most economically advantageous and therefore offer overall Best Value for the Council, KNH and tenants.</p> <p>1.2 Members will recall that the new five year contract consists of four work themes which are currently in separate contracts:</p> <ul style="list-style-type: none"> <li>• responsive repairs</li> <li>• works to empty Council homes</li> <li>• gas servicing and repairs</li> <li>• planned and cyclical maintenance</li> </ul> <p>1.3 The market testing exercise in relation to Housing Repairs and Maintenance in the North Management Area was conducted in accordance with European Procurement Regulations. Legal Services have confirmed that as the Council has awarded the contract to an in-house Provider, there are no European Procurement issues in relation to extending the arrangements to the South Area. As the tender from Building Services in relation to the North Area clearly demonstrated Best Value, extending the arrangements to the South on the same basis with Building Services is considered by Officers to demonstrate overall Best Value for the Council, KNH and tenants, and offer a number of operational benefits including:</p> <ul style="list-style-type: none"> <li>• ensuring all tenants across Kirklees receive the same standard of service</li> <li>• more efficient and effective for Building Services and KNH to have one operational system across Kirklees, rather than having different methods of working and different financial and administrative systems in the different areas.</li> </ul> <p>Therefore, for the above operational reasons it has been agreed that the new</p>

arrangements are extended to the South Area with Building Services.

1.4 The following are some of the key differences between the old arrangements for delivering Housing Repairs and Maintenance and the new arrangements.

- Modern partnering approach with open book accounting
- More integrated approach to the four key work themes which were the subject of separate contractual arrangements.
- For the empty homes works, the contractor will be required to undertake inspections and there will be a more integrated approach to cleaning and repairs.
- Co-location of some Building Services and KNH staff to facilitate a more integrated and responsive approach following the successful implementation of this approach for the Decent Homes programme.
- Simpler pricing structure for responsive repairs.
- Development of a more pro-active maintenance programme in line with the KNH Asset Management Strategy.
- Reduced client/contractor duplication with clear division of responsibilities.
- Clear specification of work themes based on service delivery requirements.
- Building Services, rather than KNH will have responsibility for arrangements to receive responsive repair requests.

In addition, Building Services are introducing hand held computer technology for their workers in the North Area which is expected to improve efficiency and improve the service for tenants. The use of hand held computer technology is also to be introduced into the South Area.

## **2. IMPLEMENTATION OF THE NEW ARRANGEMENTS**

2.1 The development of the market testing and procurement phase was project managed by the Council's Partnerships and Procurement Service. The detailed planning for the implementation of the new arrangements is being project managed jointly by Building Services and KNH with support from the Director for Adults and Communities and officers from Design and Property Service, Partnerships and Procurement Service and Strategic Finance. A structure of work theme meetings and a Core Operational Group (consisting of the work theme lead officers) has been established. The overall process is being co-ordinated by a Project Board which includes representatives from KNH, the Council and Building Services.

2.2 Good progress has been made in relation to the detailed operational planning for the implementation of the new arrangements for Housing Repairs and Maintenance. The new arrangements were implemented in the North and South Areas with effect from 1<sup>st</sup> April 2007 for cyclical and planned maintenance, gas servicing and work to empty homes.

2.3 In relation to cyclical and planned maintenance, KNH have been working closely with Building Services to develop a detailed programme of works to be let through the Housing Repairs and Maintenance Contract. For 2007-2008, KNH have identified a minimum guaranteed budget of £3.25 million for planned and cyclical work to be let through the Repairs and Maintenance Contract in the North Area and a minimum guaranteed budget of £3.65 million for planned and cyclical work to be let through the Repairs and Maintenance Contract in the South Area. In the North Area the 2007-2008 budget comprises £1.45 million of cyclical work and £1.8 million of capital work. In the South Area the 2007-2008 budget comprises £1.85

million of cyclical works and £1.8 million of capital work. Cyclical work includes painting, replacing internal doors, roof repairs and replacing gutters etc. Capital schemes are expected to include boiler and external door renewal, as well as external works aimed at reducing long term maintenance commitments, such as the replacement of timber soffits with uPVC. A detailed programme of work will be available by mid April 2007, which will allow for continuity of work when existing work streams come to an end in June/July 2007.

It has further been agreed that the cyclical and planned programme for North and South Kirklees areas for 2008-09 will be finalised by September 2007. One of the key lessons from the Decent Homes programme has been that a steady and constant flow of planned and cyclical works leads to more efficient and effective service delivery.

- 2.4 As previously reported to Members, new arrangements for responsive repairs were expected to start in June 2007 in North and South Kirklees to allow sufficient time for the full development of new processes and procedures linked to the introduction of a new computer system by KNH. The new arrangements for responsive repairs are particularly dependent on the new computer system. The current position is that the new arrangements for responsive repairs are expected to be introduced on a phased basis between mid May and Mid June on dates to be confirmed.

The current arrangements for responsive repairs will continue in the interim to ensure continuity of service delivery for tenants. The financial and payment aspects of the new arrangements for responsive repairs are scheduled to be introduced during April.

- 2.5 KNH and Building Services have briefed the Tenant Committees in North and South Kirklees about the new arrangements. KNH and Building Services have also briefed their staff and Building Services are briefing Kirklees Direct staff.

### **3. MANAGEMENT OF THE NEW ARRANGEMENTS**

- 3.1 KNH will manage the new partnering contractual arrangements on behalf of the Council. Building Services will provide the new Housing Repairs and Maintenance services in North and South Kirklees. The structure of work theme meetings, a Core Operational Group and Project Board (described in paragraph 2.1 for the implementation planning stage) will carry on during the operational stage.

- 3.2 In order to ensure that the new arrangements are operating appropriately for KNH as the operational managing agent, for Building Services as the Service Provider and in the overall best interest of tenants and the Council it is proposed that there will be a level of strategic management and monitoring undertaken by the Council on a quarterly basis, although it could take place at more regular intervals, if required. Part of the Council's strategic management and monitoring role will include ensuring that the forward planning of appropriate volumes and mixes of planned and cyclical maintenance work takes place at an appropriate time. A new senior post is being created in the Council's Strategic Housing Service to have overall responsibility for managing the Council's relationship with KNH. Part of the role of the new post will be to work with senior officers from the Council's Design and Property Service and Strategic Finance Service to undertake the strategic management and monitoring of the Housing Repairs and Maintenance contract. The senior officer from Design and Property Services will also act as "partnering adviser" (in effect a quality assurance role) to the Project Board.

3.3 In accordance with the Council's project management system (Framework for Successful Projects) it is proposed that a review is undertaken of the procurement and implementation planning stages of the Housing Repairs and Maintenance Project to establish if there are any lessons that can be applied in the future to other similar projects.

#### **4. RECOMMENDATIONS**

It is recommended that:

4.1 Members note the report and the progress that has been made.

4.2 Members confirm their support for the operational decision to roll out the new arrangements for Housing Repairs and Maintenance in South Kirklees with Building Services.

#### **CONSULTEES**

Officers from the Partnerships and Procurement Service, Design & Property Services, Strategic Housing, Legal Services, Strategic Finance, Building Services, Director for Adults and Communities and KNH have been involved in the preparation of this report. The Kirklees Federation of Tenants and Residents Associations (KFTRA) have also been consulted about the proposal to extend the new arrangements to the South Area and are supportive.

#### **CONTACT OFFICERS**

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