

HOUSING MANAGEMENT AND MAINTENANCE SERVICE

Executive Summary

In 2012, New Vision Homes (NVH) was appointed to deliver the Housing Management and Maintenance Services Contract on behalf of the Council. Initially, this was for a period of 5 years, with an option to extend for a further 5 years, which was exercised in 2017. Therefore, as at 31 March 2022, the term of the Contract with NVH will end. With the contract drawing to a close, the Council needs to agree on the model for the future delivery of these services.

At its meeting on 15 October 2020, the Council approved the preferred approach of Housing Management and Asset Management Services being brought back in-house and housing repairs and maintenance works and services being procured through third party contractors from 1 April 2022, subject to tenant and leaseholder consultation. The statutory tenant and leaseholder consultation, as determined by Section 105 (s.105) of the Housing Act 1985, was undertaken for 6-weeks during November and December 2020.

The survey was sent to over 3,500 tenants and leaseholders with the majority (82%) of respondents being broadly supportive of the Council's proposal.

In light of this strong overall support from residents, this report seeks approval to proceed with bringing the Housing Management and Asset Management services back in house and the procurement of third party contractor(s) to deliver the Housing Repairs and Maintenance works and services from 1 April 2022 when the existing contract with New Vision Homes expires. The recommended model will provide the Council with an opportunity to re-position the housing service with the aim of improving a broad range of outcomes for over 3,800 households (tenants and leaseholders). In addition, the Council would anticipate making net savings of circa £135,000 per annum, which can be directed towards service improvement and investment in the Council's housing stock.

Recommendations

The Executive is requested to:

RECOMMEND TO COUNCIL That

the proposal to bring Housing Management and Asset Management services back in-house and procure Housing Repairs and Maintenance works and services through third party contractors from 1 April 2022 be approved.

Reasons for Decision

Reason: To determine and agree the future delivery model for the Council's Housing and Maintenance service after the end of the current contract with New Vision Homes on 31 March 2022.

The item(s) above will need to be dealt with by way of a recommendation to Council.

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Background Papers: Sustainability Impact Assessment
Equality Impact Assessment

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1.0 Introduction

- 1.1 In 2012, New Vision Homes (NVH) was appointed to deliver the Housing Management and Maintenance Services Contract on behalf of the Council. Initially, this was for a period of 5 years, with an option to extend for a further 5 years, which was exercised in 2017. There is no further option to extend beyond March 2022.
- 1.2 The existing contract with NVH has approximately 15 months remaining and it is necessary to decide the future approach to service delivery of housing management and maintenance services, so that due process can commence immediately.
- 1.3 At the meeting of Council on 15 October 2020, various options for the future of the service were considered. The Council resolved that:
 - (i) approval be given to the preferred approach of Housing Management and Asset Management Services being brought back in-house and housing repairs and maintenance works and services being procured through third party contractors (Option 2) from 1 April 2022, subject to tenant and leaseholder consultation;
 - (ii) the Director of Housing, in consultation with the Portfolio Holder for Housing, be authorised to take such decisions as may be necessary to facilitate the process of transition to a new model of Housing Management and Maintenance Service, including any decisions around procurement timing and approach;
 - (iii) the Director of Housing, in consultation with the Head of Legal and Democratic Services and the Portfolio Holder for Housing, be authorised to undertake the statutory tenant and leaseholder consultation, as determined by s.105 of the Housing Act 1985 and s.20 of the Landlord and Tenant Act 1985 (as amended by s.151 of the Commonhold and Leasehold Reform Act 2002) as necessary, regarding the future of the Housing Management and Maintenance service post 31st March 2022; and
 - (iv) following the statutory consultation and engagement process, a report on the outcome is brought back to the Executive and Full Council in February 2021 to inform the final decision on the future of the Housing Management and Maintenance Service.
- 1.4 This preferred approach will provide the Council with an opportunity to re-position the housing service with the aim of improving a broad range of outcomes for over 3,800 households (tenants and leaseholders). In addition, the Council would anticipate making net savings of circa £135,000 per annum, which can be directed towards service improvement and investment in the Council's housing stock.
- 1.5 This report seeks to provide an update following the statutory consultation (as determined by s.105 Housing Act 1985) and approval to proceed with implementation of the preferred approach.

2.0 Stakeholder Engagement: Statutory Consultation s.105, Housing Act 1985

- 2.1 Section 105 (s.105) of the Housing Act 1985 provides that:

(1) A landlord authority shall maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to which this section applies:-

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- (a) to be informed of the authority's proposals in respect of the matter, and
- (b) to make their views known to the authority within a specified period;

and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.

- 2.2 Following the Council's decision in October 2020, a 6-week consultation period was undertaken, as this was deemed to be proportionate and reflected the nature and impact of the preferred proposal, allowing tenants and leaseholders sufficient time to respond. The consultation commenced on 10 November 2020 and ended on 20 December 2020.
- 2.3 Within this period, tenants and leaseholders were consulted on the preferred approach (as agreed at the October 2020 Executive and Council) to take back responsibility for the delivery of Housing and Asset Management services and directly outsource the Repairs and Maintenance services.
- 2.4 *Appendix 1* contains a copy of the letter sent.

Methodology

- 2.5 Whilst undertaking the consultation, officers ensured that the form of consultation was accessible and clear, and used different channels of delivery, including letter, email and text messages. The methods used complied with national and local guidance in relation to the Covid-19 pandemic.
- 2.6 In addition, a dedicated eForm on the Council's website and email address were created to capture respondents' comments in a quick and easy format, which were well used.
- 2.7 To ensure the maximum response rate, a text message reminder was sent to tenants and leaseholders using the Council's new software system (OPENHousing), which generated a number of additional responses.
- 2.8 The letter was sent to circa 3,500 residents who will be impacted by the suggested proposal for the future of the Housing Management and Maintenance Service. At the close of the consultation period, the Council received 108 responses (3% return rate).

Response analysis

- 2.9 The majority of respondents (65%) explicitly supported the Council's preferred option and proposal post April 2022, whilst just 1.9% explicitly opposed and 4.6% remained neutral. As the consultation was a general and open request for comments, there were some responses where the Council's proposal was not directly or explicitly addressed. In these instances, Officers have categorised the responses on the balance of the content contained in the response (i.e. whether positive or negative towards the current service provision). In total, (82%) of respondents were broadly supportive of the Council's proposal.

Feedback response	Number of responses	%
Fully Support	70	64.8
Indirect/Implied Support	19	17.6
Neutral	5	4.6
Indirect/Implied Opposed	6	5.6
Opposed	2	1.9
Undefined response	6	5.6
TOTAL	108	100.0

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Key Themes and Trends Identified

2.10 There were a number of themes and trends identified from the responses, which are summarised in the table below:

Key Themes in Order of Frequency Raised	High Level Detail
1. Resident Involvement and Engagement	The general consensus is that residents would like the Council to deliver an efficient and effective service to residents, ensuring they are included in decision making and provided with support when they encounter issues, rather than being passed between organisations, departments and teams.
2. Repairs and Maintenance	One of the key themes in responses was around the repairs service having deteriorated in recent years, specifically operatives didn't have a "first time fix" mentality and in certain cases jobs would be left for weeks, months and even years with no resolution. On a positive note, some had confirmed (in particular newer tenants) that Breyer Group had provided a better and more positive experience than with previous contractors.
3. Communication	Residents reported that initial contact with New Vision Homes was satisfactory. However, once issues were logged, communication appeared to lessen and the onus was on residents to contact New Vision Homes, Breyer and TSG. Residents feel that responsiveness needs to improve as they need to constantly chase for updates and still receive limited success when doing so. It was noted that residents would welcome closer interaction with the Council.
4. Value for money	Residents believe bringing the service in house will ensure the Council will receive better value for money.
5. Grounds maintenance	Cleaning in the communal areas is generally well received. Most felt it has improved over the last year or so and it is now of an acceptable standard. The external estate management service met with less positive feedback. Residents continue to be unclear as to who is responsible for which external estate management service.
6. Dealing with anti-social behaviour (ASB)	A small percentage of residents specified issues relating to ASB that had not been addressed, which affected the enjoyment of their property.

2.11 Longstanding tenants, in particular, expressed their support and welcomed the Council's proposal to work more closely with tenants to provide a holistic approach with its other housing services.

2.12 Those that opposed the Council's proposal cited concerns over the Council's ability to match the service provided by New Vision Homes, which they considered to be of a good standard.

2.13 It is also worth noting that there were a number of responders who praised the work of New Vision Homes. However, these respondents were not averse to seeing a change.

2.14 The responses received contained a wealth of feedback and suggestions, not all pertaining to the consultation proposal. However, it has provided a good insight into what tenants would

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like the Council to consider in the longer term, such as the possibility of creating a Direct Labour Organisation (DLO) in the future.

Summary and Main Points

- 2.15 It is clear from the results of the consultation, that there is strong support for the Council's proposal to bring the Housing Management and Asset Management service back in-house and outsource the Repairs and Maintenance service in the short to medium term.
- 2.16 Comments from residents stated their appreciation at being included in this decision making process, which was particularly positive given the Council's re-stated commitment to increasing resident engagement and involvement.
- 2.17 The results of the s.105 consultation align with those of the 'Annual Tenant and Leaseholder Survey' carried out in early 2020. With a higher response rate of 19%, the annual survey also showed that the majority of residents would like the Council more heavily involved in delivering their Housing Services in the future.
- 2.18 The results of the 2020 survey, coupled with the s.105 consultation, will not only feed into our plans for the wider development and improvement of our future housing services, but importantly will also serve as a conduit and first step in re-building the Council's relationship with its tenants and leaseholders.

3.0 Next Steps

- 3.1 Following the consultation, the recommendation is that the Council proceeds with the preferred approach agreed in October 2020 with Housing Management and Asset Management Services being brought back in-house and housing repairs and maintenance works and services being procured through third party contractors from 1 April 2022.
- 3.2 This will provide the Council with an opportunity to re-position the housing service with the aim of improving a broad range of outcomes for over 3,800 households (tenants and leaseholders). There are expected savings associated with returning Housing Management and Asset Management Services in-house. The savings will be achieved from profit and overheads currently payable under the NVH contract, although these savings will be partly offset by loss of commercial rental income (for NVH office space) and an expected increase in repairs/maintenance costs. Nevertheless, a net annual saving of circa. £135,000 per annum is considered achievable, which can be directed towards service improvement and investment in our housing stock.
- 3.3 The Director of Housing, supported by a Project Delivery team, will oversee and plan for a smooth period of transition and in the longer term, a more fundamental transformation of the service, if the Council decides to formally adopt this preferred option. There will need to be due diligence conducted on the commercial activities that NVH are engaged in, to ensure any contractual obligations are accounted for and correct notices are served.
- 3.4 Following the end of the 'Transition Period' to leave the European Union, public procurement regulations will be affected after 31 December 2020. Public Procurement Note (PPN) 10/20, details the main change to the existing public procurement regulatory regime as follows:

'...from 23:00 on 31 December 2020, new UK public procurement opportunities will need to be published on the UK e-notification service called Find a Tender Service (FTS). The FTS means new UK opportunities will no longer be sent to the Official Journal of the European Union (OJEU) or Tenders Electronic Daily (TED).'
- 3.5 Officers have secured the services of a consultant, Primary Business Support, to assist in the Procurement of the necessary contracts. A total of 24 contracts have been identified that

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need to be in place for 2022/23 (although not all of them are needed on 1 April 2022). Work is well advanced in identifying contract values to establish the correct route for procuring as directed by Public Procurement Note (PPN) 10/20 (see 4.2) and prioritising the order in which these contracts are tendered.

- 3.6 Following the decision by Council, work will commence on the specifications for the three major contracts - responsive repairs (including voids), gas installation and servicing and disabled adaptations. Smaller contracts are being reviewed to combine (where appropriate) and to see whether there is potential for joint working with neighbouring local authorities.
- 3.7 The Council is already planning a proactive communication and engagement programme with tenants and leaseholders. A regular newsletter is due to roll out within the coming weeks to keep residents updated on various housing initiatives, including the NVH service transition. Tenants and leaseholders were also asked if they would be interested in a more active role in shaping housing services during the 2020 survey. Over 150 volunteers came forward and these will be followed up with a view to creating a representative panel for tenants and leaseholders (building on the existing Resident Operations Board). This approach aligns with the recent Social Housing White Paper, which places the tenants' voice at the heart of Housing Services, as well as, contributing to the Council's restated commitment to resident engagement.

4.0 Implications

Financial

- 4.1 Should approval be given, there will be a nominal amount of financial resources required to enable engagement with tenants and leaseholders and to secure specialist procurement support. It is anticipated that costs of employee resource will be absorbed within the current Housing Service budgets.
- 4.2 There are expected savings associated with returning Housing Management Services in-house. The savings will be achieved from profit and overheads currently payable under the NVH contract, although these savings will be partly offset by loss of commercial rental income (for NVH office space) and an expected increase in repairs/maintenance costs. Nevertheless, a net annual saving of circa. £135,000 per annum is considered achievable.

Human Resource/Training and Development

- 4.3 Prior to the transfer careful change management planning will be needed to make sure that all Council and NVH staff are well informed and supported both initially on transfer, but throughout the following transition period.
- 4.4 Initial presentations have been made to all staff affected, outlining the future plans. An agreed timetable of the process required will be agreed in consultation with the Head of HR as well as colleagues from New Vision Homes and their parent company, Pinnacle Group.
- 4.5 TUPE is likely to apply, and therefore at all stages, the process will comply with statutory regulations and staff and union consultation.
- 4.6 Currently, the number of NVH staff likely to be affected is circa. 28 and they will require a *formal* notice/consultation period of at least 45 days. The last possible date for this would be January 2022. However, it is our intention to commence this sooner.
- 4.7 Before the formal consultation, there is key existing information to be obtained from NVH and reviewed. This includes the exact numbers of employees to be transferred, job roles and descriptions and terms and conditions.

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4.8 The TUPE process will be supported by the HR teams of both organisations.

Community Safety

4.9 None arising from this report.

Risk Management

4.10 An in-house Housing Management and Asset Management service offers the opportunity of merging the capacity and capabilities of both organisations and so strengthening the opportunities for deploying resources to improve outcomes for Woking residents. It is recognised that this approach may also result in the loss of some key employees with related knowledge, skills and experience, which will need to be mitigated and managed.

4.11 The Project Board will oversee risk management for the project.

Sustainability

4.12 None arising from this report. See separate 'sustainability assessment'.

Equalities

4.13 None arising from this report. See separate 'equality impact assessment'.

Safeguarding

4.14 None arising from this report.

REPORT ENDS

Copy of s.105 Consultation Letter

Dear

Consultation regarding the way that housing services will be delivered from 1st April 2022

The purpose of this letter is to seek your comments on our proposed approach to housing services from April 2022.

Woking Borough Council appointed New Vision Homes (NVH) to deliver housing management, repairs and maintenance services on behalf of the Council in 2012. The arrangement was initially for five years, but was extended for a further five years in 2017. The contract cannot be extended again and will end on 31 March 2022.

The satisfaction survey earlier this year told us a lot about the improvements tenants and leaseholders want to see. It showed that there was often confusion about who delivers what service and in particular, there was a strong feeling that the Council should be more heavily involved. The Council is committed to improving the service and ensuring we deliver an efficient service that meets local needs.

At its meeting on 15 October 2020, the Council agreed its preferred option for the service from April 2022, subject to tenant and leaseholder consultation. The preferred approach is to take back responsibility for the delivery of housing and asset management services by employing and managing these staff directly. Repairs and maintenance would still be delivered by third-party contractors, but overseen by the Council itself. The Council will make its final decision in February 2021.

Further details can be found here: www.woking.gov.uk/housing/changes-housing-services

The benefits of this option are:

- The Council will be responsible and accountable for all your housing services.
- There will be more flexibility to change services when needed.
- The Council will engage directly with tenants and leaseholders and involve you more in future service delivery.

The change is manageable with little disruption to services expected.

Small cost savings are anticipated, which can be directed towards service improvement and investment in our housing stock.

The Council still benefits from the technical skills of specialist repairs contractors, but with direct control over their performance.

The Council also considered putting in place another outsourced service (similar to the current arrangement with NVH) and employing its own repairs and maintenance workforce. However, the Council does not believe these to be the best options at the current time.

We would like to hear your views. We are required to undertake consultation with secure tenants who are likely to be substantially affected by a matter of housing management in specific circumstances and to consider any representations.

This requirement is contained in Section 105 of the Housing Act 1985 available on the Government's website www.legislation.gov.uk/ukpga/1985/68/section/105. This letter forms part of

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these requirements. However, we are also consulting leaseholders to ensure the greatest opportunity for all of our customers to comment.

If you would like to comment on the proposals, please use either of the following methods:

- By **e-form** via our website: www.woking.gov.uk/hmst22;
- By **email** to HMST22@woking.gov.uk;
- By **post** to Hazel Craig-Waller, Housing Services Team (HMST22), Woking Borough Council, Civic Offices, Gloucester Square, Woking GU21 6YL.

Your comments should be received by **Sunday 20 December 2020**. You should ensure that your comments include your name and address.

All responses received will be treated confidentially and if referred to in any subsequent report will be summarised and anonymised to protect the identity of those responding.

Yours sincerely,

Director of Housing