

## UPDATE ON THE HOUSING SERVICE

### Executive Summary

In February 2021, the Council resolved 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.

Since February 2021 significant progress has been made on both the procurement of new contractors and the reintegration of staff and the Council is well positioned to achieve its goal of delivering improved services to residents from April 2022.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

progress on transforming Housing Services from April 2022 be noted.

### Reasons for Decision

Reason: To provide an update on major changes to the Housing Service that will transform services to tenants and leaseholders.

The Executive has the authority to determine the recommendation(s) set out above.
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**Background Papers:** None.

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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. Therefore, as at 31 March 2022, the term of the Contract with NVH will end.
- 1.2 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.
- 1.3 Following the statutory consultation, the Council on 11 February 2021 agreed to proceed with bringing 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.

### 2.0 Procurement of Housing Repairs and Maintenance Services

- 2.1 The most significant area of work to deliver the service change is to procure new contracts relating to repairs, maintenance and compliance of the Council's housing stock. There are 25 contracts to be procured to replace all of the services currently provided by New Vision Homes. These range from core services such as Responsive Repairs and Maintenance to small one-off contracts such as sprinkler system servicing and car park barrier servicing.
- 2.2 The contracts to be procured are listed below, although it should be noted that not all of them are essential to have in place on day one of the new service:

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- Responsive Repairs (including Voids, Gas Breakdowns and Servicing (Communal and Domestic))
- Estate Cleaning
- Disabled Adaptations (including Stairlift Installations)
- Boiler Installations
- Electrical Services (Domestic and Communal Electrical Testing, Emergency Light Testing, PAT Testing, Remedial Works)
- Asbestos Surveying
- Asbestos Removal
- Water Hygiene Testing and Remedial Works
- Door and Window Installations
- Kitchen and Bathroom Installations
- Roofing Replacements
- Stairlift Servicing and Remedial Works
- Stock Condition Surveying and EPC Surveying
- Door Entry System Servicing and Repairs
- Fire Risk Assessments
- Communal Laundry Equipment Servicing and Repairs
- Passenger Lift Servicing and Repairs
- Fire Panel Servicing, Fire Extinguisher Servicing and Remedial Works
- Fall Arrest System Servicing and Remedial Works
- Car Park Barrier Servicing and Remedial Works
- Sprinkler System Servicing and Remedial Works
- Automatic Shutter Maintenance
- Air Conditioning Maintenance
- Pond Maintenance
- Lightning Protection Servicing and Remedial Works

### Responsive Repairs

- 2.3 The Responsive Repairs specification has been written with the resident at the forefront, with an aim to deliver a high quality service that is easy to use and accessible to all. There will be one contract awarded for both Responsive Repairs and Heating Breakdowns, enabling residents to be able to log all repairs quickly and effectively in one place. A 24-hour landline will be maintained for repairs to be logged, along with online options through both the contractor and Council websites.
- 2.4 The specification aims to offer appointments in 2-hour slots from 8am to 6pm, Monday to Friday. This will provide residents with greater certainty of their appointment time and will reduce the amount of time a resident spends waiting at home for an operative to arrive. To assist our tenants in full time employment, a further appointment time slot between 8am and 1:30pm on a Saturday has been created.
- 2.5 A key focus is to try to reduce timescales for repairs, thereby delivering a faster and more effective service, with a focus on prompt attendance and first-time fix. The target will be to have all repairs completed within 10 working days and emergencies attended promptly within 4 hours.
- 2.6 A rigorous 3 stage procurement process is being undertaken, with a clear focus on sourcing a high quality contractor. Tenders were evaluated with 70% of the evaluation based on quality and 30% based on price. Quality was evaluated via 21 contract specific method statements in 7 areas (Customer Care, Quality of Work, Management of Works, IT, Collaborative Working, Health and Safety and Commercial Management).
- 2.7 At the conclusion of this process, the Council had a leading tenderer (Mountjoy Ltd) and this tenderer was proposed to Leaseholders via the Section 20 process (detailed below).

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- 2.8 The Section 20 process concluded on 3 January 2022. Following this, a standstill notice was issued on 7 January 2022. At the end of the standstill period (17 January 2022), the Council intends to award the Responsive Repairs contract to Mountjoy Ltd.

### Estate Cleaning

- 2.9 The Estate Cleaning contract is following a similar 3 stage procurement process.
- 2.10 The specification has been developed with colleagues from Neighbourhood Services and Housing Management to ensure that all aspects of estate cleaning are covered. A task list and a list of blocks has been written, combined with frequencies and the specific days that works are to be undertaken. This is to ensure that cleaning works hand in hand with the waste collection service. The specification allows for bulk waste removal if required, to support the Serco contract.
- 2.11 During the formal bidding stage, site visits were undertaken with all tenderers that requested them. The bids submitted were evaluated with 70% of the evaluation based on quality and 30% based on price. Quality was evaluated via 5 contract specific method statements in 5 areas (Customer Care, Quality & Management of Works, Out of Hours Emergency Response, Bulk Waste Collection and Service Standards).
- 2.12 All tenders have been evaluated and the leading tenderer (Just Ask Estate Services) has been proposed to Leaseholders via the Section 20 process (detailed below).
- 2.13 Just Ask Estate Services is a local company, based in Woking Borough. Its head office is located in West Byfleet.
- 2.14 The Section 20 Process concluded on 9 January 2022. The standstill notice was issued on 11 January 2022. At the end of the standstill period (21 January 2022), the Council intends to award the Estate Cleaning contract to Just Ask Estate Services.

### Other Contracts

- 2.15 Of the remaining 23 contracts, 11 are one-off or low value contracts for specialist maintenance that will largely be absorbed into the Council's existing commercial maintenance contracts (this will save on costs and administration).
- 2.16 4 contracts are for planned maintenance. Whilst the specifications have been written, the Asset Management Plan for 2022-23 has not yet been agreed, so these are being held until budgets are known.
- 2.17 Of the 6 remaining contracts, all have been specified and Council Officers are finalising the formal tender documents so that these can be advertised in the new year. These works do not have cost implications to Leaseholders, so the procurement timeframes are shorter.
- 2.18 The procurement project is on programme to have all required services in place for April 2022.

## **3.0 Staff Transfer**

- 3.1 The transfer of Housing Management and Asset Management staff from NVH to the Council is intended to be undertaken on a broadly like-for-like basis, with the current structures and roles relatively unchanged for the first 6-12 months.
- 3.2 TUPE is likely to apply, and therefore at all stages, the process will comply with statutory regulations and staff and union consultation.

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- 3.3 On 22 September 2021, the Council held a briefing for all NVH staff to detail the options available to them as well as some insight into future service provisions.
- 3.4 Following this briefing, the Council's HR team held 1-2-1 TUPE meetings with all NVH staff to establish that the correct terms and conditions of employment were provided by Pinnacle (NVH). These meetings were very successful and have led to a high level of optimism amongst staff that will TUPE. HR is currently matching the terms and conditions of employment to the Council's employment conditions, with the aim of agreeing terms with all staff in the New Year.

### **4.0 ICT Workstream**

- 4.1 Another significant workstream is to ensure the Council has all the necessary ICT systems and equipment in place for April 2022.
- 4.2 NVH staff already use the Council's Housing IT system, Capita OpenHousing, for its housing management and income collection functions, so little change is necessary in this area. Housing stock condition data is held by a 3<sup>rd</sup> party provider, which is likely to continue for the first year of the new service.
- 4.3 As part of the responsive repairs tender, the successful supplier is expected to give the Council read access to its repairs system, so it can track the progress of all repairs. The provider will also work with the Council in future to develop an interface between its system and any system the Council puts in place of its own.
- 4.4 Before April 2022, the priority for the Council is to implement a solution to manage and monitor Compliance. A short-term solution is preferable to provide the Council with an opportunity to take time to consider its future strategy and ways of working following the transfer. Having reviewed different systems in the marketplace and sought quotations from three different suppliers, the Council has opted to use Plentific, a fully hosted cloud-based solution, which offers quick setup and wind-down. Their proposal includes all user training by the suppliers training team.
- 4.5 The ICT team have been provided with a list of equipment requirements for NVH staff transferring into the Council so this can be ordered in good time for the transfer.
- 4.6 All of the content and online forms currently published on the NVH website will need to be moved to a dedicated area within the Council's corporate website.

### **5.0 Project Governance**

- 5.1 A project board, chaired by the Director of Housing, has been formed with officers from Finance, IT, Legal, HR, Marketing, Housing and NVH. The board meets monthly to discuss all facets of the transfer to ensure that it is as smooth and efficient as possible.
- 5.2 The project board is currently mobilising for the TUPE transfer, with infrastructure such as IT equipment, training and systems access being planned and arranged.

### **6.0 Corporate Strategy**

- 6.1 The changes to the Housing Service will contribute to the Council's Corporate Plan 2021/22 objective of "a healthy, inclusive and engaged community". In particular, the changes will support the aims of "Reducing social inequality" and "Engaging our communities".
- 6.2 The Housing Strategy 2021-2026 builds on the Corporate Plan and includes the objectives "to deliver an improved housing service to our tenants and leaseholders". Action points within the Housing Strategy include to:

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- Rebuild the Council's relationship with its tenants and leaseholders and increasingly involve them in shaping its service offer.
- Bring housing and asset management services back in-house and re-tender the repairs and maintenance contracts, with a strong emphasis on customer service and first-time fix.

6.3 By bringing housing and asset management services back in-house, the Council is creating a direct pathway for its residents to access services and the Council itself. The procurement specifications are all focussed on an improved customer experience. With the Council having the ability to uphold its desired standards through direct contract management, the service is expected to improve.

### 7.0 Implications

#### Finance and Risk

- 7.1 In total, it is anticipated that the new Housing Services model will save the Council approximately £135,000 per annum. Individual items within the total costs will change (for example, repair costs will naturally increase, due to market changes in the previous 10 years) but staff costs will reduce compared to the tendered price paid to NVH under that contract model.
- 7.2 A risk register is being maintained. The primary risk is that some services will not be in place on 1 April 2022. Mitigation measures have been explored for all risks.

#### Equalities and Human Resources

- 7.3 The specifications for maintenance services reflects the Council's ambitions to promote equality and address inequalities in Woking. A method statement within the Responsive Repairs tender process was specifically focussed on redressing the imbalance of certain groups within the maintenance industry. The contract includes a clear commitment to improving the number of women in the maintenance sector, as well as other under-represented groups.
- 7.4 Several of the maintenance contracts include a commitment to offering apprenticeships for Woking students.
- 7.5 An Equalities Impact Assessment has been completed.

#### Legal

- 7.6 There are a number of new contractual agreements to have in place. All documentation involved has been reviewed and approved by the Director of Legal and Democratic Services.
- 7.7 A new post within Legal Services will be required to assist with Housing related legal casework (rent evictions, ASB etc).

### 8.0 Engagement and Consultation

- 8.1 In November 2020, the Council undertook a full consultation with all residents in line with Section 105 of the Housing Act 1985 on its proposed changes to the Housing Service. 82% of responses to the consultation supported the Council's preference to bring Housing Management in-house and procure 3<sup>rd</sup> party maintenance contractors. The qualitative feedback has helped to inform the service specifications, as well as feeding into an Improvement Plan.

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- 8.2 In April 2021, as part of the development of the tender specifications, Members were invited to workshops to discuss the desired outcomes of the service and how these could be incorporated into the service design. Similar sessions were held with other Council teams to gather ideas and help to shape specifications.
- 8.3 Both the Responsive Repairs and Estate Cleaning procurement processes require an appropriate statutory Leaseholder consultation (as defined by the Landlord and Tenant Act 1985, amended by Section 151 of the Commonhold and Leasehold Reform Act 2002). This is because the procurement exercise will define some future leaseholder costs (communal repairs and estate cleaning respectively).
- 8.4 The first stage of the Leaseholder consultation (a Notification of Intent) was issued during the week commencing 31 May 2021. The Notification of Intent gave each Leaseholder 30 days to pass comment on the Council's intentions. The Council issued 2 Notifications – 1 for Responsive Repairs and 1 for Estate Cleaning. The Notifications were issued via first class post and a supplementary text message was sent to all Leaseholders on 28 June 2021, reminding them of the consultation period.
- 8.5 In total, 446 Notifications were issued and 2 responses were received. Whilst the number of responses was low, this was as expected for stage 1 of the consultation process as there were very few specific details for Leaseholders to review and Leaseholders were already aware that a replacement for New Vision Homes was required.
- 8.6 Following the tender evaluation period (quality scoring, price evaluation and an interview), the second stage of the Responsive Repairs Leaseholder consultation (Notice of Proposal) was issued. This was issued on 24 November 2021. The Notice contained details of the proposed bidder along with a cost estimate for each Leaseholder, a schedule of frequently asked questions, details of the tender evaluation process and the comments received during Stage 1 of the consultation.
- 8.7 Due to the Christmas period and to give Leaseholders the best opportunity to pass their comments, the Council extended the deadline for responses beyond the statutory 30 day requirement. This was to maximise responses without compromising the timetable that Officers were working to. The consultation period for Responsive Repairs was 41 days and Estate Cleaning was 32 days.
- 8.8 The Responsive Repairs consultation closed on 3 January 2022. 3 comments were received and responded to. The Council has given regard to each comment received and has concluded that no amendments to the proposed contract details are required.
- 8.9 Stage 2 of the Estate Cleaning Leaseholder consultation concluded on 9 January 2022. 2 comments were received and responded to. The Council has given regard to each comment received and has concluded that no amendments to the proposed contract details are required.

REPORT ENDS