

Council

18 October 2018

Agenda Item 33 (a)

Brighton & Hove City Council

Subject: Options for Future Delivery of Housing Repairs, Planned Maintenance and Capital Works - Extract from the proceedings of the Policy, Resources & Growth Committee held on the 11th October, 2018

Date of Meeting: 18 October 2018

Report of: Executive Lead Officer for Strategy, Governance & Law

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Wards Affected: All

FOR GENERAL RELEASE***Action Required of Council:***

To receive the item referred from the Policy Resources & Growth Committee for information:

Recommendation: That the extracts from the Policy, Resources & Growth Committee meeting held on the 11th October and the Special meeting of the Housing & New Homes Committee meeting held on the 26th September, 2018; together with the report of the Executive Director for Neighbourhoods, Communities & Housing be noted.

BRIGHTON & HOVE CITY COUNCIL

POLICY RESOURCES & GROWTH COMMITTEE

11 OCTOBER 2018

COUNCIL CHAMBER, HOVE TOWN HALL

Present: Councillors Yates (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Daniel, Mitchell, Peltzer Dunn, Sykes and Wealls.

DRAFT MINUTES

PART ONE

58 OPTIONS FOR FUTURE DELIVERY OF HOUSING REPAIRS, PLANNED MAINTENANCE AND CAPITAL WORKS

- 58.1 The Committee considered the report of the Executive Director Neighbourhoods, Communities & Housing which set out the recommendations for the future delivery of responsive repairs and empty property refurbishments, planned maintenance and improvement programmes and major capital projects, to council housing stock following the expiry of the current contractual arrangements in March 2020.
- 58.2 The Chair noted that three amendments had been submitted, and asked Councillor Bell to propose the first amendment.
- 58.3 Councillor Bell proposed the following amendment:

That in view of the importance of the issue, the matter should be considered by all 54 Members of the Authority and therefore the recommendations of the Housing & New Homes Committee as detailed in the extract from the meeting on the 26th September together with the report be referred directly to full Council for consideration and decision and that, subject to the Mayor's agreement, this be taken at its meeting on the 18th October.

Councillor Bell said that the Housing Revenue Account (HRA) was an important part of the budget, and it was tenant's money which went into that account from their rents, and councillors were therefore responsible for how their money was spent. All councillors had tenants within their wards and, although the report had already been considered by the Housing and New Homes Committee, not all Councillors had had the opportunity to speak on the matter, and therefore the Conservative Group would like to refer the report for decision making to Full Council on 18 October, (with the Mayor's agreement).

- 58.4 Councillor Wealls seconded the amendment.
- 58.5 Councillor Mitchell said that the proposals had been extensively consulted on, councillors had been involved at all stages, and the report had been considered by the Housing and New Homes Committee. The proper democratic process had been followed, and it was right that this Committee now made a decision.
- 58.6 Councillor Mac Cafferty said that the Green Group would not support the amendment, and was concerned that the Conservative Group were proposing moving the decision to Full Council only because they believed they would have a better chance of getting amendments to the report agreed there. The report had been fully discussed at a special meeting of the Housing and New Homes Committee, and to delay the matter further would impact on staff who needed some certainty.
- 58.7 Councillor Janio said that being considered at Full Council, would only delay a decision by a week. Moving this to Full Council would allow all 54 councillors to speak and vote on this important matter.
- 58.8 Councillor Wealls said that Full Council was the correct forum to make the decision on such a significant matter.
- 58.9 Councillor Peltzer Dunn said that every Councillor had tenants and leaseholders in their ward, and it was important to have a full debate where everyone had the chance to put their views.
- 58.10 Councillor Daniel said that there was a constitution which everyone agreed with, but some councillors wanted to change the way decisions were made just because they were unhappy with a potential decision. The proposals had been fully consulted, had been through Area Panels twice, councillor workshops and every group had had the opportunity to raise their concerns.
- 58.11 Councillor Peltzer Dunn asked if the Conservative Group amendment was in accordance with the Constitution. The Legal Adviser confirmed that it was.
- 58.12 The Chair said that councillors and tenants had had the opportunity to fully consider the proposals. If the other councillors had wanted to be involved in the decision making process they could have asked to address the committee, submit a question or petition etc. but none had. He noted that there were only two councillors in the public gallery, and therefore it suggested that the others were content for this committee to make a decision.
- 58.13 Councillor Bell said that the amendment was simply to allow all councillors the opportunity to take part in the debate and decision for this important matter.
- 58.14 The Committee voted on the amendment, and it was not agreed.
- 58.15 The Chair asked Councillor Wealls to propose the second Conservative Group amendment.

58.16 Councillor Wealls proposed the following amendment:

Customer Service and Quality Assurance

(1) Agrees that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;

Responsive repairs and empty property refurbishments

~~(2) Agrees that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;~~ **Approves the procurement of one contract for the provision of responsive repairs and empty property refurbishment works to council housing stock with a term of five years and the option to extend for up to a further two years.**

~~(3) Approves a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;~~ **That funds (£1.094m) previously earmarked for set up and mobilisation of an in-house service are spent on purchasing or developing additional council housing stock to be rented at social or living rent levels in the financial year 2019/20. And that the ongoing revenue savings of £0.618m by taking the decision at (2) are spent year on year on increasing the Estates Development Budget and the proposed in-house clerk of works and surveyor service so the team has sufficient capacity to check the work undertaken.**

Planned maintenance and improvement programmes

(4) Approves the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;

Major capital projects

(5) Approves the procurement of a multi-contractor framework agreement for major capital projects with a term of four years;

Specialist works

(6) Notes that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to procure and award such contracts if required in accordance with the council's Constitution;

Delegation

(7) Grants delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:

- (i) commence the procurements and award the contracts required to implement the recommendations;
- (ii) use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;

- (iii) award call-off contracts under the major capital projects framework agreement; and
- (iv) take any other steps necessary to implement the recommendations in this report.

Councillor Wealls thanked officers for the excellent report and for the work which had been carried out by all parties. He said that there were many risks to bringing the service back in-house. The set up costs would be £1m, with ongoing costs of at least £600k and therefore the in-house offer was at least 7.7% more expensive than contracting out. There were no clear tangible reasons why it was necessary. The Council would also need to arrange fleet vehicles, supply chains, IT etc. which would cost at least £4.1m. The report set out all potential risks of bringing the service in-house. There was no evidence that bringing the service in-house would bring social value, and felt that the proposals were being made for political reasons and not value for money.

58.17 Councillor Bell seconded the amendment.

58.18 Councillor Sykes agreed with Councillor Wealls' comments on the quality of the report. He said that proposals were a mixed model of in-house provision and outside contractors. He said that he had worked with contractors and suppliers and sometimes the provision was good and sometimes not, but the quality of service provided would be down to staff, and it seemed that the Conservative Group were fundamentally opposed to bringing services in-house rather than on the quality of the provision.

58.19 Councillor Janio referred to the report and noted that different figures had been given for the number of staff needed to bring the service in-house; paragraph 3.47 in the report said that 58 operatives and 34 managers would be needed, but report from Savills suggested that 43 staff were needed. The Executive Director Neighbourhoods, Communities & Housing said that the main report included both staff who were already employed by the Council and the possibility of call centre staff, but the report from Savills did not. Whether call centre were brought in house was still being considered.

58.20 Councillor Janio said that if external contractors were used and something went wrong the risk was with them, but if the service were in-house and there were problems then it would be the tenants and leaseholders who would suffer. Councillor Mac Cafferty said he only had one word to say in response, and that was 'Carillion'.

58.21 Councillor Bell said that 89% of tenants were happy with the current provider, and the report provided a long list of potential risks of bringing the service in house. It would be HRA money which would be used, and so the Council should be assuring them that they were providing the best quality service.

58.22 Councillor Wealls said that there was evidence in the report that the proposals were being taken for political reasons, and there was no evidence that bringing the service in-house would not be more expensive or that there would be any social value.

58.23 The Committee voted on the amendment, and it was not agreed.

58.24 The Chair asked Councillor Sykes to propose the third amendment.

58.25 Councillor Sykes proposed the following amendment:

To add the following recommendation –

2.8 Affirms its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

Councillor Sykes said the amendment would allow the Council to review the provision of services which could be brought in-house.

58.26 Councillor Mac Cafferty seconded the amendment.

58.27 Councillor Mitchell said that the Labour Group would be happy to support the amendment.

58.28 The Committee voted and on the amendment and it was agreed.

58.29 Councillor Janio noted that at the Housing and New Homes Committee the Chair took individual votes, and asked why the Chair asked for a show of hands. The Chair said it was his discretion on how the vote was taken, and asked the Legal Adviser for advice. The Legal Adviser confirmed the vote was taken in accordance with the constitution.

58.30 **RESOLVED:** That the Committee -

- Customer service and quality assurance

(i) Agreed that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;
- Responsive repairs and empty property refurbishments

(ii) Agreed that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;
- (iii) Approved a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;
- Planned maintenance and improvement programmes

(iv) Approved the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;
- Major capital projects

(v) Approved the procurement of a multi- contractor framework agreement for major capital projects with a term of four years;

Specialist works

- (vi) Noted that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to procure and award such contracts if required in accordance with the council's Constitution;

Delegation

- (vii) Granted delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:
- (1) Commence the procurements and award the contracts required to implement the recommendations;
 - (2) Use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;
 - (3) Award call-off contracts under the major capital projects framework agreement;
 - (4) Take any other steps necessary to implement the recommendations in this report.
- (viii) Affirmed its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

