

Subject:	Update on Repairs & Maintenance to Council Housing Stock		
Date of Meeting:	20 January 2021		
Report of:	Interim Executive Director Housing, Neighbourhoods and Communities		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

1.1 This report updates Housing Committee on the Housing Repairs and Maintenance Service following the insourcing of the service from Mears on the 1st April 2020. This was considered at a special Housing & New Homes Committee meeting on 28 September 2018 and Policy, Resources & Growth Committee on 11 October 2018. It was agreed that:

- Customer service and quality assurance services are brought in-house;
- Responsive repairs and empty property refurbishment work to council housing stock are brought in-house.

1.2 Following reports to previous Housing Committee meetings, this report offers a further update on how the Repairs & Maintenance Service has been operating during the pandemic, how the service will continue to operate over the coming months and the Internal Audit that was completed in October 2020 and reported to Audit & Standards Committee on the 27th November 2020.

2. RECOMMENDATIONS:

2.1 That the Committee notes the update on the Housing Repairs & Maintenance service

3. CONTEXT/ BACKGROUND INFORMATION**Housing Repairs and Maintenance Service key issues**

3.1 The Repairs & Maintenance service has continued operating through the second national lockdown and is carrying out a full range of emergency and routine

repairs to the council housing stock. A safety led approach is in place to ensure that repairs are carried out with the correct Personal Protective Equipment (PPE), individual staff and service risk assessments are in place and social distancing protocols are followed for the safety of residents, staff and contractors. It should be noted that guidance and legal requirements relevant to the operation of the service during the pandemic have necessarily changed several times during the last year, may well change again and indeed may have changed since the time of writing and release of this report.

- 3.2 The identification of COVID-19 cases and vulnerable or extremely vulnerable occupants is undertaken by Repairs Help Desk staff asking several questions to identify the particular circumstances of the occupants before raising a repair. This enables the service to operate different risk assessment protocols and use appropriate PPE. In addition, the service contacts residents by phone ahead of visiting and carries out additional checks on arrival at the residents' home.
- 3.3 Repairs are being prioritised in the following order:
 - 1) Those that pose a Health and Safety risk
 - 2) Repairs required that are having a significant impact on the resident and/or that are causing damage to properties. For example; leaks that are worsening, roofing works and repairs that impact the security of the home.
 - 3) All other repairs.
- 3.4 Operatives will not be attending to any non-essential repairs in properties where the occupants are displaying symptoms of COVID-19 or have a current confirmed case of COVID-19.
- 3.5 As of 29th December 2020 there were 4,207 live jobs with 1,544 reported prior to September 2020. Overall, the live jobs include 3,161 backlog and 1,046 current repairs. This has reduced by 659 since the middle of October as the service continues to clear the jobs by priority of the repair. A RAG (red-amber-green) analysis of all live jobs has been adopted to identify the order in which the jobs are attended to as indicated above in 3.3. The backlog has arisen because of service implications of pandemic restrictions and is kept under regular review so we can resource and progress as many jobs as possible in the most efficient way in the context of the overall service pressure.
- 3.6 To clear the backlog of repairs the service is using agency staff to cover trade operative posts. The impact of the pandemic and the need to identify the desired calibre of staff has caused delays in this process. It is estimated that it will take up to a year to clear the backlog of works dependent on recruitment and any future lockdowns due to COVID-19. We are currently recruiting on an agency basis pending completion of the current harmonisation process whereby Housing Repairs & Maintenance staff who have transferred into council employment are offered the option of joining Brighton & Hove City Council terms and conditions or staying on their current conditions. This is currently subject to consultation, evaluation and agreement on council job descriptions.
- 3.7 The clearance of the backlog of repairs is intrinsically linked to staffing levels, both trade operatives and office-based staff. The service is aiming to be fully

staffed by April 2021. The service is also directly engaging additional contractors in key areas and will regularly review staffing levels ahead of April 2021.

- 3.8 As detailed in the update report to Housing Committee on 16th September 2020 the Repairs Help Desk has been providing a full telephone answering service for residents to report emergency and routine repairs since 14th September. This has been operated both through the Housing Centre and using remote working technology enabling staff to answer calls from home. Online reporting of repairs is also available through the council's website.
- 3.9 Prior to the transfer of the Repairs & Maintenance service, the GMB had lodged a dispute with Mears, the previous employer, as part of the 2020 pay review process. This claim related to the request for an 8% pay rise and the standardisation of annual leave and sick pay for all staff. A 2% pay increase was applied by Mears in January 2020 but the dispute was not resolved and a ballot was held, with an outcome in favour of industrial action including potential strike dates and action short of a strike. There was strike action held between the 7th and 11th of September 2020.
- 3.10 Following the insourcing, this dispute transferred to the Council and since April 2020 the Council has been engaged in discussions with GMB to seek to resolve the dispute.
- 3.11 Since the last update to Housing Committee on 16 September 2020 officers and Members have continued working to try to resolve the dispute and have had a constructive ongoing dialogue with the GMB. As a result of these discussions, we have made positive and significant steps towards bringing an end to the dispute and to moving forward with the harmonisation process.

Internal Audit of Repairs & Maintenance service

- 3.12 A report to the January 2020 Audit & Standards Committee included a summary of Internal Audit's work on the insourcing of the housing repairs service. The objective of this audit had been to provide assurance that the insourcing programme was on target to ensure the delivery of the repairs service on time and at the expected cost. As at the date of audit (November 2019), Internal Audit concluded that there was a significant risk that the Council would not be able to successfully deliver a cost effective and efficient in-house repairs service by 1 April 2020.
- 3.13 A follow-up Audit has now been completed on the live service, and a report was completed at the beginning of October 2020. It should be noted that the roll-out of the service has been significantly impacted by COVID-19 and the restrictions that came into force shortly prior to the commencement of the in-house service on 1 April 2020. This included: delays to agreeing contracts and procurement activity; disruption to mobilisation plans such as training and induction; implementing a safety first approach involving social distancing protocols, working away from the office, sourcing of Personal Protective Equipment, undertaking risk assessments; a large proportion of the workforce being furloughed; and, restricted access to properties needing repair. In addition, service delivery has recently been impacted by industrial action.

- 3.14 The conclusion in the October 2020 report is that a “Partial Assurance” rating can be given on the operation of the new service and related systems.
- 3.15 The audit found that in order to deliver the service within the specified timetable, contract waivers totalling over £9.3m have had to be authorised. These contracts were let to existing suppliers and will be in place for the next one to two years. Delegated authority was provided by the Housing Committee & New Homes Committee (26 September 2018) and Policy, Resources & Growth Committee (18th October 2018) to award contracts required to implement the recommendations set out in that report. Members were also informed of the intention to enter into these contracts by a report to the January 2020 Housing Committee.
- 3.16 However, although these waivers were properly documented and authorised the use of waiver processes does not provide the same level of transparency and assurance over the delivery of value for money as a competitive tendering exercise would have done. The service has agreed an action to ensure that any additional procurements are planned in such a way to avoid the use of waivers. New procurements will be scheduled to replace the existing waiver arrangements.
- 3.17 Procurements have been programmed for new Repairs & Maintenance contractor supply chains and fleet to be in place for April 2022. A project has also been set up to consider options for the future delivery of out of hours call services and a works management system for the Repairs & Maintenance service.
- 3.18 The audit also found that a number of important contracts have not yet been signed with the key supplier, six months into the service. Although heads of terms have been agreed, this placed the council in a weak position in case of any dispute. Housing and Legal colleagues have continued to progress the signing of contracts and the majority have now been signed. There remains one contract for the existing fleet which is to be signed with significant progress made on this as well.
- 3.19 Due to COVID-19, the council was initially delivering a limited repair service and many staff were furloughed. At the time of the audit, there was no formal plan in place for returning the service to its normal output and to tackle the backlog of repairs that has been building up since April 1st, 2020. A backlog recovery plan and resource plan are now in place to address the backlog of repairs as a result of the COVID-19 pandemic. An update report, including on issues with current COVID-19 related performance issues was shared with Housing Committee on 16 September 2020.
- 3.20 At the time of the transfer in April 2020, many of the contracts with subcontractors, using the Mears supply chain, had not been agreed, which meant that some specialist repair jobs could not be assigned. Although progress has been made the audit found that the council has not yet contracted with enough subcontractors to meet the needs of the service. Additional procurements are in progress to address this shortfall.
- 3.21 The audit also found that many key business processes had not been mapped. In addition, the service has not determined how the costs of individual jobs will be

monitored - although some job costing information is being collated within the MCM system which is used to manage works carried out by the service. A project to procure a new works management system has commenced with a Project Manager in place leading on the development of the business case and scope for this project. Demonstrations of potential systems have been programmed for January and February 2021.

3.22 The audit found quality controls are not yet fully in place for this service and post work inspections have been suspended due to COVID-19. Whilst post inspections remain suspended in most cases, desktop inspections of photographs and resolution notes are being undertaken. Findings also included that there is a risk that disrepair claims are likely to increase due to changes in legislation as a result of the Homes (Fitness for Human Habitation) Act which came into force in 2019. The delay to repairs due to COVID-19 may also increase volumes of complaints and claims.

3.23 Service Management has identified that it requires additional resources to deliver a full service and tackle the backlog of repairs. There were vacancies at the time of transfer in April (2020) but some agency staff have been recruited to fill these posts. There are also likely to be further costs due to the harmonisation of terms and conditions for transferred staff. This will put additional financial pressure on the budget for 2020-21. This is reflected in the HRA Budget Report 2021/22 being considered elsewhere on this Housing Committee agenda. It is likely that these will be partly offset by the delay in full-service provision due to COVID-19, with the full financial impact not seen until 2021-22. HRA budget proposals for 2021-22 include an investment of £0.220m to increase resources by a further 4.7 fulltime equivalent (FTE) posts to deliver the in-house Repairs & Maintenance Service during 2021/22 and beyond.

3.24 The Internal Audit report includes eight high priority actions for improvement. All of these actions have now been agreed with management. In addition to the above, there were a number of issues with medium priority actions for improvement.

3.25 Given the updated opinion of partial assurance, a further follow up review will be carried out by Internal Audit in due course to confirm sufficient progress has been made.

Summary of Agreed Actions				
Title	Number	Priority	Agreed Action	Target Date
Contract Waivers	1	High	The service will ensure that any additional procurements are planned in such a way to avoid the use of waivers. Procurements should be scheduled to replace the existing waiver arrangements as soon as existing contracts allow as detailed in 3.17.	28/02/21
Contracts with Mears	2	High	Signed contracts will be agreed with Mears as a priority.	28/02/21
Subcontractor	3	High	The service will procure additional	01/03/21

Contracts			subcontractors to meet the requirements of the housing repairs service. Procurements will be in accordance with the councils Contract Standing Orders.	
Backlog of Housing Repairs – COVID-19	4	High	The service will develop a documented action plan to address the backlog of housing repairs.	Implemented
Resources Recovery Plan – COVID-19	5	High	The service will develop a detailed recovery plan to implement a full service and ensure there are sufficient resources.	Implemented
Business Process Mapping	6	High	All business processes will be documented, agreed and shared with staff. The remaining business processes to be documented will be reviewed and re-prioritised in terms of importance and risk.	01/04/21
IT System Process Documentation	7	High	Existing IT processes and interfaces for the works management system will be documented and agreed, using a consistent approach agreed with IT&D. Capacity to complete the business processes to be analysed and resources reviewed.	28/02/21
Job Costing & Performance Management	8	High	The service will document the job costing process and which costs will be captured and how this information will be used to monitor performance of the service.	Implemented
Job Costing – Materials	9	Medium	The service will decide and document how it is going to record materials used against job assignments.	Implemented
Job Costing – Labour	10	Medium	Where manual changes are made to the time spent on jobs uploaded from PDA's, a note will be added to the system to explain the reason why the change is necessary.	01/02/21
Quality Inspection Checks	11	Medium	The process for inspection checks for responsive repairs, completed by either council staff or subcontractors will be agreed and implemented subject to undertaking appropriate COVID-	01/04/21

			19 risk assessments.	
Insurance and Warranty Claims	12	Medium	The service will ensure that there is a documented process in place for claims that is shared with staff.	Implemented
Complaints and Disrepair Claims	13	Medium	The service will agree who has responsibility to deal with disrepair claims and how they will be processed and resolved.	01/02/21
Subcontractor Invoices	14	Medium	Mears will be requested to ensure that retention fees are not applied to subcontractor payments, where the order and invoice is processed through Mears. Payments to subcontractors will be monitored to ensure any retention fees are removed.	Implemented
HMRC - Construction Industry Scheme	15	Medium	A process will be agreed to ensure that the council meets its HMRC obligations regarding CIS payments. Payments will be monitored to ensure CIS payments are deducted and correctly paid to HMRC via Mears	Implemented
Staff Training	16	Medium	Staff will be provided with appropriate training. Solutions will be found to ensure that staff who are not coming into the office are able to access training and corporate messages.	01/03/21
Budgetary Control & Value for Money	17	Medium	The service will escalate budgetary pressures and ensure that there is an appropriate budget in place to cover the needs of the service. Benchmarking will be used to review the cost of the service and value for money.	01/02/21

3.26 Significant progress has been made by the service in implementing the agreed actions however the ongoing context of the COVID19 pandemic and the additional work burdens and priorities this has placed both on the repairs and maintenance service and the wider Housing service has inevitably resulted in some delays in progressing actions. This has meant that some actions have not been completed, and some target dates have been reviewed. The action plan is monitored within the service on a weekly basis and updates have been provided to Internal Audit colleagues.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report updates Committee on the progress of the Repairs and Maintenance Service and therefore alternative options are not required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Work is underway to hold on-line meetings with the resident 'task and finish' group which has been supporting the programme.
- 5.2 Regular updates and newsletters have been sent to the group to keep them informed and involved on progress over the period where in person meetings have not been possible due to social distancing.

6. CONCLUSION

- 6.1 This report updates Committee on the Repairs & Maintenance Service following the insourcing in April 2020. It has been a challenging time for the service, contractors and residents owing to the impact of COVID-19.
- 6.2 The Programme Team working on service transition continues to support the Housing Repairs and Maintenance Service and the work of the insourcing with key projects on the out of hours call centre provisions, fleet procurement, and the harmonisation of term and conditions as well as implementing the recommendations of the recent internal audit detailed in this report.
- 6.3 The insourcing and delivery of a complex service during the COVID-19 crisis has been and continues to be, a challenge for the Housing service, but staff in the service have worked very hard in difficult circumstances to continue to deliver a vital service and are committed to improving that service for council tenants.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Full financial implications were provided in previous reports. This report is for noting and there are no direct financial implications. As referred to in the main body of the report, there are several key projects being supported by the programme team and the financial implications of these will be reflected as part of the budget monitoring (TBM) process as appropriate.

Finance Officer Consulted: Michael Bentley

Date: 17/12/20

Legal Implications:

- 7.2 The waivers referred to in the body of the report were obtained in compliance with the Council's Contract Standing Orders. There are no other legal implications arising from this report which is for noting.

Lawyer Consulted:

Alice Rowland

Date: 17/12/20

Equalities Implications:

7.3 There are no direct equalities implications arising from this update report.

Sustainability Implications:

7.4 The work carried out through the council's Repairs and Maintenance Service and through planned improvement works contributes significantly to the energy performance of the council owned housing stock. Sustainability has been considered as part of the evaluation process for the planned maintenance and improvement works contracts and major works framework. Providers have been assessed on their ability to deliver services in a sustainable and energy efficient manner in line with the council's HRA Energy Strategy.

7.5 A business case is being developed for the procurement of a new fleet of vehicles for the Repairs and Maintenance Service. The business case will consider the sustainability impact of the fleet in line with the council's corporate objectives.

SUPPORTING DOCUMENTATION

Appendices

None

Background Documents

None

