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## Scrutiny Homes Sub-Committee

Meeting held on Monday, 27 February 2023 at 6.30 pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillors Leila Ben-Hassel (Chair), Adele Benson, Claire Bonham, Danielle Denton, Amy Foster (reserve for Kola Agboola) and Ellily Ponnuthurai

**Also Present:** Councillor Lynne Hale – Cabinet Member for Homes

**Apologies:** Councillor Kola Agboola and Joseph Lee

### PART A

#### **7/23 Minutes of the Previous Meeting**

The minutes of the previous meeting held on the 6 February 2023 were approved as an accurate record.

#### **8/23 Disclosures of Interest**

There were no disclosures of interest made at the meeting.

#### **9/23 Urgent Business (if any)**

There was no urgent business for discussion by the Homes Sub-Committee at this meeting.

#### **10/23 Pre-Decision Scrutiny: Re-Procurement of the Repairs/Voids and Heating Contracts**

The Sub-Committee considered a Cabinet report, set out in the agenda supplement, about the re-procurement of the responsive repairs contract, which included recommendations on the contract award for decision by the Mayor. The report had been included on the agenda to allow the Sub-Committee to review the content prior to the decision being taken, providing the opportunity to flag any recommendations for the consideration of the Mayor as part of the decision.

The Cabinet Member for Homes, Councillor Lynne Hale, the Corporate Director for Housing, Susmita Sen, the Director of Housing – Estates & Improvement, Stephen Tate, the Head of Repairs and Maintenance, Jerry Austin, the Strategic Procurement Manager, Matthew Devan, the Finance Manager, Orlagh Guarnori, the Local Government Association (LGA) Procurement Improvement Advisor, Nigel Kletz and from Echelon, the Council's advisor on the process, Peter Gudge all attended the meeting for this item.

In introducing the report, the Cabinet Member highlighted the importance of the contract to the Council and its residents, thanking officers for their hard work over the past year in managing the procurement process and thanking the residents who had been involved in the process.

Following the introduction, the Sub-Committee had the opportunity to ask questions on the content of the report. The first question raised by the Sub-Committee asked whether the key performance indicators (KPIs) had already been set or would be set in collaboration with the preferred bidders. It was advised that a set of KPI's were included within the contracts, but there was a mechanism in place to add, amend or remove KPI's as needed to improve the process. Any changes would be subject to the approval of both parties. It was highlighted that the KPI's relating to customer service had been designed with residents to improve their validity.

It was agreed that a copy of the contract would be shared with the members of the Sub-Committee once it had been signed. It was envisioned that it would be signed by the end of April 2023 to ensure mobilisation could begin in May.

It was confirmed that provision had been included in the contract to ensure that all parties had a responsibility to flag as a priority any emerging issues that could affect the delivery of the contract. There was also a requirement for all parties to engage in quarterly value engineering sessions to identify improvement.

Responding to a question about how the risk of challenge against the contract award decision had been mitigated, it was highlighted that the process had been conducted within the specified timescale, with a clear process and opportunities for bidders to raise queries. There had been one minor issue with a specific supplier who was initially excluded from bidding, but after a successful challenge had been included again. However, in the end that supplier had decided not to submit a bid. The process had been fair to all bidders, with robust answers provided and additional time allowed to respond where needed. It was acknowledged that the risk of challenge was ever

present and it would not be known if there would be a challenge until the contract award was announced later in the month. The contract award process included a ten day standstill period, in which bidders could lodge a challenge, and legal advisors were on hand to guide any such eventuality.

It was questioned whether the challenging time frame for mobilisation could still be met in the event of a challenge being lodged. In response, it was advised that this would depend on the nature of the challenge. A period of five weeks had been built into the process to consult with leaseholders, which would provide additional time to respond to a challenge if needed. 25<sup>th</sup> April 2023 was the target date for signing the contracts, with a week's slippage built into the process, if required.

It was advised that managing the risks within the contract would require strong contract management processes, with a risk register developed which included the identification of relevant mitigation. It was confirmed that the risks highlighted in the report could be managed within the resources available in the Council.

Confirmation was welcomed that the contract would be able to evolve, to allow for a clear focus on continuous improvement using the value engineering approach. This could be applicable in areas such as the heating contract where the carbon reduction measures on the market were likely to improve over the life of the contract.

It was confirmed that the Council's in-house procurement team had led on the bidder compliance checks. The qualification process included checking that suppliers were willing to sign up to a range of Council policies, with adherence required in the contract. Benchmarking of supplier performance had been reviewed as part of the process, with any identified issues being picked up through questioning.

It was agreed that tenant involvement had been a real strength of the procurement process to date. It was confirmed that resident involvement would continue throughout the mobilisation process and as part of the ongoing management of the contracts. It was important that the process for resident involvement was carefully designed and regularly reviewed to ensure that it continued to be meaningful. The responsibility for continued resident involvement rested with both the Council and the successful contractors.

It was confirmed that the appointment system for repairs would be managed by the Council, although for more complex issues it would likely take a more

in-depth discussion to arrange. Unlike the previous contract, the Council would have ownership of the customer interface and would be able to monitor in real-time the status of appointments through the NEC software, which was in the process of being rolled out. Having reviewed the resources required to manage the customer contact centre, it was planned that additional staff would be recruited to help manage the period of change to the new system.

It was advised that operatives for the contractors would be geotagged, which meant that in the event of a dispute about attendance at appointments, their location could be verified. Contractors would also be expected to take a before and after photo of any repair work and to take a photo of a resident's door if they were unable to access a property. As one of the contractors would be providing out of hours customer support, it was expected that the Council's team would be provided with a log of issues raised out of hours each morning.

It was questioned how the contact centre staff would be trained to ensure they were able to ask the right questions to understand what repairs required. It was confirmed that the self-diagnosis system available to residents would also be used by contact centre staff and supplemented by additional contextual questions to develop a better understanding of the issue. It was essential that wider issues were identified at an early stage to prevent further escalation into a more significant problem.

There was concern raised about the potential for service disruption as the current contract reached its end, with information sought on how this would be managed. It was advised that there would be a dual approach used by firstly holding the current contractor to the performance levels specified in their contract and secondly ensuring other providers were available to pick up specific areas of work, such as voids, if needed. It was acknowledged that it could potentially be challenging to manage the performance of the current contractor in the lead up to the end of the contract and bed in the new contract. As such, this had been identified as an area of focus, that would be managed using data.

In response to a question about the biggest risks in the mobilisation of the new contracts, it was advised that risks included ensuring there was sufficient resource available to manage mobilisation, managing other interdependencies such as the installation of the new NES system, ensuring that the contractor supplying the out of hours service understood the Croydon situation and ensuring there were robust contract management systems in place. It was agreed that these risks would continue to be monitored by the Sub-Committee going forward.

It was confirmed that the social value elements identified within the contract would be monitored through KPIs by the contract management team, who would look to engage with social value experts to assist with monitoring. Experience at other local authorities indicated that this approach would work. The contract provided opportunity for the scope of the social value priorities to change as needed.

At the conclusion of this item the Chair thanked those present for their attendance at the meeting and their engagement with the questions of the Sub-Committee.

### **Actions arising from the meeting**

Following the discussion of the re-procurement item at the meeting, the Sub-Committee agreed the following actions that would be followed up after the meeting.

1. That further information is provided to the members of the Homes Sub-Committee on the plans for demobilisation/mobilisation as these are finalised.
2. That a copy of the contract used with the suppliers is circulated to the Committee once available.

### **Conclusions**

Following its discussion of this item, the Sub-Committee reached the following conclusions: -

1. The Sub-Committee commended the team for the hard work invested into managing the procurement process up to this date, particularly when it had been delivered within a relatively short time frame.
2. Although there was concern that the procurement had been opened for bids over the summer of 2022, it was accepted that the results of soft market testing provided a reasonable level of reassurance that a good range of bids had been received.
3. It was seen as a positive move that a dedicated team was being set up to manage the mobilisation process, but concern remained about the

overall capacity within the Housing service to deliver the mobilisation process within the timescales available.

4. Key risks to the success of the new contracts included integration between the Council's new NEC system and those of the contractors, and the ongoing work to improve the culture within the Housing service. As such these projected needed to be properly resourced to given them the best chance delivery.
  
5. The involvement of residents throughout the procurement process was commended and the plans for ongoing engagement with residents on the delivery of the new contracts was seen as essential to rebuilding the trust of residents.

### **11/23 Update on the Housing Transformation Programme**

The Sub-Committee considered a report set out on pages 5 to 38 of the agenda, which provided an update on the delivery of the Housing Transformation Programme. The report had been included on the agenda to enable the Sub-Committee to review the progress made in the delivery of the programme and to flag any areas of concern.

The Cabinet Member for Homes, Councillor Lynne Hale, Corporate Director for Housing, Susmita Sen, Director of Housing – Estates & Improvement, Stephen Tate, Finance Manager, Orlagh Guarnori, Head of Temporary Accommodation, Beatrice Cingtho-Taylor and Head of Homelessness & Assessments, Hamid Khan, Homeless Strategy Lead Officer, Janice Nuth and Senior Strategy Officer, Velvet Dibley all attended the meeting for this item.

The first question on this item questioned how the Prevention funding made available by the Government would be used and whether it could be used to address the shortage of housing in the borough. It was advised that one of the key strands of the Homelessness Strategy would be aimed at ensuring the best use of the Council's housing stock and reprovisioning it if needed. Another strand of the strategy would be aimed at understanding the reasons why people were presenting as homeless and providing early intervention. As part of the transformation work, the emphasis of the Housing Needs service needed to move from being reactive to more proactive.

In response to a question about the evolution of the Housing Transformation Programme from the original Improvement Plan, it was advised that following further review, it became apparent that the plan did not go far enough in

addressing the deep rooted issues within the service. It was transitioned into a wider reaching transformation programme which encompassed the findings from the ARK report, failings highlighted by housing legislators and the expected level of professional standards. The Housing Transformation Programme would also feed into the Council's wider transformation programme currently being developed.

It was confirmed that improving the relationship with local housing associations was included in the transformation programme. There was also a need to have an open dialogue with housing providers on the standard of accommodation available, particularly for temporary accommodation, as the current standard was not good enough.

Regarding the possibility of the Council introducing a Landlord Licensing scheme, it was advised that the forthcoming Housing Strategy was needed before any such scheme could be progressed, although officers had been asked to investigate potential options for a pilot scheme, from which a more expansive scheme could be built. It was possible that the eventual scheme could be a selective licensing scheme focusing on the parts of the borough where there were identifiable issues.

It was confirmed that improving the data held on council owned housing was a priority, as this data would be a key driver of the asset improvement strategy. The Transformation Programme had been focussed towards the areas that would make the biggest difference for residents. For the Housing Needs service, the initial emphasis would be to review the structure to ensure that the right people were in the right place to deliver the service. There was also a need to address the current level of performance in turning around void properties, to reduce the number of people waiting in temporary accommodation for housing to become available.

It was highlighted that there were approximately 100,000 families in temporary accommodation across London. In Croydon, a lot of the temporary accommodation was outdated, did not provide good value for money and was of a generally poor standard. There was a need to review all the leasing agreements with a view to renegotiating them with landlords. A new dynamic purchasing system was being rolled out which would help to improve the management of temporary accommodation in the borough.

There was concern raised about whether there was sufficient capacity within the Housing service to drive forward the transformation programme and support staff delivering business as usual services. It was confirmed that there was allocated support in place for the transformation programme, but there

was a need to look at the resourcing in place at a senior level within the service. It was not adequately resourced at present and to successfully improve the service there was a need to ensure the right skills were in place in the organisation.

Since the ARK report had been published following the discovery of the poor housing conditions in properties on Regina Road, customer service training had been provided for staff, to start to address the concerns raised about the culture of staff toward residents. A programme aimed at providing front line staff with training on identifying damp and mould issues was also being rolled out. The impact of the training would be monitored using a mystery shopper approach and through reviewing complaints received. It was important that a high standard of interaction with residents was set across every area of the service, and work was needed to ensure residents were aware of the standard of service they should be expecting, so they could raise any concerns if these standards were not being met.

In response to a concern about property managers being required to look after too many properties, it was confirmed that this was being reviewed as part of the work on the structure of the service.

It was confirmed that once the new system to manage the housing register was in place, everybody on the list would be re-registered to ensure it was still accurate and to improve the bidding process. Reassurance was given that this process would still protect the length of time people had been on the register. As well as improved digitisation within the service, there was also a need to communication with residents to understand where they felt let down.

Regarding the recent report on the stigma around social housing, it was advised that there was a need to roll out equality and diversity training for all staff. There was also the stop social housing stigma campaign that would be rolled out as part of the customer excellence work stream.

At the conclusions of the item, the Chair thanked the officers for their attendance at the meeting.

## **Conclusions**

1. The Sub-Committee extended its thanks to the officers involved in developing the Housing Transformation Programme, which was agreed to be well balanced, noting that a significant amount of work had been invested in its development.

2. There was concern about whether there was sufficient resource available within the Housing service to deliver the programme or whether there was sufficient investment available to increase the level of resource if needed. It was important that these factors were kept under review going forward.
3. It was important that a system was put in place to ensure that any learning arising out of the programme was recorded and implemented, as an ongoing mechanism for driving continuous improvement.

## **12/23 Update on Regina Road**

The Sub-Committee considered a report, set out in an agenda supplement, which provided an update on the Regina Road Project and the consultation with the residents on the future options for their homes.

The Cabinet Member for Homes, Councillor Lynne Hale, Corporate Director for Housing, Susmita Sen, Director of Housing and Regina Road Programme Lead, Robin Smith were all in attendance at the meeting for this item.

The first question on this item asked whether there had been any barriers preventing people from responding to the formal consultation. It was confirmed that 51 people had responded, but only 31 had responded to the specific questions raised in the consultation. Reassurance was given that different methods had been used to encourage a wide range of responses. It was highlighted that the forthcoming Cabinet report on the consultation process include analysis of the responses.

It was noted that some of the local councillors had been unaware of the consultation events and as such it was suggested that ward councillors should be kept briefed on progress with the Regina Road project and notified about public consultation events. Confirmation that a meeting with ward councillors was planned, was welcomed.

At the conclusion of the item, the Chair thanked the officers for their attendance and their work in progressing the project to date.

## **Conclusions**

1. The Sub-Committee welcomed the ongoing work to engage with residents of Regina Road on the future options for their homes.

2. Confirmation that engagement with Ward Councillors was planned was also welcomed by the Sub-Committee.

The meeting ended at 10.00 pm

**Signed:**

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**Date:**

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