

CABINET

**Council Housing Rota Painting
9th Oct 2012**

Report of Head of Environmental Services

PURPOSE OF REPORT			
To outline options for the way the rota painting of Council houses is undertaken and request an 'in principle decision'.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	Aug 2012		
This report is public. Appendix A is exempt from publication by virtue of paragraph 3, of Schedule 12a of the Local Government Act 1972			

RECOMMENDATIONS OF COUNCILLOR DAVID SMITH

- (1) That the rota painting contract for Council Housing is not retendered.
- (2) That in order to deliver the service an in principle decision is taken to deliver in-house via expansion of the Council's repairs and maintenance team.
- (3) In taking this decision the assumption is made that the service can be delivered at less than the amount currently budgeted and to a suitable level of service. Otherwise a further report will be brought back to Cabinet.
- (4) That the Cabinet Member with responsibility for Environmental Services monitors the performance of the in-house service via the quarterly Performance Review Meetings for the service area.

1.0 Introduction

- 1.1 Rota painting is the term used to describe a range of cyclical maintenance jobs that are carried out on Council houses to ensure they are well maintained. These tasks include painting (external / communal areas), cleaning of upvc joinery etc.
- 1.2 The Council currently has in place a partnering arrangement for the delivery of this work on Council houses. All Council housing properties are painted etc to the specified standard over a six year period.

- 1.3 The partnering arrangement is due to end on March 31st 2013.
- 1.4 At the time it was agreed that delivering the service in this way would be the most effective and efficient way of delivering this programme of works.
- 1.5 The last 18 months or so have seen a number of significant changes in the way the Council's approach to delivery of repairs and maintenance. The aim of these changes is to ensure that the service is delivered in a way that best meets the needs of both the Council and its tenants. This programme of change is still very much a work in progress and is focussing not just on improving systems, processes and working practices but also on changing the culture within the service.
- 1.6 At this stage what has been identified is that in order to make improvements in critical areas like decreasing the time taken to turnover void properties greater flexibility in terms of use of staff is required. The fact that the Council delivers some of its works via an in-house team and some via partners / contractors whilst being advantageous in some respects does cause significant problems in terms of operational flexibility.
- 1.7 As the partnering arrangement for rota painting is due to end in March 31st 2013 this does present an opportunity to reassess how we deliver the service.

2.0 Proposal Details

- 2.1 It is essential that the scheduled rota painting works continue as this will maintain the Council's housing stock.
- 2.2 It is not essential that the works continue to be delivered by a third party through a contract or partnership arrangement.
- 2.3 Another option would be to not undertake a tendering exercise and instead deliver the service directly through expansion of the existing in-house team, utilising the budget that is currently allocated to the Council's rota painting partner. This option would provide for much greater operational flexibility and control, and potentially provide an apprenticeship opportunity.
- 2.4 Initial work shows that the current level of service could be delivered within the existing rota painting budget. At this stage an 'in principle' decision on Cabinet's preferred option is requested. Once this has been made a fully detailed plan for delivery of the service will be developed which will clearly identify the levels of service, budgetary requirement, and desired outcomes. As is the case for any Council service performance management measures would be clearly defined to ensure value for money and quality of service. The intention of this approach would be to design and deliver a suitable level of service within the existing budget for rota painting. The level of service to be delivered would be agreed with relevant stakeholders, including tenant representatives.
- 2.5 If it became apparent that for some unforeseen reason it was not possible to achieve this then a further report would be brought back to Cabinet.
- 2.6 As mentioned in para 2.4 ensuring value for money is essential for the repairs and maintenance, as indeed it is for any Council service. Within the repairs and

maintenance service value for money is established via a number of means including benchmarking, direct comparison with other providers, tendering exercises for certain services, tenant satisfaction surveys etc. To allow for any meaningful demonstration of value for money actual costs of the various functions provided by repairs and maintenance need to be accurately apportioned. As part of the programme of change referred to in para 1.5 work is taking place to ensure that budgets reflect accurately the levels of service that are provided across the functional areas.

- 2.7 As well as this, were the service to be delivered ‘in-house’ this would certainly create, at least initially, additional work in terms of ensuring the in-house team was fully staffed and trained, and were provided with the appropriate materials, equipment and vehicles etc.
- 2.8 Achieving this would require input from a number of services and as part of the delivery plan referred to in para 2.4 the capacity required to make the initial change would need to be considered and factored into the initial costs.

3.0 Details of Consultation

- 3.1 Subject to Cabinet’s preferred option it may be that TUPE applies. In which case consultation would take place with affected staff and their representatives. Consultation would also take place with relevant stakeholders including tenant representatives.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Deliver rota painting via 3 rd party – through a tendering exercise	Option 2: Seek an ‘in principle decision’ to develop a business plan to deliver rota painting directly via expansion of the Council’s in-house team
Advantages	<ul style="list-style-type: none"> Once tendered requires less ongoing management input. 	<ul style="list-style-type: none"> Increased flexibility Increased control Ability to align more with corporate objectives (eg apprenticeships) Consistent with objectives of the RMS change programme Will be delivered within existing budgets
Disadvantages	<ul style="list-style-type: none"> Reduction in flexibility Reduction in control 	<ul style="list-style-type: none"> Requires more ongoing management input Requires significant initial input from a number of Council services to ensure the transition goes as intended.
Risks	<ul style="list-style-type: none"> TUPE may apply A tendering exercise 	<ul style="list-style-type: none"> Detailed business case may identify some

	may result in an increase in costs	unforeseen issues
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5.0 Officer Preferred Option (and comments)

5.1 Changing the means of delivering the service will generate, at least initially, significant extra work. However, within the context of the change programme that is underway the effort involved will result in sustained improvements. Therefore, the officer preferred option is Option 2.

6.0 Conclusion

6.1 The report outlines options for the delivery of the rota painting programme.

RELATIONSHIP TO POLICY FRAMEWORK

The Council has its own Council Housing stock which it has a duty to maintain.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Provision of the service contributes to ensuring the Council's housing stock is maintained to a suitable standard.

LEGAL IMPLICATIONS

Legal to advise on all contractual procedures in relation to this matter

FINANCIAL IMPLICATIONS

The annual planned maintenance revenue programme includes £320K for the delivery of rota painting under the existing arrangements which are due to end on 31st March 2013. Although the management of RMS is primarily a general fund function its cost is ultimately recharged to the housing revenue account.

This report seeks direction on how Members wish to address the future delivery of rota painting and therefore they need to be mindful of the two options available :-

Option 1 – to continue to deliver rota painting through a third party. This will require a full tendering exercise of which the costs are unquantifiable at this point in time. However, should the costs exceed the current budgets then it may require a revision to the tender specification document in order to reduce costs.

Option 2 – to explore the delivery of rota painting internally by the expansion of the in-house team. An initial financial appraisal has been included as Appendix A. Whilst it should be noted that this is an initial appraisal, the estimated cost of the internal team is significantly below the budgeted contribution resulting in savings of £120K which could be utilised elsewhere in the delivery of planned maintenance throughout the district. A further full financial appraisal is required to support its validity and therefore an in-principle decision is sought for this option.

OTHER RESOURCE IMPLICATIONS**Human Resources:**

As outlined in the report

Information Services:

None

Property:

As outlined in the report

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

Should Cabinet approve Option 2, a key part of the work involved would be to ensure appropriate costing / VFM arrangements as referred to in paragraphs 2.4 and 2.6. These aspects would be addressed in determining any new in-house service set up. If they cannot be adequately addressed, a further report would be brought back to Cabinet (as reflected in the recommendations).

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

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