

ITEM 22: APPENDIX Q

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 01/04/2014

Title:

**HOUSING MANAGEMENT AND MAINTENANCE PROCESS IMPROVEMENT
PROJECT**

**[Portfolio Holder: Cllr Carole King]
[Wards Affected: All]**

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part 1 of the Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

This report seeks Council approval to undertake the Housing Management and Maintenance Process Improvement Project and appoint consultants.

How this report relates to the Council's Corporate Priorities:

This report relates to the Council's Corporate Priorities of Understanding Residents' Needs and Value for Money.

Financial Implications:

For the work scheduled to be completed in 2014-15 there is existing approved budget funding of £75,000 available as detailed in paragraph 8. There is sufficient budget remaining for the scoping works in 2013-14.

Legal Implications:

The Council has undertaken a tendering process in accordance with its internal Contract Procedure Rules, and the value of the contract does not exceed the threshold of £172,514 above which an EU-wide procurement would need to be undertaken in accordance with the Public Contracts Regulations 2006 and EU procurement rules. Any additional spend under this proposed contract would need to be closely monitored in order to avoid the cost of this contract exceeding that

threshold. If it were to exceed the threshold, then the additional services would need to be subject to a fresh tendering exercise.

Introduction

1. In December 2013 the Housing Service invited four consultants to quote for the Housing Management and Maintenance Process Improvement Project. The aim of the project is to review and improve current housing management and maintenance service delivery processes, resulting in a reduction in manual handling, and maximising the use of Orchard (the housing management database). The project will also focus on implementing electronic interfaces between Waverley and its maintenance contractors. A request for quotation document split the project into three lots and identified key deliverables.
2. The expertise required to support Waverley to make these improvements, particularly with regards to developing Orchard, does not exist in-house and so outsourcing was considered a viable option. Two quotes were received and following their evaluation the lowest bidder was invited to give a presentation and be interviewed.
3. The panel who saw the presentation and conducted the interview felt that the contractor demonstrated that they have:
 - excellent process re-engineering skills
 - a clear understanding of system interfaces
 - excellent project management skills
 - experience in housing processes and IT systems, particularly maintenance processes
 - a track record of delivery to timescale and within budget
4. The (Exempt) Annexe sets out quotation evaluation details and the request to appoint.

The budgetary requirements

5. The Housing Management and Maintenance Process Improvement Project is scheduled to run for 18 months. Personnel have been provisionally matched to key roles in the project governance structure.
6. An incremental approach will be taken in order to minimise the impact on business as usual. Once started the project will not progress to the next lot if a lot is not delivered, or if what is delivered does not meet the agreed outcomes.
7. The project will be completed in four stages over three financial years. The first stage, scoping of the project in 2013/14. Stages two, three and four over 2014/15 and 2015/16. The project is split into three lots relating to service area, Housing Management, Housing Maintenance and Leasehold Management. Please refer to Annexe Two. The order of processes and final project plan will be agreed following the scoping work.

8. The scoping work will be met from the 2013/14 Housing Consultancy budget. The approved Housing Budget 2014/15 includes budget headings which will fund the majority of the project.
9. The small shortfall in budget to cover the project work in 2014/15, is expected to be met from general savings in 2014/15.
10. To progress the project as described, approval will be sought in the 2015/16 budget setting process for the completion of the project.

The risks of not proceeding

11. Waverley is continuing to face the challenges of providing a good quality housing service, continuously improve it and demonstrating that it delivers value for money. To ensure that the Housing Service can meet these challenges, the housing processes need to be reviewed and enhanced to make them more efficient and effective, and the Orchard IT system needs to be re-aligned to support delivery of the new processes.
12. Electronic links need to be developed between Waverley's and their maintenance contractors' systems to reduce manual handling and duplication, and to give Waverley access to real-time cost and performance data, so that officers have the information they need to proactively monitor and manage these contracts, demonstrate value for money to take robust action to deal over claims and underperformance as required.
13. From a housing management perspective, the most important IT system upgrade that is required is one to support the process of issuing and monitoring the new tenancies. Without the necessary IT upgrade, it has not been possible for the Council to start using introductory and flexible tenancies and implementing the approved tenancy policy and procedure.
14. 81% of the respondents to the 2012 Survey of Tenants and Residents (STAR) said that overall they were satisfied with the services provided by Waverley. In addition to measuring overall satisfaction STAR also gathered feedback from tenants about key service areas and core services, the results of which make clear the areas of the Housing Service where Waverley is performing well, and the areas for improvement.
15. The completion of this project and the successful implementation of the subsequent new ways of working will lead to good, value for money services being delivered across all of the Housing Service, which will be measurable by improved levels of tenant satisfaction.
16. The main risk of not completing this project is that Waverley's Housing Service will continue with their current ways of working making it difficult to improve its services to residents, improve tenant satisfaction, and reduce costs.

Conclusion

17. The aim of the Housing Management and Maintenance Process Improvement Project is to review and improve current housing management and maintenance processes, maximise the use of Orchard to ensure the delivery of excellent housing services and implement electronic links between Waverley and its maintenance contractors.
18. The recent STAR results show overall satisfaction with the services provided by Waverley at 81%, showed where things are working well, and highlighted the areas for improvements. It would be difficult for the Housing Service to deliver improved services across the board, and to reduce costs if this project does not proceed.
19. The project supports the Councils initiative to “spend to save”. Clear consistent processes will reduce the number of complaints, repeat calls and duplication of efforts. The Housing Service will be more efficient and better placed to deliver excellent services to tenants and leaseholders.

Recommendation

It is recommended that

1. approval be given to proceeding with the Housing Management and Maintenance Process Improvement Project; and
2. the Council be recommended to approve the quotation evaluation and the appointment of chosen contractor, as set out in the (Exempt) Annexes).

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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