

	FINANCE & AUDIT SCRUTINY COMMITTEE 31st August 2016	Agenda Item No. 7
Title	Review of Housing & Property Services Contracts Register by Finance & audit Scrutiny Committee	
For further information about this report please contact	Andy Thompson Head of Housing & Property Services Tel: 01926 456403	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	None	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Bill Hunt
Head of Service	18.08.16	Andy Thompson
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		
Finance		Mike Snow
Portfolio Holder(s)	18.08.16	Cllr Peter Phillips
Consultation & Community Engagement		
N/A		
Final Decision?		N/A
N/A		

1. **Summary**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Housing & Property Services Contracts Register, and highlights any issues which need to be addressed in the next 12 months.

2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Housing & Property Services Contracts Register attached at Appendix 1 and make observations on it as appropriate.

3. **Reasons for the Recommendation**

- 3.1 The review of Housing & Property Services Contract Register allows members of the Finance and Audit Scrutiny Committee the opportunity to consider the robustness of the register, make appropriate suggestions on how the register could be improved, and consider the document within the context of promoting sound procurement practice across the Council.

4. **Policy Framework**

- 4.1 **Policy Framework** – Under the Council’s Code of Procurement Practice, details of all contracts for the supply of goods, services and supplies should be held on the Council’s central Contracts Register. The Code also states the tender process to be used by officers when procuring goods and services.
- 4.2 **Fit for the Future** – By following the Council’s Code of Procurement Practice in procuring goods, services and supplies, officers will be contributing to the Council’s vision, and key policy priorities included within the Sustainable Community Strategy. The following specific benefits should arise:-
- The Council will be sure it is obtaining value for money from its expenditure, in the provision of all its services for local council tax payers.
 - Opportunities will be given to local employers to tender for Council contracts, thus contributing to the Prosperity Agenda.
 - It will be demonstrable that the Council, and officers, are operating fairly, in an open and transparent manner.

5. **Budgetary Framework**

- 5.1 There are no direct budgetary implications arising from this report. All of the Council’s expenditure should be made in accordance with the requirements of the Council’s Code of Procurement Practice. This should help the Council to ensure that it achieves value for money from its expenditure through the correct tendering of contracts, and the subsequent management of those contracts.

6. **Risks**

- 6.1 It is important that all procurement across the Council complies with the relevant procurement regulations and directives and also the Council’s Code of Procurement Practice. By following this approach the Council will reduce the risk of challenge.

- 6.2 Contract Management is an important element of procurement. Contracts need to be properly managed to ensure compliance with the contract, whilst considering all relevant aspect that may affect the performance of the contract. Also, it is important that contract managers pro-actively plan ahead to ensure the procurement of future contracts is properly managed.

7. Alternative Option(s) considered

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8. Background

- 8.1 The Terms of Reference for the Finance and Audit Scrutiny include "Promote value for money and good procurement practice". This is a role that the Committee has actively pursued. In carrying out this role the Committee appointed three of its members to act as Procurement Champions to assist and advise the Procurement Manager. Partly as a result of these actions, the status and knowledge of procurement has increased substantially across the organisation in recent years.
- 8.2 In March 2014 the Finance and Audit Scrutiny Committee requested that it review each departmental Contract Register in turn. These reviews were intended to follow the approach used to review the Risk Register, whereby the relevant Portfolio Holder and Head of Service are available to answer the Committee's questions.

9. Housing & Property Services Contract Register

- 9.1 The latest version of the Housing & Property Services elements of the Corporate Contracts Register is set out as Appendix 1.
- 9.2 Future Procurement
- 9.2.1 The Council is currently reviewing its overall approach to the provision of housing services, under the auspices of the Housing Futures project. Housing Futures is a full review of the Council's Housing and Homelessness Strategies and the Housing Revenue Account Business Plan. The need for this major project, which may lead to changes in the way the Council provides its strategic and landlord housing services is driven by:
- The expiry of the Council's Housing and Homelessness Strategies in April 2017
 - The changing scope for housing market interventions that are arising from national policy changes since 2015, which change the way the Council can influence housing providers and provide housing itself
 - The changes being introduced by the Housing & Planning Act to the financing of municipal housing. This will require a revised Housing Revenue Account Business Plan to be in place by April 2017 to allow the Council's landlord service to remain viable
 - A 100% stock condition survey of its municipal housing, the first of its kind for the Council in recent times, which will allow for a more informed and planned approach to long term maintenance and investment.
 - Reductions in financial support for Housing Related Support services which may require substantial changes to the type of services the Council can provide or enable for older people.

9.2.2 The outcome of Housing Futures, which will complete its preparatory work by March 2017, will impact upon the scope and shape of housing and related services that the Council may need to procure or directly provide. However, it has been possible based upon the outcome of the early work for Housing Futures and the current status of the Contracts Register to identify two future major procurement priorities that are already being progressed. These support the Fit for the Future priority themes of Money, Service and People by virtue of supporting prudent use of resources, improving the services received - if necessary by changing the shape and scope of the services offered - and encouraging the people responsible for services to understand and deliver them using their front-line experience and professional expertise.

9.2.3 The two priority procurement areas for Housing and Property Services between now and March 2018 are:

- Re-provision of repairs and maintenance to municipal homes (Contract Register Reference HP66OJ0213). The current contracts have a break clause effective March 2018. This allows the Council to extend the current contracts with the existing providers, renegotiate terms with the existing providers or terminate the current arrangements in favour of new providers or new service delivery models. Work began in July 2016 to consider what are the Council's options for how it can best manage and maintain the municipal housing stock. This will take into account:
 - The findings of the 100% stock condition survey, which will complete on site work in October 2016 and allow for an informed and evidenced long term approach to the need for planned and capital investment and day-to-day repairs
 - The void work strand of Housing Futures which is reviewing the specification that should be offered for a void property that better aligns with tenant desires
 - The likely resources available over the course of the revised HRA Business Plan (2017 through 2062) to the Council for investment and management of its landlord role. This, however, along with firming up ambitions for the development and/or acquisition of additional homes for the Council, can only be done with any degree of accuracy once such elements as the Pay-to-Stay and Right-to-Buy levies have been clarified by the government, the date for which remains unconfirmed
 - Performance and satisfaction since 2013 with the existing contractors and delivery models
 - The review of delivery models will take place early in 2017-2018 allowing sufficient time to procure or establish the most effective delivery models for the standard of service and type of investment the Council wishes to make in its housing service.
- Secure formalised consistency and clarity across the various contracts and agreements in place to deliver services to homeless and other households in need of accommodation (Contract Register References HP 87, 89, 90 and 91). This work is to be completed by March 2017 and aims to:
 - Reduce if possible the unit cost per household served by this service, in recognition of the need to maintain tight control on expenditure while still being able to meet the growth in demand for this service.
 - Simplify the management and administration of the services needed for this work
 - Make sure that the type and quantity of temporary accommodation is suitable for the needs of households in need of temporary accommodation and minimises the need to use 'bed and breakfast' type accommodation

- Make sure that the way temporary accommodation is provided is value for money and wherever practicable and reasonable generates income for the Council to offset against costs