



# HOUSING SCRUTINY COMMITTEE

## 11 November 2021

### SECOND DESPATCH

Please find enclosed the following items:

**Item 1** Major Works Scrutiny Review- 12 month Report Back

1 - 10

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**Report of:** Executive Member for Housing and Development

<b>Meeting of:</b>	<b>Date:</b>	<b>Wards:</b>
Housing Scrutiny Committee	11 November 2021	All

<b>Delete as appropriate</b>	Exempt	Non-exempt
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## **SUBJECT: Major Works – Executive response to the report of the Housing Scrutiny Committee**

### **1 Synopsis**

- 1.1 In November 2020, the Executive received a report from the Housing Scrutiny Committee regarding the Housing Department’s Major Works team. The report provided recommendations to improve the effectiveness and efficiency of the service as well as improving the resident experience. This report provides feedback on those improvements after twelve months.

### **2 Recommendations**

- 2.1 To review and comment on the progress made to date in implementing the scrutiny’s recommendations.

### **3 Background**

- 3.1 The Housing Scrutiny Committee collected evidence from September 2019 to July 2020 to review the delivery of major works.
- 3.2 The objectives of the review were to examine who determines what major works are required, where and when. To examine the robustness of the construction contracts and schedules of rates to ensure they provide adequate protection for the Council; and to review the options available to deliver major works projects (consider whether delivery in-house would be financially viable and provide a superior service, and whether small

contractors would be more manageable).

### 3.3 Witnesses included:

- Head of Capital Programme Delivery
- Residents
- Commercial Manager at Camden Council
- Direct works member of staff at Southwark Council.

## 4 Responses to recommendations and twelve month update

4.1 The committee set out fourteen recommendations, reported to Executive. Responses to these recommendations are set out below after each recommendation (in bold) is the executive response (in italics) and twelve-month update:

4.2 **Recommendation 1: To establish a Learning Register to capture the risks with each project, prior and during the ongoing works on current and future projects, and any mitigations put in place. This should be kept up to date and available to officers and Councillors. The register should include as appendices post mortems and/or debriefings held after a project has been completed, and reflections by key officers on what has been learned from this and how it is now reflected in the register.**

4.3 **Response:** *This recommendation will be put in place and is welcomed by officers as it provides a structure to formally record this information.*

4.4 **Update:** From November 2021, complaints in Major Works will be required to include a learning outcome and assign an action to a manager (similar to the process in repairs). All project variations and delays will be required to include a document setting out what learning has been adopted taken from the situation. Quarterly leaning workshops will be held with resident representatives to consider the learning and the actions arising for appropriateness and completion. The Assistant Director Housing Property Services will monitor learning action completions monthly.

4.5 At the end of each project, a meeting with officers, residents and contractors will review delivery of the project and agree improvements for future projects.

4.6 **Recommendations 2: A pilot project to take place in 2023, to assess the viability of in-house staff undertaking Major Works. Prior to the pilot project, the Council should institute a housing dashboard information system that will enable them to monitor work of contractors, spend, quality of work etc. to assess against information gathered on work during the pilot project.**

4.7 **Response:** *A project will be set up to assess the viability of major works being undertaken in house. Development of systems for the monitoring of spend; quality of work etc. would be part of this. Staff will liaise closely with local ward councillors on the development of the project.*

- 4.8 **Update:** Creation of a baseline dashboard is in progress by the team as part of a larger IT development work programme, to ensure compliance with the Fire and Building Safety Act. Several staff workshops have taken place with a further workshop meeting planned in December 2021 to discuss councillor's requirements and measurements, all Housing scrutiny members will receive an invite.
- 4.9 **Recommendation 3: That following the 'pilot project', assessment of the 'pros and cons' of the pilot project should be undertaken, with a view to the possible future delivery of Major Works schemes on Council estates, with the Council acting as Managing Contractor, and partnering arrangements being used for specialist works. This should include robust monitoring of works undertaken, in order to ensure they are of high quality and value for money. The assessment of the pilot would enable the Council to consider whether it has been possible to maximise the employment of local contractors and sub-contractors, and retain money in the local economy. It will also enable the recruitment of apprentices, giving a boost to the employment of young people in the borough.**
- 4.10 *Response: As given at 4.5*
- 4.11 **Update:** Further update in 2023
- 4.12 **Recommendation 4: That following the viability of the pilot project consideration be given if this is successful to tendering for Major Works contracts with Housing Associations, TMO's and TMC's in the borough, with a view to providing them with a more high quality, and cost-effective service, than can be provided by other contractors.**
- 4.13 *Response: Dependent upon the outcome of the viability project discussed at 4.5 above, options to roll out this model to local Housing Associations, TMOs and TMCs will be considered.*
- Update:** Further update to be provided following completion and evaluation after pilot in 2023.
- 4.14 **Recommendation 5: That residents should be at the centre of any Major Works Project. The improvement of communication with residents and leaseholders on major works schemes be given a priority, as this is an area where the Committee have heard evidence that the consultation process needs to be improved. Where they exist, TMOs and TRAs should be involved at the earliest stage and at all subsequent stages. They are experts on their own estates and can provide valuable intelligence that can help avoid costly mistakes.**

4.15 **Response:** Officers agree that residents should be at the centre of any major works project. The provision of excellent resident communications is an area that is specifically referenced in the new contract documents and was part of the quality assessment for the appointment of the new partnering contractors. It is also recognised that this is an area for improvement within the in-house team of staff, who will work with a newly appointed Resident Engagement manager to review processes and ensure they are in line with resident feedback and expectations.

Update: Several changes have been implemented to improve resident focus. Zoom meeting invitations now sent to all residents for every scheme with introduction to the contractor and team to discuss issues. New schemes have included an initial scoping meeting where residents are engaged about the planned scope of the work, these are also offered via zoom. Residents are being invited to fill out questionnaires to help identify concerns and pre-empt issues prior to the work starting. From December where capital works are on an estate with a TMO or TRA, the project manager will attend their meetings while planning and undertaking the works to ensure that local information and knowledge is gathered and used to improve the scheme and these groups are kept up to speed on progress. Following the contract award of the new partnering contracts, senior representatives from the contractors met with ward councillors to answer questions - explaining how they would work with residents on estates; and the nature of the work they would be carrying out

4.16 **Recommendation 6: That officers should consider the use of resident/tenant inspectors (as noted by the Audit Commission) at various stages of the works (pre, during and post works). Appropriate training should be provided to the new Tenant Inspectors. They will effectively be the Capital Works Departments equivalent of the 'Mystery Shopper Scheme' developed by the Housing Maintenance Department.**

4.17 **Response:** *Consideration will definitely be given to the role of a resident inspector or mystery shopper. It would not be appropriate to expect this role to include the inspection of building works (qualified clerks of works are employed by the Council for this purpose), but certainly individual residents could be appointed by the residents of individual blocks/estates to "represent" them, operate as a conduit with the Major Works team to discuss ideas, issues etc. and, where TMOs and TRAs exist, to work closely and in conjunction with them.*

4.18 **Update:** Resident inspectors are being invited to volunteer at the initial set up meeting and site start meetings mentioned above. Due to the mobilisation of the new contracts, this is still in the early stages. Residents are also being invited to join a steering group for each scheme with monthly on site meetings attended by council officers and contractors.

Further to recommendation one above we are also seeking residents to join quarterly workshops to review and comment on the learning from schemes and complaints.

- 4.19 **Recommendation 7: That any disruption or variation to the contract should be communicated to the residents as soon as this becomes apparent. This would also include where a Contractor has to be replaced and a contract terminated.**
- 4.20 **Response:** *Officers will ensure that this recommendation is taken on board and actioned. In some cases, rather than communicating delays as soon as they become apparent, it may be more appropriate to issue the communication once a remedial strategy has been developed and agreed.*
- 4.21 **Update:** The regular contacts with residents set out above will ensure that they receive the most up to date information regarding any issues.
- 4.22 **Recommendation 8: That Lead times on contracts should be shortened and operational times on site substantially reduced, in light of resident complaints with the disruption caused by the works on estates and the length of such works. These are often longer than is justified by the volume of work being done, with scaffolding being up for months and sometimes years.**
- 4.23 **Response:** *The Major Works team aspires to working as efficiently as possible and ensuring projects are developed and designed swiftly, so that works may start on site in a timely fashion. With some schemes, there are difficulties that arise in the pre-construction phase, e.g. Rejection of planning applications, or whilst on site, when unforeseen problems can become known, that can cause delays. Capital Programme Delivery staff are experienced building surveyors, contract administrators and problem solvers and will be tasked with driving major works projects forward, as per the spirit of this recommendation.*
- 4.24 **Update:** The New Property Services Director and Assistant Director Housing Property Services have begun a review into the governance and processes used for delivering major works with a view to ensuring that schemes are delivered as efficiently and reliably as possible.
- 4.25 **Recommendation 9: That in line with the Councils Inclusive Economy Agenda, Capital works team should liaise with the Councils Inclusive Economy Team, preferably at the planning stage to facilitate and maximise the use of local firms and labour. Members also recommend that future Major works projects should be broken up, where necessary or possible, into smaller viable contracts to enable small-scale and more diverse local companies to bid for projects.**
- 4.26 **Response:** *This is a particularly relevant recommendation and one that the major works team will continue to prioritise. The use of local suppliers, wherever possible, is a requirement within the new major works contracts, as is the use of local labour. A local company that manufactures fire retardant and anti-graffiti paints is specifically referenced in the specification section of the contract documents, because their products and service is particularly good and demonstrates Islington's commitment to support local companies.*

- 4.27 **Update:** The major works team continue to work closely with the Inclusive Economy Team and our contracted partners to ensure that we can optimise the social value of the major works contracts. Social Value will be one of the deciding factors in any contract renewals or future procurements.
- 4.28 **Recommendation 10: That, as with the outcome of a previous scrutiny, scaffolding should only be used as a last resort and the efficiency of the use of scaffolding and any pre works should be maximised. The use of scaffolding should therefore be captured in the Learning Register as one of those learning outcomes as referred to in recommendation 1 above**
- 4.29 **Response:** *The use of scaffolding will continue to be used sparingly and as efficiently as possible. The new contract ensures that the cost of scaffold hire will be paid for by the contractor, if delays to the progress of work are deemed the responsibility of the contractor. The use of mast climbers is specifically referenced for use where appropriate, in place of scaffolding. The use of scaffolding will be monitored, as suggested, by way of the learning register.*
- 4.30 **Update:** Access reviews documentation is now required on schemes setting out how the scheme was considered and if appropriate means of access were used. These are reviewed and signed off by Project Managers. This means that if scaffold is required there is documentation setting out why other forms of access were not appropriate and a time line for how long the scaffold should be in place.
- 4.31 **Recommendation 11: That having considered the procurement of capital works, and whether it actually delivers value for money or social value to either the Council or the resident, the Committee were of the view that consideration should be given to reviewing the Corporate Procurement strategy in order to ensure that this is taking place**
- 4.32 **Response:** This recommendation will be highlighted to the Corporate Director of Community Wealth Building. The Progressive Procurement Strategy has recently been agreed by Executive.
- 4.33 **Recommendation 12: That Project Managers should liaise with the Housing Maintenance Department so that any problems arising out of the Works can be prevented at an early stage.**
- 4.34 **Response:** *Although both the Major Works team and the Day to Day Repairs team have a close working relationship, seeking advice from each other and sharing information, it is certainly the intention that this relationship continues and is strengthened.*
- 4.35 **Update:** The relationship is now much stronger with regular meetings to discuss specific schemes and materials. The teams are establishing a materials and working practices group to ensure there is a collective consideration and response to changes in materials or building practices shared over Major Works, Repairs and New Build. The newly appointed Assistant Director of Housing Property Services has experience in both planned and responsive repairs, which will assist with further developing working together.



- 4.36 **Recommendation 13: That Committee recommends a new set of Key Performance indicators (KPI's) which will enable the Housing Scrutiny Committee to monitor and scrutinise the performance of the Capital Works Department. The KPI should include a list of projects started or completed during the current year and any projects in between, their variances against cost, time and quality check.**
- 4.37 *Response: This recommendation is fully accepted as part of good governance and oversight. The KPIs as mentioned in 4.26 above will be measured and monitored as described and we will consider implementing other KPIs that are considered best practice.*
- 4.38 **Update:** The Major works team and contractors have held several workshops in September and October to consider appropriate measures for the new contracts. These should be agreed and will be shared with Scrutiny Committee for agreement in December. We have also reintroduced the collection of customer satisfaction data.
- 4.39 **Recommendation 14: That Committee recommend Council should produce a 30 year Housing Revenue Account Business plan and regular reporting should be provided to the Committee.**
- 4.40 *Response: The Corporate Director of Housing is looking to liaise with the Housing Scrutiny Committee regarding the updating of the existing 30-year business plan for the HRA, and regular reporting going forward.*
- 4.41 **Update:** The Corporate Director presented to the Housing Scrutiny committee on 12<sup>th</sup> January 2021 on the HRA business plan.

## **5 Implications**

### **5.1 Financial Implications**

The recommendations & proposed actions, as they stand, can be accommodated within existing HRA budget provision. The outcome of recommendation 2 and 3 will need to be assessed from a finance perspective once the pilot project is complete. However, it should be noted that in-sourcing major works delivery is likely to increase costs quite significantly, and this would therefore potentially impair or delay the annual delivery of the major works programme. Recommendation 10 should release capital resource for the re-investment in our council housing.

### **5.2 Legal Implications**

There are no specific legal implications arising from this report. Legal advice and support will be provided, as required, in the implementation of the recommendations.

### **5.3 Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A number of the recommendations relate to improving internal communications, communications with residents and providing an increased role for residents in the new build process. These recommendations will have positive impacts on residents affected by capital works and new build projects. A project will be undertaken to assess the viability of other recommendations and this may have equalities implications and impacts on residents. The equalities implications and impact on residents will be considered in detail as part of the process of developing the project and assessing its viability and will inform any changes to current procedures.

#### 5.4 **Environmental Impact Assessment**

Not required.

### **6 Conclusion and Reasons for Recommendations**

- 6.1 This report details the update after twelve months to the Executive's response to the recommendations of the Housing Scrutiny Committee.

**Background papers:** None

**Final report clearance:**

**Signed by:**

**Executive Member for Housing and Development**      **Date:**

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