

London Borough of Islington

Housing Scrutiny Committee - 31 October 2019

Minutes of the meeting of the Housing Scrutiny Committee held at Committee Room 4, Town Hall, Upper Street, N1 2UD - Islington Town Hall on 31 October 2019 at 7.30 pm.

Present: **Councillors:** O'Sullivan (Chair), Lukes (Vice-Chair), Debono, Gallagher, Heather.
McDonald (Co-Optee) and Donaghey (Co-Optee)

Councillor Michael O'Sullivan in the Chair

123 APOLOGIES FOR ABSENCE (Item 1)

Apologies were received from Councillors Hamitouche, Mackmurdie and Spall.

124 DECLARATION OF SUBSTITUTE MEMBERS (Item 2)

There were no declarations of substitute members.

125 DECLARATIONS OF INTERESTS (Item 3)

There were no declarations of interest.

126 MINUTES OF PREVIOUS MEETING (Item 4)

RESOLVED:

That the minutes of the meeting held on 12 September 2019 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

127 CHAIR'S REPORT (Item 5)

The Chair mentioned his concerns with regards to the recently released inquiry report about the Grenfell Tower fire incident. He was concerned that the report findings focussed on the evacuation policy and in particular the action of the fire fighters instead of addressing the systematic failure of the buildings especially in terms of the claddings. In addition the 18 month period allocated for the completion of the second inquiry would be considered as an injustice to victims and their family.

The Chair recommended to members the Annual Building Conference being held on 28 & 29 November as a valuable resource for members and anyone interested in learning more about building related issues. In addition the meeting was informed about the forthcoming London Tenancy Forum on 23 November facilitated by three organisation which will be of interest to both residents and tenants.

128 ORDER OF BUSINESS (Item 6)

The order of business would be as per the agenda.

129 **PUBLIC QUESTIONS (Item 7)**

None

130 **SCRUTINY REVIEW (MAJOR WORKS) - WITNESS EVIDENCE (CAMDEN HOUSING SERVICES) (Item B1)**

Members received a presentation from Martin Fox, Commercial Manager of Camden Council's Property Management Division(PMD) regarding their procurement options with their Planned Works programme. The following issues were noted :

- Members were informed that Camden's Property Management Division manages its housing stock of 33,000 occupied by Council tenants and 9,000 leaseholders. PMD looks after the Council's 150 Corporate properties, and 1,000 commercial properties and responsible for managing 60 schools in the borough.
- Martin Fox provided a brief history of the mechanisms which Camden had employed in the commissioning and procuring of Major and Planned works. The 4 areas that the council procures are the day to day Responsive repairs (taps and pipes leaking), major repairs like roof leaking, voids (with vacant properties) and mechanical and engineering servicing (important from a compliance issue) and the planned works which is a 5 year programme.
- Meeting was advised that 10 years ago Camden went into a Partnering arrangement with two main contractors to manage day to day responsive repairs while term contractors managed major repairs and voids. Minor day to day works was predominantly managed by the in house team.
- The Commercial Manager informed members that a decision was taken about 3 years ago in terms of responsive repairs to move away from partnering into frameworks and that mechanical and electrical servicing will be carried out by 5 term contractors. Meeting was informed that major repairs and void works still remains with the main contractors Waite and day to day minor repairs is managed by the in house team.
- Members were advised that with the formation of the Council's Property Management Division, the general direction for procuring repairs had changed to that of where possible to bring it in house hence the initial consideration with schools. The Manager reiterated that although Camden is committed to bringing the service in house where feasible, leadership recognises that as some works are very technical and with a high skill set, it will not be possible. Meeting was informed that Camden currently spends £200m on repairs to its housing stock and noted that in recent years the Council's DLO budget has increased from £10m to £20m in the last 18months,however it is important that when the present contracts ends, that the Council continue to have a flexible approach to procurement.
- Meeting was informed that in April 2020, Camden will be bringing void services back in house and in other areas if not possible, there is a desire to consider the use of local contractors and labour through its Dynamic Procurement System, which allows work to be put into the system, an opportunity to attract local contractors to bid for works and bring in some competition especially as the big companies and suppliers dominate the

framework.

- Members were informed that although partnering option was relatively successful especially with its two partners who carried out repairs in the north and south of the borough, leaseholders felt disenfranchised and unhappy especially as there was no further opportunity for engagement especially after the long term agreements had been signed off. Leaseholders have a preference for frameworks as it is deemed to fair and very competitive.
- With regard to concerns about the quality of materials used by contractors, the Commercial Manager informed the meeting that factors such as pricing, central government policy and guidance about fire doors, the life expectancy of the material are taken into consideration. Members were assured that Camden's approach to repairs or replacement is to get the maximum life span out of what is repaired or replaced.
- In response to a suggestion that Council's should be more proactive from the onset by procuring high quality materials instead of waiting for an inquiry outcomes or changes in government policy before deciding to procure for example the FD 60(Fire doors) was noted. The Commercial Manager acknowledged that although there have been issues with materials used, the learning point for all professionals is to monitor the materials used so that decisions on the continued use or otherwise should be evidence based. Members were reminded that all authorities have to comply with technical standards and specifications especially with items such as boilers and electrical sockets.
- With regards to the recent press reports about Camden's responsive repairs, the Commercial Manager noted that this was due to a restructuring decision which incorporated the repairs call centre into a centralised corporate complaint unit, however this has now been addressed as the repairs call centre and fully resourced with the result that first time fixes and customer satisfaction has improved. The Commercial Manager agreed a request to share its finding on how Camden addressed its first time fixes.
- Members were advised that although Wates is presently the main contractor, there will be scope for the-in house team to carry out some of the simple works when those contracts ends.
- In response to an enquiry on what steps or process required in determining which of the works to be brought back in house, the Commercial Manager advised that a detailed demand analysis would first of all need to be carried out, after which councillors, residents and officers would need to agree a set of criteria on which of the works is reasonable to bring in-house. If not possible then a consideration on whether the best decision would be to place it within the Dynamic Procurement System. The Commercial Manager agreed to share Camden's criteria document used when assessing what works would be brought back in house.
- With regards to the quality of works carried out by local contractors, the meeting was informed that evidence of works completed by local contractors especially with restoring void properties shows that the quality is quite high. On clarifying what is deemed to be 'local contractors', the Commercial

Manager acknowledged that at present it is London wide however the Council will continue the use the services of local companies and contractors in the restoration of void properties.

- In response to the future direction of Camden about its procurement options, the Commercial Manager reiterated that the authority remains committed to bringing certain major works in house especially having carried out a detailed demand analysis for the last 3 years. Members were reminded that Major works is different from Planned works.
- Camden has recognised the need to be flexible when considering how best to procure works and the Council framework to be supported by the Dynamic Purchasing System (DPS). The DPS is an electronic system which allow suppliers and contractors to apply to join at any time and it is designed to provide Council and other buyers with quick access to a wide pool of pre-qualified suppliers and contractors.
- In response to a question on lessons learnt, the Commercial Manager indicated that it is important to be more 'smarter' about specifications and the need to review the client management system. Other topical areas of interest are contract setting as presently in Camden, contracts are based around 70% price and 30% quality ratio.
- Members were reminded that Council framework has its own challenges. Camden Council has 5 designated contractors in its frameworks, however only 2 tend to be regularly used.
- In terms of leaseholder dissatisfaction, the Commercial Manager reiterated that a number of changes had been introduced which now requires more engagement prior to works commencing. Previously works were carried out on what could only be described as 'drive by type of inspection', but now a more detailed scoping survey is now carried out with photographs taken, which is welcomed by leaseholders.
- Meeting was informed that another area of interest is trying to find a way of preventing the practice of underbidding of contracts especially as currently the Council's formula regarding tenders is based on a 70/30% price /quality ratio. The authority is aiming to strengthen its monitoring of works by establishing a Clerks of Works Team who will visit and inspect works on completion. In addition the employment of a Quantity Surveyor would ensure that both the price and cost of the works monitored so that it does not spiral out of budget.
- In response to concerns that both Camden and Islington were not using the London Housing Consortium (LHC), the meeting was advised that Camden Council had considered it's services but decided to use DPS which has a different skill set and in terms of the voids, LHC requirements did not meet Council needs.
- On the question on whether companies could be excluded from any current procurement exercise as a result of their previous performances, Members were reminded of the difficulty of excluding contractors from the bidding exercise and that evidence shows in recent years that there has been an increase of court cases where companies had been prevented from bidding for contracts rather than contractual cases.

- The Commercial Manager reiterated that local contractors will be able to bid for contracts between £50,000- £250,000 initially, however this could be increased to a value of £500,000. In addition the manager advised that the council has nominated suppliers of materials such as fire doors and alarms and with the DPS, it is now in a position to name particular products to be used.
- In response to the possibility of Islington employing the services of small local contractors in carrying out major works, the Director, Housing Property Services reminded Members of the evidence from the witness about potential costs, client monitoring implications and the difficulty with recruiting and training of staff. Members were informed that despite Islington being the only authority having its own in house monitoring team, it still has the challenge with recruiting staff which will be required to monitor the quality of the works carried out by local contractors.
- The Director, Housing Property acknowledged Members interest especially with the in sourcing option, but should be aware that the one size approach when not managed properly and not well thought through and fails could be counter-productive and generate more criticism. Members were informed that the Council could consider the possibility of moving more of the voids to the in house team as a pilot.
- A member was concerned that despite the decision to bring the responsive service back in house, she has been overwhelmed with complaints from residents about the service. The Chair requested that the member forward details to the Director Housing Property Services.

The Chair thanked Martin Fox, the commercial Manager for his presentation and contribution to the scrutiny topic.

On the question about the status of the repairs dashboards, the meeting was advised that the completion of these had been further delayed.

The Chair enquired if the Committee would be interested in inviting the relevant IT officer in charge of development of the dashboards to explain the reasons for the delay in the delivery of the dashboards.

131 WORK PROGRAMME 2019/20 (Item B2)
RESOLVED:

That the work programme be noted.

The meeting ended at 9.35 pm

CHAIR