

Committee(s): Finance Committee	Dated: 4 th June 2024
Subject: Update on HRA/Barbican Estate Respective Repairs Contracts.	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Judith Finlay	For Information
Report author: Damon Ellis DCCS.	

Summary

An update on the concerns arising from previous Finance Committee meetings with reference to contract management at the Barbican and HRA Estates.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

- 1 At its meeting in December 2023, the Finance Committee approved an extension to the existing contracts for responsive repairs, maintenance, and voids at HRA and the Barbican Estate for an additional 12 Months from April 2024 through until March 2025.
- 2 As part of the approval for this extension, Members requested that officers return with an update on how contracts were being managed.

Current position

Barbican Estate – Metwin

- 3 A new Management team has been embedded at the Barbican Estate over the previous two months to take ownership and full accountability for all existing and new contracts going forward. This team includes:
 - A newly appointed Assistant Director
 - A newly appointed Head of Property Services
 - A newly appointed Contracts Manager
- 4 Collectively, and with the best interests of the residents in mind, we have already introduced and implemented the following:
 - Standard Operating Procedures (SOPS)
 - Commercial Delegated Authority with reference to raising orders.

- Value for money exercises with reference to specialist works.
 - Joint quality reassurance inspections of completed works.
- 5 With reference to procurement of future contracts we now have full visibility of all existing contracts and when their respective contracts are due to expire. This provides the required timescales to reprocure rather than extend existing contracts.
- 6 In addition, and for reassurance the procurement process is well underway and on target for the two main repairs contracts (HRA & Barbican Estate) due to commence in April 2025.

Housing Revenue Account (HRA) - Wates Contract update.

Recruitment within Housing

- 7 The Housing Service has ensured that the right resources are in place to improve the management of the repairs and maintenance service.

This includes:

- The recruitment of the Assistant Director for Housing which has taken place, and the new Assistant Director will be starting with the City of London Corporation on the 28th May 2024. A handover between the Interim Assistant Director Housing and the incoming officer has been put in place.
- An Interim Head of Repairs and Maintenance has been in place since December 2023. The permanent recruitment has taken place, and the final decision of the incoming permanent Assistant Director for Housing is expected week commencing 20.5.24.
- Vacancies within the repairs structure (Property Services Officers) have been recruited to, with one in place and the other commencing before the end of May 2024.
- The role of Compliance Manager has also been advertised and a candidate chosen (20.5.24)

Wates Contract Performance

- 8 The previous contract with Wates Living Space (Wates) valued at £6.8m expired on 31st.March 2024. Wates has faced ongoing issues with the delivering repairs on a timely basis.
- 9 | The main concerns have been regarding the timeliness and quality of the repairs. We have been unable to compile reliable performance data for 2022-23 mainly due to interface issues between Civica Cx and Wates IT system Impact.

- 10 Wates's performance management falls under the remit of the Department of Community and Children's Service's Housing Team, led by the Assistant Director of Housing. Performance is reviewed in monthly contract meetings where outstanding repairs and concerns are discussed and documented. In addition, the Property Services Team Manager (PTSM) has weekly meetings with the Commercial Team to review quotes and queries on variations and repairs being charged for. Under the former Schedule of Rate (SOR) contract the PTSM was responsible for reviewing all jobs raised and invoiced for and challenging any unwarranted costs.
- 11 As of the 1st April 2024 the Wates contract has been extended and moved to a price per repair contract (PPR) where all repairs under the value of £500 are raised and invoiced at a set rate of £143.66. This format change will reduce administration on both sides and ensure increased scrutiny of costs and value for money.
- 12 The contract is now fully staffed by Wates with a new Contracts Manager, Supervisors for day to day and voids, schedulers, engineers, and a new commercial team. Wates are providing weekly performance data relating to Work In Progress (WIP) which has been split into legacy and new relating to pre and post April 2024.

Legacy WIP - opening balance w/e 3/5/24 = 245 jobs closing WIP = 172 Overdue jobs = 105

New WIP - opening balance = 265 jobs closing WIP - 260 overdue = 62.
- 13 Focus is currently on reducing the legacy jobs while picking up the urgent new jobs to ensure that there is no risk to health and safety. Wates has advised that there will be an additional resource allocated to the contract at the beginning of June which they will use to focus on clearing the legacy WIP and allowing the current engineers to deliver the services on the new WIP. They have been open and honest around challenges they have faced with their supply chain which has impacted on our roofing works and other areas. This has now been resolved and these works are being allocated.
- 14 We are also planning to move Wates onto our Contractor Access Portal (CAP) which will streamline the variation process and improve the overall process reducing delays and facilitating payment without the current delays we are experiencing.
- 15 Further updates on both respective contracts will be given as we progress through the contract extensions.

Conclusion

16 Significant progress has been made in terms of cost & quality control ensure the HRA & Barbican are receiving demonstratable value for Money, there is more work to be done over the next few months with relation to setting up the HRA and Barbican offices for effective and controlled management of the new 2025 contract which will be our primary focus over the next 6 months.

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