

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Interim Corporate Manager – Responsive Repairs	Report Number: R92
To: Strategy Committee Executive Committee	Date of meeting: 4 February 2016 8 February 2016

REVIEW OF RESPONSIVE REPAIRS DELIVERY ARRANGEMENTS

1. Purpose of Report

- 1.1 To provide the Committee with an update of the options for future provision of the repairs and maintenance service across both Babergh and Mid Suffolk District Councils.

2. Recommendation to Council

- 2.1 The Committee is asked to endorse the recommendation detailed in the report that Babergh and Mid Suffolk develop a new In-House service model to deliver Repairs and Maintenance services across both districts, with a focus on establishing a viable business base that creates financial stability and potential future commercial development.
- 2.2 That implementation costs for the project be funded through the transformation fund in line with the “invest to save” initiative and responsibility for such delegated to the Head of Housing.

3. Financial Implications

- 3.1 The two Councils currently spend approximately £3 million on repairs and maintenance services. This report examines options for providing value for money delivery of those services in the future.

4. Legal Implications

- 4.1 The report outlines implications for current and new contractual arrangements with external suppliers.

5. Risk Management

- 5.1 This report is most closely linked with the Council’s Corporate / Significant Business Risk around failure to integrate. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to integrate services and staff leads to full benefits of joint service delivery not being achieved	High as the current service is delivered through 2 different operating models and are delivering service inconsistently	Residents do not receive a consistent, quality service that provides value for money	Recommendation to pursue a single delivery model for Repairs and Maintenance services

6. Consultations

- 6.1 Stakeholders including residents, councillors and staff have been engaged in reviewing the current service provision and the options outlined.

7. Equality Analysis

- 7.1 There are no groups that have been identified as being disadvantaged through the development of this options appraisal.

8. Shared Service / Partnership Implications

- 8.1 There is no impact at this point but opportunities may be identified to build additional local links depending on the option selected.

9. Key Information

- 9.1 There are currently 2 operational models in place to deliver repairs and maintenance services across the 2 districts.

- 9.2 Repairs and Maintenance services are currently provided by external contractors (Morrison's) in Babergh and by an in-house Direct Labour Organisation (DLO) in Mid Suffolk. The Morrison's contract has completed its term and has been extended pending the outcome of this exercise. There will be a need to extend these arrangements for an additional length of time to cover the transition to new arrangements. The opportunity has been taken to review and consider the options for consolidating and integrating the service to provide the best quality and value for money service for residents of both Councils.

- 9.3 The recently procured contract for heating and electrical services that was awarded to Blue Flame will limit the scope of a future contract for repairs and maintenance.

- 9.4 Options reviewed in the report attached as Appendix 1, are:

Option 1 - Establish a new In-House Repairs & Maintenance service

Option 2 - Outsource to a new provider through procurement of a new contract

- 9.5 The recommendation of the report is that Babergh and Mid Suffolk develop a new In-House service to deliver Repairs and Maintenance services across the whole district, with a focus on establishing a viable business base that creates financial stability and potential future commercial development.

10. Appendices

	Title	Location
1	Options Appraisal for Repairs and Maintenance Services	Attached

Calvin Fisher

Interim Corporate Manager – Responsive Repairs

calvin.fisher@baberghmidsuffolk.gov.uk

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Options Appraisal Update for Repairs and Maintenance services for Babergh & Mid-Suffolk District Council (MSDC)

1. Executive Summary

This paper outlines an appraisal of the options for the delivery of responsive repairs from April 2017. A paper outlining four options for delivery of repair and maintenance services has been previously considered which addressed 4 potential options as follows;

- Dual Model - continue the dual operating model of in-house and external provider for each council
- Single Outsourced Model - outsource all repairs and maintenance to an external contractor through a procurement process
- Retain and deploy the in-house Direct Labour organisation (DLO) - maintain and grow the DLO to provide services across both councils
- Joint venture with a third party - entering into a partnership with an external party to deliver services jointly

These options were produced following a review of the existing repairs & maintenance service and focussed engagement with multiple stakeholders including councillors, residents and staff. The options were presented to Management Board, Joint Housing Board and Joint Staff Consultative Committee. The recommendation to shortlist the options from the original 4 down to 2 was approved with a view to identifying a single model for delivery across all council properties. The options recommended for further detailed review were;

- Option 1 - Establish a new In-House Repairs & Maintenance service
- Option 2 - Outsource to External Provider through procurement of new contract

The process of reviewing the options has helped develop a vision for the delivery of the Repairs and Maintenance service which can be summarised in the statement:

'Delivering consistent and high quality repairs and maintenance, to get it right first time for our residents' using a single model that is flexible and connected to housing services, that best fits the needs of the customers of Babergh & Mid Suffolk District Councils'.

The paper provides further appraisal of the 2 options for consideration and makes the recommendation to implement the most cost effective and quality option that aligns with the strategic direction of the councils and the integration agenda.

In making the recommendation both of the two existing models have been compared and there are both strengths and weaknesses evident in both models.

The option to outsource all repairs and maintenance services has been investigated with procurement advice taken. There would be a time, cost and quality consideration in pursuing this option as a new arrangement would take around one year to implement and the existing interim contract arrangements are not fit for purpose. To implement this option successfully would require new contract arrangements that ensure success and sustainability over the long term. To realise the value for money an outsourced model can provide the Councils would need to commit to a long term relationship with the contractor and ensure delivery, contract performance and customer contact is managed effectively. These arrangements would be complex to adjust once into contract delivery.

Over the last 20 years there have been some major swings in the trend of setting up in-house DLOs to complete repairs and maintenance services in the Housing Sector. This has been particularly influenced by the 2011 VAT increase to 20% and the collapse of mainstream contractors such as Connaught and ROK that left a lot of housing organisations looking for alternative providers to fulfil repair and maintenance works on their properties. Since these incidents there has been a noticeable shift in organisations wishing to establish their own DLO.

A 2011 study by the Guardian newspaper found that DLOs were on average 10% cheaper than using a Contractor and DLO performance for completing responsive repairs on time was 3% faster than using a contractor.

The report recommends that Babergh & MSDC develop a new In-House service to deliver repairs and maintenance services across the whole district, with a focus on establishing a viable business base that creates financial stability and potential future commercial development.

The rationale for this recommendation is as outlined below;

- An In-House service gives the Councils more control and offers a more flexible vehicle that can respond to changes in the financial environment and any budgetary pressures as a result of those changes. It also allows the council to more easily tailor its service to the needs of the community it serves.
- Customer satisfaction levels are currently high in the area where the in-house team operates.
- An efficient In-House service has the potential of moving to a positive trading position generating a surplus for the councils.
- Development of an In-House team maintains local employment, allows the opportunity for progression of staff and opens the door to introduce an apprentice scheme within the team.
- Development of an In-House team will support the local economy through employment, use of local supply chains and local contractors.
- Retention and development of an In-House team will be seen as a positive move by staff, morale will improve.
- Establishment of an In-House team removes the need for a lengthy and complicated procurement process.

However, creating a DLO is not straightforward or a guaranteed solution for improving value for money. Establishing and running a DLO requires a significant on-going commitment and expertise to ensure they remain competitive and effective. During the course of the review it has become clear that there are many issues that adversely affect the current delivery of the service and particularly affect the existing DLO's ability to operate at optimum levels. In order to deliver an In-House team that is fit for a broader model of delivery, additional investment will be required to create solid foundations that will underpin and ensure sustainability into the future.

2. Context

2.1 Performance

Table 1 below shows performance figures for Babergh and MSDC for 2013/14 and 2014/15 for voids and repairs. Table 2 shows the upper to lower quartile benchmark figures as provided by Housemark and benchmark figures are derived from the performance of our agreed peer group of similar organisations.

Table 1

	Babergh		MSDC	
	13/14	14/15	13/14	14/15
Average cost per void	£1609	£2605	£1306	£1480
Average void cost per Property	£137	£158	£92	£92
Average repair cost per property	£332	£290	£341	£447

Table 2

Housemark Benchmark Average cost per void 2014/15		Housemark Benchmark Average repair cost per property 2014/15
Upper Quartile	£1627	£278
Median Quartile	£2018	£357
Lower Quartile	£2552	£588

Voids – Babergh void costs have risen over the 2 year period moving them from upper to lower quartile over the period. MSDC costs have also risen slightly but they remain in the top quartile.

Repairs – In contrast Babergh performance on repairs has improved but remained in the median quartile and MSDC performance has diminished moving them from median to lower quartile.

The figures illustrate that the performance in both districts needs to improve to reach and maintain upper quartile figures and there needs to be a standardisation of approach to align the services, ensuring residents receive a good quality and consistency of service.

2.2 Decision making criteria

In the previous report a set of criteria was proposed to assess the best value option for delivery of services that took into account a balanced approach to quality, cost and sustainability. This has been reviewed to take into account the feedback and input of the Management Board, Joint Housing Board and Stakeholders, and as a result the following criteria has been used to weigh up the pro's and cons of the 2 options.

- Operational considerations - Organisational Structures, performance measures, customer care, fit with strategic objectives, impact on staff, stakeholder requirements.

- Legal Considerations - Fit with current contractual arrangements, fit with the councils financial regulations and standing orders, Timeliness.
- Financial considerations - costs, budgetary considerations

Stakeholders identified additional areas for consideration and these principles have also been assessed as part of the evaluation process.

3. Options for future delivery of services

3.1 Option 1 - Establish a new In-House Repairs & Maintenance service

3.1.1 Operational Considerations

Organisational Structures - Babergh & MSDC is currently going through a management review. The outcome of the decision on the responsive repairs delivery may have some influence on this review. Changes to existing structures within the existing Asset management team will be required if the In-House model is to be retained. The existing operational and management structure is not fit for purpose as it currently stands as there are not the competencies and skills available to implement the transformation, expand the service and make it financially sustainable. Recruitment of new staff will be required to deliver and there may be TUPE issues from the incumbent contractor.

Performance Measures - there is a fundamental lack of performance management information at the present time. Whilst there can be no guarantee that performance levels will be improved, establishing a new In-House team provides an opportunity to develop and implement a robust set of performance measures in a relatively short space of time. This would provide the platform to make a significant, measurable improvement quickly and in the longer term provide information that allows benchmarking against other providers.

Improved Customer care - The DLO currently provides a high level of customer satisfaction as recognised at the engagement event. This is one of the few areas where performance information is captured and most recent figures show customer satisfaction high at 94% for 2014/15. There is likely to be a dip in satisfaction levels at the outset while embedding a new service, especially in the Babergh district where the service will be completely new.

Fit with strategic objectives – Creating an In-House team to deliver Repairs & Maintenance services is closely aligned to the council's ethos and strategic objectives. This would include supporting integration by delivery through a single model. Using in-house staff maintains local employment, allows opportunity for progression of staff and the inclusion of apprentices, helps the local economy and provides opportunity for the use of local contractors. There is significant potential for the In- House Team to turn its existing trading position into a position of realising surplus for the council which could then be reinvested into further expansion or into other council priorities.

Impact on Staff – Development of a new In-House team would be seen as a positive course of action by demonstrating an investment in staff, a commitment to supporting the local community and the local economy. The review of repairs and maintenance has been ongoing since 2011 and staff morale has been very low during this period of uncertainty. There may be TUPE implications with the current provider in Babergh determined by the number of staff that are directly employed by Morrisons on the existing contract.

Stakeholder requirements - A set of principles was outlined in the previous options paper and will inform the specification of the service regardless of what delivery model is chosen through the implementation phase. However certain principles identified will be more easily delivered through the in-house delivery model. It was identified that there should be better integration with housing services which would encourage repairs and housing staff to work more closely together to help identify other issues residents face so that support can be provided. Communication was another theme identified, namely, improvements to the ways the councils communicate to tenants and internally needs to be improved, particularly to ensure residents understand the changes to the service and are informed through all stages of a repair job being carried out. Both of these principles would be addressed more successfully if the repairs service was retained in-house.

3.1.2 Legal Considerations

Fit with current contractual arrangements - MSDC currently deliver their repairs service through their In-House DLO so there is no impact on current contractual commitments. Babergh's repairs service is currently delivered through an outside contractor. This contract is at an end and has been extended pending the outcome of this review. An In-House delivery model would have no impact on future delivery as current contractual arrangements would be extended to cover Babergh. Travis Perkins currently supply all materials, tools and stock for MSDC. This contract is due for renewal in 2016. This contract cannot be extended under the present conditions and MSDC are working with our procurement team looking at ways to retain the current arrangement as closely as possible pending the outcome of this review. Should the decision be made to continue with an In-House delivery model then this contract will need to be re-procured. If the option to pursue the In-House model is chosen then the service in Babergh may suffer during the implementation period as the existing contractor, Morrisons will be phasing down their operation with no opportunity to procure a new contract. The service will need to be monitored closely during this period and it will be in the interests of the councils to implement the new regime as quickly as possible.

Fit with the council's current financial regulations and standing orders - There is no impact on the councils financial regulations or contract standing orders.

Timeliness - This option removes the need to go through a lengthy procurement exercise but the process of integrating the Babergh properties into the repairs system and re-organising the service to deliver across both districts will require time in order to implement structure and area changes and embed new technologies. The proposed launch date of April 2017 should be met with much of the service in place and running before this date. A detailed implementation plan will be produced to monitor the progress towards go live in April 2017.

3.1.3 Financial Considerations

Costs - There will be costs involved in retaining and expanding the in-house team in Babergh & MSDC. Investment would be required in the first year into the technology, plant and infrastructure to modernise and make the service efficient and able to deliver the level of service required. Estimated initial costs and areas are illustrated in Section 4 of this report, Table 3.

The costs shown in the table are over and above the existing operational costs currently incurred by running the In-house provider. It is not envisaged there will be any additional staffing costs initially as increases in efficiencies from these measures plus more efficient management of the in-house operation will result in an improvement in performance enabling the current team to cover the repairs and maintenance commitment across both districts. An efficient In-House team would expect an average of 4-5 jobs completed per day per operative. Babergh & MSDC currently carry out an approximately 12000 responsive repairs per annum. This equates to a workforce of 14 operatives working at a rate of 4 jobs per day. 20 operatives are currently employed by MSDC. With the operation running effectively this leaves 6 operatives to form a dedicated Empty Property repairs team.

Budgetary considerations - Given the recent restrictions on revenues imposed by the Government and the impact this, and maybe more legislation could have on repairs budgets it is important that Babergh & MSDC have a delivery model that can react to those changes. Keeping and developing a repairs service in-house allows a high measure of control not afforded by outsourcing. It is recommended that this flexibility is built into the New In-House team by developing the workforce initially into an operating core based around the baseline budget and local sub-contractors are used as buffers to deal with the peaks and troughs within the workflow.

A surplus could potentially be generated by the service once the implementation is complete and operationally effective by tendering for external works.

3.1.4 Conclusion for Option 1

Whilst there are issues that would need to be resolved in order to expand and create a strong trading position there has already been improvement in operations since the commencement of the review. Recent operational changes have been implemented, with potential for further significant improvement with the commitment, investment and transformation to establish a long term future for the In-House team. An investment into technology has been made which will improve operational efficiency, these costs have already been budgeted for and a project is underway to implement in spring 2016. Other costs identified in Section 4 of this report are recoverable by the service operating efficiently and returning a surplus on its trading account. This would be illustrated by producing a Business Plan for the Service showing its projected performance and expected return above cost. Performance of the service would be monitored by the projections within the Business Plan.

It is also worth noting that an In-House team provides the council with closer control over its service provider than the alternative option as the budgets, resource, customer satisfaction, future direction and management of risk and quality is tighter. This is particularly pertinent as there is increasing uncertainty facing the sector and greater flexibility over budget and resources is essential.

The In-House option supports the local economy through local employment, enabling the use of small local contractors at times of high work volumes and in remote areas of the district, and by using local suppliers and regional supply chains. A sustainable in-house service can also offer apprenticeships to local people.

3.2 Option 2 - Outsource to External Provider through procurement of new contract

3.2.1 Operational Considerations

Organisational structures - Babergh & MSDC is currently going through a management review. The outcome of the decision on the responsive repairs delivery may have some influence on this review. It is difficult to assess what the true impact of outsourcing the repairs contract will have on the organisational structure of the council. This will be dependent upon the type of contract procured and the extent to which the council wishes to hand over responsibility to the contractor for decision making issues and customer contact.

It is evident, as with the In-House option, that changes to the current staffing structure would be needed. Client side management would require additional skills and competencies to manage the new contract in a more robust way.

Performance measures - There is no guarantee that re-tendering and appointing new service providers will improve the level of service being delivered, however it does provide the potential to build performance measures and incentives into the Contract to focus on service delivery. Improvement on existing delivery is hard to measure as performance figures for the current service are not available. Performance measures would need to be identified through the procurement process to ensure quality goals are met and maintained.

Improved customer care - As above this option has no guarantee of providing improvements in customer care. Given the perceived high levels of customer satisfaction at the moment there is a probability that levels will diminish, particularly as a new provider will need to go through the learning curve of developing and delivering the new service from a standing start across both districts, whereas the DLO is already in situ in MSDC. Although a new In-House service will be subject to the same issues as it will be a new service to Babergh residents. Figures for customer satisfaction are not collected in Babergh for the present contract making comparison across the options and benchmarking the impact of the change difficult.

Fit with strategic objectives - This option fits with the strategic objective of providing services through one provider. Council Strategic objectives would form part of the tender document. One of the key aspects of the selection process in the tender exercise would be to ensure that selected contractors are able to demonstrate a commitment to delivering Babergh & MSDC objectives through evidence of delivering similar services elsewhere.

Impact on staff - With this option there are TUPE implications related to re-tendering. All the staff currently engaged in the delivery of repairs and maintenance services by Babergh & MSDC would be covered by TUPE legislation. The effect of this is that all those staff would have the right to transfer to the new service provider for the duration of the contract. TUPE protects staff Terms and Conditions and the implications of this has deterred organisations from tendering for response repairs contracts given that financial risk is the burden of the contractor. The impact on staff will be felt more in MSDC should this option be preferred and morale will be low. Babergh currently work with an outside provider so the impact is lessened, but they may still be affected depending upon the type and extent of the scope of the contract tendered. For instance call centre staff and inspectors may be subject to TUPE should the decision be made to transfer these responsibilities to the contractor as in many repairs and maintenance contracts.

Stakeholder requirements - These principles were outlined in the previous paper and will inform the specification of the service regardless of what delivery model is chosen through the implementation phase. When preparing any tender documents the principles identified by stakeholders will be included and contractors will need to demonstrate their commitment to, and process for, delivering these requirements.

3.2.2 Legal Considerations

Fit with current contractual arrangements - The current contract for Babergh is out of term and further extensions are not possible therefore a procurement exercise would be necessary. This would be likely to take a year from decision to implementation. This is further complicated by the Blue Flame contract which runs until 2020. This contract has lessened the scope of the package that can be offered to potential bidders by removing most plumbing and electrical works from the tender, making the offer less attractive to bidders.

This option could have an adverse effect on the delivery of the existing service in MSDC due to the DLO working out the notice period in an environment where morale is low and personnel may be seeking alternative employment. The same effect could be felt in Babergh where the existing contractor is working on a temporary basis pending the outcome of a new tendering exercise which they may or may not be involved in.

Fit with the Councils current financial regulations and standing orders - There is no conflict with the existing regulations.

Timeliness - . This option would require a procurement exercise to identify and appoint a new contractor for the delivery of services to Babergh & MSDC from April 2017. This exercise would take approximately 12 months from the point of decision.

3.2.3 Financial Considerations

Costs - There are costs associated with re-tendering and these would include the cost of advertising, preparation of tendering documents, legal advice and the human resources within Babergh & MSDC needed to procure the contract. These costs are not recoverable. Section 4, Table 3, of this report compares the estimated costs of implementation of the two options.

Budgetary considerations - As with Option 1, given the recent restrictions on revenues imposed by the Government and the impact this, and maybe more legislation could have on repairs budgets it is important that Babergh & MSDC have a delivery model that can react to those changes.

This has major implications on contracts with third parties as there may be additional need to review and adjust spend in line with spending cuts imposed on and by Councils, both now and in the future as the full impact emerges. This could necessitate re-procurement or renegotiation of contracts and pricing in the future. Contracts will need to be more flexible than they have been historically in order to adapt to market pressures. This may have an adverse effect on the ability to negotiate prices down due to uncertainty about volumes of work over an extended time period. Contract management will need to be robust in order to control the resultant cost pressure. In forming a decision, it is important to understand current market conditions and the impact of government measures both now and in the future. In the last few years we have seen:

- A 'price' driven market with falling prices and margins being maintained through more aggressive contracting.
- The loss of several, large contractors in the market through administration.
- A rise in challenges to public sector procurement (not helped by changes to the related OJEU processes requiring greater rigour and transparency).
- Adversarial relationships and a return to more traditional contract arrangements.
- Failing contracts primarily because they are not sustainable.

3.2.4 Conclusion for Option 2

The retendering of the Repairs and Maintenance contract is of high risk and could result in Babergh & MSDC paying more for their service than they currently pay.

There is the risk that contractors will not be attracted to the project due to the TUPE issues, value of the contract, the scope of services tendered and geographic location. The existing Blue Flame contract has a significant effect on the value and scope of the contract on offer.

Staff morale will be affected if this option is chosen and services will be harder to maintain during the implementation period.

The option does give the opportunity to streamline the repairs and maintenance service by transferring operational responsibilities to the contractor and maintaining a small dedicated client team within the council to monitor the contract.

Measures for supporting the local communities, local employment, local businesses and encouraging apprenticeships will need to be included in the tender documents and monitored to ensure contractors deliver on the objectives.

There would need to be a greater emphasis on strong Client management of contracts and contractors. This would mean holding contractors accountable to the specification of the contract, creating a suite of performance measures that are tightly monitored, regular contract meetings held and appropriate escalation of issues with the right to enact penalties or exit clauses as appropriate. Additional skills and competencies would be required.

4. Estimated Implementation costs

Table 3

Areas of investment	In-House option		Outsourced option	
	Implementation	Annual cost	Implementation	
New Fleet (5yr repair lease)	£96000	£96000	N/A	Included in contractor costs
Work Scheduling software	£95000	£1000	N/A	Included in contractor costs
Diagnostic software for call centre	£25000	£1500	£25000	May be part of the contract
National Housing Federation Schedule of Rates (SOR)	£8000	£580	£8000	May be part of the contract
Training	£15000		£15000	Dependent upon scope of contract as above some of this training may be provided within contractor costs.
Interim management arrangements	£100000		£100000	
IT integration	N/A		£10000	
Re-branding	£25000			
Total	£364000	£99080	£158000	

It also needs to be taken into consideration that both options will involve the use of considerable staff resource to implement. Both would require input from Human Resources, Procurement, Housing Management, Legal Services and Asset Management.

The cost of procurement of a new contract is harder to quantify without determining the scope of the contract to be offered. Decisions will have to be made as to how much responsibility the councils wish to defer to the contractor and how much they wish to remain in-house. Costs will then be either included in the contract prices or remain as a cost In-House. For instance if Call handling was deferred to the contractor then we would expect costs for diagnostic and work scheduling software to be part of the contract price and staff and staffing costs of those currently involved in that process would also transfer as part of the TUPE arrangement.

5. Recommendations

5.1 Option for delivery

Based on the options outlined in this report the recommendation is to develop a new In-House service model to deliver Repairs and Maintenance services across both districts, with a focus on establishing a viable business base that creates financial stability and potential future commercial development

The key benefits for retaining the in-house services are;

- **Use of resources** – the majority of the costs of the in-house service are fixed and utilising these resources helps to generate the income needed to ‘pay’ for these costs
- **Training & Skills** – a well trained, locally based workforce with knowledge of the Council’s stock and area in which they work paid through a fixed cost remuneration package.
- **Local employment** – the vast majority of the staff live locally and spend their income within the locally economy
- **Contribution to central overheads** – The in-house service makes a contribution, through recharges, to the Council’s central overheads and the service also uses other core services provided by the Council helping to make them viable too.
- **Income generation** – An in-house service has the potential to be an income generator not only in terms of the Council budgets but also in being able to provide services for third party organisations. To do this successfully, it must have ‘scale’ and ‘capacity’.
- **Employment & training** – ongoing throughput of work enables an in-house service to create local employment opportunities and to introduce an apprentice programme. There are also opportunities to introduce basic repairs training for tenants/residents.
- **Generation of a surplus** – with sufficient volumes of work and productivity to cover costs there is the potential for the service to generate a surplus. This is similar to the profits made by private sector companies. This money contributes to the Council’s wider finances.
- **Ultimate guarantee** – allocating work to the in-house team provides the ultimate guarantee. If there are disputes or quality issues, it is wholly within the Council’s control to adjudicate an outcome and resolution. This is more complex in an outsourced service where matters have more potential to become ‘contractual’.
- **Flexibility** - control of the service remains firmly in the hands of the council giving it the flexibility to deal directly with any budgetary constraints or changes in legislation imposed by outside forces.
- **Corporate works** - having a multi-skilled in house team means that Babergh & MSDC can utilise the workforce to carry out works to corporate assets removing the need to tender outside works and keeping the funding in-house.
- **Working within the community** - a successful and branded service recognised and engaged in community initiatives across the district enhances the reputation of Babergh & MSDC.

5.2 Implementation costs

It is recommended that Implementation costs for the project be funded through the transformation fund in line with the “invest to save” initiative and responsibility for such delegated to the Head of Housing.

5.3 Implementation

There will be an implementation period before the new service can be launched across the two districts. During this period there are several issues that will need to be addressed. A list of these issues is shown below. This list is not shown in order of importance but the issues highlighted will be included in an implementation plan that will be produced should the recommendation be endorsed.

- Identify leadership & management requirements
- Investigate options for fleet procurement
- Re-branding of the service
- Produce structure
- Produce a Business Plan
- Set up a trading account
- Issue notice on other contracts if necessary
- Management of termination of Morrisons contract
- TUPE (there may be TUPE implications with the current Babergh contract)
- Agree and implement Performance Indicators
- Purchase and integration of new Work Scheduling software
- Purchase and integration of new diagnostic software
- Produce a training/workforce development plan
- Review existing repairs processes and standards to ensure consistency across the districts
- Procure new materials contract
- Data sharing...integration of property details
- Engagement with local contractors
- investigate ways of increasing resident involvement
- Introduce new pricing mechanism eg NHF Schedule of rates
- Review processes and procedures for surveying/supervision/inspections