

**Meeting of the Housing and Safer Communities Select Committee – 13th
March 2024**

Report of the Director of Housing and Communities

Contractor Management

Purpose of report

1. To provide an update to the Select Committee on the work currently being undertaken to review contracts and contractor management within the Housing Directorate.

Recommendations

2. It is recommended that the Committee **note** the following: -
 - The review of Contractor management is still underway with an expected outcome due in April 2025, with the implementation of a new approach and strategy to the procurement and management of contractors.
 - A further report will be brought to the Select Committee towards the end of 2024 setting out the final outcomes of the project.

Background

3. Since being appointed, the Interim Strategic Lead for Property Maintenance (SLPM) has been overseeing a review of contract and contractor arrangements within the Housing directorate, to ensure robust and effective measures and arrangements.
4. The scope of the review has been to:
 - Review Current Contract Arrangements
 - Ensure that working practices and spend limits are within contract requirements.

- Ensure compliance with best practice for procurement of contracts.
 - Reduce the number of contracts and contractors currently being utilised.
 - Enhance current management arrangements of suppliers and contractors.
 - Ensure appropriate governance over all areas of contract and contractor management.
 - Review financial controls to ensure spend is controlled, budgets are met and the appropriate approvals are put in place.
5. The review of the contract and contractor arrangements is ongoing and will conclude with the implementation and commencement of a new procurement strategy for Place contractors, which will be supported by the necessary and associated management and budget controls. It is anticipated that the new arrangements will commence in April 2025.
 6. The decision was taken for an independent procurement specialist to carry out soft market testing in the Midlands area to assess what solutions and resources were available. This piece of work is still underway with a recommended strategy for the procurement of future maintenance and asset management services expected to be presented in the next 3 months, with an expected go live in April 2025.
 7. Historically, the management of all contracts within Housing had been led by one Head of Service. To enable a greater level of focus and to be led by staff with a greater understanding of the particular area of work, the responsibility for management of the contracts, budgets and associated contractors will be split and assigned to the relevant Head of Service.
 8. The Strategic Leads for Assets & Building Safety, and Property Maintenance have introduced the following to strengthen the current approach to Contractor Management:-
 - Allocated clear roles and responsibilities to the contract management team.
 - Automated ordering and routine admin tasks and processes where possible and appropriate.
 - Introduced standardised contracts using templates and monitoring documents.
 - Diarised the annual meeting cycle for all monthly Contract catchups and Core Group meetings.
 - Agreed methodologies and approaches for undertaking ordering, specifications, variations and account settlement.
 - Introduced tighter control on contractor variations.
 - Sourced and in the process of procuring a 3rd party assurance professional “Morgan Lambert” to provide oversight and assurance on contractor performance and compliance.
 - Reset the performance arrangements against each contractor to measure management KPI’s and delivery against SLA’s.

The Corporate Procurement team have recently rolled out a Contract Management Code and Contract Management Plans to be followed for contracts dependant on their categorisation as Bronze, Silver or Gold. Additionally, contract management training is available to all officers involved in the management of contracts.

9. The Corporate Procurement team have recently recruited a Procurement Business Partner (PBP) to support Housing Procurement, including leading on the delivery of the recommended strategy for the procurement of future maintenance and asset management services. In addition, the PBP will support Contract Management across the Directorate.

Finance

10. The steps taken so far have had a positive impact on the spend from the Housing Revenue Account.
11. A follow up report will be presented to the Select Committee later in the year, with a full breakdown of the financial success associated with this project.

Law

12. Legal advice may be required on contract management matters if agreements need to be varied.

Risk Management

13. The Corporate Risk Register recognises the risk that the Council may be unable to set and/or manage its budget so as to meet its statutory obligations within the resources available.
14. The forecasts and proposals in this report improve the outlook on contractor spend and management.

Equality Impact

15. The proposals take into account the Council's Policy on Equality and Diversity and Equality Impact Assessments will be completed as required where changes to service provision are proposed.
16. This report sets out improvements to the management of contracts and contractors. The changes that are being implemented won't directly impact customers, but the ramifications have the potential to impact services in a positive way as more financial resources will be available for investment in housing services.

Human Resources/Organisational Development

17. The project primarily focuses on the contracts and contractors utilised by the council. However, any reduction in the usage of contractors will impact the demand levels within the housing maintenance internal staffing resources. There is currently available capacity in resources within the maintenance service and this piece of work will contribute positively towards demonstrating better value for money of internal costs.

Commercial/Procurement

18. As set out in the body of the report, a specialist asset and maintenance procurement consultancy has been appointed to carry out soft market testing and to produce a combined procurement strategy for the Place Directorate. This body of work is underway with an anticipated completion date of April 24. The piece of work is being undertaken with colleagues within the Corporate Procurement Team.

In the last 12 months a number of new procurement policies and processes have been introduced by the Corporate Procurement Team that are still in the process of being embedded across the Housing Directorate. The PBP for Housing will work with the Housing Procurement team to ensure procurement and contract management best practice is embedded across the Directorate.

Environment/Climate Change

19. Individual projects and major schemes are assessed for their environmental impact before they commence. The Council is committed to addressing United Nations Sustainable Development Goals including those relating to poverty, health and wellbeing and reducing inequalities. The procurement of future contracts will ensure that the council's goals for sustainability are factored into the contracts where appropriate.

Council Priorities and Projects

20. This report relates to our statutory functions as a social housing landlord and will contribute to the health, wellbeing, and safety of our tenants. The report supports our aims for Housing summarised in the Council Plan:
 - the provision of excellent services for tenants
 - offering high quality housing
 - supporting vulnerable people

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Appendices / List of Background Documents: None