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Date: 20th January 2016

Dear Sir/Madam,

A Special meeting of the **Caerphilly Homes Task Group** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 27th January, 2016** at **5.00 pm** to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
INTERIM CHIEF EXECUTIVE

A G E N D A

- 1 To receive apologies for absence.
- 2 Declarations of interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To receive and consider the following report: -

- 3 Sheltered Housing Schemes - Managed Service Provider.

Circulation:

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Task Group Members: L. Ackerman, Mr C. Davies (Chair), Miss E. Forehead (Vice Chair), Ms J. Gale, K. James, Mrs B. A. Jones, Ms S. Jones, Miss A. Lewis, C.P. Mann, Mr M. McDermott, Mrs D. Moore, Mr J. Moore and D.V. Poole,

And Appropriate Officers



CAERPHILLY HOMES TASK GROUP – 27TH JANUARY 2016

SUBJECT: SHELTERED HOUSING SCHEMES – MANAGED SERVICE PROVIDER

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To advise the CHTG in respect of developments relating to the Invitation to Tender (ITT) for the Managed Service Provider for the Sheltered Housing Schemes. The report and special meeting have arisen as a result of concerns raised by tenant representatives and a perception that the Council is privatising the sheltered housing schemes.

2. SUMMARY

- 2.1 A report was considered by CHTG in April 2015 in respect of additional measures necessary to cope with the volume of work and specifically that the management and delivery of the WHQS works on the sheltered housing schemes should be undertaken by a suitable consultancy on behalf of the Council. This was seen as a means of buying in extra capacity to oversee a discrete part of the WHQS programme. The recommendation was subsequently approved by Cabinet on 29th April 2015.
- 2.2 Since that time the development of the ITT has taken on board various changing circumstances that have arisen. This includes decisions relating to the six sheltered housing schemes identified for possible remodelling and considerations relating to statutory and reactive maintenance of the sheltered schemes. This has resulted in the ITT being structured into 2 separate lots which provides the opportunity to explore whether further benefit can be derived in the way the property management function of the sheltered housing schemes is organised.
- 2.3 This has been an evolving situation and the report provides an update.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:
“To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”

4. THE REPORT

- 4.1 The report presented to CHTG in April 2015 outlined the pressures on the Programme due to the slippage that had arisen and that unless additional measures were put in place to increase capacity and to expedite the implementation of such measures there would be a serious threat that the WHQS will not be achieved by 2020.
- 4.2 The sheltered housing schemes represent around 10% of the housing stock. There are also some unique considerations that are specific to the schemes. For example, all have communal facilities and around a third of the schemes have central boiler plant. In the mainstream housing stock internal and external works have separate programmes of work but for the sheltered housing schemes it will be better to package the internal and external work together. It was also pointed out that the Council would need to maintain ongoing statutory maintenance responsibilities alongside the WHQS improvement works.
- 4.3 At the time of the April report there was also uncertainty about the remodelling of six schemes (Castle Court, Waunfawr House, Ty Melin, Ynyswen, Britannia Court, St Mary's Court) which are based on bedsit accommodation and it was suggested that it might be prudent to defer the WHQS investment on the six schemes until decisions had been made about the long term future to avoid potential abortive costs.
- 4.4 The CHTG supported a recommendation to the Policy and Resources Committee and Cabinet that the sheltered schemes should be packaged into a separate programme and the management and delivery undertaken by a suitable consultancy. Cabinet agreed to this on 29th April 2015 and a further report was requested on the six schemes which recognised the concern raised by both CHTG and Policy and Resources Scrutiny Committee.
- 4.5 Following the Cabinet decision, work commenced on the development of the tender documentation to procure a managed service provider. This required considerable detailed discussion to scope the brief and referral back to the WHQS Project Board at key stages as matters have evolved. During the course of the development of the Invitation to Tender (ITT) a further report on the six schemes was considered which led to the incorporation of feasibility studies for the remodelling within the brief. In addition there have been management issues relating to statutory maintenance which were identified as worthy of considering as part of the managed service provider responsibilities. This was subsequently broadened to explore the option of a "one stop shop" for all property management for the sheltered housing schemes as a means of delivering value for money and an improved service for the sheltered housing tenants.
- 4.6 The final version of the ITT is structured with tenderers being required to submit 2 mandatory bids, one for each lot as described below:-

Lot 1

Management of capital works programme including the appointment and project management of contractors to complete the capital works programme. This lot also includes the carrying out of the feasibility and design studies for remodelling works at the six schemes. The timing of capital works associated with the outcome of the feasibility studies is budget dependent and may not be completed prior to 2020 but may extend to 2025.

Lot 2

Includes everything in Lot 1 together with the management of all statutory testing and associated maintenance, and reactive maintenance. There was a further option that could potentially be added at a future date to include the management of car parking and grounds maintenance.

- 4.7 The purpose behind Lot 2 is to bring together the management of all the property related aspects of the sheltered schemes in one place. This would remove the potential for conflicts that could arise with different parties being responsible for different aspects of the sheltered schemes. There is also a potential benefit of linking the capital investment works to longer term maintenance responsibilities as this may influence some of the design solutions.
- 4.8 In proceeding with the ITT structured in the manner outlined there is no commitment on the part of the Council to award either Lot 1 or Lot 2 if these tender submissions fail to meet the Council's requirements or there are other concerns about value for money.
- 4.9 It has been suggested that the ITT is privatising the sheltered housing schemes. This is not the case. The sheltered housing schemes will remain in the Council's ownership and the sheltered housing tenants will still be Council tenants. The Council will continue to provide services to the tenants via the Older Persons Team within Caerphilly Homes. In reality the Council is buying in additional management capacity, in the case of Lot 1 for capital schemes and in the case of Lot 2 for a complete property management service. The managed service provider will be working on behalf of the Council. The contract arrangements to undertake the work within the sheltered housing schemes will be determined after the appointment of the managed service provider.
- 4.10 As the original report pointed out without the additional capacity to manage the volume of work against the timescale pressure this will be a major risk to the delivery of the WHQS Programme by 2020.
- 4.11 The managed service provider is being procured from the National Procurement Service Construction Consultancy Framework Agreement via a mini competition tender process in accordance with the Framework. The tender opportunity was published on 6th November 2015. The tender was due for return prior to Christmas but due to clarification issues that have arisen and the need to issue an amendment to the tender documentation the tender period has been extended to 5th February 2016.
- 4.12 Until the tenders have been returned and evaluated there is no pre-determined outcome to the managed service provider. There will be communication with tenants in the sheltered housing schemes when an appointment has been made to both introduce the managed service provider and subsequent actions that will follow.

5. EQUALITIES IMPLICATIONS

- 5.1 An EqIA screening has not been undertaken as the report is for information.

6. FINANCIAL IMPLICATIONS

- 6.1 The tenders will be evaluated on the basis of 60% quality, 40% price. The fee structure is based on a percentage of the capital works and an annual management fee for statutory testing and maintenance and an annual management fee for reactive maintenance. The tender will be scored by the evaluation panel based on the quality and commercial submissions by the tenderers. The outcome of the tender evaluation will be referred to the WHQS Project Board.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications that arise from the reports. As and when an appointment of the managed service provider is made it will be necessary to have a named client officer within the Council who will manage and monitor the contract arrangement in respect of the fulfilment of the responsibilities delegated to the managed service provider, the KPIs and the authorisation of expenditure.

8. CONSULTATIONS

8.1 No comments have been received on the report.

9. RECOMMENDATIONS

9.1 The report is for information.

10. REASON FOR RECOMMENDATIONS

10.1 To provide an update since the April 2015 report and clarify the role of the managed service provider.

11. STATUTORY POWER

11.1 Housing Acts 1985, 1996, 2004. This is a Cabinet function.

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Consultees:

Cllr Dave V Poole	-	Deputy Leader and Executive Member for Housing
Christina HARRY	-	Corporate Director Communities
Shaun Couzens	-	Chief Housing Officer
Elizabeth Lucas	-	Head of Procurement
Joanne Green	-	Housing Manager – Older Persons Services
Marcus Lloyd	-	Deputy Head of Programmes