

## BIRMINGHAM CITY COUNCIL

# HOMES O&S COMMITTEE – PUBLIC MEETING

1400 hours on Thursday 25 January 2024, Committee Room 6, Council House

### Minutes

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#### **Present:**

Councillor Mohammed Idrees (Chair)

Councillors: Saqib Khan, Ziaul Islam, Rinkal Shergill, Ron Storer, Penny Wagg and Ken Wood

#### **Also Present:**

Councillor Jayne Francis, Cabinet Member for Housing and Homelessness

Councillor Julien Pritchard

Guy Chaundy, Assistant Director, Housing Strategy and Enabling

Neil Cox, Senior Consultant, Housing

Wayne Davies, Director, Asset Management

Lucy Ford, Sub-Category Manager, Procurement - Online

Stephen Gabriel, Director, Housing Management

Andrew Healey, Finance Business Partner, Housing

Paul Langford, Strategic Director, City Housing - Online

Naomi Morris, Housing Modernisation and Partnership Manager

Asha Patel, Interim Head of Repairs

Stephen Philpott, Director, Housing Solutions and Support Service

Steve Sandercock, Assistant Director, Procurement - Online

Amelia Wiltshire, Overview and Scrutiny Manager

Jayne Bowles, Scrutiny Officer

#### **1. NOTICE OF RECORDING/WEBCAST**

The Chair advised that this meeting would be webcast for live or subsequent broadcast via the Council's Public-I microsite and that members of the press/public may record and take photographs except where there are confidential or exempt items.

## **2. APOLOGIES**

None.

## **3. DECLARATIONS OF INTERESTS**

Members were reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

No interests were declared.

## **4. MINUTES**

There were no matters arising from the minutes.

### **RESOLVED:**

That the minutes of the meeting held on 23 November 2023 be confirmed as correct and signed by the Chair.

## **5. ACTION TRACKER**

The Chair referred to the outstanding action in relation to contractor performance and informed the Committee that officers would provide the requested information after the meeting.

### **RESOLVED:**

That the action tracker be noted.

## **6. COMMISSIONER'S REVIEW AND COMMENTS ON THE AGENDA**

The Chair drew the Committee's attention to the Commissioner's comments on agenda item 7 – Regulatory Compliance.

### **RESOLVED:**

That the Commissioner's comments be noted.

## **7. REGULATORY COMPLIANCE**

Councillor Jayne Francis, Cabinet Member for Housing and Homelessness; Guy Chaundy, Assistant Director, Housing Strategy and Enabling; Wayne Davies, Director, Asset Management; Stephen Gabriel, Director, Housing Management; Naomi Morris, Housing Modernisation and Partnership Manager; and Stephen Philpott, Director, Housing Solutions and Support Service, were in attendance for this item and Paul Langford, Strategic Director, City Housing was in attendance online.

The Strategic Director, City Housing introduced the item and explained the context. He advised that:

- The Commissioner with specific focus on Housing had been included in regular formal meetings with the Regulator of Social Housing;
- City Housing had set itself a target of end June 2024 to resolve all areas on the breach notice and were on track to do that.
- It would take seven to eight years to bring all council homes back to the decent standard, with over £1.4 billion investment.

The Committee received a presentation from the Director of Asset Management and the Housing Modernisation and Partnership Manager, which provided an update on Landlord Health and Safety compliance; Remedial Actions; Decent Homes Standard; Complaints backlog and summary; Housing Ombudsman key messages, including Compensation Policy; and the Voluntary Undertaking:

During the discussion and in response to Members' questions, the main points included:

- The categorisation of Remedial Actions was queried and the Committee were advised that low risk actions are not a health and safety risk and can be done over a longer period of time, medium risk are those done in a shorter time period but are not emergencies and high risk are those which need to be carried out immediately.
- With regard to asbestos in properties, this comes with varying levels of risk and a proportionate response is required to deal with this in a planned way.
- There are still 8,500 carbon monoxide detectors to complete and this needs to be 100% compliant by the end of June. Where a property has not got an electrical certificate or a carbon monoxide detector, the strategy is to complete both at the same time.
- In terms of Stock Condition Surveys, the target is to complete 12,000 surveys a year over five years all surveys will be in place at the end of that period.
- City Housing is working closely with the Housing Ombudsman in relation to complaints and compensation and the Committee noted that a report on the Council's Compensation Policy had been agreed at Cabinet in January.
- Staff are working overtime to bring down complaints backlog volumes and it was noted that in September and October this had been challenging due to spend control approvals being required for overtime requests.
- A significant proportion of complaints relate to repairs funded from the Housing Revenue Account which is not under the same pressure as the General Fund but still has to go through the spend control process.
- New staff are being trained in the Complaints Team and the position has started to stabilise.
- Both the Cabinet Member and the Strategic Director informed the Committee that the team were working extremely hard to minimise complaints and to address issues as quickly and compassionately as possible and the new procurement should help deliver improvements over time.
- A request was made for members to be given the opportunity to visit the Complaints Team and it was suggested that this request be passed on to the Assistant Director of Customer Services.
- The Committee noted that the Housing Ombudsman wants to see that the directorate and the Council learns from the complaints it receives and listens to tenants.

- The action plan is in the latter stages of being finalised and the directorate hopes to shortly be in a position where the Housing Ombudsman signs it off.
- In terms of lessons learnt, following the Meet the Ombudsman event where issues regarding anti-social behaviour (ASB) were voiced, a new ASB policy has now been drafted and will be embedded in the re-design work in Housing Management.
- It is important to have the right channels in place to deal with ASB and if tenants have concerns, these can be reported through local housing teams.
- Focus groups have been held with tenants and it will be important to continue to do that so money is spent where it is important to tenants.
- Another key piece of work which has come from tenant feedback is the introduction of a CCTV strategy as part of the Asset Management Strategy.
- Reference was made to the draft Voluntary Undertaking which had been shared at the last regulatory compliance session and the commitment from the Council to deliver in a certain timeframe. The Committee were advised that the Regulator has asked to see a chronology which is being worked on at the moment with a view to phasing in some of the deadlines and it is hoped a final draft will be ready for the next session in April.

**RESOLVED:**

That the Committee would continue to take a proactive role in providing oversight, scrutiny and productive challenge to the Directorate whilst moving towards a position of regulatory compliance.

**8. DATE OF THE NEXT MEETING**

Members noted that reports on Affordable Housing and Exempt Accommodation Tracking were scheduled for the next meeting.

**RESOLVED:**

- i. The date of the next meeting on Thursday 22 February at 1400 hours in Committee Room 6 was noted.
- ii. An informal work programme session would be arranged to take place before the next formal meeting.

**9. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

**9a Request for Call In – Contract Award for the Provision of Repairs and Maintenance 2024-2026**

Councillor Jayne Francis, Cabinet Member for Housing and Homelessness; Councillor Julien Pritchard; Neil Cox, Senior Consultant, Housing; Wayne Davies, Director, Asset Management; Asha Patel, Interim Head of Repairs, were in attendance. Lucy Ford, Sub-Category Manager and Steve Sandercock, Assistant Director, Procurement, were in attendance online.

It was noted that Councillor Rob Grant had given his apologies.

The Chair outlined the procedure, including reference to the exempt information and Councillor Pritchard confirmed that he did not intend to refer to the exempt appendices.

The Chair then invited Councillor Pritchard to explain the reasons for the Request for Call-In and in doing so the following were amongst the main points made:

**Criteria 2: the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees**

- The decision to do a direct award to the existing two contractors is inconsistent with previous Cabinet decisions and supporting information which recommended more than two contractors.
- The advice had been to have three or four contractors.
- It was highlighted that Criteria 5 could also apply here as referenced below.

**Criteria 5: the Executive appears to have overlooked some relevant consideration in arriving at its decision**

- The decision appears to overlook the performance of the contractors under the current contract, and the amount of change to the contracts appears insufficient to address this.
- The decision overlooks advice received previously. The original abandoned procurement process had received advice from consultants to have three or four contractors.
- The decision appears to overlook past and current performance of contractors, particularly in the south of the city, where there are lots of reports of repairs taking longer than the service level agreement and not being done properly.
- If existing KPIs (Key Performance Indicators) are not being achieved, how can we be sure the new ones will be, and how will this be checked and audited by the Council.

**Criteria 6: the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the Overview and Scrutiny Committee, it is likely so to do**

- The poor condition of the Council's housing stock is well documented and has already generated considerable press attention, complaints from residents and judgements from regulators. A poor repairs contract will only worsen this situation.
- The previous item on the agenda had referred to complaints and the poor condition of stock is well documented in the press, with Regulator and Ombudsman involvement, and that will only be made worse if the Council gets the repairs contract wrong.

**Criteria 8: the decision appears to give rise to significant legal, financial, governance or propriety issue**

- There needs to be greater reassurance around the legality of the procurement process for this contract award.
- This is a brand new contract, not an extension and it is clear that the previous contract did not include the possibility for extension.
- The Council is awarding a contract without any competition to a contractor around whom there are serious concerns.

- The Cabinet report states that there are technical reasons why there was no other procurement option, however it seems to be due to poor project management rather than technical reasons.

In conclusion, Councillor Pritchard stated that referring the decision back to Cabinet would send a clear message that this is not acceptable and perhaps lessons will be learnt.

The Cabinet Member and officers responded to the issues raised and in further discussion with Members, the following were amongst the main points raised:

- Officers had taken external legal advice and assessed the risk and opportunity to maintain the best service for residents.
- The decision to abandon the procurement was the right decision at the time to minimise risk and ensure continuity of service.
- The two year extension will allow time for the contract to be re-designed and to seek feedback to ensure it meets the requirements for all stakeholders. This will include dialogue with elected members.
- The timetable for engagement and a finalised plan was queried and the Committee noted there was a draft timetable due to be completed imminently and a mobilisation plan could then be shared with members.
- The importance of carrying out inspections was accepted. Historically, contractors had managed their own performance with some KPIs and that imbalance needs to be addressed.
- New KPIs are being put in place, the most important one being 'Recalls' - where a contractor reports a job is closed only to find the work has not been completed.
- There had been intensive negotiations with the contractors who have been positive in their response, acknowledging the service is not right and wanting to make the two year interim period successful.
- The Committee was reassured that compensation clauses had been built into the interim contract.

The Cabinet Member, supporting officers and Councillor Pritchard left the meeting room.

Members then held a discussion on the issues that had been raised. The Committee considered it was the right decision to abandon the previous procurement. It would also be important to ensure there is more robust performance management for the contractors over the next two years, and this time is taken to design a better contract for tenants in this city.

The Chair moved to a vote and the Committee agreed unanimously for the decision not to be called in.

The Cabinet Member, supporting officers and Councillor Pritchard returned to the meeting room and were informed of the Committee's decision.

**RESOLVED:**

That the decision was not called in.

**10. OTHER URGENT BUSINESS**

None.

**11. AUTHORITY TO CHAIR AND OFFICERS**

**RESOLVED:**

That in an urgent situation between meetings, the Chair jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

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The meeting ended at 1605 hours.