



HOUSING AND COMMUNITIES

Overview and Scrutiny Committee

Report for:	Housing and Communities Overview and Scrutiny Committee
Title of report:	HTIP work stream deep dive; commissioning and contracting
Date:	2 nd November 2022
Report on behalf of:	Councillor Margaret Griffiths, Portfolio Holder for Housing Services
Part:	I
If Part II, reason:	N/A
Appendices:	None
Background papers:	EYs Deep Dive Assessment of Compliance Data for Key Risk Areas
Glossary of acronyms and any other abbreviations used in this report:	Housing Transformation and Improvement Programme – HTIP EY - Ernst & Young Global Limited

Report Author

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Responsible Officer

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
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Wards affected	All
Purpose of the report:	To provide an update on the Commissioning and Contracting work stream within the HTIP
Recommendation (s) to the decision maker (s):	Members are asked to note the updates in the report.
Period for post policy/project review:	January 2023

1 Introduction/Background:

The purpose of the report is to provide members with an update on the Commissioning and Contracting Work stream in the Housing Transformation Improvement Programme (HTIP)

2 Background to the report:

In June 2022, the Council embarked on an improvement programme within Housing with the following vision:

To provide outcomes for residents in the Borough of Dacorum that enable them to live in the best possible homes that they are able to and to take part in a vibrant community, supported by the improvements and transformation the Housing service will make over the next one to two years.

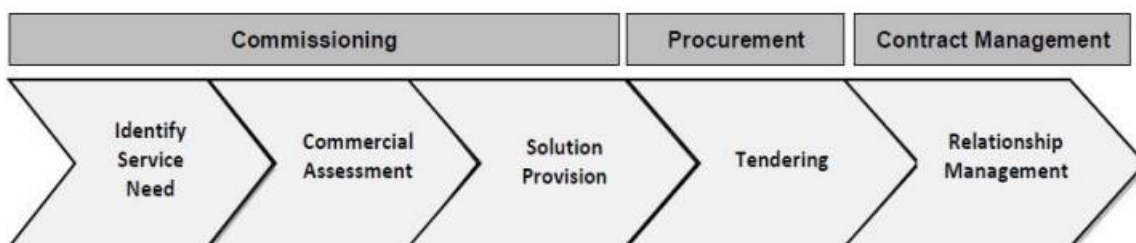
To help deliver this vision, a number of work streams were created which included Commissioning and Contracting. This work stream will be responsible for ensuring the Housing Service has robust commissioning and contracting processes in place and uses it consistently. Contracts currently in place will be reviewed and either supported to improve or recommissioned. The process will be updated to include current best practice, and recommendations from the EY report.

Initial priority will need to be given to Housing Compliance contracts which were the subject of EYs deep dive audit. These will be reviewed to ensure that they are compliant with current legislation and basic contract management processes, risk management and asset lists will be put in place to maintain these contracts. This work will form “Phase 1”.

The review will then look at Housing’s entire contract management and commissioning approach in line with best practice; staff will be trained and processes updated, with a focus on continuity planning. Contracts will be reviewed on a rolling basis and work will be done with suppliers to improve their performance on a range of measures. This will constitute “Phase 2”.

The Council’s approach to commissioning, procurement and contract management

The Council’s approach to commissioning & procurement follows the commercial cycle and is identified in diagram 1 below:



Commissioning is the first 3 elements of the commercial cycle and involves identifying the service need by reviewing the ‘as is’ provision and consulting with stakeholders to identify outcomes and forecast future demand, undertaking a commercial assessment by understanding the different markets and funding provisions that are available and by carrying out a solution provision that best meets the service needs.

Procurement is the tendering element of the cycle and includes i) the specific aspects of the commercial cycle that focus on the process of buying services, from initial advertising through to appropriate contract arrangements; ii) The purchase of goods, services or works by publicly funded bodies at the best possible total price, in the right quantity and quality, at the right time generally via a contract.

Contract Management refers to relationship management and includes managing the performance of the contract and the contractor and developing the relationship between the contractor and the Council to maximise the return on investment.

Re-procurement of the Council's Housing Repairs Contract:

The Council's Housing Repairs contract, titled "Total Asset Management" (TAM) is due to be replaced in July 2024.

The Council is in the process of reviewing its approach to its assets (both Housing and Commercial) in terms of their development and maintenance. It is considering a series of alternative models ranging from establishing in house services through a variety of development and partnership models.

As part of the review, the Council are considering which spend areas will be in scope and which will fall out of scope. To support this, the commissioning and contracting work stream will work closely with and feed into the current commissioning process to ensure in scope contracts are not committed beyond the current start date of July 2024.

3 Current progress on the Commissioning and Contracting work stream

Phase 1 of the Commissioning and Contracting work stream:

Phase 1 commenced in early September 22 with dedicated resource brought in to support the work stream. To date there has been the following progress:

- Spend analysis exercise carried out which has been feed into both phase 1 and phase 2 work streams and the Housing repairs commissioning process.
- Meetings with all key internal stakeholders.
- A project plan has been developed showing that key risks will be mitigated by end of January 2022.
- Contract Management scoping exercise undertaken and a review of existing contracts.
- Contract management plan developed which has identified gaps against the EY report and best practice approaches in the compliance areas.
- GDPR initial review completed with Housing departments. Information reviewed with the Council's Information Security Team Leader which has identify gaps to be addressed.
- Initial review carried out with internal experts on safeguarding and health & safety to identify gaps against current legislation, internal policies and best practice.

The initial priority for Phase 1 will be to review all current contract arrangements and then identify recommendations to ensure all contracts are compliant with current legislation and suitable contracts are in place. Out of this review, there is strong possibility that a number of procurement processes will be required so an options appraisal will be carried out on the different procurement routes open to the Council. Currently, the Council are unsure whether the Housing compliance contracts will be included in the future Housing repairs contracts so there will be an option within these agreements to end the contract prior to the new Housing repairs contract commencing.

The target is to have all key risks that have been identified in the EY report mitigated by end of January. Currently the project plan is showing that this is achievable.

Phase 2 of the Commissioning and Contracting work stream:

Phase 2 will be looking at shaping the commissioning and contracting approach in Housing to enable the organisation to deliver services that are not only compliant to the contracting regulations, but also provide services that are safe, legal and provide value for money.

Phase 2 is due to commence after the completion of Phase 1 however some preliminary works has already commenced including:

- Spend analysis to identify the contractors being used in Housing, the level of spend and what 'Proclass' classification each contract falls into.
- Working with colleagues in Housing to identify which categories of spend and contractors could be considered beneficial to include in scope for the re-procurement of the Housing Repairs contract and what might be more suitable to remain outside of any new contract. This will be fed into the Options Appraisal work for TAM contract re-commissioning.
- Commissioning and Procurement training sessions carried out with Housing Property Services. Further session to be carried out to capture staff unable to attend the original training sessions.
- Contract Management training booked in for November with key staff in Housing.
- Carried out a best practice visit to a local authority in Bedfordshire. This will be fed into both the commissioning and contracting work stream and the Housing Repairs re-procurement.

Phase 2 of the work stream is dependent on the scope of works for the Housing Repairs contract. When Phase 2 commences in January, we should have a better understanding of the scope which will allow us to push forward with a number of key tasks:

- For contracts which fall out of scope, carry out a commissioning process to identify what the service needs are moving forward and design the contract requirements around this.
- Carry out a review of contracts to ensure we are complying with our legal and legislative responsibilities and any identified risks are being mitigated.
- Using the spend analysis, identify opportunities to aggregate requirements, not only across Housing but across the Council to see where we could benefit for economies of scale.
- Using a number of procurement tools, including the kraljic matrix, to identify procurement strategies for Housing contracts.
- For any contracts that fall outside the Housing Repairs re-procurement, ensure that all contracts are in place, have owners, are legal, have defined commencement and end dates, comply to procurement rules and law, provide value for money, comply to GDPR, Safeguarding and are held centrally.
- Develop a contract management procedure which will set the foundation for a consistent approach to contract management across Housing.
- Conduct a skill gap analysis on commissioning and contracting to feed into employee development and recruitment. This will also feed into a review on any consultancy support currently used in Housing to see if these services could be delivered in house – either through current resources or additional resources.
- Work with colleagues in Housing to identify current and future requirements which will be feed into the Council's Procurement Forward Plan. This will allow the Council to ensure there is sufficient time allocated for the client department to go through a commissioning and procurement process.
- Ensure the Council's commissioning templates are used for all new contracts with a value over £75k. Officers who are going through the new commissioning process for the first time will be supported by the Head of Commercial Development for Housing.

- Continue to review best practice so opportunities to improve commissioning and contracting processes are identified and if possible, benchmarked against.
- Ensure that there is a lessons learnt process in place to understand which areas performed well and identify areas for improvement. The areas identified should be acted upon to make improvements for the future.
- Review how technology can support the Council's approach to commissioning and contract management.
- That social value is built into all commissioned and contracted services, as per current procurement policy.
- Put together a resourcing plan to ensure that any new contracts are appropriately managed. This includes any contracts that are included in the future Housing Repairs contracts.

4 Phase 2 work plan and resourcing

Between now and December, we will finalise the scope and project plan for phase 2. Currently we are looking to deliver this in house through the Council's Head of Commercial Development (Housing) with some support from the Commercial Contract Manager. This will also continue to need support from colleagues in Housing and other support services.

5 Conclusions

Phase 1 should be completed by January 2023 which will mitigate the risks that were set out in the EY report.

Phase 2 will commence once the scope of the future of the Housing Repairs Contract is agreed. In the meantime we will continue to work up and agree what the work plan for Phase 2 will consist of. At this stage the plan will be to carry out Stage 2 using internal resources.