

CABINET

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TRANSFER OF HRA SHELTERED SCHEME CLEANING SERVICE TO MEDWAY NORSE

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Housing and Community Services

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Summary

This report recommends the transfer of Housing Services (Housing Revenue Account) HRA sheltered housing cleaning from 1 May 2017 to the council's joint venture company, Medway Norse, to enable the overall sheltered housing service to widen its scope for developing its Housing Related Support Service to residents in HRA general needs properties and achieve further savings and service efficiencies.

1. Budget and Policy Framework

- 1.1 Cabinet agreed the establishment of the Medway Norse joint venture company at its meeting on 12 March 2013. In approving the establishment of the joint venture, Cabinet agreed to the principle of adding further facilities management (FM) services, subject to agreeing a business case for such additions. The scope of the Medway Norse Joint Venture has, over time, with the agreement of Cabinet and Norse Commercial Services, extended well beyond FM to a range of other blue collar services, including grounds maintenance, transport and waste facilities. The approval of transfer of relevant services to the joint venture remains a matter for Cabinet.
- 1.2 Funding for the sheltered housing cleaning service is from the Housing Revenue Account (HRA budget) which is a ring fenced budget. Costs for the service are reflected in the annual warden service charge within the residents' rent for their homes. Any savings made would be reflected in this charge. The proposals within this report, along with other previous efficiency savings made to the sheltered housing service, build on Members aspirations to reduce costs of the sheltered housing service but also maintain and improve upon overall satisfaction with the Housing Landlord Service.

2. Background

- 2.1 The provision of the HRA Estate Services function (caretaking) has been provided directly by NORSE since 1 October 2015. The arrangements have proved successful in terms of efficiencies and an increase of customer satisfaction.
- 2.2 The cleaning of the communal areas of the eight Council-owned sheltered housing schemes is currently undertaken by directly employed HRA staff. Other aspects of cleaning such as those of the Housing Estates and Council owned corporate buildings are already provided by NORSE. The outsourcing of this service to NORSE was considered at the time of NORSE assuming management of the Estate Services function but was not pursued pending ensuring this part of the HRA Service proved successful. This has now been demonstrated to be the case.
- 2.3 In February 2017, it was confirmed that the HRA Service would continue to receive for at least a further year funding to provide a Housing Related Support Service to its residents in sheltered housing in 2017/18. As part the funding it has been agreed Management will review the current model and explore extending this service to vulnerable residents in the community who reside in general needs HRA stock. The model would provide short term extra support to those in greatest need for example residents leaving hospital and needing short term care. The transfer of the cleaning service would assist in providing capacity to develop this model by reducing management time on the building cleaning and concentrating more on the needs of those residents in greatest need. This sits within one of the Council's key priorities of supporting Medway's people to realise their potential.
- 2.4 It is therefore proposed that, building on the track record of delivery of Estate Services which includes cleaning, that the sheltered housing cleaning service transfer to Medway Norse. This will deliver a small cashable saving whilst retaining existing service standards for sheltered housing tenants. In addition the release of management capacity within the sheltered housing team will allow us to develop further housing related support at no additional cost.

3. Options

- 3.1 Options for the sheltered cleaning services are set out below and within the business rationale within the Exempt Appendix.

Option 1	Advantages	Disadvantages
Retain as is	Staff will be less unsettled	Staff management still required by managers within the Housing Services Will not release management time for development of the Housing related support service on a "more for the same" approach. No savings achieved

<p>Option 2</p> <p>Do not clean schemes</p>	<p>Advantages</p> <p>Staff salary savings and materials</p>	<p>Disadvantages</p> <p>Customer satisfaction will reduce</p> <p>Potential for legionella and other bacteria diseases to develop and resident health be affected</p>
<p>Option 3</p> <p>Transfer Service to Medway NORSE</p>	<p>Advantages</p> <p>Some cost savings can be achieved</p> <p>Management time freed up which will allow other aspects of the Housing Related Support Service to be developed in the community for other HRA residents</p> <p>NORSE has provided an overall good level of service at a cheaper cost for Estates Services since October 2015 and there is confidence the same can be achieved with the sheltered cleaning service.</p> <p>Reduction in warden service charge to residents in future rent and service charge setting years.</p>	<p>Disadvantages</p> <p>Concern may be raised amongst staff about other services being transferred in future.</p> <p>Residents may raise concerns</p>
<p>Option 4</p> <p>Fully tender the sheltered cleaning service</p>	<p>Advantages</p> <p>This will fully test the market</p>	<p>Disadvantages</p> <p>Potential for costs to be higher and management time be wasted when there is an alternative solution already which is cheaper than current rates.</p> <p>Works may be awarded to an unknown organisation whose track record unlike NORSE is untested by the HRA Service.</p>

4. Advice and analysis

- 4.1 The transfer of the services from direct employment by Medway Council to Medway Norse will achieve better alignment of services and achieve service efficiencies and savings, ultimately to residents. It will also enable Management to review the delivery of the Housing Related Support Services with the potential to expand it to vulnerable residents within the HRA general needs stock on a “more for the same basis” utilising existing staff resources.

5. Risk management

- 5.1 The following risks and mitigating measures have been identified.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Standard of cleaning deteriorates and customer satisfaction reduces	Failure to regularly clean communal areas and shower rooms leads to development of bacteria and this leads to illness of residents	Cleaning will be monitored on a day to day basis by the Sheltered Housing Managers Each scheme has regular resident meetings where feedback on cleaning standards can be discussed. Regular contract meetings will be held and chaired by the Neighbourhood Services Manager where the standard of cleaning as a key performance indicator will be monitored and any issues addressed. All formal complaints are monitored by the Services Manager and any issues can be monitored and addressed.	Low

6. Consultation

- 6.1 The transfer of this service will require consultation with directly affected staff via the Council's HR Managing Change process and formal consultation on approval of the recommendation within this report. No redundancies are proposed.
- 6.2 Whilst direct consultation with residents is not required they will be advised via the Homes for Independent Living (sheltered housing forum).

7. Financial implications

- 7.1 The transfer of the HRA Sheltered Scheme Cleaning Service will achieve a small saving in costs, but also deliver efficiencies in service. The HRA budget is ringfenced from the General Fund. The costs for the cleaning service are reflected within the warden service charge which are reflected in the annual rent setting to residents in sheltered housing.

8. Legal implications

- 8.1 The broader legal implications are set out in the body of the report. Also, the Council has a duty to ensure that its housing stock and areas for which it is responsible for managing are safe. In relation to the sheltered cleaning this involves ensuring communal areas are clean and safe from bacteria and day to day dirt which could impact on residents' health and well being.

9. Recommendation

- 9.1 Cabinet is asked to approve the transfer of the Housing Revenue Account (HRA) Sheltered Scheme Cleaning Service to Medway Norse from 1 May 2017.

10. Suggested reasons for decision(s)

- 10.1 Overall, this recommendation will reduce costs, achieve efficiencies and facilitate development of the service.
- 10.2 In addition, the transfer of the scheme cleaners will bring savings to the HRA and also free up sheltered scheme managers time to concentrate on the provision of Housing Related Support services in a potentially remodelled service later in the year utilising the same staff numbers. This follows the successful sustainment and customer satisfaction increase through the transfer of the HRA Estate Services function to Medway Norse.

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Appendices

Exempt Appendix – Business case for HRA Sheltered Scheme Cleaning Service

Background Papers

Business Support Overview and Scrutiny Report 31 January 2017 – Housing Revenue Account Capital and Revenue Budgets 2017/18

<https://democracy.medway.gov.uk/ieListDocuments.aspx?CId=123&MId=3389&Ver=4>
item 9 refers