

MINUTES of the **ADDITIONAL** Meeting of the **CABINET** held on Monday 6 March 2023 at 6.30pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

Present: Executive Mayor Jason Perry (Chair);

Councillors Jason Cummings (Cabinet Member for Finance), Maria Gatland (Cabinet Member for Children and Young People), Lynne Hale (Deputy (Statutory) Executive Mayor and Cabinet Member for Homes (Vice-Chair)), Yvette Hopley (Cabinet Member for Health and Adult Social Care), Ola Kolade (Cabinet Member for Community Safety), and Andy Stranack (Cabinet Member for Communities and Culture).

Also Present: Councillors Ben Hassell (remotely), Bonello, Clark, King, Mollyneaux and Young OBE.

PART A

37/23 Apologies for Absence

There were no apologies for absence received from Members.

38/23 Disclosure of Interests

There were no declarations of interest received from Members.

39/23 Any Urgent Business

There were no items of urgent business.

40/23 Appointments

There were no executive functions appointments made.

41/23 Re-procurement of Responsive Repairs Contract - Contract Award

The Executive Mayor announced that the following would be considered in two parts. Firstly, in open session, the Part A report and, later in the meeting, in closed session, the Part B (exempt – not for publication) report, which contained sensitive information around the legal contract process.

Given the nature of the information contained within the Part B report (i.e., contractual standstill process), the Executive Mayor expressed his frustration that he would not be able to disclose, publicly, the successful contractors at this meeting but assured all present that this would be made public as soon as the Council was legally able to do so.

The Executive Mayor said that improving the Borough's housing stock had been a priority for his administration and, at his first Cabinet meeting as Executive Mayor, had agreed a new Residents' Charter built around respect and listening to Croydon's tenants. In this connection, he said that a wide-ranging housing transformation plan had also been agreed last year which, with time, would deliver significant improvements across the board.

The Executive Mayor went on to say that, in December, the Council had begun to consult residents on options for the refurbishment, demolition and redevelopment of Regina Road, the estate which, he said, had been allowed to decline to appalling conditions and had become the symbol of the previous Administration's total failure to care for the residents they were meant to represent. He said that complaints in respect of mould, damp etc. had gone unchallenged.

The Executive Mayor said that tonight's meeting heralded the next step in his administration's improvement journey by awarding a new housing repairs contract, which would improve the service that residents received. He said that, throughout this tendering process, residents had been at the heart from services and priorities for the contract to focus groups on the specifications and resident involvement in the bidder evaluation.

The Executive Mayor said that this new service had been designed for and by the Borough's residents – the Council's customers. He said that the Council would also improve its contract management arrangements by building-in penalties which had not existed previously and allow the Council to act where performance was not hitting acceptable levels.

These major contracts would provide wider benefits to Croydon's community with social value clauses built-in, which would increase skills and employment opportunities for local people and support Croydon businesses by encouraging greater use of local supply chains.

The Executive Mayor acknowledged there may be teething problems along the way and potential challenges arising from the transition from the current to the new contractors, which would not be fixed overnight by the new arrangements.

In conclusion, the Executive Mayor said that this new approach to housing repairs, led by the commitments in the Residents' Charter, would mark a step change for Croydon's tenants and residents and this was something that everyone should welcome.

The Cabinet Member for Homes (and Deputy (Statutory) Executive Mayor), Councillor Lynne Hale, in thanking officers and tenants for their dedicated work in this matter, referred to the Part A report, which set out the procurement process that the Council had undertaken in relation to the Re-procurement of the Housing Responsive Repair Contract. It was

reported that, in accordance with the approved strategy, this was being split into the following four parts going forwards.

- (i) Contact Centre – to be brought back in-house (to ensure the Council did not lose touch with its residents and to allow a strong overview to tackle any emerging problems across the Council's estates.)
- (ii) Area 1 Responsive repairs and voids excluding heating.
- (iii) Area 2 Responsive repairs and voids excluding heating.
- (iv) Heating related services.

Councillor Hale provided the detail to each of the components of the contracts and reiterated the role residents had played to this stage and would play in monitoring the services moving forward to ensure their objectives and aspirations were incorporated in the design, procurement and monitoring of the contracts.

Councillor Hale said the Council's Contract management Team would be strengthened with accredited contract management training and that new contracts would be managed through new, robust contract management processes, against key performance indicators and with evolving, real-time resident satisfaction input. She reaffirmed the Administration's commitment to working with tenants and leaseholders to ensure they continued to be involved in future policies, decisions, monitoring performance and developing standards in their housing service.

The Council's Corporate Director for Housing said that this was a critical service, and the contract would address the shortcomings of the service to date as well as addressing the actual breaches of the consumer standards, which was the reason why the Regulator had intervened. This, she said, would be the first step in addressing this formally.

Officers then delivered a presentation, which summarised the key drivers and story to date; the procurement approach and how the contracts were procured; the new service and what would look different, and the project management approach to mobilisation and demobilisation.

Councillor Leila Ben Hassell, Vice-Chair of the Council's Scrutiny and Overview Committee thanked the Homes Scrutiny Sub-Committee Members and Councillor Ward for their work in this key service change. She said that reassurances had been sought on the process which led up to the appointment and that the Sub-Committee had met twice in addition to and was satisfied with the process leading up to the appointments had been robust and it recognised the value of the programme approach to this process. She said that the Sub-Committee had had some concerns about the tender process taking place over the summer but thanks to the soft market testing, the number of companies that had submitted tenders was satisfactory and had presented a real choice for Croydon's residents. She went on to say that the Sub-Committee welcomed the involvement of tenants at various stages of the procurement process.

Councillor Ben Hassell said that the Sub-Committee had also welcomed the bringing in house of the call centre, which it felt would drastically change the Council's relationship with its tenants with regards to repairs and the new contract management team being set up and being dedicated to training taking place.

She said that the Sub-Committee had sought reassurances as to the provisions within the contract to address under-performance as well as provisions to be able to adapt and provide changes in the way that the Council delivered the service e.g., where new technology or innovation could be explored in future as this was a long-term contract and the Sub-Committee had felt that both these aspects had been appropriately dealt with.

Councillor Ben Hassell said the Sub-Committee would monitor progress moving forward in particular around how the backlog was being dealt with, culture change, the delivery of the mobilisation and demobilisation phase and the finalisation of the monitoring performance framework.

The Executive Mayor welcomed to the meeting, Yao Boateng (Chair of the Tenant and Leaseholder Panel and Member of the Housing Improvement Board) and Les Parry (Vice-Chair of the Tenant and Leaseholder Panel) and invited them to address Cabinet.

Mr Boateng said that the exercise had been very rewarding for him personally as, amongst other things, it had tested his reasoning ability and was as fair as it could have been.

Mr Parry said that the view from tenants across the borough was that the current service provider, did not provide the service, was not fit for purpose and had let the tenants down. At that time, he said, the tenants did not know that they were paying for that service, that they were the customers, that they demanded a service for the money that they paid but that now, they did.

Mr Parry recognised the meetings and engagement the Council's Officers had had with the residents. He said that residents had listed many improvements and what they wished to see and that a lot of it had been included or achieved in the negotiations with the various contractors.

Mr Parry also stressed that residents engaged in any conversation because it was the tenants' service and their money, and it was for Councillors to facilitate and deliver what the tenants wanted and deserved and he felt that this had been done through this process. Officers then responded to questions put by Members.

Exclusion of Press and Public

The Executive Mayor stated that the meeting would need to pass a resolution to move to private session and temporarily turn off the webcast in order that Members could consider the Part B Report. Accordingly, it was moved, seconded and **RESOLVED** that the press and public be excluded from the meeting for the remaining item of business, on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 to Part 1 of Schedule 12A, as amended, to the Local Government Act 1972.

Cabinet received officer presentations on those bidders who had submitted for the works.

It was then moved, seconded and **RESOLVED** that the press and public be readmitted to the meeting (public session) to receive the decision of the Executive Mayor, in Cabinet.

The Executive Mayor thanked officers and the many residents who had contributed to the redesign of this housing repairs contract.

He said that everyone had to be realistic since, after many years of underinvestment, a new contract would not fix the deep problems in the Council's housing stock overnight. That said, he said this new approach, designed with Croydon's residents, would be a major opportunity to move forward and improve the quality and responsiveness of housing repairs in Croydon.

He went on to say that listening to residents, active contract management, penalties for poor performance and a responsive in-house contact centre were key elements in delivering a service that was fit and proper for Croydon's residents and he was therefore happy to agree the recommendations in both the Part A and Part B reports.

Accordingly, it was **RESOLVED** that:

1. The award of a contract to deliver Area 1/Lot 1 (c.70% of the housing stock) of the responsive repairs' services, optional planned programme and out-of-hours contact centre service to the Bidder C (as identified in the Part B report) for a period with an initial contract term of six years and eight months, with a break option at that point and a total maximum contract duration of 10 years and eight months (plus a 1-year defects liability period) for the maximum contract value stated in the Part B report, be approved.
2. The award of a contract to deliver Area 2/Lot 2 (c.30% of the housing stock) of the responsive repairs' services and optional planned programme to Bidder D (as identified in the Part B report) for a period with an initial contract term of six years and eight months, with a break option at that point and a total maximum

contract duration of 10 years and eight months (plus a 1-year defects liability period) for the maximum contract value stated in the Part B report, be approved.

3. The award of a contract to deliver Heating Services to Bidder H (as identified in the Part B report) for a period with an initial contract term of six years and eight months, with a break option at that point and a total maximum contract duration of 10 years and eight months (plus a 1-year defects liability period) for the maximum contract value stated in the Part B report, be approved.
4. The break options referred to in recommendations 1 to 3 above would follow the same governance process as a permitted extension under the Tenders and Contracts Regulations (as amended), be noted.
5. Following recommendation 1.2 of the Procurement Strategy report, the outcome of the affordability analysis for the contact centre was to in-source the service from 8am-6pm, with the out-of-hours element being outsourced, be noted. *(The contact centre out-of-hours element was included in the procurement process and the recommended award was included in recommendation 1 above to the Lot 1 bidder.)*
6. The fact that, as part of the Tender submission, all contractors were asked to submit a price to take the calls out-of-hours for both Lot 1, Lot 2, and Heating emergencies, be noted. *(This would now be used to compare with the Council providing its own Out of Hours Service in terms of cost and quality.*
7. The fact that the successful providers' names would be made public after the decision was made, be noted.

The meeting was declared closed at 7.23pm

EXECUTIVE MAYOR