

Committee: Cabinet

Date: 4 September 2025

Title: Update on Axis Europe - Mobilisation

Portfolio Holder: Cllr Arthur Coote
Portfolio Holder for Housing and Equalities

Report Author: Brian Burton
Director of Property Services - Interim

Key decision: No

Summary

1. The initial mobilisation of the new maintenance contract with Axis Europe has progressed positively, with relationship building between senior personnel, effective planning and communication facilitating a smooth transition. However, as can be expected with a new contract of this size and complexity, challenges have emerged, particularly concerning the integration of staff transferred from the previous joint venture employer (UNSL) to their new employer (Axis) under the Transfer of Undertakings (Protection of Employment) Regulations [TUPE], and in particular, their adjustment to new operational standards set by the contractor.
2. Additionally, there has been a significant reduction in the volume of repairs raised since the change in contractor and the bringing in-house of the repairs contact centre. This has led Axis to raise concerns about financial viability for themselves through the contract and as a result, operational efficiency.
3. This report outlines these challenges, the impact of the UDC Customer Service Centre on job raising, and the proposed action plan to address these issues.
4. The issues set out in this report were highlighted at the Strategic Core Group meeting between UDC's Strategic Director, Housing, Environment and Communities, the Interim Director of Property Services and Axis Directors on 11th July 2025.

Recommendations

5. Members note the report.

Financial Implications

6. The reduced volume of works has potential financial implications for Axis, as from the outset they had based their overhead costs on anticipated workloads. This situation strain their financial model if not addressed promptly, impacting their ability to deliver quality services in the future. The financial implication for Uttlesford District Council is that there would essentially be more rent-payers'

money available for proactive capital works instead of needing to be set aside for reactive repairs – i.e. this is a good thing.

Background Papers

7. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Situation

8. The contract commenced on 1 April 2025 and the transition to Axis Europe has been largely successful; however, the following challenges have been identified:
 - a. **TUPE'd Staff Integration/ the required cultural change** - The integration of staff under TUPE has presented significant challenges for the contractor, Axis, as the new employer. We understand that some staff members continue to refer to previous working practices from the UNSL model, taking time in adapting to the new operational standards set by Axis. This cultural shift has impacted the transition and affected overall performance. As Uttlesford District Council is not the employer, our role in this situation is that of an interested client to the contractor, so our focus has included noting that this has extended to the management of voids (empty homes) with the backlog remaining from UNSL having not yet been addressed at the pace expected.

The past three months have seen staffing changes, including some operatives being re-deployed to other contracts (with their agreement), instances of sicknesses a senior team member has now left the business.

- b. **Early Resident Feedback** – The Council has not yet had time to gather to any significant resident feedback regarding service delivery either positively or negatively. We will be reviewing all customer satisfaction results and carrying out an exercise to review where dissatisfaction has been expressed.
 - c. **Volume of Repairs** - A significantly reduced volume of reactive repairs has been reported since the start of the Axis contract when compared to the job volumes delivered by UNSL. This reduction indicates that job requests during the UNSL contract may have been raised inaccurately and/or out of the scope of the UNSL service agreement, but were still processed and delivered by UNSL, with the costs being met by UDC and ultimately our tenants. Now that jobs are being raised directly by UDC, it has been identified that a lower quantity of work is required to deliver a quality, compliant repairs service.

- d. **Impact of UDC Customer Service Centre** - The UDC Customer Service Centre's role in raising works has been critical in identifying the issues with the previous job raising process. The centre's direct involvement has revealed that many jobs were not raised correctly under the previous joint venture arrangement, indicating a lack of clarity and communication in the process. This misalignment has necessitated a thorough review of how jobs are logged and processed moving forward. This is clearly achieving the quality and efficiency improvement intended by this shift.
9. To address these challenges, a comprehensive action plan has been developed. Areas covered include:
- a. **Performance Improvement Plans** - Axis is implementing targeted performance improvement plans for underperforming staff, ensuring they receive the necessary training and support to meet contractual obligations. Axis Divisional management teams will oversee these plans to ensure accountability and progress. Axis has now provided additional resource/support to address the gaps in service delivery. A 'deep dive' into the outstanding voids has also been carried to reduce the number of empty homes by way of speeding up works and addressing any procedural blockages between UDC's housing management team and Axis.
 - b. **Cultural Training Initiatives** – To address workplace cultural issues, Axis will continue with additional training sessions aimed at aligning staff with the new operational ethos and expectations. These sessions will focus on the importance of adapting to new practices and the implications of continuing to refer to outdated methods.
 - c. **Enhanced Communication** - Regular meetings have been scheduled to ensure that all staff are informed of changes and expectations, embedding the collaborative environment promoted by Axis. This will also include feedback mechanisms to address concerns and suggestions from staff, with input and attendance from the client team.
 - d. **Job Raising Review** - A thorough review of the job raising process is ongoing to ensure that all future requests meet UDC's criteria. This will involve close collaboration with the UDC Customer Service Centre to streamline the process and improve accuracy.
 - e. **Robust Management of Work Variations** - The Property Services team is committed to managing work variations robustly to ensure that all contractual requirements are adhered to. While this may cause some delays in work progressing initially, it is essential to establish the correct operational framework rather than allowing work to proceed under incorrect assumptions, which could set a detrimental tone for the contract both operationally and financially.
 - f. **Administrative Task Transfer** - Given the identified capability issues, we understand that the contractor intends for some administrative tasks, such as scheduling and financial administration, to be transferred to the Axis central office in Stratford. Their intent is to ensure that these tasks are delivered effectively and provide additional capacity to cover

absences. The client team has requested a formal proposal regarding this adjustment, so we can consider any implications for the council.

- g. **Financial Monitoring** - Continuous monitoring of the financial implications of the reduced volume of works will be undertaken. This will involve regular reviews of Axis's overhead costs and adjustments to ensure sustainability and service quality.

The UDC client team has requested a formal proposal from Axis on measures to improve the viability of the service in the face of a lower volume of responsive repair works. This will also be considered within the context of increasing regulatory requirements requiring additional activities in repairs services, for example, the impending publication of Awaab's Law and associated Code of Practice. Further to this we are reviewing the damp and mould workstreams to review if we can take a proactive approach to enhance the service delivered to residents and drive a sector leading initiative. The capacity that the observed reduction in previous levels of responsive repairs frees up provides very convenient potential headroom to increase activity around damp and mould etc. without necessarily causing an additional financial pressure.

It should however be noted that the contract was awarded as a single contract with individual workstreams rather than a series of individual contracts. Profitability and viability need to be assessed for the combined contract.

- h. **Health and Safety Updates** - No reported incidents or accidents to date. One sub-contractor was removed from carrying out works due to unsafe practices identified by UDC officers, and although regrettable that this was necessary, it does illustrate the robustness of our procedures in ensuring good practice, as the wellbeing, health and safety of staff and tenants alike is obviously a top priority.

Conclusion and Next Steps

- 10. While the initial mobilisation of the maintenance contract with Axis Europe has been successful, ongoing challenges must be addressed to ensure sustained performance and service quality.
- 11. Continued close collaboration between Axis and UDC will be essential in overcoming these hurdles. Regular updates will be provided to the Corporate Management Team as progress is made.

Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
Failure to implement the changes will negatively impact the level of service the tenant receives	2	3	As set out in the report

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.