

Committee:	Audit Committee
Date:	4 th February 2014
Title of report:	Review of the Building Maintenance Unit
Purpose of Report:	To update members of progress made with review of the Building Maintenance Unit (previously known as the DLO)
Author:	Shan Lloyd Williams. Head of Housing Services
Portfolio Holder:	Councillor Kenneth P Hughes

1.0 Introduction

1.1 A progress report was presented to Committee Members in December, 2013 against recommendations of a Value for Money review previously undertaken by Solutions for Housing and recommendations of reports commissioned from the Wales Audit Office and Internal Audit. An action plan had been developed capturing all the recommendations, with implementation being led by the Operations Manager BMU.

1.2 It was reported to Committee that the transformation project had been paused and a further review commissioned from the same company. The review is looking independently at the progress made to date against the transformation action plan, options appraisal afro the delivery of the BMU Repairs and Maintenance Service, together with the implementation and costs involved in the identified options.

1.3 The Audit Committee requested that it be provided with a further update in February to cover options, timeframes and any attendant financial risks.

2.0 Review to date

2.1 Two consultants working for Solutions for Housing have been on site to date (as at 20/01/14).

An initial project initiation meeting was held 10th January, 2014 with staff of BMU and Repairs and Maintenance client together with representatives from Finance, Human Resources and Housing Services Management Team. At that meeting, the following were confirmed:

- Limits and parameters on the work;
- timescales for the review and key milestones;
- vision and ambition of the Housing Service and its requirements for the Repairs Service;
- stakeholder involvement requirements;
- documentation required for the review;
- Communication Plan.

2.2 Options Appraisal Event – future of Repairs and Maintenance

An Options Appraisal event was held 16th January, 2014 with additional staff members from both BMU and client and Housing Services Management Team. The event looked at:

- High level ambitions for the repairs service;
- current performance and gap to achieve “excellence”;
- identification of options for the service;
- strengths , benefits, weaknesses and risks of each option;
- implementation issues for each option;
- scoring model for the options appraisal was agreed.

2.3 Options being looked as part of the review are:

- i) internal provision (i.e. BMU) with client / contractor split but on partnering basis;
- ii) internal provision without client / contractor split;
- iii) external (outsourced) works only;
- iv) external with client and works;
- v) outsourcing points of the service;
- vi) joint venture;
- vii) social enterprise;
- viii) other models.

2.4 Verbal feedback will be given to Committee Members of progress since writing the Report (20/01/14).

3.0 Next steps and key milestones

3.1 The Consultants are on-site to undertake a detailed review of the evidence of progress made against transformation plan in the next week and also looking at the current structure and costs etc.

3.2 The final event will be held on 11/02/14 where the same Officers who attended the event on 16th January, 2014 will be invited to attend.

3.3 The final report will be presented to the Executive Committee for a decision on chosen option for the future in March / April, 2014. The final report will, as a matter of course, also be presented to the Audit Committee and Isle of Enterprise Transformation Board.

3.4 The Action Plan of whatever the chosen option will be project managed using the corporate project management framework. Whatever the chosen option, there will be a need to procure expert consultancy support to manage the entire procurement process. There is also potentially significant cost of internal staff's time required to set up the new arrangements whilst managing out the old (current) arrangement.

3.5 Further costs could be possible in connection with employment law and pension advice in relation to TUPE issues (if externalising the service).

3.6 For in-house solutions, there could be costs of specialised transformational change consultants to assist the team to achieve the required standards of performance and quality.

3.7 It should be noted that some or all of these costs can be offset by the generation of efficiencies within the newly modernised service.

4.0 Recommendations

4.1 That Members of the Audit Committee note progress to date from the review.

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Date: 20th January, 2014