

# Governance Committee

Monday, 4th November,  
2024  
at 5.00 pm

## PLEASE NOTE TIME OF MEETING

Conference Room 3 - Civic Centre

This meeting is open to the public

### Members of the Committee

Councillor Rayment (Chair)  
Councillor Mrs Blatchford  
Councillor Cooper  
Councillor Denness  
Councillor Gravatt  
Councillor Harwood  
Councillor McCreanor

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# **PUBLIC INFORMATION**

## **Role of the Governance Committee**

Information regarding the role of the Committee's is contained in Part 2 (Articles) of the Council's Constitution.

### [02 Part 2 - Articles](#)

It includes at least one Councillor from each of the political groups represented on the Council, and at least one independent person, without voting rights, who is not a Councillor or an Officer of the Council.

**Access** – Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

**Public Representations** At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

**Smoking policy** – The Council operates a no-smoking policy in all civic buildings.

**Mobile Telephones:-** Please switch your mobile telephones or other IT devices to silent whilst in the meeting

**Use of Social Media:-** The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

## **Dates of Meetings: Municipal Year:**

<b>2024</b>	<b>2025</b>
10 June	10 February
22 July	14 April
23 September	
4 November	
9 December	

## **CONDUCT OF MEETING**

### **Terms of Reference**

The terms of reference of the Governance Committee are contained in Part 3 of the Council's Constitution.

[03 - Part 3 - Responsibility for Functions](#)

### **Rules of Procedure**

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

### **Business to be discussed**

Only those items listed on the attached agenda may be considered at this meeting.

### **Quorum**

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

## **DISCLOSURE OF INTERESTS**

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

### **DISCLOSABLE PECUNIARY INTERESTS**

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

## **Other Interests**

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

## **Principles of Decision Making**

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

## AGENDA

### 1 **APOLOGIES**

To receive any apologies.

### 2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

### 3 **STATEMENT FROM THE CHAIR**

### 4 **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

(Pages 1 - 2)

To approve and sign as a correct record the Minutes of the meeting held on 23 September 2024, and to deal with any matters arising, attached.

### 5 **IMPROVEMENT BOARD** (Pages 3 - 6)

Report of the Chair of the Improvement Board.

### 6 **HOUSING VOIDS PROGRESS REPORT** (Pages 7 - 26)

Report of the Cabinet Member for Housing Operations setting out the progress being made in the number of voids and the actions to address all the areas given limited assurance that has been cited to date.

### 7 **EXCLUSION OF THE PRESS AND THE PUBLIC - EXEMPT INFORMATION INCLUDED IN THE FOLLOWING ITEM**

To move that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the exempt Appendices to the following Item.

Appendix 1, 2 and 3 to this report are confidential in accordance with paragraph number 7(A) of the Council's Access to Information Procedure Rules in Part 4 of the Council's Constitution as they contain information about Council contracts and contractors which may be deemed to be confidential and commercially sensitive.

**8 STRATEGIC CONTRACTS AND PROCUREMENT ANNUAL REPORT 2023/24**  
(Pages 27 - 52)

Report of the Head of Contracting and Procurement and Director of Commissioning detailing an overview of the performance, governance and contractual matters relating to the Council's most strategically important contracts ("the Strategic Contracts") in respect of financial year 2023/24 and the Council's upcoming strategic procurement activity ("the Strategic Procurement Activity") arrangements for which need to be operational by the end of financial year 2026/27.

Friday, 25 October 2024

Director Legal and Governance

# Public Document Pack Agenda Item 4

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## GOVERNANCE COMMITTEE

### MINUTES OF THE MEETING HELD ON 23 SEPTEMBER 2024

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Present: Councillors Rayment (Chair), Mrs Blatchford, Denness, Harwood and McCreanor

Apologies: Councillors Cooper and Gravatt

5. **APOLOGIES**

Apologies were received from Councillor Cooper.

The Panel noted the resignation of Councillor Cooper and the appointment of Councillor G Lambert respectfully in place thereof in accordance with the provisions of Council Procedure Rule 4.3.

6. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

**RESOLVED:** that the minutes for the Committee meeting on 22<sup>nd</sup> July 2024 be approved and signed as a correct record.

7. **ANNUAL MONITORING OFFICER REPORT ON MEMBERS CODE OF CONDUCT**

The Committee received and noted the report of the Director of Enabling Services detailing the Annual Monitoring Officer Report on Members Code of Conduct. The report also provided an overview of the training and development programme for Members. The Committee noted that training sessions could be better attended by Members and agreed that the Chair of the Committee would write to Group Leaders to encourage their Members to attend training sessions that were on offer.

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## **SOUTHAMPTON CITY COUNCIL**

### **IMPROVEMENT BOARD**

#### **REPORT OF THE CHAIR OF THE BOARD**

##### **October 2024**

In 2023 Southampton City Council then Leader Satvir Kaur and their S151 Officer, Mel Creighton, in realising the scale of the financial and cultural challenges facing the organisation, instigated the establishment of a Voluntary Improvement Board.

The Board was established and met for the first time in October 2023. Throughout its first year, the Improvement Board has been well supported, originally by Mike Harris CEO until December 2023, and since February 2024 by Andrew Travers, Interim CEO.

Board membership has seen some changes during the first year and we are grateful to those who served as the Children's and Adults representatives for the first few months. At this point, the Board Membership is of a high calibre, made up of expert individuals representing specific areas that are most challenged in the organisation, such as Children's Services, Adult Social Care, Housing, Finance, with a Political Advisor and an experienced Chair. (A list of Board Members is included at the end of the report)

The Council has also seen dramatic changes over the 12 months, with a new Leader appointed in December 2023, Cllr Lorna Fielker, an Interim CEO appointed in February 2024, followed by an election in May 2024 which seen further changes to the Cabinet; and several members of the Senior Management Team have also left and post are currently being recruited to.

At the commencement of the Board in October 2023, the financial challenges of the organisation were such that the issuing of a S114 Notice was imminent. There was no credible budget set for 2024/25 and the in-year position was running at a substantial overspend, with a high continuing dependency on the use of rapidly depleting reserves.

During the first quarter of 2024, the organisation secured Exceptional Financial Support (EFS) of £123m from the Government to enable a balanced budget to be set for 2024/25, to support the development of a Transformation Programme and to fund Equal Pay Claims.

In tandem with the financial support from Government, the Senior Management Team and the new Interim CEO, and with some strong input from the Improvement Board and directly from the Leader, focused their efforts and working as a team set a credible budget for 2024/25 with the 2023/24 year-end position coming down to a £1m overspend – much reduced from the original prediction. However, it was dependent on the planned use of £20m of the organisation's reserves.

Whilst the financial challenges of the organisation remain substantial, the current in-year position is predicting a healthy underspend for 2024/25. However, there is a risk that in appearing that the worst is over, the organisation could take its foot off the pedal. There is still high risk within the Adults and Children's services that they will overspend. Also, the in-year budget is heavily dependent on a large contribution of EFS, which is not free money and will need to be repaid to Government with interest.

EFS provision is for one financial year and even if the Council does not utilise the full amount, there is currently no EFS provision for future years.

There is an ambitious Transformation Programme in place, with a target of £50m savings for the period of the MTFS up to 2027/28. Whilst a large portion of the Transformation savings have been identified, there is still a substantial amount of Transformation savings to be identified. It is essential that this programme is delivered in full and at pace, if the Council is to become sustainable and this will require a doubling down of efforts of both Officers and Members and the right resources to see it through.

Apart from the financial status of the organisation, some of the individual service areas are also struggling to perform, with Housing being a major concern with particularly poor performance in some areas of the service.

Also of concern to the Board is the recent departure of the Director of Adult Social Services (DASS). This role is currently being covered by the Director of Children's Services (DAS), who is already managing a major service with high savings targets and it could be up to 12 months before the DASS role is filled. Whilst the DAS was appointed to the joint role through a competitive process, the Board considers the lack of a single focused Director on Adults Social Care to be high risk for the organisation.

Whilst there has been some good progress made on areas such as Financial Management, with clear accountability for budgets now in place and improvements in transparency and Member engagement, there is still some way to go in terms of Governance and the culture of the organisation. These are areas that will require some focus going forward, if the organisation wishes to get itself into a sustainable position.

Culturally there is evidence to suggest that the fragile financial position the organisation finds itself in is not fully accepted by some Members - an example of which is a unilateral decision reversing a budget decision which was agreed by Cabinet and published in the budget, which raises cause for concern.

More recently, the decision to bring the management of Elections back into the control of the organisation, which should have been a straightforward decision and one that shows the new Leadership's confidence in the organisation's ability to manage its own affairs, was heavily challenged by some Members - this shows a lack of maturity in the

organisation's governance, with a focus on political point scoring, rather than the stability and survival of a much challenged Council.

As the organisation looks to Devolution and a potential deal with Isle of Wight, Portsmouth and Hampshire, providing a major opportunity to stimulate growth and prosperity for the region, it will need to create a stable environment and put its own house in order so it can ensure its residents are well placed to reap the benefits.

Whilst there has been substantial positive change and good outcomes delivered over the past 12 months, with the Leader and Interim CEO providing real stability and leadership throughout a tumultuous year, there is still much to do and the required changes needed to the culture and good governance of the organisation, both from a political and officer perspective, are a long way from being realised.

The Improvement Board is very aware that the financial position is still very fragile with equal pay claims still to be settled, reserves still being precariously low and a large number of assets needing to be disposed of to repay the Exceptional Financial Support.

The Council and the Board cannot afford to take its eye off the ball and the entirety of the organisation, both Members and Officers, need to keep a laser focus on the improvement journey so it can turn the Council around and provide a stable environment where its residents can thrive and receive the services they deserve.

**View from Cllr P Marland, Political Representative on the Improvement Board:**

The political understanding, leadership and grip of the overall scale of the financial problems facing Southampton City Council have vastly improved over the past twelve months. The Leader of the Council has been fundamental to this shift. However, work remains to be done to ensure that all the executive and members of the council have a single version of the truth regarding the precarious state of the finances and to understand work to remedy the problem has only just started rather than nearing completion.

Politically there are some significant concerns that still need to be addressed. The clarity and timeliness of information, appointment of permanent senior officers, the scale of the equal pay problem and the long-term capacity to embed change in the organisation remain as areas of significant risk, and despite some early positive improvements to the overall trajectory, the pace of the work now needs to accelerate with improvements needed on the content of transformation plans and grip on financial detail across the organisation. The leader must continue to push for whole corporate ownership of the challenges as senior appointments are made and that they work to clear and unambiguous political direction

**Theresa Grant OBE**

**Chair**

**Board Attendance:**

**Number of Meetings held during 2023/24: 11**

**Board Member Attendance Record**

Chair, Theresa Grant: 11

Leader of the Council, Councillor Lorna Fielker: 11

Deputy Leader of the Council, Councillor Simon Letts: 4

Chief Executive Andrew Travers: 7 (commenced in February 2024)

Rob Whiteman, Finance rep: 8

Councillor Peter Marland: 10

Trevor Doughty, Children's rep: 3 (served part-year)

Craig McCardle, Adult's rep: 3 (served part-year)

Anna Earnshaw, Adult's rep: 6 (commenced in February 2024)

Annie Hudson, Children's rep: 6 (commenced in March 2024)

Gerri Scott, Housing rep: 2 (commenced in July 2024)

Mike Harris (ex Chief Executive SCC): 4 (served part-year)

Satvir Kaur (ex Leader SCC): 3 (served part-year)

# Agenda Item 6

<b>NOT A DECISION PAPER:</b>	GOVERNANCE COMMITTEE
<b>SUBJECT:</b>	HOUSING VOIDS PROGRESS REPORT
<b>DATE OF REPORT:</b>	11 November 2024
<b>REPORT OF:</b>	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING OPERATIONS

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director:</b>	<b>Title</b>	Executive Director: Resident Services	
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<b>Author:</b>	<b>Title:</b>	Director of Housing & Housing Operations Manager	
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<b>STATEMENT OF CONFIDENTIALITY</b>
None

<b>BRIEF SUMMARY</b>	
<p>An internal audit review of Southampton City Council's housing void process and procedures was completed on the 5<sup>th</sup> June 2023 as part of Southampton City Council's 2022/23 Audit Plan. Due to the length of time our properties remain void, limited assurance was provided.</p> <p>A progress report was presented to Governance Committee on 13<sup>th</sup> November 2023 and 23<sup>rd</sup> April 2024. These reports set out the plans to address the areas of limited assurance in the audit report and progress made to date. The plans were previously noted, with a requirement to provide a further progress report to review the effectiveness of the implementation plan.</p> <p>This report sets out the progress being made in the number of voids and the actions to address all the areas given limited assurance that has been cited to date.</p>	
<b>RECOMMENDATIONS:</b>	
	(i) For the Cabinet Members Board meeting to note the report to the Governance Committee on the progress being made to improve Void performance.
	(ii) For the Cabinet Members Board to accept and endorse the Voids Improvement Plan

## REASONS FOR REPORT RECOMMENDATIONS

- |    |  |
|----|--|
| 1. | To inform the Governance Committee of the current performance on voids in SCC Housing stock and the progress being made to reduce the number of voids following implementation of the action plan. |
| 2. | To inform the Governance Committee of the progress on the plan to improve and reduce the number of voids held by SCC   |

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- |    |      |
|----|------|
| 3. | None |
|----|------|

## DETAIL (Including consultation carried out)

- |    |  |
|----|--|
| 4. | A "Void" in housing terms is when a property is unoccupied for a period of time. For Housing Authorities, the aim is to keep voids to a minimum thus maximising the income generated from occupied properties.   |
| 5. | The internal audit identified a clear framework, sufficient procedures, and checklists for complete management trails. However, the length of time properties was vacant, and not available to relet and therefore not collecting rent, was identified as having a significant impact on the Housing Revenue Account and limited assurance given.  |
| 6. | <p>The backlog of voids as December 2023 was at 371, which increased to 446 at its peak in January 2024, reduced to 416 at the end of March 2024 and 334 by end of August 2024. This is a 25% reduction in the total number of voids over an 8-month period.</p> <p>The principal route cause of the high level of voids is due to the increasing volumes of work in voids symptomatic of a lack in planned maintenance investment. Although the Cabinet approved £25m extra capital investment over the next five years, this investment will take at least five years to manifest a sizeable reduction in the number of major void work.</p> <p>The optimal number is to have between 25 and 30 voids in order to maintain optimised productivity while fulfilling the ultimate target turnaround times of 10 days for routine voids and 65 days for major voids.</p> <p>Therefore, in order to mitigate the impact of this high-level backlog of voids and reduce the level of void numbers down to optimal numbers, work has continued to progress on the action plan. The table below summarises key activity and progress to date.</p> |

**Table 1:**

Activity	Update
Temporary reallocation of 23 trades and staff from Housing Operations major projects team into the Voids maintenance team.	This began in December 2023 with the full transition / migration completed by March 2024. This volume of trade reallocation is commensurate to the level of resources needed to clear the backlog of 371 voids over a 12month period.

Approval to recruit an extra 22 trades and staff within both the Voids maintenance team as well as the logistics team providing the materials and logistics support.

Recruitment began in April and was forecast to be completed in July. However, this is taking much longer than predicted due to recruitment / market difficulties. As these newly recruited trades and staff commence employment we should begin to see further reductions in the number of void properties around August onwards.

We have modified how we prioritise voids to better meet the council's competing priorities.

Priority 1: Target voids with the least maintenance work required so that we let as many properties as we can.

Priority 2: Homeless properties

Priority 3: Priority need properties

Priority 4: 1 Bed & 2 Bed properties (reducing number of property transfers).

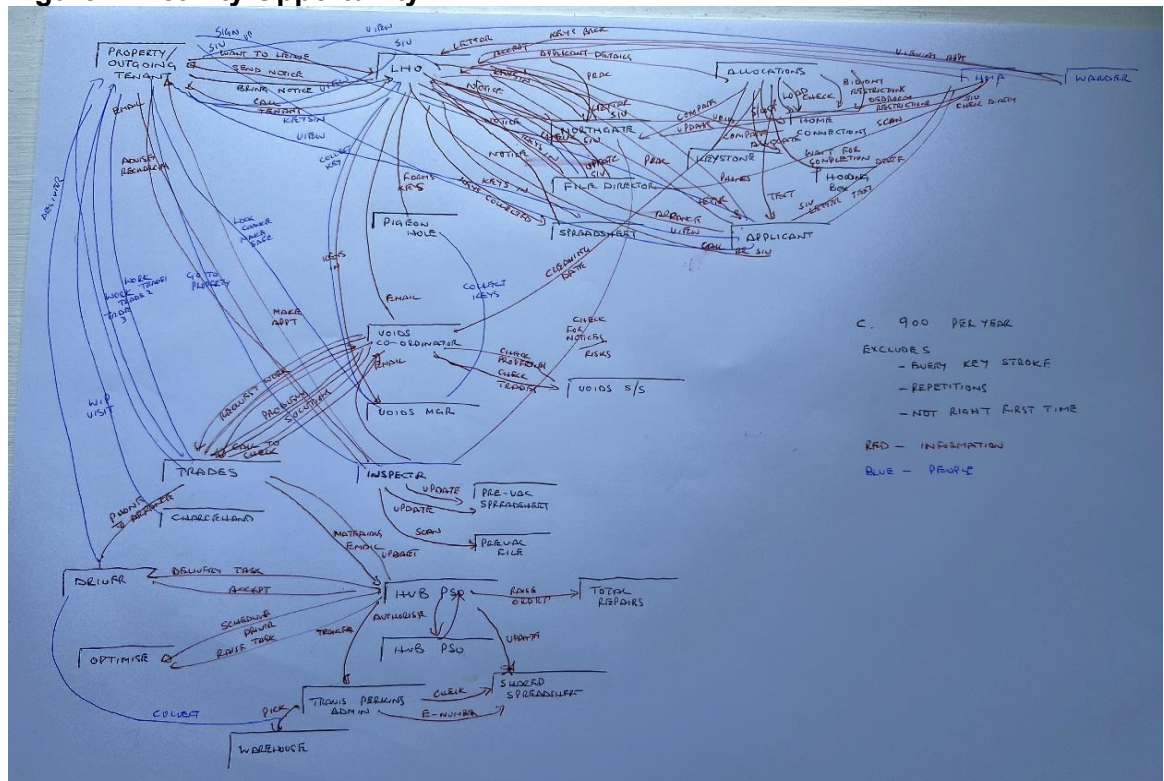
Priority 5: Properties that have been empty for the longest period

Priority 6: Large voids allocated to the major contracts team and/or sub-contractors.

**Activity: Review of the void processes to eliminate activity/process waste and remove barriers:**

Our LEAN consultant has worked with a team of internal colleagues from across the council exploring our current processes (Figure 1: Activity Opportunity) This provided a good understanding of the extent of the backwards and forwarding and the unnecessary pressure it creates for the service.

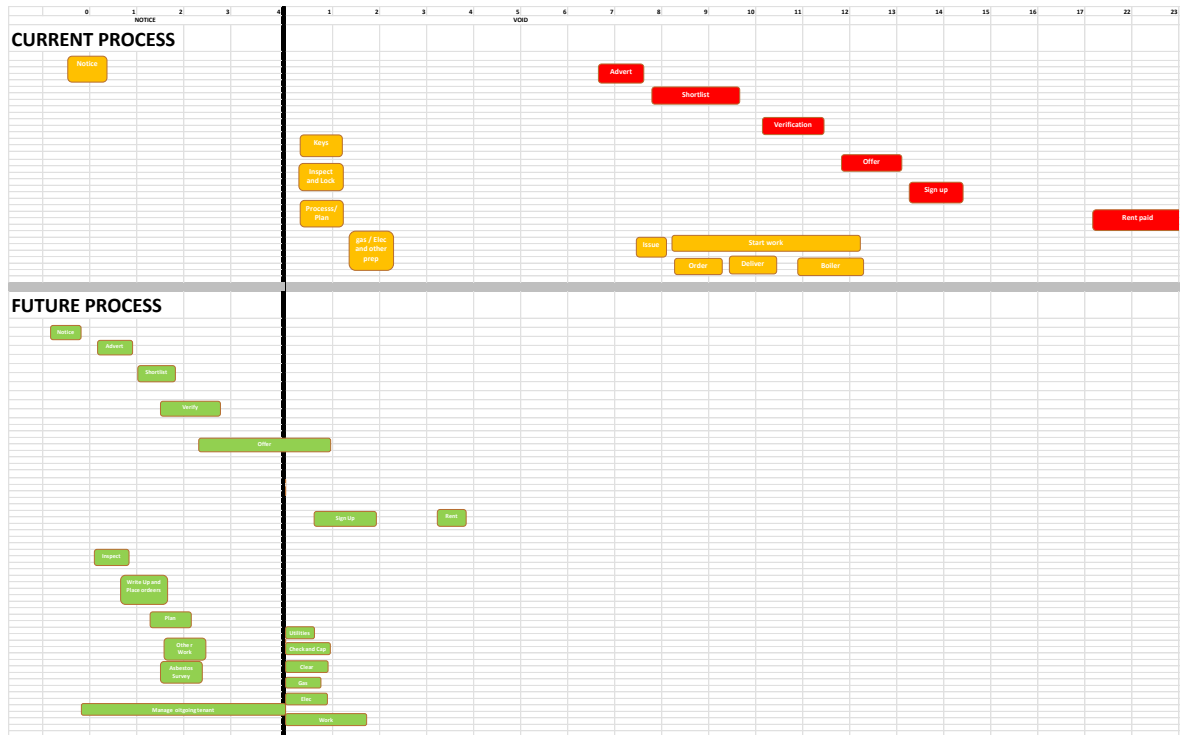
**Figure 1: Activity Opportunity.**



The analysis identified that we were not effectively using the notice period which created delays to void renovations and repairs. This was used to inform a future state focusing on placing the customer at the heart of our process.

**Figure 2** sets out the timeline showing the previous process (current) and the new process that is being implemented (future) This plan makes better use of the notice period. As the backlog is removed we will develop a culture of doing work at the earliest opportunity with more parallel working.

**Figure 2: Process Timeline.**



Review of the materials supply chain and delivery processes

We have extended our supply chain and introduced trade cards.

A business case was submitted to extend the scope of the voids review to help develop and improve our processes across other parts of the business that have a direct correlation to our voids performance.

This was approved in June 2024. Additional scope areas include:

- a. A review of the way materials and supply chain.
- b. Review of our responsive repairs programme

Both of these impacts the efficiency of the void maintenance process. By reviewing these areas it is expected that we will find further opportunities to reduce the number of void properties by:

- speed up the availability of materials,
- reduce downtime caused by delays in the delivery of materials to void properties.



	<ul style="list-style-type: none"> <li>• reduce the impact caused by the increased complexity of the responsive repairs programme demand.</li> <li>• widen the availability of materials through the supply chain.</li> </ul>
We have written an Outline Business Case to help transform and improve the way we deliver our repairs and maintenance services to help us on a journey towards being one of the best social landlords in the country.	This is fully funded within this year's HRA approved budget.

7. **Phase 1 improvement plan (March/April 2024 to September 2024)**

7.1 **- The impact of activity undertaken:**

**Table 2 – Number of voids:**

KPI	2021/22	2022/23	2023/24	2024> Target	April	May	June	July	Aug
No. of void properties open	No Data	286	416	25	385	385	368	349	334
Average Turnaround times for <b>ROUTINE</b> voids	15 days	94 days	133 days	10 days	118 days	118 days	118 days	114 days	115 da
Average Turnaround times for <b>MAJOR</b> voids	83 days	225 days	278 days	65 days	412 days	365 days	331 days	351 days	338 da

**Table 2** shows the number of voids as at the end of August as 334 with a rent loss of £606k – a continuing reduction from the 416 in March.

The average number of voids completed each week during the 5 months period April to August is 20 against a target of 22 – completing 464 (96%) voids against a target of 481 Voids (136 more voids completed ready for letting compared to the same 5-month period 12 months ago). This achievement is largely due to the relocation of the extra 23 trades and staff into the voids programme since March.

Original forecast target reduction in the number of voids outstanding was as follows:

	Q1	Month 5	Q2	Q3	Q4
<b>Target</b>	<b>360</b>	<b>307</b>	<b>280</b>	<b>200</b>	<b>120</b>
<b>Actual</b>	<b>368</b>	<b>334</b>			

This shows that by end of month 5 the number of voids outstanding was 27 (9%) higher than the forecast target of 307. The primary reason for this is due to the greater number of voids coming in (67) – 19% more than the number coming in 12 months, together with an increasing volume of void work as shown in Table 3.

Nevertheless, despite the increase in voids coming in, 334 is less than the 400 this same time 12 months ago – so an improved position.

Based on the current voids in / out our forecast date for voids to normalise is around the end of 2025.

**Table 3 – Void costs / volume of work:**

KPI	2018/19	2022/23	%	2023/24	% Increase since 2018/19	2024> Target	April	May	June	July	Aug	Average YTD	% increase 2024/25	inc
Average void costs - ROUTINE Voids	£1,967	£3,676	87%	£4,376	122%	£2,000	£3,713	£4,047	£4,559	£5,671	£7,120	£5,148	18%	4
Average void costs – MAJOR Voids	£3,961	£7,148	80%	£8,038	103%	£2,000	£7,857	£6,236	£6,181	£10,370	0*	£7,942	-1%	1
Average void costs – OVERALL	£2,427	£4,173	72%	£4,956	104%	£2,000	£4,778	£4,400	£4,841	£6,384	£7,120	£5,626	14%	3

Note: \* No major voids completed in August so YTD figure will increase in September

**Table 3** shows the average volume of work per void has increased by 14% since March & 35% since April 2023 and is continuing to show an increase each month since April 2024.

Therefore, this level of increased work in voids is extending the time it takes to turnaround voids and thereby (combined with the increase in voids coming in) not as many (27 = 9%) returned for reletting.

7.2 **Housing Management Tenancy Inspections:**

- 1) Property Tenancy Checks are being prioritised by Housing Management with an ambition to complete 50% of properties per annum.
- 2) The objective is to take proactive action at an earlier stage to prevent properties affected by tenant misuse and neglect from escalating into substantial costs – a proactive approach to reducing the amount of tenant related recharges that occur when the property becomes void.
- 3) Housing managers will be monitoring the outcome and the impact this will have on other service areas such as Pest Control, repairs, open spaces, adaptation, property team, allocations and legal.

7.3 **Tenancy Management:**

- 1) **Setting expectations for property standard at point of return of property to the council,** - Housing management provide the moving out standard when a notice to vacate is received. Working in partnership with the prevacation officers to encourage tenants to complete more of the repairs they are responsible for before a property becomes void.
- 2) **Ensuring the recharge policy functions effectively,** - Maintenance Recharges identified prior to and after a tenant moves out an invoice sent to the outgoing tenant to recover income. (Discretion given in certain situations if the case involves Domestic violence or abuse)
- 3) **Considering limits on offers made,** - this will form part of the new allocations policy which will limit the number of offers and may result in the applicants banding being decreased.

7.4 **Housing Allocations process:**

Allocations are notified on a weekly basis of properties which are ready to be advertised by the voids team. These will be advertised in the following weekly bidding cycle. Once the bidding cycle is closed the properties are offered within 1 working day. Currently there are no delays or blockages in this process.

Following a change to our Allocation Policy and a new allocation system we are looking to move over to daily bidding from April 2025, this will enable us to put a property out to advert on any day. This may help to reduce the time in which properties are void and to improve the allocation process.

7.5 **Lean Consultant Review:**

Note: the initial Lean review prioritised it's focus on the Voids workstream. However, during the course of this review it became apparent there were interdependencies with the Materials, Employment and Logistics team who likewise impacted both the Voids and Responsive Repairs workstreams.

Subsequently, the Lean reviews have been expanded out across both these two additional programmes / processes and range of improvement actions identified – as outlined below in the Phase 2 Improvement Plan.

7.6 **Newton Europe Diagnostic Review:**

Newton Europe undertook a 5-week diagnosis during August 2024 of the end-to-end voids process. This included analysing performance data, staff interviews, job shadowing of both office staff and trades, etc to get an understanding of the current ways of working and evaluate how improvements could be made that will bring cost reductions and greater efficiencies. This supplemented work that had already been completed and quantified the value associated with improvement activity to help focus which activities to prioritise.

The findings arising from their diagnostic work in summary included the following:

- 1) **Effective void categorisation and prioritisation:** ensuring informed, data-led decision making on which voids are prioritised through the process, based on demand, rent, and accumulated time to date. All new voids should be assessed for whether they should be worked on, ringfenced, subcontracted, or sold based on its expected cost of repairs.
- 2) **Void process design, with data visibility of outflow:** gaining control and visibility of incoming voids to prevent a future backlog, optimising process routes for properties based on their categorisation. Driving down existing WIP is reliant on effective resource allocation, alongside making strategic stock decisions based on ability to relet a given property.
- 3) **Parallel processes:** some process stages for a void property can happen in parallel, rather than sequentially. A single system that allows for visibility of void progress, and which activities can be progressed across teams without dependencies, would enable this, including initial void clearances and inspection before a tenant moves out, and advertising and offers whilst works are being finalised.

7.7	<p>4) <b>Tenant management:</b> setting expectations for property standard at point of return of property to the council, and ensuring the recharge policy functions effectively, considering limits on offers made, and the impact of state of property at vacation on internal transfers. • Automated tenant communications that remind tenants for tenant-dependent stages.</p> <p>5) <b>Wider housing management processes:</b> a forum that considers joint metrics across the interfacing teams involved in voids (including e.g., redevelopment, LHO, trades, transfers, etc.) to make informed decisions about turnarounds and priority voids, and to root cause and action any blockages faced. This forum should be used to deep-dive properties stuck for extended periods of time and all teams should be working towards and accountable for the same voids KPIs.</p> <p>6) <b>Trade productivity:</b> Data on trade operatives' productivity and utilisation suggests that reducing the variation in operative performance through additional management and support, and reducing admin time, could improve throughput by c.12% across.</p> <p><b>Digital Transformation:</b></p> <p>Suitable and dynamically effective Digital platform, using a single source tool as far as possible (or at best adequately interfaced where multiple systems cannot be avoided), is crucial to enable and optimise the effective realisation of each of the specific areas for improvement.</p> <p>Plans are currently in progress to fulfil this with specification/ statement of works being developed for Housing Operations but also in conjunction with other digital transformation projects across Housing Management and other key departments such as Corporate Estates and Assets.</p>								
7.8	<p><b>Conclusion:</b></p> <p>So, in order to drive a greater reduction in the balance of voids, each of the areas identified for improvement through the Lean Reviews and Newton Europe Diagnostic, as summarised above, are now incorporated within the Phase 2 Improvement Plan actions – see detail plan below in section 8.</p> <p>Such plans will be integrated with the wider transformation activity set out in the Good Landlord programme and those that span across wider areas of the council such as data and digital work streams.</p>								
8.	<p><b><u>Phase 2 Improvement Plan – (October to March 2025)</u></b></p> <table border="1" data-bbox="252 1787 1497 2083"> <thead> <tr> <th data-bbox="252 1787 343 1832"></th> <th data-bbox="343 1787 874 1832"><b><u>Activity</u></b></th> <th data-bbox="874 1787 1182 1832"><b><u>Sponsor</u></b></th> <th data-bbox="1182 1787 1497 1832"><b><u>Target date</u></b></th> </tr> </thead> <tbody> <tr> <td data-bbox="252 1832 343 2083">8.1</td> <td data-bbox="343 1832 874 2083"> <p><b>Complete the recruitment of additional resources</b></p> <p>a) Remaining 8 x FTE's directly employed – fully funded within the existing HRA</p> <p>b) Additional sub-contractors</p> </td> <td data-bbox="874 1832 1182 2083"> <p><b>Housing Operations Manager</b></p> </td> <td data-bbox="1182 1832 1497 2083"> <p><b>January 2025</b></p> </td> </tr> </tbody> </table>		<b><u>Activity</u></b>	<b><u>Sponsor</u></b>	<b><u>Target date</u></b>	8.1	<p><b>Complete the recruitment of additional resources</b></p> <p>a) Remaining 8 x FTE's directly employed – fully funded within the existing HRA</p> <p>b) Additional sub-contractors</p>	<p><b>Housing Operations Manager</b></p>	<p><b>January 2025</b></p>
	<b><u>Activity</u></b>	<b><u>Sponsor</u></b>	<b><u>Target date</u></b>						
8.1	<p><b>Complete the recruitment of additional resources</b></p> <p>a) Remaining 8 x FTE's directly employed – fully funded within the existing HRA</p> <p>b) Additional sub-contractors</p>	<p><b>Housing Operations Manager</b></p>	<p><b>January 2025</b></p>						

	c) Where possible, to utilise the existing new primary planned works contractor – Trident		
<b>8.2</b>	<p><b>Increased Void productivity</b></p> <p>a) Replacement of vacant senior manager post to drive change and team consensus</p> <p>b) Increase management of trades through the Area Maintenance Void managers</p> <p>c) Increase use of Charge Hands to better support Area Maintenance Void Managers</p> <p>d) Optimise use of trades to reduce downtime and waste</p> <p>e) Recruit Programme Support Manager to improve proactive planning and resolve cross team functions</p> <p>f) Utilise Void Maintenance Coordinators to plan for efficiency and solve problems</p> <p>g) Review and manage trade productivity to increase through-put</p> <p>h) Property Inspectors to identify work demands during ‘notice-to-quit’ stage and manage repairs by outgoing tenants to reduce repair work during the void period.</p> <p>i) Strengthen data reporting to drive more effective and efficient management</p> <p>j) Establish daily and weekly routines to focus on key objectives and foster team problem solving</p> <p>k) Target top 100 properties nearest to completion</p> <p>l) Escalate and tackle cross team functional delays as well as performance analysis through weekly ‘wider housing management void review meetings’</p>	<b>Housing Operations Manager</b>	<p><b><u>March 2025</u></b></p> <p>a) Interim in place</p> <p>b) Immediate through to March 2025</p> <p>c) Immediate through to March 2025</p> <p>d) March 2025</p> <p>e) Immediate</p> <p>f) Immediate through to March 2025</p> <p>g) Immediate through to March 2025</p> <p>h) Immediate through to March 2025</p> <p>i) Immediate through to March 2025</p> <p>j) Immediate through to March 2025</p> <p>k) Immediate</p> <p>l) Immediate through to March 2025</p>
<b>8.3</b>	<p><b>Lean review of Materials and Logistics workstream</b></p> <p>a) Recruitment</p>	<b>Housing Operations Manager</b>	<p><b><u>March 2025</u></b></p> <p>In progress</p>

	<ul style="list-style-type: none"> <li>i. Review process with HR to reduce delays and problems</li> <li>ii. Centralise induction action plans – consistency &amp; reliability</li> <li>iii. Dashboard for tracking and effective control</li> </ul> <p><b>b) Materials, logistics and equipment management</b></p> <ul style="list-style-type: none"> <li>i. Working with Voids and responsive repairs to clear backlogs and delays</li> <li>ii. Booking new dates for all returned materials stored in warehouse</li> <li>iii. Ensuring trades have an up-to-date list of materials available</li> <li>iv. Develop performance scorecard for monitoring workloads and improve performance</li> <li>v. Exploring alternative solutions for managing tools and equipment more efficiently and effectively.</li> </ul>		<p><b>Complete</b></p> <p><b>Complete</b></p> <ul style="list-style-type: none"> <li>i. In progress through to March 2025</li> <li>ii. In progress through to March 2025</li> <li>iii. Immediate</li> <li>iv. In progress through to March 2025</li> <li>v. In progress through to March 2025</li> </ul>
<b>8.4</b>	<p><b>Lean review of Responsive Repairs workstream</b></p> <ul style="list-style-type: none"> <li>a) Complete recruitment of additional trades and staff</li> <li>b) Assess demand against capacity</li> <li>c) Increase flexible deployment of trades from other teams</li> <li>d) Record, assess and review all damp cases on a weekly basis</li> <li>e) Review and plan clearance of backlog of trade and customer requests</li> <li>f) Expand the use of materials trade cards</li> <li>g) Lock trades to specific areas to reduce travel time / costs</li> <li>h) Lock original trades to follow-ons</li> <li>i) Reduce jobs going over to Out-of-hours (OOH)</li> </ul>	<b>Housing Operations Manager</b>	<p><b><u>March 2025</u></b></p> <ul style="list-style-type: none"> <li>a) December 2024</li> <li>b) Daily / weekly</li> <li>c) In progress</li> <li>d) Immediate / weekly</li> <li>e) In progress</li> <li>f) In progress</li> <li>g) Carp &amp; Plumb complete</li> <li>h) In progress</li> <li>i) In progress</li> <li>j) March 2025</li> </ul>

	<ul style="list-style-type: none"> <li>j) Develop plan to move OOH jobs onto trade PDAs</li> <li>k) Extend overtime to reduce jobs going to OOH emergency</li> <li>l) Build in additional training for trades</li> <li>m) Develop trade multi-skilling</li> <li>n) Review trade productivity &amp; staff performance</li> <li>o) Develop and implement daily &amp; weekly team catch-ups</li> <li>p) Establish regular trade briefings</li> <li>q) Establish cross team weekly meetings</li> </ul>		<ul style="list-style-type: none"> <li>k) In progress</li> <li>l) March 2025</li> <li>m) In progress</li> <li>n) Immediate</li> <li>o) Immediate</li> <li>p) Immediate</li> <li>q) Immediate</li> </ul>
<b>8.5</b>	<p><b>Increased Property/ Tenancy Inspections</b></p> <ul style="list-style-type: none"> <li>a) From October 2024, staff will be reintroducing the Property Tenancy Checks. The target per year will be 20% of housing stock.</li> <li>b) Reduction in tenant related charges during the void stage.</li> <li>c) Housing managers will be monitoring the outcome and the impact this will have on other service areas such as Pest Control, repairs, open spaces, adaptation, property team, allocations and legal.</li> </ul>	<b>Housing Management</b>	<b>March 2025</b>
<b>8.6</b>	<p><b>Improved Management of void property allocations</b></p> <ul style="list-style-type: none"> <li>a) daily bidding from April 2025, this will enable us to put a property out to advert on any day.</li> <li>b) This may help to reduce the time in which properties are void and to improve the allocation process.</li> </ul>	<b>Housing Allocations</b>	<b>March 2025</b>
<b>8.7</b>	<p><b>Effective void categorisation and prioritisation:</b></p> <ul style="list-style-type: none"> <li>a) ensuring informed, data-led decision making on which</li> </ul>	<b>Housing Management &amp;</b>	<b>March 2025</b>

	<p>voids are prioritised through the process,</p> <p>b) All new voids should be assessed for whether they should be worked on, ringfenced, subcontracted, or sold based on its expected cost of repairs.</p>	<b>Housing Operations</b>	
<b>8.8</b>	<p><b>Void process design, with data visibility of outflow:</b></p> <p>a) gaining control and visibility of incoming voids to prevent a future backlog,</p> <p>b) optimising process routes for properties based on their categorisation.</p> <p>c) Driving down existing WIP is reliant on effective resource allocation, alongside making strategic stock decisions based on ability to relet a given property.</p>	<b>Housing Management &amp; Housing Operations &amp; Corporate Estates and Assets</b>	<b>March 2025</b>
<b>8.9</b>	<p><b>Parallel processes:</b></p> <p>a) Process stages for a void property to happen in parallel, rather than sequentially.</p> <p>b) A single system that allows for visibility of void progress, and which activities can be progressed across teams without dependencies, would enable this,</p> <p>c) Including initial void clearances and inspection before a tenant moves out,</p> <p>d) Advertising and offers whilst works are being finalised.</p>	<b>Housing Management &amp; Housing Operations &amp; Digital Transformation</b>	<b>March 2025</b>
<b>8.10</b>	<p><b>Tenant management:</b></p> <p>a) setting expectations for property standard at point of return of property to the council, and</p> <p>b) ensuring the recharge policy functions effectively,</p> <p>c) considering limits on offers made, and the impact of state of property at vacation on internal transfers.</p>	<b>Housing Management, Allocations &amp; Housing Operations</b>	<b>March 2025</b>



		d) Automated tenant communications that nudge residents for tenant-dependent stages.		
8.11	<b>Wider housing management processes:</b>	<p>a) a forum that considers joint metrics across the interfacing teams involved in voids (including e.g., redevelopment, LHO, trades, transfers, etc.) to make informed decisions about turnarounds and priority voids, and to root cause and action any blockages faced.</p> <p>b) This forum should be used to deep-dive properties stuck for extended periods of time and all teams should be working towards and accountable for the same voids KPIs.</p>	<b>Housing Management, Allocations &amp; Housing Operations</b>	<b>March 2025</b>
9.	<b><u>Audit Actions:</u></b>	<p>The audit originally identified four key actions to address the limited assurance and drive forward improvements. These actions and progress made is set out in detail in Appendix 1.</p> <p>The supporting Void Project Improvement Plan is attached at Appendix 2.</p>		
<b>RESOURCE IMPLICATIONS</b>				
<b><u>Capital/Revenue</u></b>				
10	Impact on the HRA set out in the report. Any void property will not have rent paid and delays in reletting have a direct impact on the income of the HRA.			
<b><u>Property/Other</u></b>				
11.	None			
<b>LEGAL IMPLICATIONS</b>				
<b><u>Statutory power to undertake proposals in the report:</u></b>				
12	None			
<b><u>Other Legal Implications:</u></b>				
13	None			

<b>RISK MANAGEMENT IMPLICATIONS</b>	
14	None
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
15	<b>This report is for information only</b> , no decision is required

<b>KEY DECISION?</b>	No
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Void Audit Action plan progress
3.	Void Project Improvement Plan

**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>No</b>
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**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>No</b>
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**Other Background Documents**

**Other Background documents available for inspection at:**

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
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**Appendix 1.**

**VOID ACTION PLAN (Updated 14/10/2024)**

Action	Lead Officer	By When	RAG	Progress
1. Explore 'invest to save' opportunities to increase capacity	Housing Operations Service Manager	<p>Jan 2024.</p> <p>Further resources agreed 1<sup>st</sup> April 2024.</p> <p>Recruitment from 1<sup>st</sup> April to August 2024</p>		<ul style="list-style-type: none"> <li>• Housing Operations have been working with Procurement to secure sub-contractors. This has not yet identified any suitable contractor(s) who have capacity or sufficient expertise to deliver alongside the council. This continues to be explored. <b>Update 14/10/24:</b> additional frameworks are now being pursued.</li> <li>• We have reprofiled some of our existing resources for 12 months to help reduce the backlog. This was approved in October 2023, mobilisation commenced January with full re-allocation achieved end March 2024.</li> <li>• Approval of the HRA budget for 24/25 means we are now in a position to recruit additional trades to further supplement and support this work. This is taking much longer to complete and is expected to extend to December 2024.</li> </ul>

<p>2. A review will be undertaken of the operational processes and systems in place to identify improvements required and enabling assurance to be provided on the delivery model. This will also consider ways to reduce the void period between the maintenance handover date and void relet.</p>	<p>Housing Operations Service Manager</p>	<p>December 2023. Implementation phase now in progress.</p>		<ul style="list-style-type: none"> <li>• A LEAN consultant was secured through a competitive procurement process in November 2023. They have been undertaking the following scope of work: reviewing all void processes as a whole (key in to key out). This has already informed a number of improvements and will continue to refine the way we do our business and the structure we need to deliver best value for those we serve.</li> <li>• Please see Appendix 2 &amp; Appendix 3 for further details of planned work and targets.</li> </ul> <p><b>Update 14/10/24:</b></p> <ul style="list-style-type: none"> <li>• Targeting and prioritising of voids with the least maintenance work to relet more properties sooner followed by, homeless, tenancy demand and 1 &amp; 2 bed properties to reduce number of voids arising from transfers.</li> <li>• Weekly performance reviews to maintain and drive improvements.</li> <li>• Additional lean reviews have taken place for the materials and logistics workstream as well as the responsive repairs workstream – both of which have dependencies that impact the voids programme.</li> </ul>
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<p>3. Increase proactive property/tenancy inspections to reduce the number of void properties with increased maintenance costs caused by tenant misuse and neglect.</p>	<p>District Housing Managers</p>	<p>By December 2023. Implementation phase now in progress.</p>		<ul style="list-style-type: none"> <li>• Housing Management re-design has been completed with new working practices and targets set for 24/25.</li> <li>• Improvements are expected to be evident from Q1/Q2 24/25. This includes: <ul style="list-style-type: none"> <li>○ Increased property / tenancy inspections</li> <li>○ Reduction in voids generated from 'Transfers'</li> </ul> </li> </ul>
<p>4. Capital Estates will continue proactive planned maintenance programme prioritised to target areas of greatest repair need to help 'Improve the quality of homes'.</p>	<p>Head of Corporate Estate and Assets</p>	<p>Dynamic Enhanced programme of delivery will begin June 2024.</p>		<ul style="list-style-type: none"> <li>• HRA Capital programme reprofiled and agreed at full council in Feb 2024.</li> <li>• Procurement of a primary delivery partner being progressed for June 2024</li> </ul> <p><b>Update 14/10/24:</b></p> <ul style="list-style-type: none"> <li>• Primary delivery partner confirmed, selected and mobilised.</li> <li>• Currently in mobilisation phase with project preparation in traction including all preparation work required in conjunction with Section 20 leaseholder notices.</li> </ul>

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Housing Operations Voids Improvement Plan 2023/2024/2025:

Improvement Steps	Sub-elements	Specific areas and actions:	TASKS	Completed By	Start Date/ End Date	2023 Jan to Nov	December	2024 January	February	March	April	May	June	July	August	September	October	December	2025 January	February	March	April					
<b>Step 1: Recognise Critical Areas for Improvement</b>	<b>Identify areas not meeting Service Targets &amp; Strategic Goals</b>			Cutting costs by completing work prior to property becoming void - after pre-void inspection.	John Chambers, John Kirk, James Doyle, Anthony Keogh	01.01.24 - ongoing																					
				141% rise in Average Void Maintenance Costs compared to 2019	Increased use of Periodical Tenancy Checks to manage tenants	District Housing Managers	01.07.24-ongoing																				
				Backlog and No. of void properties	To proportionally target "quick Wins" whilst ensuring a steady recovery of major works voids	John Chambers, John Kirk, James Doyle, Anthony Keogh, Mark Chandler	01.01.24 - ongoing																				
				Exceptionally long turnaround times	Utilising resources - relocation 23 trades from Projects to Voids	Terry Lander	01.04.24-01.04.25																				
				Over E1m rent lost	Implementation of total mobile technologies for trades to monitor performance	Mark Mullen	01.09.24 - ongoing																				
				Additional Council Tax costs	Reducing turnaround time and time spent as void with increased tenant management	District Housing Managers	01.07.24 - ongoing																				
				Tenant rechargeable work in excess of E70k pa	Pre-Void inspection process to be redesigned with the inspectors to ensure recharges are applied	Anthony Dunn, Vanessa Lee	01.07.24 - 31.08.24																				
				Delays in materials to trades	PPFs to be completed regularly to reduce cost on the void	District Housing Managers	01.07.24 - ongoing																				
					Tenant rechargeable work in excess of E70k pa	Regular communication with TP on how best to stock materials for voids	Debbie Van Collier	01.04.24 - 01.09.24																			
						Review Contract with TP	Debbie Van Collier																				
<b>Step 2: Analyse &amp; Identify</b>	<b>Phase 1 - Source of the problem</b>	<b>Analyse and Confirm what needs fixing</b>	Lack of E15m planned maintenance investment in housing stock	E25 M approved by cabinet already	LEAN Working group	18.01.24-07.08.2024																					
			47% Decent Homes Failure rate	Void Standard to be reviewed and publicised with tenant involvement	Debra Hockaday	01.01.24-31.12.24																					
			Lack of trades and staff to match the rise in demand caused by the above problems	488 spots estimation	Tim Over Slade	01.01.24-31.12.24																					
			Identify technology solutions for upgrades and/or replacement of existing	Cabinet approval of initial funding of E25 m in oct 23 for delivery over 5 years	Recruitment to meet demand - up to capacity of 75 staff including 1 Overall manager, 6 area managers, 6 charge hands, 1 PM and 4 void coordinators	Mark Mullen	31.03.24 - 31.03.25																				
				Mapping and Implementation of Total Mobile Training for Voids	Mark Mullen	01.09.24 - 01.04.25																					
				Inefficiencies through process waste, duplication & non-added value activities	To recognise where work is being duplicated and what work is non-essential	LEAN Working group	06.01.24 - 01.04.25																				
				Identify manual processes that need to be replaced with technology solutions	Centralised data team to create a power BI housing data dashboard to monitor KPI's and void progress without manual input	Charlene Greenaway/Chrylea Hopkinson	01.05.24 - 01.11.24																				
			<b>Step 3: Redesign</b>	<b>Phase 1 - Source for improvement</b>	<b>Engaging staff</b>	Housing Ops Service re-design plan	Voits Working Group to meet weekly to discuss issues as they arise	LEAN working group	06.01.24 - 06.02.25																		
						Business Case proposal	Ensure we have the right people in the job and we are utilising staff in the most effective way	LEAN working group	20.12.23-31.10.24																		
						Engaging Union	Working with reps to ensure better working environment for staff	Harrisa Sheikh	01.01.24 - 01.01.26																		
Engaging Finance & budget allocation	Being flexible with budget to utilise money effectively	Mark Mullen				31.10.23 - 31.03.24																					
BC Sign-off / Approval	Higher management to be involved in development of business case	Jamie Breuchley				01.01.24-31.03.24																					
	Lean Consultant review of whole end-to-end voids process	Lean Working group				10.12.24 - 01.04.25																					
	Lean Consultant review of Materials Hub process	communication with HR team for best practise				Andrew Schofield/Debbie Van Collier	01.06.24 - 01.04.25																				
	Newton Europe Diagnostic review work	Review, analyse and recommend areas for improvement				Newton Europe	01.06.24 - 01.04.26																				
<b>Step 4: Implement</b>	<b>Phase 1 - Resource recruitment</b>	Resource allocation				Induction of new recruits	Ensure Training Induction Process for all new recruits including Moving In Standard, H&S etc	Mark Mullen	01.01.24 - 01.04.25																		
		Interim measures				23 trades and staff reallocated from Major Projects to Voids Maintenance	To ensure these "borrowed" trades are upskilled in Voids	Mark Mullen	01.01.24 - 01.01.24																		
			Engage sub-contractors to assist in clearing backlog	To procure additional sub-contractors	Terry Lander	01.05.24 - 31.12.24																					
			Handling over critical large major works to Corporate Estates & Assets	Create a MHWK team to handle our voids with minor work's i.e. not quick/wins	Terry Lander	01.05.24 - 01.08.24																					
			Monitor MHWK team performance and set monthly targets	Monitor MHWK team performance and set monthly targets	Terry Lander	01.05.24 - 31.04.25																					
			Forecast improvements to meet service targets	To Monitor turn around time and reduction in void number	Using forecasting to monitor progress to ensure we are improving or being reactive if forecasts is not positive, change can be implemented	Robert Gaaz	01.03.24 - 01.03.24																				
				Process Implementation review by Lean Consultant	LEAN working group to review processes and suggest improvements	LEAN working group	31.12.23 - ongoing																				
				Technology development solutions options	Using performance data from Total to improve process and cut wasted activities	LEAN working group	01.12.24 - ongoing																				
		<b>Step 5: Communicate</b>	<b>Director, Pension, Boards, Cabinet Members</b>	Staff	communication with trades to keep a uniform approach keep them informed	regular communication to staff at appropriate times	Mark Mullen	monthly																			
				Union	open communication with union to ensure transparency	monthly briefings	Mark Mullen	monthly																			
<b>Step 6: Monitor and Review</b>	<b>Process reviews</b>	Report to Boards and Cabinet Members	create project plan updates	Harrisa Sheikh/Mark Mullen	Ongoing																						
		Additional process reviews post implementation	Using performance data from Total to improve process and cut wasted activities	Harrisa Sheikh/Mark Mullen	Ongoing																						

Author: Mark Mullen, Housing Operations Manager  
Date: 20th June 2024

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# Agenda Item 8

<b>DECISION-MAKER:</b>	<b>GOVERNANCE COMMITTEE</b>
<b>SUBJECT:</b>	<b>STRATEGIC CONTRACTS AND PROCUREMENT ANNUAL REPORT</b>
<b>DATE OF DECISION:</b>	<b>4th November 2024</b>
<b>REPORT OF:</b>	<b>HEAD OF CONTRACTING AND PROCUREMENT &amp; DIRECTOR OF COMMISSIONING</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	<b>Executive Director for Community Wellbeing, Children and Learning</b>	
	<b>Name:</b>	<b>Rob Henderson</b>	
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<b>Executive Director</b>	<b>Title</b>	<b>Executive Director – Enabling Services</b>	
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<b>STATEMENT OF CONFIDENTIALITY</b>
Appendix 1, 2 and 3 to this report are confidential in accordance with paragraph number 7(A) of the Council's Access to Information Procedure Rules in Part 4 of the Council's Constitution as they contain information about Council contracts and contractors which may be deemed to be confidential and commercially sensitive.
<b>BRIEF SUMMARY</b>
<p>This report provides the Governance Committee with an overview of:</p> <ul style="list-style-type: none"> <li>the performance, governance and contractual matters relating to the Council's most strategically important contracts ("the Strategic Contracts") in respect of financial year 2023/24.</li> <li>the Council's upcoming strategic procurement activity ("the Strategic Procurement Activity") arrangements for which need to be operational by the end of financial year 2026/27.</li> </ul> <p>The report is produced by the Contracting and Procurement Service ("C&amp;PS") and the Integrated Commissioning Unit ("ICU") on an annual basis.</p>
<b>RECOMMENDATIONS:</b>

	(i)	Governance Committee notes the information related to the Council's Strategic Contracts attached as Appendix 1 and 2 which relates to the period April 2023 to March 2024.
	(ii)	Governance Committee notes the Strategic Procurement Activity planned for and being undertaken as set out in Appendix 3 to this report.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>		
1.	The report is provided for information.	
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>		
	N/A	
<b>DETAIL (Including consultation carried out)</b>		
2.	<b>Strategic Contracts</b>	
3.	The Council delivers a number of key services and activities through contracts with third-party suppliers.	
4.	The C&PS is comprised of contract management, procurement and commercial specialists and has responsibility for the procurement, contract management and supplier performance for the Strategic Contracts. These are contracts deemed be the most strategically important to the Council due to their value, operational considerations, reputation or political importance. The ICU maintains separate but comparable arrangements for the commissioning, procurement and management of health and care contracts pertinent to the business of the Community Wellbeing and Children and Education directorates.	
5.	This joined-up approach to contract management and procurement is designed to ensure that the Council procures, implements and appropriately manages contracts which meet the Council's strategic objectives now and, in the future, and achieves value-for money through its contracting arrangements.	
6.	<p>The C&amp;PS and ICU are responsible for the management of all aspects of the 'contract lifecycle' and performance of the Strategic Contracts including: -</p> <ul style="list-style-type: none"> <li>• Relationship management;</li> <li>• Contract strategy;</li> <li>• Contract changes and negotiation;</li> <li>• Dispute resolution;</li> <li>• Continuous improvement;</li> <li>• Performance monitoring and financial deductions;</li> <li>• Contract compliance, benefits realisation and value-for-money monitoring activities;</li> <li>• Formal and informal governance;</li> <li>• Capital programmes;</li> <li>• Insurance;</li> <li>• Provider facilities and premises</li> <li>• Finance governance;</li> <li>• Technical management and approvals;</li> <li>• Works orders;</li> <li>• Safety, health, environmental and quality monitoring;</li> </ul>	

	<ul style="list-style-type: none"> <li>• Engagement activities; and</li> <li>• Employment practices and equalities obligations.</li> </ul>
7.	<p>The current portfolio of Strategic Contracts consists of the following: -</p> <p>Managed by CP&amp;S:</p> <ul style="list-style-type: none"> <li>• Highways Futures Project (known as the “Highways Services Partnership” or “HSP”);</li> <li>• CCTV and Intelligent Traffic Systems (known as” City Watch” or “ROMTV”);</li> <li>• Street Lighting Private Finance Initiative;</li> <li>• Project Agreement for the Provision of Leisure Services (Sport and Recreation);</li> <li>• Southampton Guildhall;</li> <li>• St Mary’s Leisure Centre;</li> <li>• Schools Private Finance Initiative;</li> <li>• Waste Disposal;</li> <li>• Managed Services for Temporary Agency Resources; and</li> <li>• Client Case Management System (known as “CareDirector”).</li> </ul> <p>Managed by ICU:</p> <ul style="list-style-type: none"> <li>• Nursing home for older people (Northlands House);</li> <li>• Nursing home for people with dementia (Oak Lodge);</li> <li>• Level 3 Sexual Health Services;</li> <li>• Substance Misuse Service for Adults; and</li> <li>• Health and Care Related Equipment Service.</li> </ul>
8.	<b>Strategic Procurement Activity</b>
9.	<p>This includes upcoming requirements/projects which are strategically significant to the Council in terms of value, operational considerations, reputation or political importance.</p> <p>It includes services and activities which would benefit from a review and/or revision of the delivery model in terms of how they are packaged or delivered when considering opportunities to deliver savings, drive efficiencies and contribute to the Council’s strategic goals. Many are likely to result in significant, complex and lengthy procurements or insourcing projects.</p> <p>The report includes:</p> <ul style="list-style-type: none"> <li>a) Non-H&amp;SC requirements/projects procured or managed by CP&amp;S;</li> <li>and</li> <li>b) Relevant H&amp;SC related requirements/projects procured or managed by the ICU.</li> </ul> <p>Detail relating to each Strategic Procurement Activity project is included as Appendix 3 to this report.</p>
10.	<p>Prior to July 2024, the Strategic Procurement Activity referred to in point 9a) above was managed through a specific programme (“the Strategic</p>

	Procurement Programme” or “SPP”) to enable cross-organisational resource to be shared and minimise costs, develop expertise and increase efficiency.
11.	In order to align with the implementation of the Council’s “adapt   grow   thrive” transformation programme in 2024, the SPP has been disbanded and the resourcing, governance and management of the relevant projects are being incorporated into relevant adapt   grow   thrive projects or managed as business as usual by C&PS or ICU (with additional temporary resources supporting where required). This approach avoids duplication of resources and governance as the transformation activity develops.
12.	This report references known Strategic Procurement Activity for which the replacement arrangements need to be implemented and operational by end of the 2026/27 financial year. As such, despite meeting the definition of Strategic Procurement Activity, certain existing contracts such as the Waste Tripartite, Schools PFI and Street Lighting PFI and are not within scope of this report as their expiry dates are December 2030, October 2031 and March 2035 respectively. It should be noted however that early planning for the future of services within scope of the Waste Tripartite has commenced.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

13.	The Strategic Procurement Activity may result in the Council entering long-term arrangements and whilst this represents a significant challenge in terms of forward budget-setting commitments, it is necessary if the Council is to obtain value for money from its strategic contracting and similar arrangements for future years.
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**Property/Other**

	N/A
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**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

	N/A
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**Other Legal Implications:**

	N/A
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**RISK MANAGEMENT IMPLICATIONS**

	N/A
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**POLICY FRAMEWORK IMPLICATIONS**

	N/A
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<b>KEY DECISION?</b>	N/A
<b>WARDS/COMMUNITIES AFFECTED:</b>	Not Applicable
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	C&PS Strategic Contracts Annual Report 2023_2024
2.	ICU Strategic Contracts Annual Report 2023_2024

3.	Overview of Strategic Procurement Activity Projects	
<b>Documents In Members' Rooms</b>		
1.	N/A	
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		<b>No</b>
<b>Data Protection Impact Assessment</b>		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		<b>No</b>
<b>Other Background Documents</b>		
Other Background documents available for inspection at: N/A		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	

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