

Cabinet

SUPPLEMENTARY AGENDA

Date: Wednesday, 23 February 2022

Time: 16:30

Venue: Council chamber, City Hall, St Peters Street, Norwich, NR2 1NH

Committee members:

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Agenda

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- 1 An Update on Health, Safety and Compliance in Council Homes and Buildings**

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(This item is Item 4 on the main agenda for this meeting.)

Purpose - To provide an update to members about health, safety and compliance management and improvement in council homes and buildings.

- 2 Renewal of Microsoft Enterprise Licences**

15 - 18

Purpose - For Cabinet to approve the award of a contract for the refresh of Microsoft licences.

The current three-year agreement to procure Microsoft licences expires 31 March 2022. A new agreement is required to continue to use all the Microsoft products including operating systems and applications such as Outlook, Word, Excel, Teams, SharePoint and SQL databases.

EXEMPT ITEMS:

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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Date of publication: **Friday, 18 February 2022**



Committee Name: Cabinet

Committee Date: 23/02/2022

Report Title: An update on Health, Safety and Compliance in Council Homes and Buildings

Portfolio: Councillor Harris, Deputy leader and cabinet member for social housing

Report from: Executive director of community services

Wards: All Wards

OPEN PUBLIC ITEM

Purpose

To provide an update to members about health, safety and compliance management and improvement in council homes and buildings.

Recommendation:

It is recommended that members note the content of this report.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighborhoods, housing and environment
- Inclusive economy

This report addresses the following strategic actions in the Corporate Plan

- People living well and great neighbourhoods, housing and environment.

The Council's Housing Strategy '*Fit for the Future*' A Council Housing Strategy for Norwich sets priorities for the Council's homes and estates for the period 2020 to 2026. It identifies four primary goals, these are:

- Delivering new homes.
- Maintaining and improving condition of existing housing
- Improving the use and management of our existing housing stock
- Improving our neighbourhoods

Report

1. Norwich City Council (NCC) is landlord of approximately 14,500 council homes and the freeholder for the buildings in which approximately 3,000 leaseholder homes are situated. It also owns more than 900 assets held on the general fund.
2. Registered providers of social housing (including councils and housing associations) are governed by the Regulator of Social Housing (RSH). The objectives of the RSH are set out in the Housing and Regeneration Act 2008. At the core of the RSH regulation is a set of standards which registered providers landlords must comply with. These include 4 consumer standards which are applicable to registered providers, including councils.
3. This paper refers to the following consumer standard:
 - **The home standard – quality of accommodation; repairs and maintenance**
4. One of the required outcomes of the Homes Standard is:
 - **Meet all applicable statutory requirements that provide for the health and safety of occupants in their homes**
5. In November members considered the outcomes of a review by the RSH following the self-reporting by NCC on 28 July 2021 of a possible breach of the home standard. The RSH found that NCC had breached the Homes Standard and published a Regulatory Notice. The RSH did not feel it necessary to take any enforcement action against NCC because it has confidence in NCC's plans to improve services and return to full compliance.
6. Members endorsed the information contained in the report and the actions proposed to achieve compliance with the Homes Standard.
7. Comprehensive plans and proposals are being developed to return NCC homes to full health and safety compliance. This is complex with many different areas requiring different solutions. The situation is continually evolving as work continues, new inspections become due and new remedial works are identified as a result.
8. The journey, from identifying we were not fully meeting the standards to completion of all the work, will require the council to put in place long term changes to the management of the compliance function alongside addressing the immediate challenges of achieving 100% compliance in all areas. The timescales remain, as reported in November 2021, to seek full compliance in 12 months and a further 6 to 12 months to complete and fully embed improvement in process by November 2023. It is important to note that as information and data is validated it is possible that further matters relating to health, safety and compliance may arise.

9. The steps being taken, and progress, are set out in the remainder of this report which is the first of the quarterly reports requested following the report to Cabinet in November 2021.

Oversight and Governance

10. Governance is provided by the Compliance Board. Since November this has been fully established and has been meeting every 2 weeks to receive updated information, to consider progress and agree further actions to be taken. The Board has oversight of both housing and non-housing property compliance within the NCC property estate. Board members include the portfolio holders of both social housing and resources, the Chief Executive and the Executive Directors of Communities and City Services.
11. Senior officers meet with the RSH monthly to report on progress. The RSH receives detailed data relating to the level of compliance inspections and the outstanding remedial works. Since November there have been 3 meetings which have considered the dashboard and the compliance improvement plan which are provided in summary as part of this report. The RSH has suggested the council enters into a voluntary undertaking; an agreement which confirms the steps that will be taken to achieve full compliance which will result in the lifting of regulatory supervision. This undertaking is currently being developed.

Compliance Improvement Plan

12. Good progress has been made in achieving the immediate actions incorporated in the compliance improvement plan. This live document has been updated as information has been clarified and progress has been made to complete tasks. The projects and actions in the plan are being prioritised to ensure the overarching objectives of re-establishing full health and safety compliance and embedding change in the management and oversight of this function are achieved. An update of the priority actions in the compliance Improvement plan is provided below. This shows that considerable progress has been made since November with clearer data identified to show the actions that are required.
13. The plan also captures general fund assets, and work is under way to secure resource to lead on a mapping exercise of general fund assets and compliance responsibilities. This follows agreement in November 2021 that the GF commercial property and repairs reserves can be used to cover the costs of compliance works to GF properties. A separate compliance dashboard for general fund assets is being populated alongside the mapping exercise.
14. Progress is being made on mapping the General Fund Assets and assessing the compliance information that is held in relation to the assets. Alongside this certain additional works have been commissioned in relation to electrical compliance, where contractors have been brought on board to undertake thermographic electrical testing at certain buildings in order to identify any serious electrical issues that may need addressing.
15. Updated Fire Risk Assessments should shortly be undertaken on high priority GF assets. In relation to City Hall there are no priority 1 or 2 actions for City

Hall, and the new facilities manager has been tasked with reviewing and actioning the lower priority actions. Contractors are in place to address any outstanding issues identified in relation to gas and water safety.

Project/Activity	Position in Nov 2021	Current Position	RAG
Commission an in-depth audit of all compliance areas	Completed	Findings informing the development of the long-term improvement plan	G
Recruit a Head of Service for Compliance & Interim Lead Asset Management & Compliance	Seeking Head of Building safety & Compliance And Head of Asset Management and Compliance	Completed – both in post from 06/12/2021	G
Recruit a compliance manager to take forward General Fund workstreams	Not reported	Agreed to progress recruitment (31 January compliance board). Currently preparing job descriptions to secure resource.	A
Undertake a mapping exercise of General Fund assets and compliance requirements	Not reported	Start made and resources are being secured to take forward in March/April 2022	To commence March/April 22
Undertake a compliance audit on contractors working in council homes	Work was commissioned	New contractor procurement commenced in Nov 2021 with Eastern Procurement Limited. Process due to complete Feb 2022 – all necessary checks to be undertaken prior to work commencing.	A
Undertake a competence and capacity review of all employees involved in this area	To be commenced	Ongoing but cannot be completed until staff transferred to the council in April 2022. Programme of training identified for staff post April 2022	A
Establish Health & Safety governance Board	Completed	Completed and meeting fortnightly to monitor progress	G
Establish a Key Performance Indicator dashboard for the governance Board	In development	In place covering all areas of compliance	G
Review all compliance policies and Procedures	To be commenced	Resources are being recruited to undertake this review in March/April 2022	A
Review General Fund programmed maintenance schedules	Not reported	Resources being secured to undertake this in April/May 2022	To commence April/May 22
Put in place appropriate systems, processes, control and management information to manage compliance	Not reported	Completed Assessment of Northgate NEC contractor management system. Rollout to go live on 01/04/2022 as part of insourcing contractor and asset management	G
Review previous government guidance dating back to June 2017 to ensure full compliance	NPSN undertaking the review – scheduled completion Jan 2022	Completed	G
Undertake a quality review, back 5 years, of all Fire Safety improvement works	To be commenced	Procurement of specialist contractor underway. Work to commence in April 2022	Under way – due to complete April 22

Project/Activity	Position in Nov 2021	Current Position	RAG
Appoint appropriately accredited asbestos surveyors and contractors to undertake re-inspections and remedial works	Progressing	Procurement agreed and progressing – appointment expected Feb 2022	Under way –due to complete Feb 22

Compliance Dashboard

16. A decision has been taken to separate overdue work and current work and monitor them separately to enable clarity on the progress to clear the overdue works. All remedial works not completed in accordance with the established timescales by 31 December 2021 are deemed overdue. All actions since then and being monitored with the intention they will be completed within the required timescales.
17. The compliance dashboard has been developed to show the position in regard to completed inspections, and the remedial works arising from these inspections. A summary showing the progress since November for each area of compliance is below:

Compliance area	Position in Nov 2021	Current Position	RAG
Gas Safety	Compliant	Compliant **	G
Electrical Safety Electrical Inspection Condition Reports (EICR's)	806 Domestic and 105 Communal EICR's overdue/outstanding Remedial actions position to be confirmed	Inspections outstanding/overdue 29 HRRB, 29 SpH, 550 LRB Remedial Actions overdue 15 HRRB, 26 SpH, 516 LRB	A
Water Hygiene	Up to 500 Water Hygiene surveys required	Inspections outstanding/overdue 8 HRRB, 22 SpH LL, 430 SpH Dom Remedial Actions overdue 3 HRRB, 9 SpH LL, SpH Dom – Unknown until inspections	A
Fire Safety	All HRRB FRA's completed 2 SpH overdue FRA's 650 LRB FRA's outstanding	Inspections outstanding 0 HRRB, 0 SpH, 171 LRB Remedial Actions overdue 20 HRRB, 26 SpH, LRB – information incomplete.	A
Asbestos	68 inspections required in communal areas	Information incomplete. Work ongoing to identify the full picture – specialist contractor being procured to carry out assessments due to commence Feb 2022	
Lifts	Compliant	Compliant	G

HRRB – High Risk Residential Building

SpH – Specialised Housing

SpH LL – Specialised Housing Landlord service

SpH Dom – Specialised Housing domestic property

LRB – lower risk Buildings

FRA – Fire risk assessment

**** Properties are compliant if they have a safety certificate or are being managed in accordance with the council's no access property**

18. A priority since November has been to clarify information and data to provide assurance. This is ongoing but good progress has been made. The information is currently held on a number of different systems and is managed by NPSN who administer the asset management data base for the council, including compliance data. The housing asset management data is being transferred to the new housing IT system (NEC). This exercise will include validation and cleanse of the data held and will be completed by 31 March 2022.
19. For commercial property management the key systems currently used by NPSN are Codeman, Total, Agency Pilot and C2. Final details of the new systems that will be applied following April are still to be resolved but this is likely to involve continuing to utilise Agency Pilot copying across existing data within the NPSN system with NEC being utilised for non-housing repairs and maintenance rolling out the same functionality in housing to the non-housing portfolio.

Summary of progress

20. Gas safety¹ and lifts have remained fully compliant.
21. Fire risk assessment for all high-risk residential buildings have now been completed with only a small number of remedial works outstanding.
22. Good progress has been made in electrical testing and additional contractor capacity will be available from March to accelerate this programme.
23. Additional contractors have also been procured to carry out water hygiene testing which will commence during February.
24. Specialist contractors being procured to carry out asbestos surveys and remove asbestos where required. Work commencing February 2022.

Compliance Risk Register

25. The Compliance Board has developed a risk register that is reflected through into the Council's corporate risks. The register is regularly reviewed by the Compliance Board, and a summary from the register highlighting the significant risks is provided in Appendix 1.

Resources

26. Capacity and expertise are being monitored by the Compliance Board to ensure the level of resources is sufficient to address the identified issues. To support this process additional resources have been brought into the council since November. An interim Head of Housing Compliance and Building Safety, and an interim Head of Asset Management and Compliance have been in post

¹ Properties are compliant if they are safety certificated or are being managed in accordance with the council's no access property

since December 2021. These individuals have brought considerable skills and expertise into the council and have driven forward the actions to address the issues identified. As set out earlier in this report a compliance manager is being sought to provide additional resource to support the general fund mapping exercises and compliance review.

Next Steps

27. The contract with NPSN for asset management services will cease and from 1 April 2022 the Council will have full delivery of these services including the compliance function. This will enable direct management of this activity and better control and prioritisation of the work.
28. Bringing the service back into the Council will enable a culture change programme to be implemented from April 2022. This will support the development of a vision for the service and clarity of expectation regarding behaviours.
29. A training programme will be developed to underpin increasing skills and knowledge within the team transferring. This will include key compliance legislation and contract management.
30. To support the recovery over the coming months it is necessary to increase contractor capacity in the short term, and the appointment of appropriate skilled contractors is being progressed in conjunction with Eastern Procurement Ltd (EPL) and other framework providers. A paper to Cabinet on 9 February set out the steps to enable further additional contractors to be procured.
31. Alongside the housing management element of the new NEC Housing IT system, specialist modules to manage repairs, asset management and compliance are being purchased and developed to be ready for the transfer of the service back to the Council on 1 April 2022. This will provide new opportunities to improve the capture and reporting of data, and the management of the compliance function.
32. The Building Safety Act which is new legislation which will be completed during 2022/23, will place additional responsibilities on the council in building safety in relation to Fire. These new requirements will be incorporated into a separate, linked, plan that will sit alongside the current work. This will be monitored by the Compliance Board.

Consultation

33. Communication with our 17,000 tenants and leaseholders has been ongoing following the initial communication through two letters sent by the council to inform them of the situation in October 2021.
34. Web content has been kept up to date to provide additional information and helpful FAQ's relating to the key issues.

35. Residents have a number of different options to get in touch with us about compliance and to raise and questions or concerns
36. The Tenants Involvement Panel is being kept informed of progress at their regular meetings and the Executive Director and the Portfolio Holder for Housing will be attending their next meeting on 24 February 2022.
37. Articles will be published about our compliance improvement in the Tenants Newsletter and Citizen Magazine.

Implications

Financial and Resources

38. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget.

Revenue Cost	Required Funding (£)	2021/22 Forecast
Additional Specialist Resource	671,800	256,041
Compliance Remedial works	600,000	372,227
Total	1,271,800	628,268

Capital Cost	Required Funding (£)	2021/22 Forecast
HRA Major compliance upgrades	1,000,000	300,000

39. The table above provides a forecast of expenditure this financial year against the agreed compliance budgets
40. This shows that expenditure to 31/03/2022 is now expected to be lower than originally expected. This has been for a number of reasons:
- Some costs have not been as high as initially envisaged
 - Procurement of the necessary contractors and employees to carry out the work has taken longer to put in place than initially thought
41. Upon approval of the budgets to support the CIP in November 2021, Cabinet also approved the creation of a new HRA Compliance earmarked reserve in order that any unspent revenue budgets at the end of the 2021/22 may be carried forward and utilised in 2022/23. For capital budgets, approval will be sought for 2021/22 underspend to be carried forward through the usual capital carry-forward process for utilisation in 2022/23
42. In addition, HRA revenue budgets totaling £0.662m (£0.312m staff resources, £0.350m compliance repairs) plus an HRA capital budget of £1m

have been requested as part of the 2022/23 HRA budget proposals to Council in order to support the ongoing compliance work

43. As approved by Cabinet in November 2021, the remit of the General Fund Commercial Property Reserve and General Fund Repairs Reserve was extended to enable the funding of any necessary compliance works to General Fund properties. It is anticipated that any costs that arise for compliance works to general fund properties within the 2021/22 financial year are likely to be met within existing budgets or funded from the approved reserves.

Legal

44. The legal implications of the RSH notice and process were established in the report to Cabinet on 12 November 2021. The position remains unchanged for the purpose of this update report.

Statutory Considerations

Consideration	Details of any implications and proposed measures to address
Equality and Diversity	None
Health, Social and Economic Impact	None
Crime and Disorder	None
Children and Adults Safeguarding	None
Environmental Impact	None

Risk Management

45. The critical risk register for this project is attached in Appendix 1.

Other Options Considered

46. This is an update report following decision made by cabinet in November 2021.

Reasons for the decision/recommendation

47. No decision is required.

Appendices: 1

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Appendix 1

Risk Management

A detailed project risk register has been developed and its being adapted to align to the corporate risk register approach. Set out below are the overarching and most critical risk to the compliance programme.

Risk	Consequence	Mitigations
Inadequate systems to record and manage data.	Inaccurate information resulting in insufficient progress in key areas and ineffective management of Health and Safety Compliance. Serious detriment to tenants/ leaseholders.	Risk based programme in place. Compliance Tracker. NEC system implementation. Skilled additional capacity.
Lack of contractor supply chain capacity.	The CIP cannot be delivered swiftly, and tenants remain at risk for an extended period.	Widen the pool of contractors being used. Work with EPL to identify potential contractors.
Skills and expertise not sufficient to manage the programme in NCC.	Delayed decision making and inability to progress the work required. Tenants remain at risk for an extended period.	Recruit skilled temporary resources to oversee the programs of works.
Loss of experienced staff currently delivering compliance activity.	Compliance catch up works not progressed in a timely way	Review the roles and structure to ensure it is fit for the future.
Incomplete or out of date policies and procedures.	Actions are incorrect, not meeting statutory requirements. Inadequate support for staff.	Develop a plan to update all policies and procedures



Committee Name: Cabinet

Committee Date: 23/02/2022

Report Title: Renewal of Microsoft Enterprise Licences

Portfolio: Councillor Kendrick, cabinet member for resources

Report from: Executive director of community services

Wards: All Wards

OPEN PUBLIC ITEM - Key decision

Purpose

For Cabinet to approve the award of a contract for the refresh of Microsoft licences.

The current three-year agreement to procure Microsoft licences expires 31 March 2022. A new agreement is required to continue to use all the Microsoft products including operating systems and applications such as Outlook, Word, Excel, Teams, SharePoint and SQL databases.

Recommendation:

To enter a contract with Phoenix Software Limited for the renewal of the Microsoft licence agreement valued at £1.164 million based on current requirements as detailed in paragraph 12.

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighborhoods, housing and environment
- Inclusive economy

This supports a healthy organisation that supports all three corporate priorities.

Report

1. The current 3-year agreement to pay for Microsoft licences will expire 31 March 2022.
2. All licences follow the subscription business model and as such the council must pay a recurring price at regular intervals for access to the products.
3. The licences are required to operate all Windows based devices such as laptops, tablets, PCs and servers.
4. The licences are also required to use the Microsoft software products such as Outlook Email, Teams, Word, Excel, Exchange, SharePoint, SQL database, Project, Power Bi and Visio. In essence, they are vital for the effective operation of the council's day-to-day business.
5. It is planned to enter a new 3-year agreement to purchase the access rights to the products.
6. An initial analysis was undertaken to explore the potential ways forward to purchase the licences. Routes such as not entering a contract were discounted due to the essential need for the service. The options are:
 - (a) **Identify a single supplier to award the contract to without competition:** This route would be contrary to Contract Procedures and public procurement regulations due to the value of the contract.
 - (b) **Establish competitively tendered contract with one supplier:** Run a competitive procurement exercise looking for a single supplier to meet the council's requirements. As per the council's contract procedures, the recommended approach for the procurement of contracts of over £25,000 should be advertised as an 'open' procedure in order to maximise open, transparent and fair suppliers. This requirement can be viewed as 'off the shelf' and with existing frameworks active and available, it would be a duplication of efforts to pursue a contract via open tender. This option is **not recommended**.
 - (c) **Utilise an existing framework:** Frameworks provided by Crown Commercial Services (CCS), Eastern Shires (ESPO) and KCS were explored. KCS has suitable framework which has been used previously, this is suitable to use again. Suppliers have been through a competitive process to be accepted and therefore Procurement Contract Regulations are met. This is the **recommended approach**
7. Following the competitive process, using the KCS framework, Phoenix Software Limited has been selected as the supplier.
8. The competitive process used current requirements and the February Pricing, exploring which supplier would be most competitive based on those rates. The unit costs are subject to change from 1 March 2022 in line with the Microsoft

scheduled price increase. March pricing hasn't yet been confirmed by Microsoft. The council must order the product by 11 March 2022 to ensure licences are available for 1 April 2022.

9. The unit pricing will flex over the term of the agreement based upon staff levels and the resources required to support the Microsoft environment.

Consultation

10. No consultations have taken place

Implications

Financial and Resources

11. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2019-22 and Budget.
12. The cost of the three-year agreement, based upon current requirements, is £969,697.15. Microsoft are due to publish the unit rates associated with this contract on 1 March 2022, therefore an allowance is incorporated into the contract price of 20% over the life of the contract, although the council will only pay for the number of units utilised in any one year. The contract is therefore valued at £1.164 million.
13. This cost is in line with the existing budget.
14. February Pricing has been provided. Unit costs are subject to change from 1 March 2022 in line with the Microsoft scheduled price increase. March pricing hasn't yet been confirmed by Microsoft.
15. As previously, the unit volumes will flex over the term of the agreement based upon staff levels and the resources required to support the Microsoft environment.

Legal

16. The Council is using a recognised framework, KCS, for the purchase of its licences. This is compliant with the Public Contract Regulations 2015.

Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	Neutral
Health, Social and Economic Impact	Positive – supports IT solutions across the council. Supporting good methods of communication across the workforce and customers. Flexible working has a positive impact to the workforce.
Crime and Disorder	Inability to report key information as required.
Children and Adults Safeguarding	Inability to report key information as required.
Environmental Impact	Environmental services would be disrupted.

Risk Management

Risk	Consequence	Controls Required
Not extending this contract	Severe disruption to council services as Microsoft solutions are inextricably linked to IT provision across the council – would not enable agile working, including inability to answer phone calls and respond to customer enquiries, manage communications, and project management.	Report progress to key officers.

Other Options Considered

17. No other options have been considered. The Microsoft solutions are inextricably linked to the IT provision across the council.

Reasons for the decision/recommendation

18. The recommendation to award is because the current three-year agreement expires March 2022 and without licences the core elements of IT will not be available.

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