

## **Building Services Workshop September 2019 – The Development of a Business Case to Consider an Alternative Service Delivery Model**

### **Frequently Asked Questions**

#### **Why is it important to consider an alternative service delivery model?**

The performance and success of Building Services is an organisational priority. We are keen to learn from others to accelerate the progression of the service.

When tenants consider great service, they generally relate it to their home. A good, speedy repairs service is seen as the most important and significant reason to rate their service, from a social housing provider, as 'great'.

Our Members expectation is that this service is high performing, delivering a high-quality service, which provides value for money. However, our current service does not always meet these expectations.

#### **What is a Joint Venture (JV)?**

A Joint Venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity.

In a JV, each of the participants is responsible for Income and Expenditure associated with it. However, the venture is its own entity, separate from the participants' other business interests.

#### **So why are you considering a Joint Venture now?**

There may never be a good time to review this, but it is important that we plan ahead. We must consider whether the service we offer is financially sound and offers the best service provision to our residents.

We need to consider the options there are of providing building services in an alternative way, to help us meet the challenges we may face in the future.

There are local and national challenges we must consider. Local challenges include the financial pressures in maintaining and delivering services and the views and opinions of our residents, captured through the 2019 Survey of Tenants and Residents.

National challenges such as the residents' expectations or the likelihood of significantly more regulation in the future, the Social Housing Green Paper and the Hackett Review (*A report commissioned by government following the Grenfell Tower fire to make recommendations on the future regulatory system*), must also be considered.

#### **What is a Business Case?**

A business case provides justification for undertaking a project or programme. It evaluates the benefit, cost and risk of a number of options and provides a rationale for the preferred solution.

A business case typically includes:

- The background of the project or programme and why it is needed (the Strategic case)
- What options have been considered and which has been chosen, including the 'do nothing' option (Options appraisal)
- The benefits that will arise from the work and any unavoidable disbenefits; (Expected benefits)
- The costs, investment appraisal and funding arrangements (Commercial aspects)
- The major risks and their impact on the business case (Risks);
- A summary of the delivery of outputs and realisation of benefits (Timescales)

### **So, when will the Business Case be produced and by whom?**

Assuming members of both Babergh and Mid Suffolk Cabinets agree to developing a business case, in early October. We will produce a business case between October 2019 and early 2020. This business case will be written and developed by Officers from Babergh and Mid Suffolk, Flagship Housing and with the support of Chris Pegge (Interim Building Services Manager). We are keen for staff to contribute to its formation so that we have the best opportunity to get it right.

### **What will happen with the Business Case?**

Once the business case has been written it will be presented to both Councils Cabinets and the Flagship Housing's Board. An individual decision will be made by each partner involved. Once these decisions have been made, we will ensure you are updated with how any decision may affect you in the future.

### **How much money will this Business case cost to develop?**

The development of a business case will be absorbed within existing budget provision. No additional monies will be spent on its production. Additionally, there will be no cost to our organisations for Flagship Housing working on this project in the forthcoming months.

### **How much money will a Joint Venture save?**

At this stage there has been no work undertaken to identify the potential savings such a model might create. In fact, the business case may in fact evidence that the cost of the service could increase, and these will be factors members will consider as part of any decision making.

### **Why have you only considered a Joint Venture as an alternative service delivery option?**

Alternative options have been considered including continuing with the Status Quo, Outsourcing and a Joint Venture with an alternative provider but these are not deemed to be appropriate and suitable at the current time.

### **What about the lessons learnt from the last Business Case that was developed to bring the repairs service inhouse?**

There were numerous lessons learnt from the development of the last business case in relation to 'Babergh Mid Suffolk Building Services'.

Reviewing the lessons learnt, we will ensure that the business case proposed will be robust and will stand up to scrutiny. It will also be developed by a team of individuals who are extremely experienced and whom have no connection to the historic work that took place.

### **Who may be affected by any future Joint Venture?**

At this stage it is anticipated that the roles and functions of the Building Services team will form part of a Joint Venture. This includes Repairs and Maintenance, the management of the Councils Capital and Planned Maintenance programme and services associated with Mechanical and Electrical Engineering including Gas Servicing and Compliance. Specifically, in relation to the Housing Revenue Account (HRA). However, the development of the business case will identify which functions will be part of any future Joint Venture.

### **What will happen to my employment with Babergh and Mid Suffolk District Councils (BMSDC)?**

At this stage we cannot give you any clarification as to what will happen with you, your role and your employment until a business case has been developed and a decision has been made.

It is extremely unlikely that you will know exactly what will happen until at least February or March 2020. Changes could include you being TUPE into the Joint Venture, remaining with BMSDC or a change to your individual roles and responsibilities.

### **What is TUPE?**

TUPE is an acronym for the Transfer of Undertakings (Protection of Employment) Regulations 2006. Although the detail of the regulations can seem rather complex and technical, the underlying purpose is very straightforward. The rules simply aim to protect employees if the business they work for changes hands.

### **How will we be kept informed?**

We will ensure that everyone that may be affected by the Joint Venture are regularly informed of progress. This will include regular meetings, written communications and updates to both the Unite and Unison Trade Unions. If you have any ideas or suggestions about how best to keep you informed, in addition to those listed please speak to any member of the Housing Management Team.

### **What happens to the service and me in the meantime?**

Every member of the Building Services Management Team, wider Housing Management Team and Senior Leadership Team will continue to work towards making Building Services financially stable, whilst delivering the highest level of service to its residents. It's important the development of the business case does not become a distraction, and that should the business case for a Joint Venture not be agreed by members, continuation of current service delivery model must continue.

The work to develop the business case will take place alongside delivering services day to day. We will continue to make improvements to the service wherever possible and this will include Scheduling software being introduced later this year and the procurement of new a new fleet of vehicles.

You may see changes as a result of the next phase of the Management Review, which are not part of the Joint Venture. You may also notice officers from Flagship Housing attending meetings and working with our officers, but this does not mean a decision has been made.

**Timetable**

<b>Date</b>	<b>Action</b>
<b>24<sup>th</sup> Sept. 2019</b>	All affected staff are notified of the proposed development of a business case to consider an alternative service delivery model
<b>Sept 2019</b>	Communication to be sent to all Housing Staff and Councillors to make them aware of the work being undertaken
<b>Oct 2019</b>	A report will be presented to Babergh and Mid Suffolk's Cabinets to consider the proposed development of the Business case with Flagship
<b>Oct 2019 – Feb 2020</b>	Flagship will support the service and develop a draft business case with officers from Babergh and Mid Suffolk
<b>Mar 2020</b>	Business case will be presented to Babergh and Mid Suffolk's Cabinets for consideration / approval
<b>March – Aug 2020</b>	If approved, work will begin to transfer services into the Joint Venture, which could commence as early as the Summer 2020