



Brighton & Hove City Council

Review of Partnering Contract for Housing Repairs and Maintenance

Report
December 2017

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1. Introduction and Background

Background

- 1.1 Brighton & Hove City Council (Brighton, the Council) entered into a Partnering Contract with the Mears Group PLC (Mears, the Partner) in April 2010 to provide Repairs, Refurbishment and Housing Improvement for the Council's entire housing stock and covering the whole city. This innovative and forward-looking arrangement was created with two main objectives in mind: to exceed Decent Homes standard accommodation across the Council's portfolio of social and affordable housing and to do so in a cost effective and efficient manner.
- 1.2 The detailed objectives of the Partnering Contract were five-fold with a strong emphasis placed on exceeding Decent Homes standard, improving service delivery and generating savings for the Council:
- **Improved Value for Money:** reduce unit repair and planned maintenance costs and consultancy fees delivering significant financial savings;
 - **Improving residents' homes:** ensuring that residents' homes are well maintained and meet the Brighton & Hove Standard (exceeding the Decent Homes Standard);
 - **Improved service delivery:** providing excellent customer service, getting repairs 'right first time' and demonstrating high levels of customer satisfaction;
 - **Improved sustainability:** a service which has minimal impact on the environment, and improves the energy efficiency and sustainability of the housing stock; and
 - **Community regeneration and added value:** bringing additional benefits for local communities (e.g. apprenticeships & community initiatives) and supporting established local businesses.
- 1.3 It is widely acknowledged that the partnership worked very well in the early years and that an improved service was being provided, at a reduced cost and that Decent Homes standard was exceeded across the housing stock. However, issues were developing in the relationship between the two partners and that as a result, the partnership itself was not as effective or productive as it might have been. Ultimately this meant that delivery for residents and leaseholders was falling short of its potential.
- 1.4 The issues in the partnership, which were accompanied by a break down in trust between the partners, were amplified when it was discovered that a sub-contractor used by Mears had been overcharging for work undertaken. This overcharging had subsequently been passed onto the Council and its Housing Revenue Account.
- 1.5 An internal audit review undertaken by the Council identified that the total overcharged value was approximately £500k and that it had not been picked up because of insufficient control mechanisms operated by Mears. Following the report Mears sacked the sub-contractor, repaid the overcharge in full and agreed to tighten up its control procedures.

However, despite these actions the impact of the overcharging incident has been very negative for the Council, for Mears and for the partnership as a whole as trust and cooperation between the partners has further reduced. Both partners have taken action to alleviate the situation and some concerns have been addressed. However, tensions remain and the partnership is seemingly far from being effective. In response the Council commissioned 31ten Consulting to undertake review of the Partnering Contract to consider the current working arrangements, reporting processes and interactions between Council and Mears staff and make recommendations as to how the partnership can be improved and strengthened moving forward.

Objectives of the Review

1.6 The objectives of the review were to:

- Analyse the current performance of the Partnering Contract;
- Make recommendations for improved performance across the remaining life of the Mears' contract (to April 2020) including the way in which the Council manage the contract;
- Make recommendations for the Council to take forward for consideration for inclusion in the new contract;
- Provide insight of alternative approaches other local authorities are taking for the delivery of these services; and
- Provide an indicative timeframe and task plan for the period until the contract for these services is re-procured (April 2020).

Approach

1.7 The approach taken during the review is set out below and consisted of the following steps:

- An inception meeting was held with the Council's Head of Housing and lead officer for this review. At this meeting a brief history of the Partnering Contract was provided together with a list of Council Members and officers, and Mears staff members with whom the project team should meet;
- A meeting was held between 31ten Consultants and Senior Officers from the Council, the Chief Executive, the Executive Director Neighbourhoods, Communities and Housing, the Executive Director of Economy, Environment & Culture and the Head of Housing. At this meeting the Council officers shared the history and views of the Partnering Contract and the scope of the review was widened to include commentary on different approaches other Local Authorities are currently employing for the delivery of these services;
- A desktop Review of key information relevant to the review. This included the original contract, audit reports pertaining to the overcharging incident, risk logs, performance management strategy, the performance tracker and the asset management strategy;

- Many stakeholders were interviewed as part of the review process. Interviewees included members of staff from both the Council and Mears who are directly involved in delivering the partnership on a managing the day-to-day basis and senior management from both organisations. A workshop was also held with members of the Housing and New Homes Committee. This is a cross party committee consisting of members from the ruling Labour Party, the Conservative Party who formed the administration when the Partnering Contract was let and the Green Party who have also formed the administration during the life of the contract;
- Several meetings were held during the process with the Head of Housing to share emerging findings. Meetings were also held with Senior Officers to feedback findings at the conclusion of the fieldwork; and
- This report draws together the findings of the review and includes recommendations to improve the performance over the remaining years of the Partnering Contract. It also gives insight and makes recommendations to the Council with regard to the shape and type of contract that might replace the existing contract once it concludes.

Presentation of findings

1.8 The findings from the review are based on the document review process and the views and opinions shared with the consultants during a wide range of interviews with relevant Members and officers from the Council and staff from Mears. Whilst there was consensus on many matters the views shared were not always consistent with each other. Where this was the case the consultants have applied their experience and expertise to interpret and represent the views in an appropriately balanced manner. The consultancy team have also used their professional experience to challenge these areas throughout the review and develop the findings in this document.

1.9 As was agreed with the interviewees, views shared during the meetings remain non-attributable to individuals. This is also the case where quotes are included in the report to emphasise the findings throughout.

Partnership

1.10 A partnership in this context is defined as an arrangement between two organisations that work together in the pursuit of common or mutually beneficial goals and objectives. A partnership is often wrongly thought of as any situation when two organisations consult with each other or loosely worked together or simply where one buys something from the other. True partnerships are characterised by some or all the following:

- Each party has a personal stake of some type invested into the partnership;
- There are common goals across the partners;
- Partners have a similar ethos or system of beliefs;
- The partnership works together for a significant length of time;

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- Each party is aware of and understands what it is expected to bring to the partnership; whilst also understanding the value of what its partner will contribute; and
 - Respect and trust exists between the partners.

1.11 Partnerships succeed as a delivery approach because of the inherent sharing of responsibility and risk between the partners, because of the different perceptions it encompasses and the access it provides to a broader and more in-depth set of skills, knowledge, experience and general resource. Access to a wider variety of ideas and the sharing of financial costs also means that an organisation can take on and tackle issues they might previously have avoided. A successful partnership:

- Will share creativity, risk, responsibility and resources;
- Provide a working environment in which partners can utilise their partner's energy and enthusiasm;
- Will highlight different issues and problems but have a broad range of solutions to address them;
- Provide potential for more efficient and more effective service delivery; and
- Offer support and diversity between partners.

1.12 However, if a partnership is to work successfully and add the value described, there is a need for close working between partners together with significant levels of planning, flexibility, energy and commitment by all the parties involved. There is also a need for a degree of tolerance between partners. Not everything is going to go right the entire time, it never does. However, where issues do arise partnerships will falter unless the mechanisms, means and ambition exist to identify and address these issues. Failure to do so will see the partners reverting to the pre-partnership norms of working alone and only in pursuit of their own goals. Other key aspects that make a partnership work include:

- Clarity of information – each partner needs to understand what the other is doing or planning to do;
- Consultation – talking to each other is not only key to the success of the partnership but also to averting misunderstandings, blame and ultimately partnership breakdowns when things do go awry;
- Joint decision making – successful partners will seek each other's views, enjoy healthy challenge and debate and once agreement is found provide and support a unified message for the partnership as a whole; and
- Acting together – similarly once a message or course of action is agreed, each partner must act in the interest and in support of the partnership. Not to do so will confuse, disappoint and ultimately undermine the partnership.

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- 1.13 It is important to understand that not all partnerships last forever and indeed most do not. Once the mutually benefits are delivered or are no longer achievable within the current framework, successful partnerships will either evolve to continue to deliver together with a new focus and renewed ambition or end, hopefully amicably, with both partners walking away with a degree of achievement, satisfaction and contentment. Walking away with regret or a sense of missed opportunity points to a partnership that lacked some or many of the characteristics identified above.

2. Findings and insights

- 2.1 From our engagement with staff from the Council and Mears, and the wider stakeholder group, a significant body of anecdotal evidence was gathered and assessed as part the review. It was evident from the early stages of the interview process many consistent themes were emerging. Whilst these were refined as part of the interview process, the substantive nature of them altered very little and as such the findings have been collated and grouped into the key themes to help articulate the key insights and issues.
- 2.2 Whilst the individual findings have been reported under the different themes, many share characteristics or are interdependent and therefore it is important that they are not considered in isolation.

Summary of findings

- 2.3 In summary there was a general consensus amongst those interviewed that whilst the Partnering Contract had delivered many benefits, its full potential had not been realised. The overriding perception or focus of attention, at least publicly and politically, has been on the latter rather than the noteworthy successes.
- 2.4 The contract was initially established with the twin main goals to exceed Decent Homes standards and to save the Council money. It was widely acknowledged amongst staff and Members that the partnership delivered, and delivered quickly against both objectives and that this was a “good contract”.
- 2.5 Council Members and officers agreed that the Partnering Contract has delivered substantial savings and significantly improved services compared to that which preceded it, and that in this context it was one of the Councils’ better performing contracts.

“the Partnering Contract is so much better than what came before it”

“there are plenty of other contracts worse than this one.....it certainly isn’t one that I worry about”

- 2.6 Unfortunately, many of those good news messages have been lost and the general narrative and hence overall opinion is now much less positive than it ought to be. Whilst a good deal of this is attributed to the overcharging incident many staff were keen to point out that the incident was regularly blamed for issues that existed before it occurred.

“People got used to the savings and stopped seeing it as a significant achievement”

“the overcharging incident has been used to bash Mears and the Partnership approach over and over again”

- 2.7 Reflecting the initial aims, the Partnering Contract was in essence a repairs and maintenance contract. It was not designed necessarily to oversee and govern a significant capital improvement programme, an element which has now taken much greater prominence within the overall contract than was ever expected. It is also widely accepted

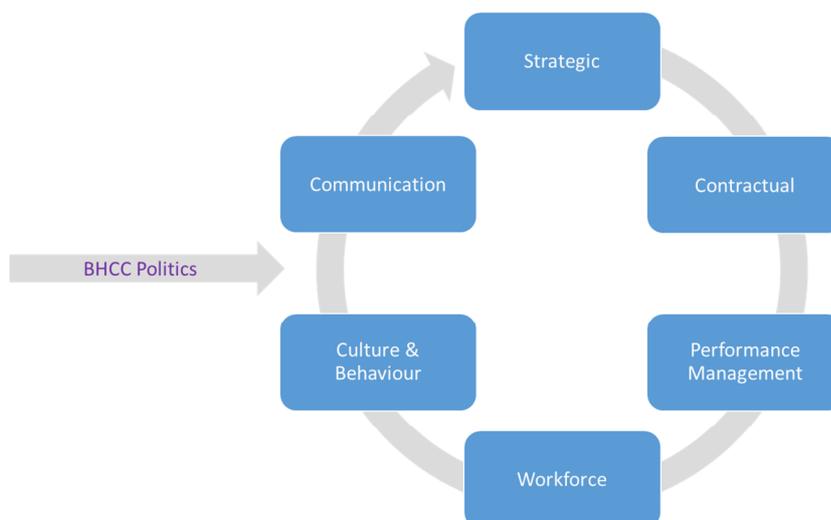
that the partnership's performance, with reference to the longer-term capital works, has been less impressive than that for day to day repairs and has begun to colour the excellent delivery of the general, day-to-day repairs and maintenance service. Officers and Members alike have highlighted that almost all queries and complaints they receive are related to actual or proposed capital works, and as such the question that was often raised during the review was whether more could have been done to "update" the contract to retain its relevance.

2.8 As alluded to above, despite the clear and early successes, the review has identified that, at this point in time, the partnership is widely perceived to have fallen short of fulfilling its potential for either partner. The reported reasons why are explored in some detail in the section below, but at a headline level it appears this is as a result of various key failings within and between the two parties.

2.9 Some of the identified issues are likely to be a direct result of others. However, because individual views were at times contradictory, we have not sought to identify causation or a timeline of their occurrence. It is the view of the Consultants that a combination of these that have ultimately led to a breakdown in trust between the two parties and the sub-optimal working relationship that, despite some recent improvements, continues to exist. The key failings are:

- A lack of willing on the Council's behalf to truly embrace the "spirit of partnership" and the partnership approach. This is best illustrated by the Council's reluctance to engage with and ultimately to reject a "Price per Property" payment arrangement, preferring instead to stick with a traditional schedule of rates;
- The Council's fear of being seen as "too close" to Mears, which has for example resulted in a disjointed and sub-optimal approach to communications and locked door restrictions in a colocation facility – in many ways a rejection of one of the critical success factors of a partnership approach;
- The regular loss of key Council staff in key management positions and particularly those that "believed" in the partnership approach;
- A reduction in overall and skilled resource dedicated by Mears to the delivery of the contract;
- Isolated but significant and well documented mistakes made by Mears, which have had a far reaching political and reputational impact;
- A breakdown in working relationships between the two parties at a day to day operational level that appeared to be unacknowledged and largely unmanaged for a period of time;
- Addressing performance management issues within the Council
- Addressing behaviours that are not conducive to positive working relationships.

Themes



2.10 The findings are grouped into the key themes to help articulate and signpost insights and conclusions. The majority of issues were raised against a number of organisational and operational “conditions” (or environment) that were not in place for the partnership to reach its potential. These conditions are the component parts of an effective working relationship and the review findings highlighted areas of weakness and challenge that must be addressed to reach an improved position. The importance and interrelation of these are set out below:

- **Strategic Alignment** – to enable both parties to align all their resources behind a clearly articulated and coherent strategic ambition, a joint understanding and commitment to that strategic goal must be acknowledged by both parties and supported by the appropriate behaviours. If this is not achieved then fragmented and conflicting activity often arises which is detrimental to the operational, organisational and partnership effectiveness;
- **Culture and Behaviour** – the importance of a cultural fit between two parties cannot be overstated. To have agreed and commonly understood working practices and behaviours is core and fundamental to the success of any partnership. The correct or appropriate behaviours is the cultural “oil and glue” that brings to life the more prosaic components of a partnership such as processes, protocols and structures, and allows the organisational energy of both parties to be focussed on the joint partnership priorities;
- **Communications** – the internal and external partnership voice can be critical at three levels: strategically, operationally and tactically. Good quality communications are required to ensure this key partnership mechanism can manage the flow of information, deliver messaging via appropriate channels and allow engagement with customers and colleagues. It plays a vital part in the efficiency and effectiveness of a partnership as the precision and clarity of communications and subsequent activity will contribute to increased quality and a reduction in cost and overall performance improvement;

- **Contractual Management** – Contract management is not scrutiny nor policing but instead helps to establish a cooperative and challenging working environment to efficiently deliver contract objectives. As such it should reflect the nature of the contract and relationship between the parties, and be flexible to change. Effective contract management will ensure that both parties understand their roles, responsibilities and their obligations and that ultimately expected benefits are realised for both parties;
- **Performance Management** – a well-designed and delivered performance management framework will play an important role not only in measuring the performance of a team or an individual but also in driving the delivery of key goals and objectives. Good frameworks will utilise incentives and disincentives to improve performance. It will do so by using the data and information generated from the process to understand areas of strength and as a mechanism for identifying those areas of poorer performance and in which greater investment or a different approach might be required;
- **Workforce** – key to the successful delivery of any service are the skills and capabilities of the workforce, and the management of that workforce. Where there are gaps in the necessary technical or interpersonal skills or deficiencies in the attitudes or approach, successful delivery is so much harder. Equally important is the leadership and management of the workforce, which includes the ability to identify where those gaps or deficiencies exist and have the necessary skills and courage to address them.

2.11 Set out below are the more detailed findings within each theme.

Strategic alignment

2.12 **Strategic Alignment** – to enable both parties to align all their resources behind a clearly articulated and coherent strategic ambition, a joint understanding and commitment to that strategic goal must be acknowledged by both parties and supported by the appropriate behaviours. If this is not achieved then fragmented and conflicting activity often arises which is detrimental to the operational, organisational and partnership effectiveness.

2.13 A successful strategic partnership would have delivered benefits **and** innovation to both parties over the period of the contract and in the long-term. The findings point to a lack of comprehensive alignment behind, and commitment to, a joint approach to delivering the strategic aims of the partnership by the Council and Mears. This manifested itself in following ways:

- Acknowledgement from staff of both organisations that the benefits of the Partnership were not fully realised. There was a belief that both parties were ultimately comfortable in defaulting to the traditional client /contractor roles. Staff also believed that the relationship has been more effective in delivering the operational rather than the strategic and innovative aspects of the contract. This

highlights a lack of commitment to real partnership working leading to uncoordinated activity resulting in benefits being realised on a more fragmented basis;

- Recognition from staff of both organisations that Mears strength has been in responsive repairs rather than strategic planning. There is little evidence of innovation in service delivery or IT (a traditional labour-intensive approach has been implemented with little or no incentive to innovate). Mears Senior Management recognise the lack of innovation but feel frustrated and blocked on a number of issues that did not gain traction with the Council (e.g. the IT upgrade, sending texts, tablets for Brighton inspectors, Repairs app, PPP);
- Mears highlighted the success of the first 5 years of the contract where innovation was delivered (e.g. 200 apprentices, white hawk estate, young offenders, dedicated response, eco-friendly home) however this momentum has not been maintained through a lack of willingness on both sides to reach a workable agreement.
- The lack of clear strategic alignment and the absence of a strategic or joined up approach to dealing with incidents has also had a detrimental impact on the operational alignment. As a result, roles and responsibilities have become blurred as each organisation or individuals within organisations strive to deliver for themselves. The lack of an agreed operational framework manifests itself in inefficient and less effective delivery.

2.14 Ultimately, the behaviours to support real alignment behind the strategic aims of the partnership have not generally been displayed. The issues were recognised by both parties but a reluctance to raising and addressing the real issues appears to have damaged the commitment and risk-taking that was needed to fulfil the partnership potential.

2.15 The Council, for its part, has not created the appropriate conditions to encourage Mears to engage and develop the relationship into a higher performing partnership. There needs to be a stronger more coherent strategic plan supported by the appropriate management and workforce behaviours.

Culture & Behaviour

2.16 **Culture and Behaviour** – the importance of a cultural fit between two parties in partnership cannot be overstated. To have agreed and commonly understood working practices and behaviours is core and fundamental to the success of any partnership. The correct or appropriate behaviours is the cultural “oil and glue” that brings to life the more prosaic components of a partnership such as processes, protocols and structures, and allows the organisational energy of both parties to be focussed on the joint partnership priorities.

2.17 Typically, a successful partnership displays an open and honest culture and role models behaviours that empower staff, encourage responsibility and collaborates with assertiveness and empathy. They will display many of the following attributes:

- Sets high expectations;
- Concerned with results;
- Involves people in decisions;
- Deals openly with concerns;
- Seeks win-win solutions; and
- Encourages responsibility.

2.18 It was within this context that the Partnership was assessed and found the following:

- There are productive and effective working relationships (more commonly) at a senior level across both organisations but the quality throughout both staff groups is inconsistent at the levels below senior management.
- The existence of poor day to day relationships between operational staff was highlighted. Consequently, issues that arise that can be quickly dealt with by operational staff are *“allowed to fester”* and interrupt service delivery. They then get escalated as more complex problems than they ever needed to be - *“things get escalated rather than discussed and sorted...it’s confrontational”*;
- It seems that relationship issues have existed through the life of the contract between the two parties, but this was exacerbated by the overcharging incident. Both sides appear bruised and sensitive and as a result using this episode to heighten distrust and default to a more risk averse and traditional client/contractor role;
- The *“Co-location”* feels purely symbolic with day to day working practices and behaviour indicating that significant cultural and relationship barriers exist. The apparent lack of trust and the guarded nature of the relationship hampers any meaningful collaboration or integrated working that would fundamentally improve the working relationship and raise the levels of performance in the contract;
- The Council, like many organisations, has struggled with change. The view of many of its own staff is that it is very traditional and inward looking in its approach to change and new ways of working, with the focus being on the minutia and not the bigger strategic picture;
- True collaborative working was not evident with very few examples of sharing mechanisms being in place beyond the standard activities and processes to deliver the service. Most worryingly is that this is perceived to be an issue within the Council service and not just between the two organisations.

2.19 The lack of a consciously defined and agreed culture with a supporting set of behaviours allowed distrust to grow at the first *“bump in the road”* in the partnership relationship. A

culture that does not deal openly with concerns fosters resentment and a broader “them and us” culture has been allowed to develop unchallenged. The “them and us” culture gathered strength as it lay unchecked and then began to manifest itself by actively seeking examples (e.g. the speed of decision making and working hours) to support and strengthen its existence.

Communications

2.20 **Communications** – the internal and external partnership voice can be critical at three levels: strategically, operationally and tactically. Good quality communications are required to ensure this key partnership mechanism can manage the flow of information, deliver messaging via appropriate channels and allow engagement with customers and colleagues. It plays a vital part in the efficiency and effectiveness of a partnership as the precision and clarity of communications and subsequent activity will contribute to increased quality, a reduction in cost and overall performance improvement.

2.21 Both organisations and staff groups openly acknowledged that communications were weak and a key priority to address. Fundamental weaknesses internally and externally were found at all three levels (strategically, operationally and tactically):

- There is no joint communications strategy or plan in place. This has resulted in inconsistent and fragmented communications due to the lack of a coordinated joint response to a range of issues from incidents, maintenance or promotion of positive news stories. This seems particularly acute e.g. with Leaseholders and is sometimes adversarial;
- From an external customer perspective, the opportunity to share and promote good news stories with them has often been lost with no proactive communications strategy and plan in place. (e.g. the level savings achieved especially);
- Internally there is a disconnect between the senior management of both organisations and their teams. Relatively effective communication exists between the two Senior Management teams, but this is not replicated across the other levels of their teams. This is possibly a symptom of the amount of organisational energy that was redirected into rebuilding the relationships at a senior level after the overcharging incident. This may have been to the detriment of other levels within both organisations;
- Day to day communications between the two organisations is reported to be inconsistent and inefficient at the middle and lower levels of the partnership;
- The absence of a joint approach to communications for the partnership is a fundamental and serious flaw. However, quickly creating a joint communications strategy and plan could quickly yield some quick wins with key customers and stakeholders.

Contractual Management

2.22 Contract management is an essential process that establishes a challenging yet cooperative working environment to enable contract objectives to be delivered efficiently. Its focus should not be detailed scrutiny or contract policing. Contract management arrangements should reflect the nature of the contract being managed and the relationship between the parties; it should be designed in a way that allows the flexibility to change as the focus of the contract or the relationship changes. Effective contract management will ensure that both parties understand their roles, responsibilities and their obligations; and allow the expected benefits to be realised for both parties. It is against this definition that we assessed the partnership and found the following:

- Despite the obvious successes, there is a general appreciation from both the Council and Mears that the arrangement between the two organisations has not “flourished” as a Partnership and therefore has failed to fulfil its potential and drive the maximum benefit for both parties. Almost all those interviewed identified the contract management regime as a contributory factor but there was a wide and contradictory set of views as to why;
- It was suggested by a number of those interviewed that ineffective contract management during the partnership contributed to the conditions which allowed the overcharging incident to occur and a more formal, resource intensive approach would have prevented it. Others disagreed, pointing out that the incident would have happened anyway given that it was Mears’ contract management processes that were ineffective in this instance and that the arrangements established for the Partnering Contract were suitable for a partnership arrangement of this nature;
- However, there is broad agreement that the overcharging incident had a significantly detrimental impact on the overall relationship between the two parties. It has been a key driver in shifting the behaviour away from a collaborative partnership approach to a more traditional client and contractor arrangement that now exists;
- It should be noted however that many of those interviewed were keen to highlight that the overcharging was certainly not the singular cause of the issues identified but has instead become “a convenient peg on which to hang the difficulties upon”. Feedback consistently suggests that many of the issues identified were well established before the overcharging came to light and point to underlying cultural and behavioural issues as discussed above;
- The shift away from partnership and towards traditional client and contractor roles has in the opinion of some staff from both organisations has led to a “focus(sing) on the minutia of each transaction rather than the overall strategic purpose”. This intensification of scrutiny is seen by many including some Members and senior Council staff as the right response to the isolated but significant contract failings by Mears and have encouraged it. Others appreciate that such

behaviour is not conducive to a strong partnership and merely weakens the working relationship between the two organisations and that the resource it demands and delays it causes has a detrimental impact on service quality. However, little has been done to consider the situation or take action as appropriate;

- Whilst the overcharging incident was a serious breach of the partnership and its importance should not be understated, it is also widely felt by officers from both organisations that the impact of the incident was “overly amplified” in the context of the entire contract when it became a Political issue. As a result, Members, rather than taking the strategic oversight, are now too close to the operational management of the contract and to a certain extent have stifled the attempts by officers from both organisations to rebuild trust and “get on with the job”;
- When their involvement was raised with Members, it was acknowledged by the cross-party group that whilst housing and housing repairs and investment will always be an important and controversial political issue, that a degree of cross-party consensus must be reached with regards to the contract/arrangement that follows to ensure it too does not get burdened by political point scoring;
- To enable this greater level of “contract management” the Council have re-staffed so that they can increase the level of “clienting” undertaken on the contract. In some situations, these roles directly replicate roles undertaken by Mears and possibly without consultation between the partners. In addition to being “financially wasteful” this confusion regarding roles has further complicated and extended the delivery process;
- This is a further example of where changes to working practices have been allowed to organically develop based on individual preferences rather than within the Partnership’s overall strategic framework.

Performance Management

2.23 A well designed and delivered performance management framework plays an important role not only in measuring the performance of a team or an individual but also in driving the delivery of key goals and objectives. Good frameworks will utilise incentives and disincentives to improve performance. It will do so by using the data and information generated from the process to understand areas of strength and as a mechanism for identifying those areas of poorer performance and in which greater investment or a different approach might be required.

2.24 There is much evidence to support the saying “what gets measured gets done”. Accordingly, the ability to alter what gets measured within a dynamic performance mechanism ensures the delivery partner cannot just focus its attention on doing some parts well and getting paid regardless of performance elsewhere.

- As mentioned previously the Partnering Contract was initially established to deliver Decent Homes and to make financial savings for the Council. As was

appropriate for these purposes, the contract was a repairs and maintenance contract and the Key Performance Indicators (KPIs) included within the detail of the performance management framework are geared towards the delivery of repairs and maintenance. It is understood that despite the changing nature of the work undertaken by Mears, with a greater focus in the capital works space, that the KPIs which continue to be measured and regularly reported have not changed to reflect this rebalancing of work and therefore will not pick up on poorer performance elsewhere;

- It was widely acknowledged that the repairs and maintenance aspect of the contract is delivered well. There is minimal negative feedback from residents and therefore there is little to report and /or discuss in terms of the performance against the KPIs. As a consequence, little is being learnt about overall performance other than Mears continue to deliver in those areas being measured;

“KPIs are considered but not really challenged”

- It is understood that there is minimal use of incentives or disincentives in the Partnering Contract. There is an argument that the goals of the contract, which have remained static, continue to be delivered and therefore this is a satisfactory situation. However, the Council should consider using incentives and disincentives in future contracts as a tool for driving better standards;
- The KPIs used are solely a measure of past performance, which whilst it is important to understand that key tasks are being completed to agreed standards and within agreed timeframes they do little to drive better or improved future performance. Other partnerships of this type will include indicators that will measure the investment the partner organisation is making in for example innovation, skills, and IT. This investment is expected to facilitate better performance in the future. Other organisations are incorporating measures that consider what their partners are doing to avert issues or situations that are known to impact negatively on performance. Examples include, improving staff retention or staff induction programmes and through the intelligent use of incentives and joint working these can help ensure those situations are minimised;

“KPIs report what’s happened but aren’t used to change anything”

- Many individuals stated that they felt the aims and objectives of what the partnership itself was trying to achieve have been lost, and the contract was *“drifting”* without real focus and that staff were not clear what was trying to be achieved. There were many reasons given for this, including the loss of key staff who had pioneered the partnership approach and the Council’s reluctance to embrace an alternative payment mechanism reasons. Another, suggestion was that in some ways the Partnership became *“a victim of its early success”* and the lack of re-establishing or refocussing the delivery goals once the original goals had been delivered had contributed to this state.

Workforce

2.25 **Workforce** – key to the successful delivery of any service are both the skills and capabilities of the workforce, and the management of that workforce. Where there are gaps in the necessary technical or interpersonal skills or deficiencies in the attitudes or approach, successful delivery is so much harder. Equally important is the leadership and management of the workforce, which includes the ability to identify where those gaps or deficiencies exist and have the necessary skills and courage to address them. In this section we consider the feedback given pertaining to the quality, working practices and performance management of staff and the relationships between staff of the two organisations.

- There were numerous examples given from both organisations of people management and performance management issues. Given the challenges facing the partnership the people management deficiencies are a contributing factor to the depth and continuing existence of these issues;
- There was broad agreement that workforce management activities are required to be strengthened and improved within both organisations. There is a strong perception, supported by changes in personnel, that Mears have responded more comprehensively than the Council has with a new management team in place to re-build relationships and drive improvements;
- The importance of these management activities should not be underestimated. The stability now established provides the platform for these issues to be properly and thoroughly addressed;
- Many Council staff suggested that “lip service” was paid to personal development and performance management - “yes we have 1-to-1’s and PDPs (Personal Development Plans) but they aren’t really taken seriously”
- A small number of Council staff stated that in their opinion the Council should not be paying profits to private providers and that a better and more cost-effective service could be provided in-house. Whilst legitimate, these personal beliefs are at odds with the Council’s strategic approach;
- It was raised by both sides that there have been personality clashes between staff from the two organisations during the partnership period that have had a detrimental impact on delivery. Whilst personality clashes are not unusual, and some have been addressed, others remain.

Insight from Member discussions

2.26 One of the key drivers for this review was Member concern regarding the performance of Mears in their partnering role. The Partnering Contract has always been politically sensitive in Brighton reflecting the local circumstances. The very public nature and fallout of the overcharging incident, together with a series of leaseholder complaints that have been received directly by Members has certainly raised the profile of the Contract in the political arena.

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- 2.27 Given the importance of this contract to Members, a workshop was held with a cross party group of members from the Housing Committee.
- 2.28 The discussion during the workshop was driven initially along party lines and defined by the history of the contract. The contract was let by a Conservative administration, managed and reviewed by a Green party led administration and is now managed by the existing Labour administration. The intensity of debate and level of engagement in the workshop was further evidence of the importance of the contract and especially the need to ensure that lessons are learnt for future provision of these services.
- 2.29 However, despite the existing differences of opinion there were many areas in which agreement was found between Members of the different parties:
- Whilst there was a general agreement that anything to do with housing and particularly this service will always generate legitimate political discussion and be a focus during election times, there was acceptance of the need for cross-party consultation and if possible agreement of the type, shape, aims and objectives for future provision of this service;
 - It was agreed that the current 10-year contract was too long but also an acknowledgement of minimum term requirements to ensure/encourage innovation and investment. A 5 year plus 3-year option was more desirable;
 - The issue regarding the length of the contract was highlighted by the lack of activity and challenge undertaken during “contract review” period, which occurred after 5 years. As such the opportunity for the Council to reshape the contract to reflect changing needs to enhance performance and improve relationships was missed. This should not be allowed to happen again and will be the responsibility of the administration and opposition at the time to ensure this is not repeated in the future;
 - Members of all parties were supportive of the use of alternative pricing structures (e.g. Price per Property) rather than the traditional and rather labour-intensive Schedule of Rates approach that currently exists. This is a key benefit of a partnering contract arrangement in that it has been demonstrated to create efficiency, provide greater certainty with regards budgeting, transfer risk to the Partner and encourage innovation in the contract. No one could shed any light on the Council decision not to proceed on this basis despite Mears keenness to do so, and pilot studies suggesting it would be beneficial to all parties;
 - However, despite support for the partnering facilitated PPP approach there was a consensus that contract management has not been strong enough during the partnership and that this deficit had been a contributing factor to the overcharging situation. These two points might be seen as contradictory in that greater contract management is at odds with the partnering approach which is built on trust. There is no doubt that trust between the two parties was diminished by this incident, but

it could also be argued that the financial risk of overcharging would have be borne by the Partner in a PPP situation;

- Members also stated that they wanted increased clarity and distinct separation between the Council and “partner”. This is at odds with a partnering approach, although it is thought to be prominent because of the overcharging incident rather than having been the mindset throughout the contract.

3. Recommendations

- 3.1 It is implicit in the commission and it is clear from the findings that the conditions are not in place for the Council and the Partnering contract to fulfil its potential and ultimately be described as successful. It is both understand and acknowledge that much has been done by both organisations in attempt to address some of the key challenges, and that the Council has already put in place further plans to do so.
- 3.2 The following recommendations are set out in the context of the project findings and are intended to:
- build upon improvements already implemented, realign the strategic ambition and reset the conditions to build a sustainable model for the future;
 - reflect the themes and conditions required to strengthen the future position of the Council for the remaining period of the current contract;
 - act as important considerations for the delivery of the service beyond the life of the Partnering Contract with Mears – they are simply to ensure good practice regardless of the services being delivered.
- 3.3 The recommendations are listed by themes to provide consistency throughout the report and the dependencies are cross referenced where possible.

Strategic Alignment

- 3.4 Many of the recommendations suggested under this theme require close collaboration between the two parties at a senior level to agree the strategic way forward. Honest conversations are required with regards to the aims and objectives, expectations and ways of working. Without a dedicated effort to realign both parties with an agreed way forward, many of the issues highlighted above will continue for the remainder of the contract:
- **Agree and restate the key strategic objectives** for the remainder of the contract – it is imperative that this is done together in partnership with the Council and Mears;
 - **Agree and establish the type of arrangement** that is required for the delivery of the remainder of the contract – despite this being a Partnering Contract there is wide acknowledgment that it now more closely resembles a traditional client/contractor situation. Whatever the desired contract arrangement it must be agreed between the parties and the goals and expectations realigned accordingly. It would be detrimental to both organisations if the behaviour to support the agreed position was not displayed;
 - Discuss and **agree the preferred and acceptable approach to capital works** – this is necessary because the existing contract does not reflect the increased importance of capital works, which together with Mears' strength being in repairs,

represents a significant delivery and political risk over a major aspect of the overall requirements;

- **Re-define, agree and communicate the roles and expectations** – reset and clearly articulate the roles and expectations within the Council and within the Partnership. Ensure a collaborative approach with Mears is adopted to achieving this and the profile of this is appropriate amongst all staff. It is imperative that these are communicated, understood and managed across both organisations;
- **An open and honest conversation about what are the barriers and constraints** to the Partnership fulfilling its potential and a commitment to act to address the concerns raised. This is not an opportunity to blame but an opportunity to openly and honestly air views about the deficiencies that clearly exist within each organisation;
- An honest **and pragmatic conversation about what can realistically be achieved during the remaining duration of the contract** e.g. can an alternative pricing mechanism be realistically implemented, what sort of IT and other innovation can be introduced etc. and a commitment to achieve what is possible. Clearly the preferred type of contract will impact heavily on these discussions.

Culture and Behaviour

3.5 A collaborative programme of improvement should be considered which is driven strongly by the Culture and Behaviour changes that are required across the service and partnership. The objective of the programme will be to create and implement the conditions and environment for a sustainable and successful internal and partnership culture for the Council's Housing Department. This programme would follow the indicative steps set out below:

- The framework for this programme will be created by resetting the strategic alignment as described above in paragraph 3.4;
- **Confirming the strategic ambition and vision** allows the identification and confirmation of the conditions that need to be in place to support the reset strategy. (e.g. the type of values and behaviours, the performance management framework needed, the set of skills and capabilities to deliver the new model, integrated co-location);
- Using the findings of this report to **identify and agree the culture and behaviours that should be role-modelled** (e.g. dealing openly with issues, displaying trust, positive challenge, real collaboration, empowering staff, two-way honest communications);
- **Understand and develop the performance management framework** that needs to be in place to support a new model of working;

- **Reset and build the set of capabilities and skills** required to deliver the type of partnership working the Council desires;
- **Work closely and collaboratively with the broader Council's Organisational Development (OD) team** to ensure alignment with the OD strategy;
- **Creating a collaborative Communications approach** to working with residents, internal and partnership colleagues, Members and stakeholders.

Communications

- **Create a joint Communications Strategy and plan** – quickly establish a joint/collaborative approach to communications that reflects the type of contract and one that addresses the key risks associated with that type. This should include agreed protocols and communications plans for all resident types – e.g. leaseholders and other stakeholders;
- **Promote the successes** of the Partnership and the contribution of Mears. – there are numerous success stories that have been “drowned out” by the “noise” of numerous relationship and contractual issues. There is acknowledgement from both parties that the strong success stories such as achieving savings and responsive repairs should be given a higher profile and publicised more coherently as a partnership both within the Council and externally to residents, leaseholders and the general public;
- **Cascade of message** – Once approved the strategic messages will need to be cascaded to all relevant staff members within both organisations both as individual bodies but also collectively to reflect the approved contract type. There is likely to be an emphasis on joint goals, roles and expected behaviours. Management from both organisations should consider how best this can be achieved individually and jointly. This approach should reflect ongoing communication needs too;
- **Collaborative approach to communications** – as part of the joint communications strategy and plan, news ideas must be developed of how to engage and ensure that staff are aware of, proud and understand the benefits that the partnership has brought and the part they have to play in promoting it. This is closely linked and will be explored as part of the Culture and Behaviour programme;
- **Involving the Members** - Senior Council officers are required to discuss the issues and recommendations identified in this review with Members and emphasise the key role they must play in the Communications Strategy and ensuring success.

Workforce

- 3.6 As a key condition for success there are several elements that must be addressed when **resetting the Workforce strategy and approach** within the Housing Department and any future Partnerships such as:

- **managing under-performance** professionally and robustly implementing the council performance management regime;
- **role modelling** an agreed set of leadership and management behaviours;
- **displaying commitment to the personal development plans** of the workforce and supporting their development needs and the process;
- **ensuring ongoing and refreshed skillsets** and capabilities of the workforce match the model of working and delivery plans;
- **actively monitoring and managing staff turnover** at all levels to ensure the right mix of stability, continuity and quality;

and more specifically:

- **Strengthening the client role** - actively seek to consolidate and increase the Council's expert knowledge and capacity re: compliance; and
- **Increasing capacity and capability** – the capacity of the Capital programme is an area for strengthening. There is a need for a holistic, stronger compliance function, pulling together the key functions of safety re gas, electrical, asbestos fire and H&S through the overall compliance of the contract and the roles within. This would address some of the capacity issues and help build on the lessons learnt from Grenfell.

Contractual Management

3.7 As a symbol of some of the challenges of the past, the changes to the contract management arrangements going forward will carry considerable weight as a sign of change. A number of steps to improve this position are recommended:

- Agree the contract delivery arrangements for the next three years. Jointly agree a revised forward-looking delivery plan and agree what need to change and be in place to implement the plan;
- Establish a contract management process that reflects the delivery arrangements and the agreed contract type. The approach should not scrutinise every detail but instead focuses on the agreed strategic objectives. There must be a balance that provides the level of management demanded by the Council but does not stifle delivery;
- Clearly align the behaviour change required for the contract management process to the broader culture and behaviour recommendations in resetting the overall conditions of the partnership.

Performance Management

3.8 The key recommendations are to:

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- review the performance management arrangements and realign it with an agreed approach;
 - use this opportunity to create a well-designed performance management framework with the following elements:
 - ensure KPIs reflect what is being delivered and the service that is desired now and for the remaining life of the contract. If appropriate build in a mechanism that allows them to be flexed at agreed points in the future;
 - utilise incentives and disincentives to improve performance;
 - use data and information generated from the process to understand areas of strong and poor performance and where investments should be refocussed.

4. Alternative Approaches for Housing Services Delivery

4.1 There are several alternative ways in which other local authorities are seeking to deliver housing repairs, maintenance and investment contracts. Experience suggests that whilst there are variations on a theme, for example some Council’s with larger housing stocks use multiple suppliers, there are five main approaches that are being employed in this area:

- Traditional in-house provision via a DLO – all staff are employed directly by the Council and the service is delivered as a Council service;
- Modern “in-house” provision via a wholly owned company – the Council establishes a wholly owned company and the services are delivered under contract by the Company;
- A Joint Venture – the Council establishes a joint venture (JV) vehicle either with another public sector organisation or a private sector company. The services are provided by the JV. Ownership structure considerations are necessary to ensure compliance with procurement law;
- A traditional client/contractor relationship – the Council lets a service contract to a third party who deliver the services as per an agreed contract. The Council manages the contract via an appropriately resourced and skilled client-side function;
- Partnership arrangement with a private provider – as current exists between the Council and Mears. The two organisations work together to deliver mutually beneficial aims and objectives.

4.2 Some of the more prominent advantages and disadvantages of each approach are outlined in the table below:

Advantages	Disadvantages
Traditional in-house provision	
<ul style="list-style-type: none"> • No need to go through full procurement processes for service delivery. • The Council retains control and discretion over service direction, budgets and policy decisions. • There is no loss of “profit” from the public sector. • Not exposed to 	<ul style="list-style-type: none"> • Costs of “staffing up” for contract delivery, and the associated support costs for doing so. • Significant IT, system and equipment start-up costs. • Unless looking to supply housing services to other house owners there is a lack of opportunity to exploit economies of scale.

<p>changes/consolidation in the market</p> <ul style="list-style-type: none"> • Can use service provision to demonstrate and invest in the local community. • Retain and promote links between service provision and residents. • Potential VAT efficiencies. 	<ul style="list-style-type: none"> • Council housing stocks are generally falling further reducing cost base. • Limited service base to share the costs of innovation and other development. • Will not benefit from market innovation. • Lack of flexibility with regards to staff levels and being able to meet fluctuating service demands. • All risk including the financial risk of permanent staff is retained within the local authority. • All staff are on full Council terms and conditions. • Can lead to blurred boundaries between operational and strategic responsibilities, and especially the role of Members.
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Services provided by a wholly owned Company

<ul style="list-style-type: none"> • As sole shareholder the Council retains strategic control of the company as it is responsible for setting the company’s strategic objectives and signing off its annual business plan. • Any profits flow to the Council through its 100% shareholding. • The company’s governance structure should make the boundaries very clear between operational and strategic responsibilities. • The company decides on the terms and conditions it offers its staff. • Limited client-side required within 	<ul style="list-style-type: none"> • Potentially significant set up costs. • Profits subject to corporation tax and applicable expenditure subject to VAT. • Important that governance structures are clearly defined and implemented or can lead to conflict of interests for company directors. • Costs of “staffing up” for contract delivery, and the associated support costs for doing so. • Significant IT, system and equipment start-up costs. • Unless the company is looking to supply housing services to other
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<p>the Council.</p>	<p>house owners there is a lack of opportunity to exploit economies of scale.</p> <ul style="list-style-type: none"> • As a local authority owned company without a track record it can be difficult to generate other contracts. • Limited service base to share the costs of innovation and other development. • Will not necessarily benefit from market innovation.
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Establishing a JV with another organisation

<ul style="list-style-type: none"> • Risk and reward are shared with another organisation. • Potentially no need to go through full procurement processes for contract delivery. • Potential to retain full control in the public sector if the JV partner is another public sector body. • As significant or majority shareholder the Council retains a significant say in the strategic control of the JV as it is responsible for setting its strategic objectives and signing off its annual business plan. • The JV’s governance structure should make the boundaries very clear between operational and strategic responsibilities. • JV partner will bring a broader range of perceptions, skills, approaches and market experience. • The company decides on the terms 	<ul style="list-style-type: none"> • Setting up a JV can be time consuming and expensive and may require a full procurement process. • Some of the any profits generated will flow to the JV partner through their shareholding. • Potentially significant set up costs. • Profits subject to corporation tax and applicable expenditure subject to VAT. • Important that governance structures are clearly defined and implemented or can lead to conflict of interests for company directors. • Costs of “staffing up” for contract delivery, and the associated support costs for doing so. • Significant IT, system and equipment start-up costs. • Unless the company is looking to supply housing services to other house owners there is a lack of
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<p>and conditions it offers its staff.</p> <ul style="list-style-type: none"> • Will potentially be able to benefit from market innovation through JVs partner breadth of delivery. • Requires a reduced client-side function within the Council. 	<p>opportunity to exploit economies of scale.</p> <ul style="list-style-type: none"> • As a new company without a track record it can be difficult to generate other contracts, although possibly offset by JV partner’s reputation. • Limited service base to share the costs of innovation and other development. • Cultural clashes between the Council and their JV partner can reduce effectiveness of the JV.
<p>A service contract delivered by a Contractor with a strong Council client-side function</p>	
<ul style="list-style-type: none"> • Financial and delivery risk are passed to the Contractor. • This is a comfortable arrangement that is well understood. • There is currently a strong market for this type of approach. • Using multiple suppliers would enable expertise to be exploited in different aspects of the service e.g. splitting day to day repairs and capital improvement works. 	<ul style="list-style-type: none"> • The Council retains reputational risk for service delivery but has little control over service delivery standards. • Potentially significant costs of service procurement. • Typically, reliant on resource heavy schedule of rates as a pricing mechanism. • Requires significant client-side resources within the Council. • Does not encourage innovation and service modernisation on the part of the service delivery organisation. • There is a “leak” of profit to the private sector.
<p>Partnership contract with a private sector partner</p>	
<ul style="list-style-type: none"> • Risk and reward are shared between the Council and its partner. • The partner brings expertise, skills and experience the Council does not 	<ul style="list-style-type: none"> • Potentially significant delivery procurement costs. • The Council retains a share of key risks such as delivery, financial and

<p>possess.</p> <ul style="list-style-type: none"> • The partner’s breadth of delivery should enable the partnership to benefit from economies of scale, such as within the supply chain. • Provides the opportunity for innovative pricing mechanisms, such as open book or price per property. • The partnership agreement can dictate Council expectations regarding the partner’s contribution to innovation. • There is currently a strong market for this type of approach. • The partner will bring “operationally ready and modern IT systems. • Presents the opportunity for innovative, forward looking and flexible performance mechanism. • Requires a reduced client-side function within the Council. 	<p>reputational.</p> <ul style="list-style-type: none"> • Can be politically challenging to the Council to be seen working so closely with a private sector provider. • There is a “leak” of profit to the private sector. • Requires a trusting working relationship that takes hard work to establish and maintain. • Cultural clashes between the Council and their partner can reduce the effectiveness of the partnership.
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4.3 However, the advice to the Council as it is with any consideration of an approach to adopt for any purpose, is that the approach must be consistent with the aims, ambitions, risk appetite, values and culture of the Council. As such it is recommended that the Council goes through the process of challenging itself to answer a series of questions along the lines of those identified in the diagram below across three dimensions – Political, Service Delivery and Transformational/Financial:



- 4.4 This “funnelling process” will enable the Council to identify which are the most appropriate approaches for its specific situation and perhaps more importantly highlight those that are incompatible.

Appendix A – Action Plan

Action	Content	Who	When
Strategic Alignment			
Arrange and hold a series of "Honest Conversation" meetings.	<ul style="list-style-type: none"> - Agree and restate key strategic objectives. - Agree and establish the delivery arrangement for the remainder of the Partnering Contract. - Discuss and Agree the preferred and acceptable approach to capital works - Redefine and Agree roles and expectations. - Discuss openly existing barriers to success and how they can be overcome. 	<ul style="list-style-type: none"> - Senior Officers from B&HCC including Housing Management. - Senior Management from Mears, including Service Delivery Management. 	Immediately and to continue for the remainder of the Partnering Contract.
Communications			
Create a joint Communication Strategy and Plan.	<ul style="list-style-type: none"> - Agree overall and joint aims and objectives. - Identify key target stakeholders/audiences and the most appropriate types of communication for that audience. This should include internal stakeholders such as staff and Members. - Agree "one off" key messages e.g. promotion of the successes of the Partnership to date / findings and recommendations of the Partnering Contract Review/ outcomes of "honest conversations". - Agree ongoing programme of communications (content/type/regularity etc.). - Agree responsibilities between parties. 	<ul style="list-style-type: none"> - Senior Officers from B&HCC including Housing Management and communications/media team. - Senior Management from Mears, including Service Delivery Management and communications/media team. 	Immediate.
Implementation of the joint Communication Strategy and Plan.	<ul style="list-style-type: none"> - Ensure sufficient and appropriately skilled resources are in place to implement the strategy and plan. - Ensure the agreed mechanisms of communication are in place or are in development e.g. Twitter Accounts etc. 	<ul style="list-style-type: none"> - Council Members. - Senior Management from both B&HCC and Mears. - B&HCC Housing Management. 	ASAP and ongoing once the Strategy and Plan are agreed.
Workforce			
Reset the Workforce Strategy and Approach within the Housing Department.	<ul style="list-style-type: none"> - Professional and robust implementation of B&HCC performance management regime. - Leaders and managers to display and role-model the agreed set of behaviours defined from the Behavioural Change Programme. - Demonstrable commitment to staff personal development through the use of Personal Development Plans for all staff. - Use PDPs to identify areas for staff development and invest in those areas. - Active monitoring and management of staff turnover. 	<ul style="list-style-type: none"> - B&HCC Senior Officers. - B&HCC Housing Management. 	Immediately and ongoing.
Strengthen the Council's ability to undertake the client role.	<ul style="list-style-type: none"> - Reflect the Strategic Alignment conversations by securing suitable levels of suitably skilled resource to undertake the re-defined Client Role. 	<ul style="list-style-type: none"> - B&HCC Housing Management. 	Following Strategic Alignment meetings.
Increase capacity and capability with specific regards to the Capital programme.	<ul style="list-style-type: none"> - Reflect the Strategic Alignment conversations by securing suitable levels of suitably skilled resource to ensure the Council's Capital Programme is appropriately resourced and given the necessary prominence within the Council's overall service delivery and specifically within the revised Partnering Contract arrangements. 	<ul style="list-style-type: none"> - B&HCC Housing Management. 	Following Strategic Alignment meetings.

Action	Content	Who	When
Contract Management			
Agree and implement revised and strengthened Contract Management arrangements	<ul style="list-style-type: none"> - Agree contract delivery arrangements for the remainder of the Partnering Contract. - Agree a revised delivery plan. - Agree the changes necessary to implement the new plan. 	<ul style="list-style-type: none"> - B&HCC Housing Management. - Mears delivery Management Team. 	Before Easter 2018
Implement revised and strengthened Contract Management arrangements	<ul style="list-style-type: none"> - Secure appropriately skilled Council resource to manage and operate the revised Contract Management Framework. 	<ul style="list-style-type: none"> - B&HCC Housing Management. 	Following agreement of new arrangements.
Performance Management			
Review contract Performance Management arrangements in light of the agreed approach for the remainder of the contract	<ul style="list-style-type: none"> - Consider whether there is worth in seeking to change the existing Performance Management arrangements and getting agreement with the Partner 	<ul style="list-style-type: none"> - B&HCC Housing Management 	January 2018
If appropriate, create a modern forward looking Performance Management Framework for the Partnering Contract	<ul style="list-style-type: none"> - Review and revise KPIs to ensure they measure the desired outcomes for the remainder of the contract - Consider a flexible approach for KPIs - Consider the use of incentives and disincentives within the Payment Mechanism - Consider and agree a mechanism that uses the data and information generated to improve targeting of investment. - Agree reporting and management mechanisms. 		Before Easter 2018
Implement the new Performance Management Framework	<ul style="list-style-type: none"> - Secure appropriately skilled Council resource to manage and operate the Performance Management Framework. - 	<ul style="list-style-type: none"> - B&HCC client team 	Following agreement of new arrangements.
Reset the Workforce Strategy and Approach within the Housing Department.	<ul style="list-style-type: none"> - Professional and robust implementation of B&HCC performance management regime. - Leaders and managers to display and role-model the agreed set of behaviours defined from the Behavioural Change Programme. - Demonstrable commitment to staff personal development through the use of Personal Development Plans for all staff. - Use PDPs to identify areas for staff development and invest in those areas. - Active monitoring and management of staff turnover. 	<ul style="list-style-type: none"> - B&HCC Senior Officers. - B&HCC Housing Management. 	Immediate and ongoing.

Action	Content	Who	When
Culture and Behaviour			
Develop a collaborative programme of Culture and Behavioural Change.	<ul style="list-style-type: none"> - Identify and secure appropriate resources to develop the change programme. - Confirm the scope of the change programme e.g. housing services, full Council etc. - Confirm the strategic ambition and vision of the service in scope - e.g. the type of values and behaviours. - Identify and agree the culture and behaviours that should be role-modelled - e.g. dealing openly with issues, positive challenge, real collaboration, empowering staff. - Understand and develop the performance management framework to support the new model of working. - Reset and build the new set of capabilities and skills. - Work closely and collaboratively with the broader Council's Organisational Development Team. 	<ul style="list-style-type: none"> - B&HCC Senior Officers. - Expert support. 	Immediate and ongoing.
Implement a collaborative programme of Culture and Behavioural Change.	<ul style="list-style-type: none"> - Define an implementation programme. - Implement the performance management framework to support the new model of working. - Build and model the desired behaviours and the new set of capabilities, skills. - Work closely and collaboratively with the broader Council's Organisational Development Team. 	<ul style="list-style-type: none"> - B&HCC Senior Officers. - Expert support. 	Ongoing following the programme design stage.
New Contract Arrangements			
Design and complete a "funnelling process" to identify the most appropriate approach(es) for B&HCC's specific situation and highlight those that are incompatible.	<ul style="list-style-type: none"> - Identify appropriate resource to design and run the "funnelling process". - Consider each approach with respect to the Council's aims, ambitions, risk appetite, values and culture of the Council. - Consider, discuss and answer a series of questions across three dimensions: Political, Service Delivery and Transformational/Financial. 	<ul style="list-style-type: none"> - B&HCC Members. - B&HCC Senior Officers. - Expert support. 	Before Easter 2018.
Learn lessons from those that have recently participated in the letting of a contract for this type of services.	<ul style="list-style-type: none"> - Communicate with/visit other Council's and 3rd party experts to gain an understanding of their experiences of recently participating in the letting of a contract for these services. 	<ul style="list-style-type: none"> - B&HCC Senior Officers. - B&HCC Housing Management. 	January/February 2018.