

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
2.	<b>Date:</b>	<b>29<sup>th</sup> October 2012</b>
3.	<b>Title:</b>	<b>Review of Communal Cleaning Service to Flats</b>
4.	<b>Directorate:</b>	<b>Neighbourhoods and Adult Services</b>

### 5. Summary

The Council delivers a weekly cleaning service to internal communal areas of council owned apartment blocks.

Due to a number of operational and service quality issues arising, a review has been undertaken of the service. The review highlighted a number of areas of concern and set out proposals for improvement, which are detailed in the report.

The report proposes changes to the cleaning specification and the method of service delivery, subject to completion of soft market testing and consultation with leaseholders.

### 6. Recommendations

**That the Cabinet Member agrees to:**

- **Consult tenants and leaseholders on arrangements to carry out communal cleaning to flats including**
  - **Proposals to changes standards and the organisation of services**
  - **Proposals to revise charging arrangements**
- **a soft market testing exercise to establish whether better VFM can be obtained**

## **7. Proposals and Details**

### **7.1 Background**

There are 2338 apartments within 326 council owned blocks across the borough, which are accessed via communal entrances, internal hallways and stairwells. The Council is responsible for managing, maintaining and cleaning these areas. A cleaning service is provided on a weekly basis.

The communal cleaning service is currently delivered on behalf of Housing Services by Facilities Services. The service consists of 13 staff working various hours/work patterns totalling 111 hours per week, with associated costs of £139k per annum.

The current specification consists of approximately 20 minutes of cleaning per block per week (based on a three storey block of 13 flats). The basic cleaning specification is as follows:

- Brush and Mop hard floor areas
- Dust/wipe fixtures and fittings
- Remove any litter from communal areas

The cleaning service currently functions on the following basis:

- **Mobile Operation**  
A mobile cleaning team deliver cleaning services to 78 units (24% of the total) where water is not available within the block or any of the adjacent blocks. Water is obtained from a container within a vehicle, which transports the operatives and cleaning equipment to site.
- **Fixed Operation (with water supply)**  
Cleaners travel to and operate on site, with access to a water supply within secure cleaners cupboards in individual blocks. 90 units (28% of the total) receive cleaning services in this way.
- **Fixed Operation (without water supply)**  
158 units (48% of the total) operate on a fixed basis but without a landlord water supply within the block. Water is obtained from a nearby block and carried in.

The current cleaning service is basic and generates poor customer satisfaction, both from tenants and leaseholders.

Recently, a number of operational and service quality issues have arisen, which has prompted a service review. The key findings of the review are detailed below.

### **7.2 Cleaning service review**

The key issues identified by the review with regard to the cleaning service are as follows.

- Not all blocks of flats are provided with a cleaners cupboard containing landlord hot/cold water supply. As a result, cleaners are carrying water some distance between blocks which have a supply to those which haven't one. This has raised health and safety at work issues as well as service quality issues.
- The current cleaning specification is very basic and requires revision. It currently does not include an annual deep clean, window cleaning or cleaning of communal entrance doors and screens.
- Communal areas are in need of a general scheme of investment and improvement. In many cases, the quality of finishes to floor areas and stairwells is poor, with some floor surfaces being bare concrete. Investment in these areas would assist in delivering an enhanced and more hygienic cleaning finish.

Each of these issues are dealt with in turn below and recommendations presented to address them.

### **7.2.1 Access to water supply**

Cleaning operatives require access to a clean (preferably hot) water supply. However, the majority of blocks are not equipped with a water supply at all. In some cases this is addressed through mobile working arrangements, but in others cleaners are 'bucketing' water (often cold or lukewarm at best) between blocks, often over some distance. This presents poor working practices and is not conducive to a quality cleaning service.

The Health and Safety Team have raised concerns with this operation and the potential for prosecution and compensation claims for non compliance with the following primary health and safety legislative requirements:

- Health & Safety at Work Act 1974
- The Management of Health & Safety regulations (MHSAWR) 1999
- (COSHH) 2006 Legislation
- Approved Code of Practice and Guidance L8-"Legionnaires' disease; the control of Legionella bacteria in water."

The Health and Safety Team are satisfied with the working arrangements for the mobile element of the service and the blocks of flats with a direct water supply. However they have recommended that, should the current fixed location working arrangements remain, a water supply should be provided in all blocks in order to comply with the legislative requirements outlined above.

### **7.2.2 Cleaning Standard**

The current cleaning service is considered to be poor by customers and requires improvement. Their issues include:

- The condition of the communal entrance doors and door screens which are not included within the current cleaning contract specification.
- Dirt and grime is ground into the floors and walls which cannot be removed with a brush or mop.

- The general physical condition of the communal areas is poor and requires significant investment. Issues include stained flooring, damaged floor coverings, cracks to walls and ceilings and poor standard of decoration.
- Window cleaning was suspended and has not been re-instated. It was suspended to create budget headroom to introduce an annual deep clean of communal areas, but this was never initiated and customer feedback to the proposal was not positive.

Window cleaning within the communal areas will be re-instated.

Discussions have been held with Facilities Services with regard to enhancing the cleaning specification and the likely additional costs of service provision as detailed below.

In order to address the health and safety and customer satisfaction issues, the following options have been considered.

#### **Option A - Continue with current mobile/fixed cleaning service.**

This would require the installation of a water supply, sink unit, drainage and hot water boiler within the 158 blocks on the fixed cleaning service, which currently have no water supply.

The existing water supply arrangements within the other blocks have been inspected and are in a reasonable condition. However, the majority of the units would require a general scheme of refurbishment, including new fittings and replacement hot water boilers.

We would remain liable for the ongoing maintenance of landlord facilities, associated utility costs and annual Legionella water testing.

The 78 apartment blocks served by the mobile team would continue to operate on that basis with no further work required.

This option would address the issues identified in 7.2.1 however the cleaning standard would remain as it is currently, with no improvements.

#### **Option B - Provide an enhanced service on a fully mobile basis.**

The mobile cleaning service would be rolled out Borough wide to cover all 326 apartment blocks. Cleaning operatives would have access to vehicles with a hot and cold water supply and storage facilities for cleaning equipment.

Existing landlord water supplies would be decommissioned and services isolated to minimise/remove risks and management and maintenance costs.

Facilities Services have indicated that the delivery of the service on this basis would require 4 dedicated full time staff to deliver cleaning services, equating to 148 hours staff time per week.

This would provide an additional 37 hours of cleaning per week (compared to current arrangements of 111 hours) to provide more flexibility to re-visit blocks as required and to accommodate enhancements to the cleaning specification including the introduction of the following additional services:

- Weekly clean to communal doors and screens
- An intense deep clean to address issues which cannot be resolved with a brush and mop including machine cleaning of floors and high level dusting. This would be undertaken annually where power is available or twice per annum with battery powered equipment if power is not available.

The enhanced specification would address some of the concerns raised by tenants and leaseholders. However, it may not be fully appreciated by customers until the communal areas have received investment works to improve their overall appearance.

This option would involve a change to service delivery and consequent changes to staffing arrangements, requiring necessary consultation with staff, HR and unions. Facilities Services are aware of this and have had initial discussions with HR colleagues. It is suggested that staff affected by the proposal would be offered a new position within the mobile team, an alternative position within the cleaning service or a compensatory payment, where only a few hours are worked.

Subject to staff consultation, the mobile service could be implemented within a 4-6 week period following necessary approvals.

Having considered both options, it is recommended that Option B is implemented as the preferred option.

### **7.2.3 Soft market testing**

Prior to implementing any proposed changes, it is recommended that soft market testing be undertaken with alternative service providers. This will enable alternative approaches to service delivery to be identified and explored, ensure that the proposals within the report demonstrate the most effective approach to service delivery and solid value for money.

### **7.2.4 Linkages to estate caretaking services.**

In addition to communal cleaning services, tenants and leaseholders within apartment blocks also benefit from estate caretaker services. These services are contracted to and delivered by our contract partners Wilmott Dixon Partnerships (WDP) and Morrison Facilities Services (MFS). The scope of work delivered is generally environmental stewardship works to communal grounds around apartment blocks, including litter and rubbish removal, removal of weeds and self set trees etc but excluding cyclical grounds maintenance. The latter is provided by Streetpride on behalf of Housing Services.

This area of service delivery is also currently being reviewed with our contract partners.

Both reviews provide an opportunity for consideration of the potential for joint service delivery arrangements. This will be explored further as part of the soft market testing process.

### **7.2.5 Investment Requirements**

The communal areas are generally in a poor condition and require significant investment to improve their overall appearance.

The standard of cleaning is affected by the condition of the blocks as the majority have not received investment i.e. decoration and floor covering replacement etc for a number of years. Therefore, it is imperative that investment works are aligned with recommendations to improve the cleaning standard so that significant improvements can be realised and appreciated by tenants and leaseholders.

The Strategic Housing and Investment Service are currently undertaking condition surveys within the communal areas to determine the investment requirement and priority phasing for future years. Surveys are scheduled for completion by April 2013.

A £100k budget is contained within the approved Housing Investment Programme for 2012/13 for replacement floor covering and decoration. The programme for 2012/13 will include works to Beeverleigh which has been prioritised for investment based upon its current condition and repairs issues. Further investment detail is awaited subject to completion of the current survey programme. Based upon the number of blocks of flats within the borough, the level of annual investment identified may need to be revisited to ensure that the delivery of investment does not become too protracted. Improving the general fabric and condition of the communal areas is an essential part of the strategy to improve standards of cleaning.

### **7.2.6 Service Charge Issues**

The communal cleaning service is financed from the Housing Revenue Account (HRA). Leaseholders receiving the service are subject to a service charge. However, the leaseholder service charge is lower than their actual proportionate service cost. The introduction of an enhanced service specification (and increased service cost) would widen that gap.

Tenants receiving the service are not subject to a service charge. In addition, the service does not benefit council tenants residing in other property types who do not receive the service. As such, communal cleaning services are being subsidised by the general tenant base through the HRA.

A previous Audit Commission inspection report highlighted that the cost of communal services should be charged to tenants who benefit from the service rather than all tenants within the borough (who do not benefit from services provided) for fairness and consistency.

Currently 171 (7%) of the 2338 flats are held by leaseholders. The total income generated by the communal cleaning leaseholder service charge is £3235 per annum. However, the proportionate cost (based on 7%) of the current service cost is £10,175 per annum. Therefore the HRA is currently subsidising the leaseholder proportion of costs by approximately £6940 per annum. Also, it has become apparent that the charge has not been added to approximately 32 properties that benefit from the service.

In order to address the issues identified, we would need to adjust the leaseholder service charge appropriately which would equate to an average cost of £59.50 per annum based on the current level of service and costs.

The average leaseholder service charge is currently £20.95 per annum therefore this would equate to a 284% increase. If Option B is pursued, the proportionate service costs to be recovered from leaseholders would be £13,440 per annum.

Implementation of any proposed changes to service delivery and service charges will require formal consultation with leaseholders.

There is also an option to introduce a service charge to tenants who benefit from the service. This would address the issue of the service being subsidised by council tenants who do not directly benefit from the service.

Consideration should therefore be given to initiating a review of service charges overall for tenants and leaseholders to reflect the service provided by the communal cleaning, but perhaps also grounds maintenance and caretaking services. This would ensure that tenants and leaseholders who directly benefit from these services are charged for them rather than the costs being subsidised by the HRA and therefore tenants generally.

### **7.2.7 Housing Benefit issues.**

Enquiries with colleagues in the Revenue & Benefits service has confirmed that charges relating to the cleaning of communal areas (halls, passageways, stairwells) and cleaning of windows to communal areas are eligible for Housing Benefit purposes.

However, further information on proposed charges will need to be shared with Revenue & Benefits for them to give a final view.

## **8. Finance**

The contract cleaning budget for 2012/13, based upon current service delivery arrangements and cleaning specification is £139,128 including window cleaning.

**Option A-** Retaining current operational cleaning arrangements and installing the additional water supplies would result in the following costs by comparison:

- Revenue- £189k per annum  
Fixed and mobile cleaning contract costs- £139k (same as it is currently) and annual management/maintenance costs, associated with water

supply £50k (which is not currently undertaken and is a mandatory requirement to address health and safety issues)

- Capital- £206k  
Installation of additional water supplies and refurbishment of existing supplies

**Option B-** The total estimated costs for implementation of an enhanced mobile service delivery are as follows:

- Revenue- £192k per annum  
Mobile cleaning contract costs including an annual deep clean, bi-annual window cleaning to communal areas and weekly cleaning of communal areas, doors and screens.
- Capital- £10k  
Decommissioning of existing landlord facilities

The above costs include communal window cleaning on a six monthly basis with associated costs of £9k per annum

Implementation of the recommended option will cost an additional £53k per annum which is unbudgeted for 2012/13 therefore it is recommended that the deep clean is not undertaken until 2013/14 this would reduce the costs for the remainder of the financial year.

£100k has been allocated within the 2012/13 Housing Investment Programme for refurbishment of communal areas of flats. A further £100k per annum has also been committed for 2013/14 and 2014/15.

## **9. Risks and Uncertainties**

We are currently in potential breach of health and safety regulations with regard to the issue of water supplies which needs to be addressed immediately.

Legionella water testing is not being undertaken currently. This is a serious concern which needs to be addressed immediately. Alternatively, if the recommended option is implemented then we will need to arrange for water supplies to be isolated to resolve this issue.

Implementation of the recommended option may result in staff redundancies.

If a review of service charges is not undertaken then the service will continue to be subsidised by council tenants who do not benefit from the service. The previous Audit Commission inspection of 2010 Rotherham Limited criticised the organisation for not implementing a fair and equitable charging structure.

There may be insufficient financial resources to increase the budget therefore the recommendation may depend on the outcome of a review of service charges.

Consultation would need to be undertaken with Leaseholders (and tenants within flats receiving the service) in relation to any proposed changes to service charges.

Details of any proposed service charges to tenants would need to be shared with Revenue & Benefits colleagues. The level of charge and how it has been arrived at will need to be provided, so that it can be determined whether the charge is being set at a reasonable level. If a charge has not been levied previously, to ensure that Revenue & Benefits are satisfied that there is no double provision. That is, to ensure that the charge has not been taken into account in base rents and then also introduced as a service charge.

## **10. Policy and Performance Agenda Implications**

The proposals support the following 'Plan on a page' corporate priorities and achievements:

- Helping to create safe and healthy communities
  - People feel safe and happy where they live
  
- Improving the environment
  - Clean streets

## **11. Background Papers and Consultation**

Prior to any proposed changes being implemented, formal consultation will be required with leaseholders.

Consultation will be undertaken with the Quality and Standards Challenge Group.

Cabinet Member for Neighbourhoods- 2<sup>nd</sup> March 2009- De-pooling service charges

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