

The Council's Housing Repairs and Maintenance Services

1. Introduction and Purpose

- 1.1 At the Scrutiny Panel meeting on 11 December 2017, Members asked for a session to explore a number of issues of concern about the performance of the Council's housing repairs and maintenance services. This paper answers the questions raised by Members (reproduced below) and provides context and service information intended to support the Panel's discussion.
- "The housing repairs service remains a key area of challenge for the Council. Specific issues frequently raised are: missed appointments, multiple visits to try and resolve the same problem, unused scaffolding, no joined up thinking, poor out of hours support when an emergency situation arises. *Please can you inform us about the Council's action plan to improve the whole system of the housing repairs service from the first point of call to the feedback request?*
 - "Has the Council identified any areas of best practice in other local authorities or RSLs you can learn from to help advance the progress of improvement for the repairs service?"

2 Definition of repairs and maintenance

This paper talks about two kinds of repairs and maintenance:

- 2.1 **Responsive repairs**, which are generally low-cost work, such as fixing broken fixtures or fittings in tenants' homes and unblocking sinks and some redecoration. This would also include works outside tenants' homes such as mending broken lights in stairwells, mending estate fences or fixing broken gutters. There are of course many other examples of responsive repairs, and it should be noted that some of these repairs can be both urgent and complex as well as expensive. These have included recently repairs to concrete spalling where there could be an imminent risk to safety of residents.
- 2.2 **Planned repairs and maintenance** (sometimes referred to as "Major Works"), such as routine maintenance of lifts, heating, hot water, and drainage infrastructure and major external decorations and repairs or replacements of roofs, windows, kitchens and bathrooms.
- 2.3 The Council teams that are responsible for the different kinds of repairs and maintenance (Property and Asset Management (PAM) and Building Maintenance (BM)) work closely together and this relationship is beginning to be better supported by improved IT and new ways of working including joint planning and training.
- 2.4 The work of the repairs and maintenance services builds on the successful return of housing services 'in-house', the increase in directly employed operatives, surveyors and Clerks of Works, and modernisation of the service to improve service quality and better resident communication.

3. Responsive Repairs

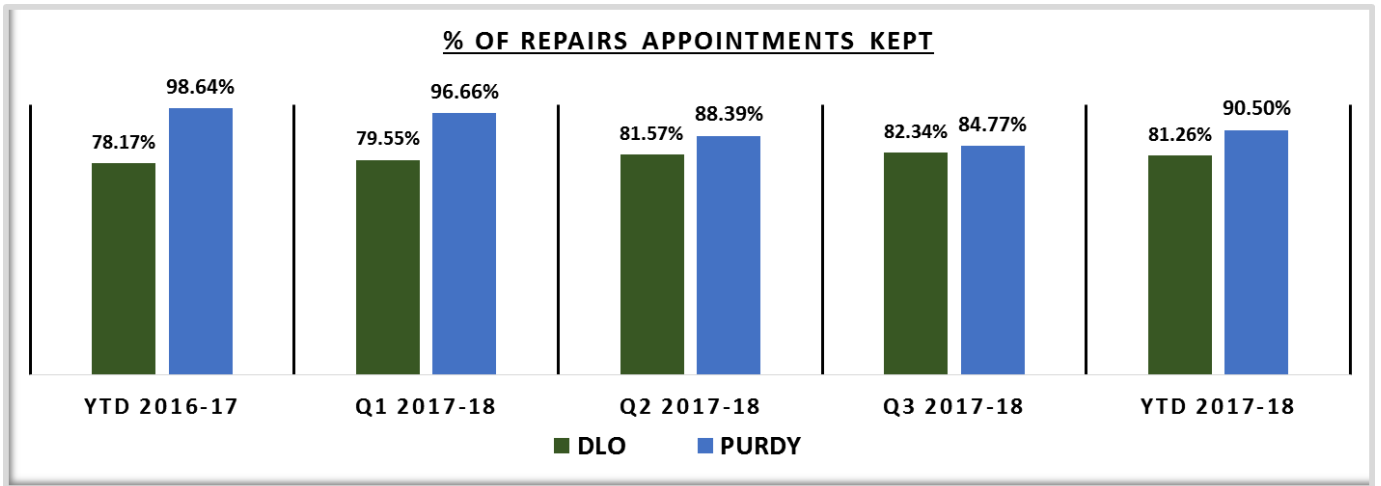
- 3.1 The Council's Housing Services deliver around 78,000 responsive repairs a year. These are undertaken by the Council's own directly employed service (the Direct Labour Organisation or DLO) and external contractors, Purdy and Axis, who are sometimes referred to as "back-up" contractors. Purdy provide additional capacity and some technical capabilities not available in-house and Axis cover communal responsive repairs such as drainage, footpaths and block entry doors.
- 3.2 The DLO are part of the Building Maintenance section within Housing Services and have a workforce of around 220 which includes trades operatives (electricians, plumbers, carpenters and so on), supervisors and managers. Additionally, around 50 officers (sometimes called the "client side") manage contracts, survey and issue work to the contractors, client the void delivery, manage disabled adaptations, coordinate complex repairs and lead on initiatives such as the leaks protocol.
- 3.3 The DLO undertake the vast majority of the responsive repairs concentrating of the high volume, low cost works which enable them to respond quickly to our residents. The table below shows the number and value of repairs delivered by the DLO and our back up contractors from April to December this year.

Contractor Type	Description	Apr - Dec 2017-18
DLO	Total Number of repairs delivered	51,541
	Total Value	£4,921,186
PURDY	Total Number of repairs delivered	6,116
	Total Value	£4,437,812
AXIS	Total Number of repairs delivered	1,304
	Total Value	£759,019

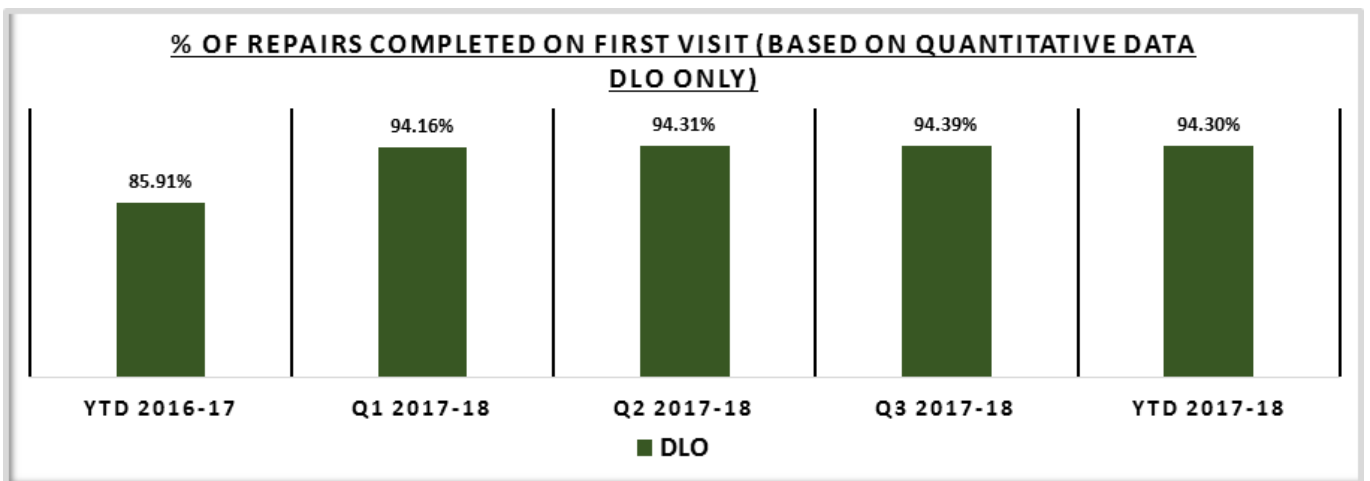
The back-up contractors undertake the majority of the higher value works where the Council currently lacks the technical capacity to undertake complex works. Based on the number of repairs up until December we are forecasting that the number of responsive repairs we will carry for 2017/18 will be 78,000.

4. Performance

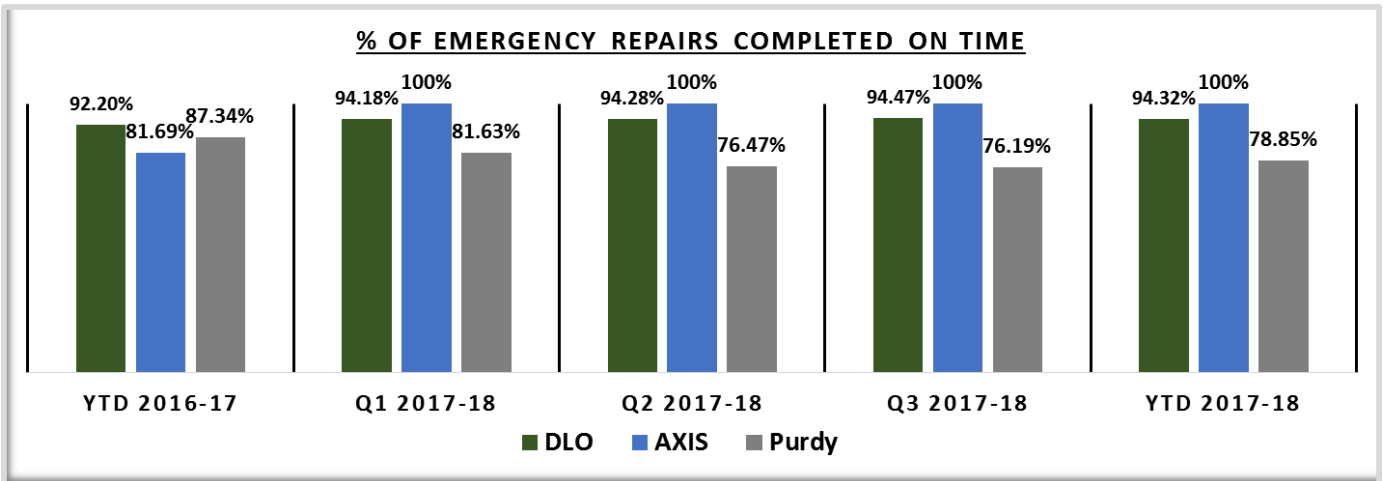
- 4.1 We closely monitor the performance of the 'in-house' DLO and of all contractors. Performance information as set out below is reported regularly to the Resident Liaison Group. We set out below a selection of the indicators we use to track performance.
- 4.2 Indicators which show an improving performance:



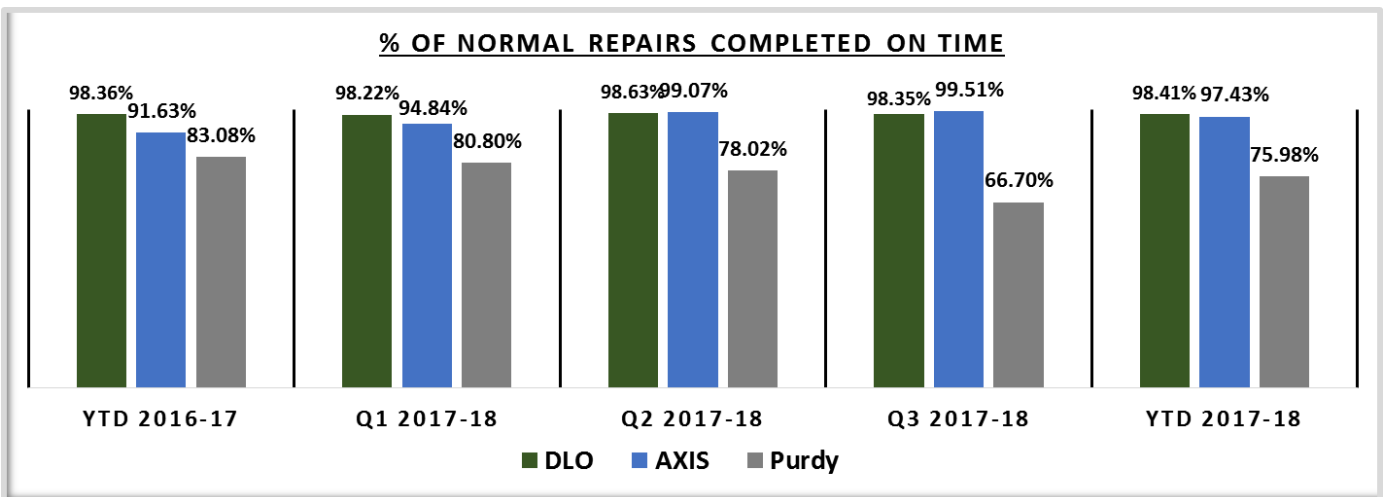
Performance on repairs appointments kept by the DLO and Purdy combined is now 81.9% v 79.6%, an increase of 2.3% on our 2016/17 performance. The trajectory on this indicator is upwards and we should see continued increases in our numbers of repairs appointments kept.



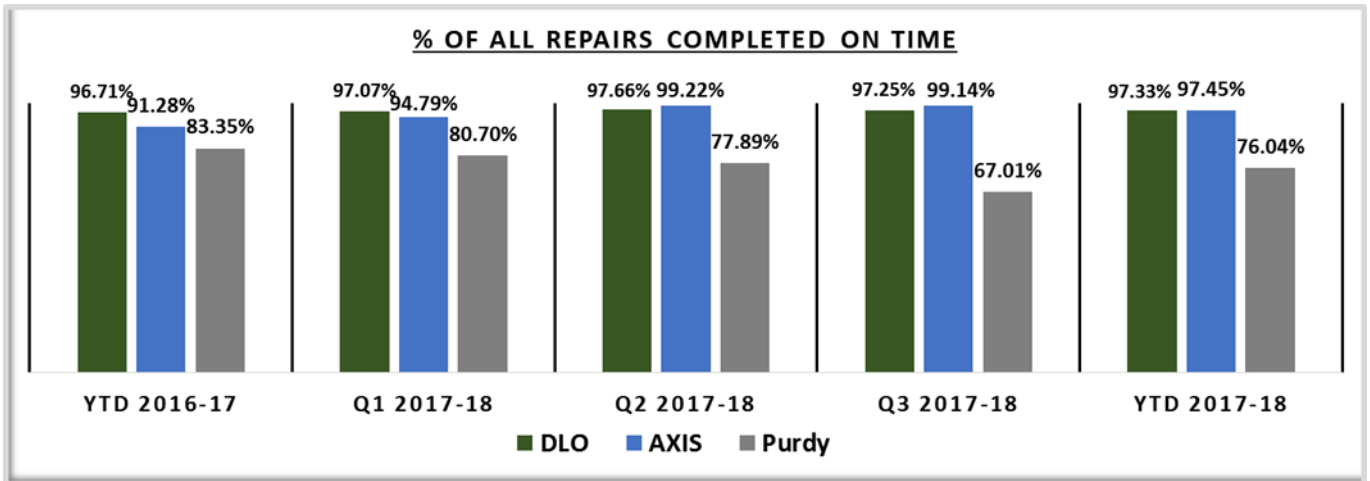
Performance on the indicator of repairs completed on the first visit by has improved by 2% to over 94% - this demonstrates the professionalism of our DLO. The DLO undertake the vast majority of responsive repairs – just over 87% of repairs this year. This data is not available for Purdy and Axis.



The emergency communal repairs indicator shows improvement in the year to date figure for the in-house DLO repairs service and for Axis. The performance from Purdy has dropped and this is being monitored closely and the last quarter shows a slight improvement from quarter 2.

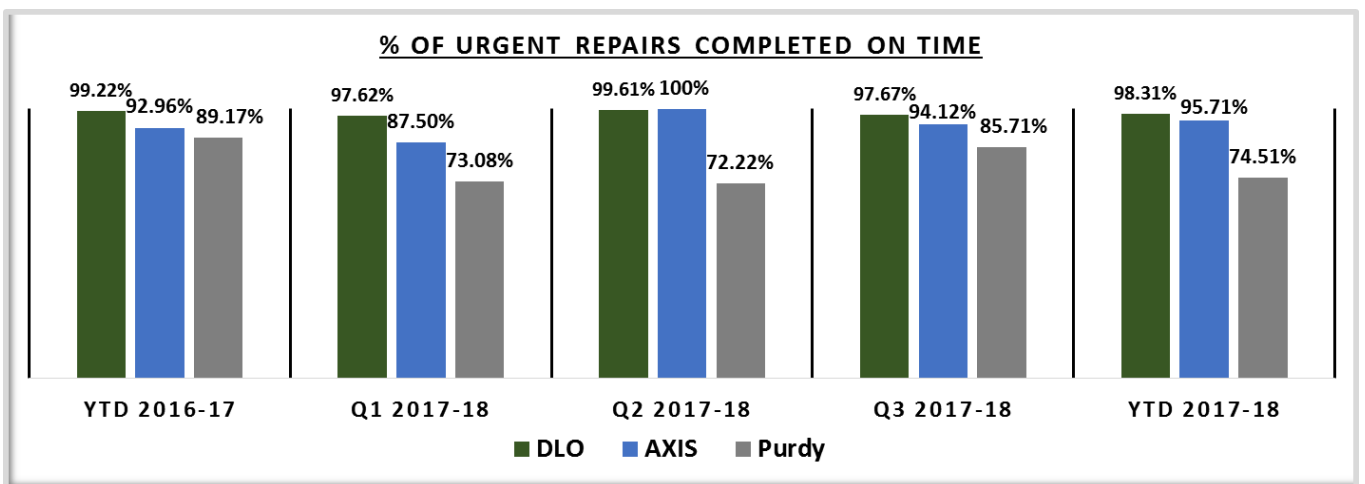


We have improved our performance on the completion of normal communal repairs, but the performance of Purdy remains a concern and the Council is monitoring the situation closely.

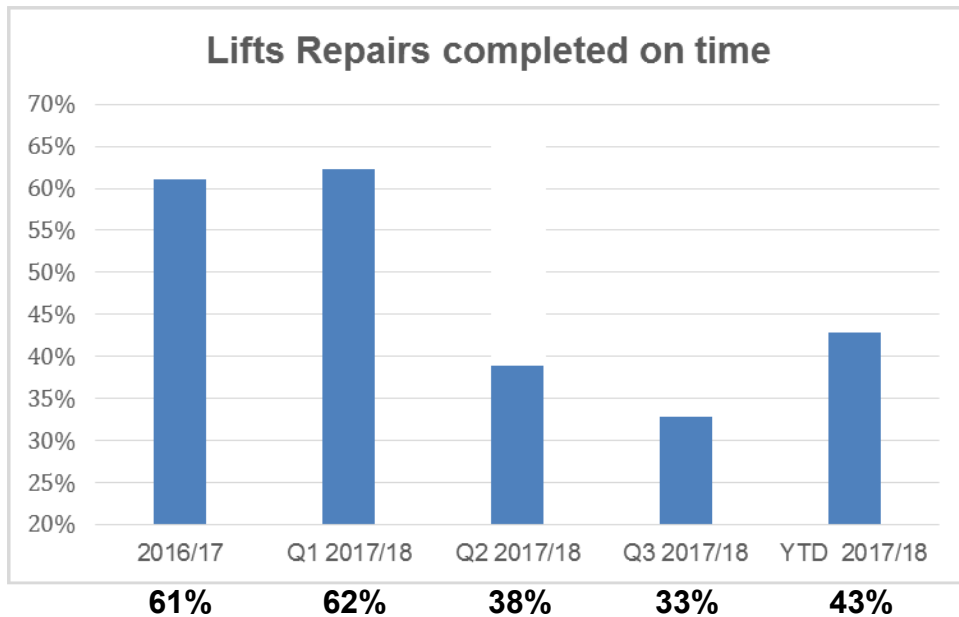


There has been a slight improvement in performance by the DLO and Axis, though overall the performance has held steady at about 95% completed on time.

4.2 Indicators where performance has not improved.

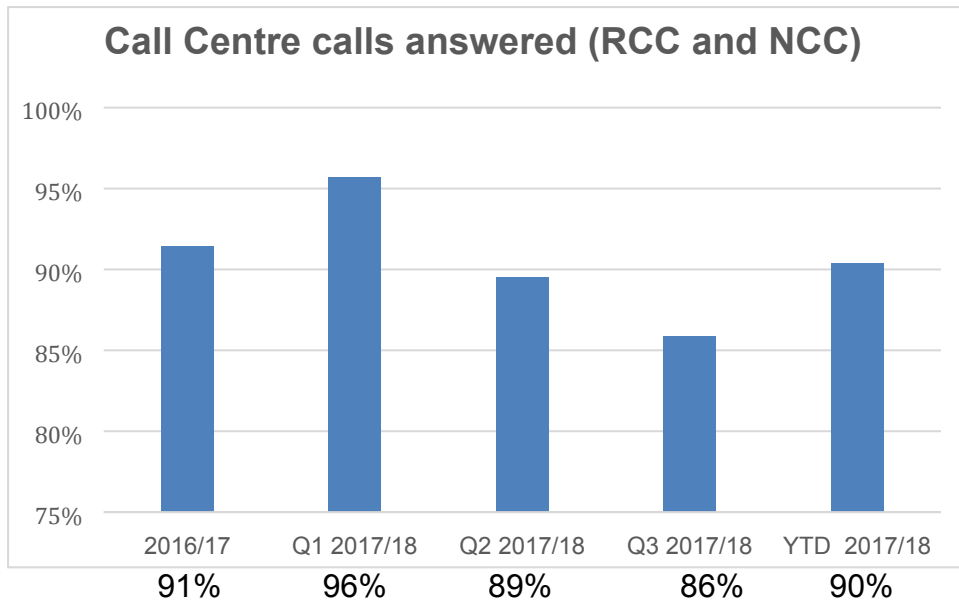


Whilst performance on the emergency and normal communal repairs has improved since 2016/17 this performance against this indicator has fallen slightly as a result of focussing resources on the those two areas.



Our performance on this indicator has fallen by nearly 20% since last year. Though the average time to complete lift repairs has fallen by an average of 6 days from 35 in 2016/17 to 29 so far this year. This is due to the difficulty obtaining parts for our aging lift stock. In order to improve performance in this critically important service, Housing Services is working in three areas:

- A business case has recently been approved to allow us to order in spares that have a lengthy lead time so that repairs to lifts can be carried out more quickly. This will be put in place through January/February 2018, with a possible stock holding value of up to £250,000
- There is a lift replacement programme covering 23 lifts in the 2018/19 year. The servicing regime is also being reviewed to better reflect the use /condition /service history of individual lifts
- Longer-term approaches to maintenance and replacement of lifts, including the procedures, processes and staffing resources required, will be considered as part of the Housing Services wider asset management strategy. This will take into account the outcome of a compliance review including lifts and other M&E services which is being carried out in January/February 2018.

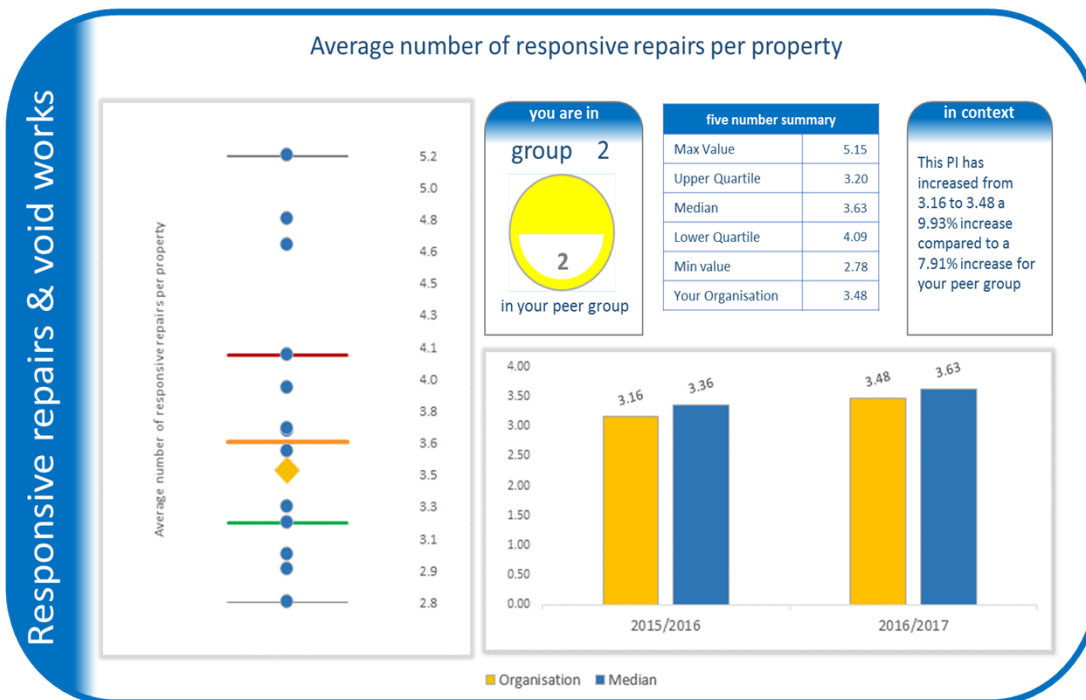


We have merged the call centre indicator to report on the performance of both the Repairs Contact Centre (RCC) and the Neighbourhood Call Centre (NCC). Performance against this indicator has dipped slightly with a reduction of 1% on our performance last year. This was particularly affected by staff shortages in the second half of 2017, coupled with the IT difficulties that required manual processes to be reintroduced for a significant period of time. Both of these issues have now been successfully addressed.

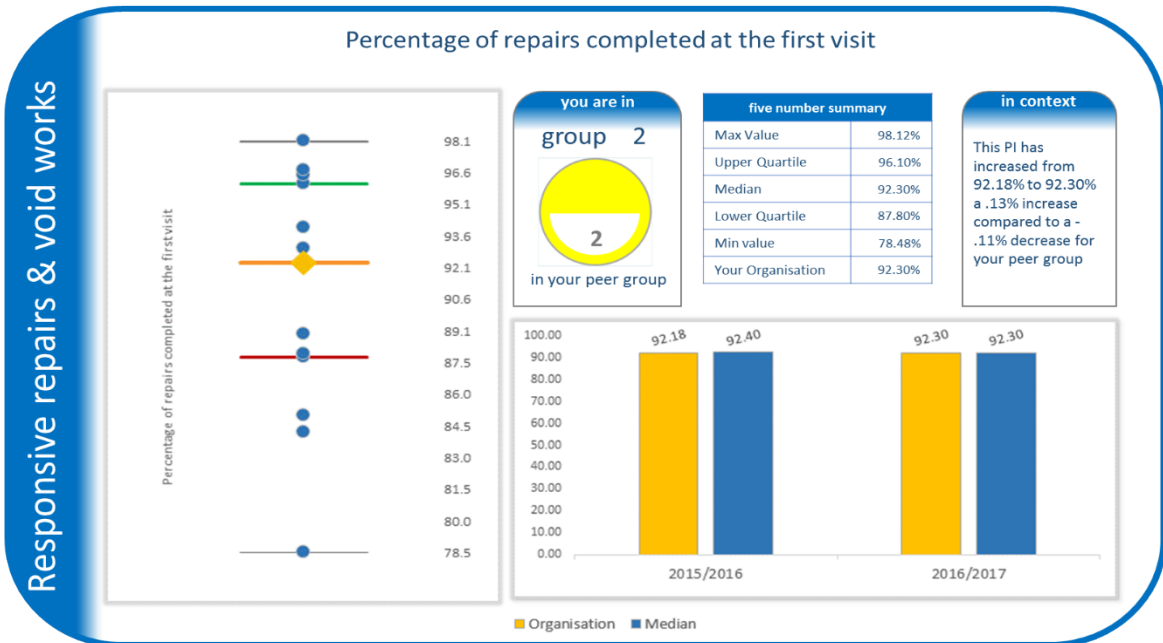
- 4.3 In terms of repairs performance year on year the indicators show a mixed picture. Performance is improving, albeit slowly, in areas of appointments kept but there is still some way to go for performance to be where we want it to be and our service improvement plan (Section 7) seeks to build on our improvements and address areas of non-achievement. Further indicators on the DLO and contractor performance is attached at Appendix 1

5. Benchmarking performance

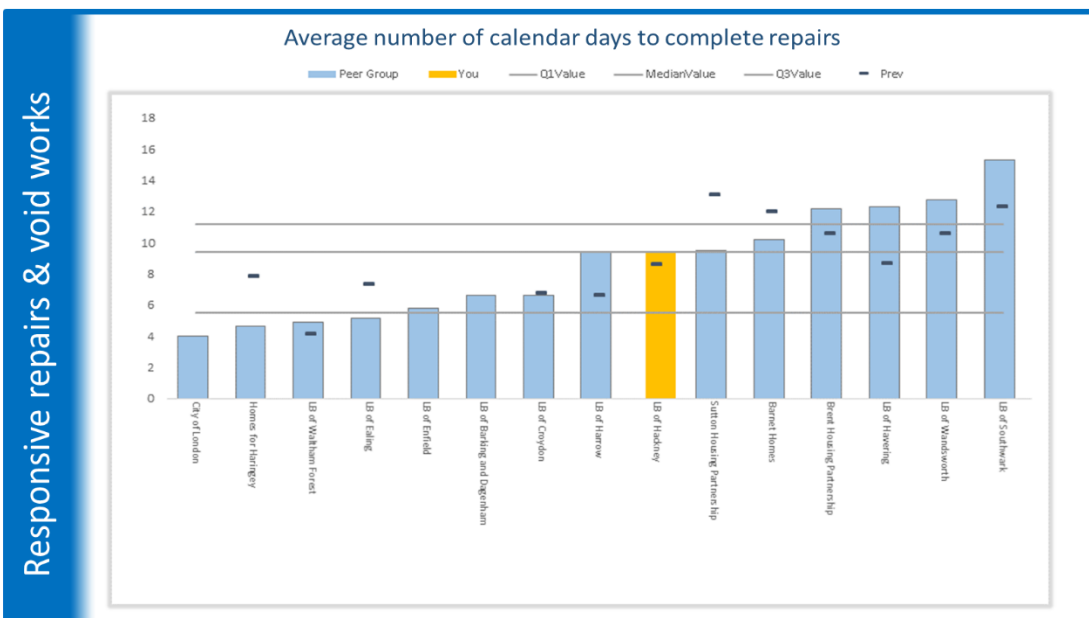
- 5.1 In addition to the local performance indicators outlined above, we routinely compare our performance against other Councils and Arm's Length Management Organisation (ALMOs) through a benchmarking club run by Housemark. This compares our repairs performance against 15 other landlords.
- 5.2 We benchmark many aspects of the Housing Management function and benchmark in some detail our repairs performance. We have selected a few of the key pieces of performance information below.



Our performance last year on average number of responsive repairs puts us in the upper quartile against the comparator group. We had an average of 3.48 responsive repairs per property in 2016/17 just below the median of 3.63. This performance could be reflective of the investment in our housing stock as part of the Decent Homes programme and, latterly, the Hackney Investment Programme.



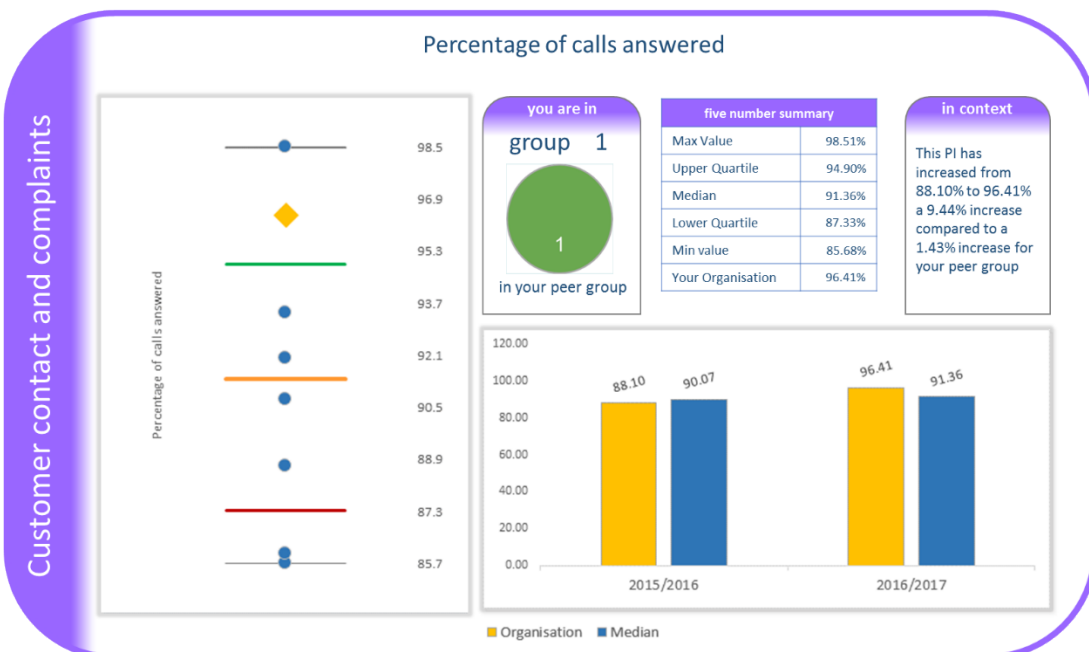
Our performance on repairs completed on the first visit is in line with the median of our comparator group.



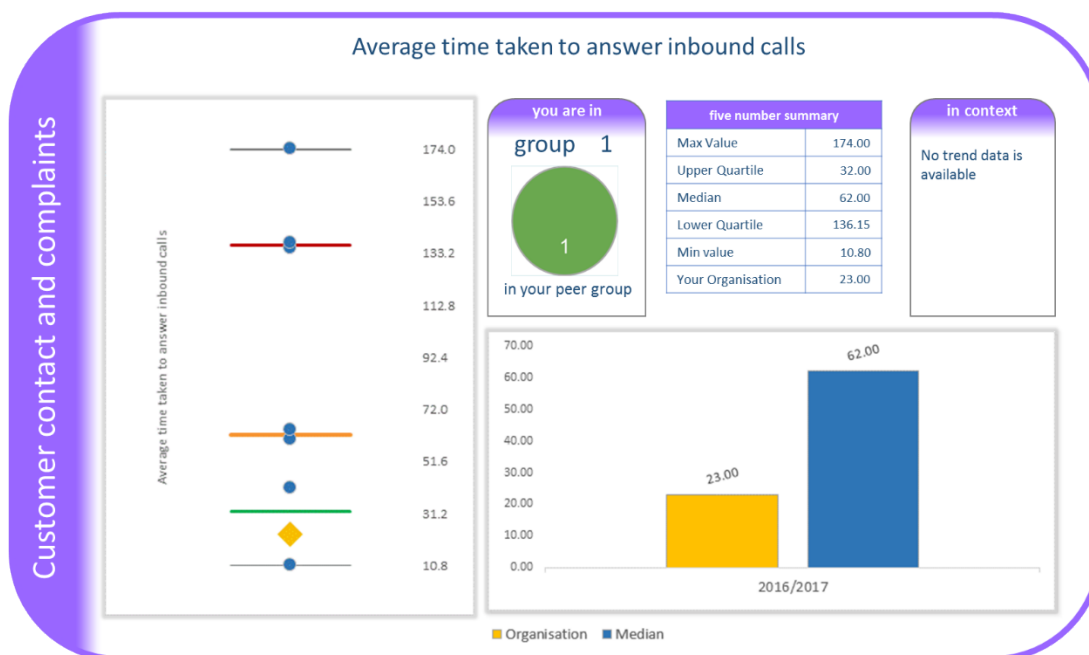
In 2016/17 on average we took on average 9.5 days to complete repairs which is just on the median performance with our comparators.



In terms of cost of responsive repairs and void works correlated with satisfaction, we are achieving median performance.



It is pleasing to note that our performance in 2016/17 is in the upper quartile of our comparators and although we have dipped slightly in this indicator this year we are still performing above the median.



Our performance on the time taken to answer inbound call in 2016/17 was in the upper quartile against our compactors.

6. Complaints

6.1 The table below shows the number of complaints about all aspects of responsive repairs received between 1 January 2017 and 31 December 2017.

SERVICE	NO OF REPAIRS	NO OF COMPLAINTS	DEALT WITH AT STAGE 1	DEALT WITH AT REVIEW	OMBUDSMAN
Contractors	9,893	299	291	6	2
In-house DLO	68,721	413	397	16	0
Totals	78,614	712	688	22	2
Percentage Complaints performance		0.9%	96.6%	3.1%	0.2%

6.2 The table above shows the number of complaints at each stage of the process, all residents are entitled to write to the Ombudsman. We receive less than 1% of complaints on our repairs service overall and we resolve over 96% of complaints at stage 1.

7. **Responsive Repairs Service Improvement Plan**

- 7.1 Housing Services has developed an ambitious programme of service improvement for the Repairs Service. The Building Maintenance Improvement and Development Project started in June 2017 with the aim of delivering an economic, efficient and effective repairs service, thus improving the repairs experience for Hackney residents. Key to this improvement is ensuring appointments are made and kept and, where possible, the repair is undertaken in one visit. Crucially residents must be kept informed about the progress of their repair or of the communal repair they have reported.
- 7.2 The scope of the project includes all teams related to the delivery and management of the repairs journey, including the 'in-house' Direct Labour Organisation (DLO); the existing repairs "client side" who manage the external contractors; repairs call centre (RCC); and the case management team. Relationships with other services that impact on the repairs journey, such as the work of the Property and Asset Management Team (PAM), are also in scope, an example being the contract administration and management of specialist term maintenance contracts in relation to communal electrics, heating and lift repairs.
- 7.3 The project builds on work that has previously been undertaken to strengthen repairs performance since the Housing Service moved back to the Council in April 2016. This has led to improvements in RCC response times, completions on first visit, and appointments made /kept. However, there continues to be high levels of repeat calls to the RCC, often due to weaknesses in the internal communications during the repairs journey, shortfalls in completing urgent /emergency jobs on time, and low levels of repairs satisfaction.
- 7.4 The project has highlighted six work streams that collectively form a project plan and are designed to improve the overall repairs service. These are as follows:
- **Promoting the 'in-house' service; the DLO** – it is proposed that the DLO could undertake work currently delivered by external contractors, with potential areas of expansion including domestic boiler installation replacements, painting and decoration, kitchen and bathroom replacement, and door entry. The performance of the DLO in relation to appointments kept and first time fixes is higher than external contractors and therefore expanding their work areas should support overall performance improvement. There is also scope to develop an offer for leaseholders. An incremental approach to growth will be developed, based on balancing capacity /capability, business growth potential, income generation and service quality.
(The Business plan will be signed-off by September 2018).
 - **Service restructure** – Housing Services have appointed a consultant to review the existing "client side" repairs structure and to recommend changes in regards reporting and way of working that will support our vision. This work is now producing recommendations in regards:

- (i) bringing the contractor /client side together to minimise duplication and ensure that the client function has the appropriate technical skills and expertise
- (ii) identifying areas where additional capacity /skills are required e.g. surveying
- (iii) reviewing the remit of, and relationship between, different teams and functions to promote effective work flows e.g. between the repairs call centre and job planning functions. This will support identifying the right operative attending to undertake the job first time
- (iv) identifying opportunities for employee development and local employment initiatives
- (v) changes to the structure will also align to the wider review of Housing Management and consider how contract administration can work more effectively where responsibilities are shared with Property and Asset Management

(The design of the new structure will be signed-off by April 2018; recruitment to be completed by October 2018).

- **Repairs journey** – this builds upon previous work which has already led to improvements in repairs call handling, appointments kept, and right first time delivery. It recognises that there remains scope to drive improvements in: tenant satisfaction with repairs reporting /repairs; response times to emergency/urgent jobs; avoidable contact; and, more generally, to ensure a stronger customer focus across the service. Work to address capacity, IT systems, and role clarity /responsibilities will support this work stream. There will also be an emphasis on tackling the smaller administrative issues which impact upon performance and customer perception e.g. failure to call back tenants, lack of up-to-date phone numbers, and incomplete job notes. **This work is now complete and will inform and drive other work streams**
- **Information Technology** – the roll-out of mobile working, where operatives receive job orders and visits directly to their phones, is now live with most DLO trades and the Surveying Team. This technology supports efficient working and automatic system updates enable the RCC to review progress in real time. It is anticipated the inclusion of the Surveying Team to mobile working will quickly improve the performance in regards appointments kept. This work stream is also focusing on the incorporation of separate system improvement initiatives such as reporting repairs on line, texts to remind customers of appointments, tracking repair arrival times and the offer of more online repairs advice. **The new on-line repairs function is expected to be launched in mid-February. Delivery of the customer relationship manager (CRM) tool for RCC is due at the end of February 2018. A presentation explaining the CRM system was made to the Living in Hackney Scrutiny Commission on 20 November 2017.**

- **Finance & Value for Money** – this work stream is exploring the opportunity to achieve financial savings through a combination of securing new business, spreading overheads, and /or increasing the competitiveness with the local construction and maintenance market. Potential for efficiencies will also be explored through work on the repairs journey and service re-structure.
Completion date July 2018
- **Accommodation** – to progress a relocation of the entire service to one location ensuring the service occupies accommodation better suited to its size and aspirations. This will also enable crucial co-location of functions that are currently in separate buildings such as the RCC, Planners, Case Management Team, Surveyors and the DLO
Depot design and strategy completion April 2018; relocation late 2019

7.5 Best Practice

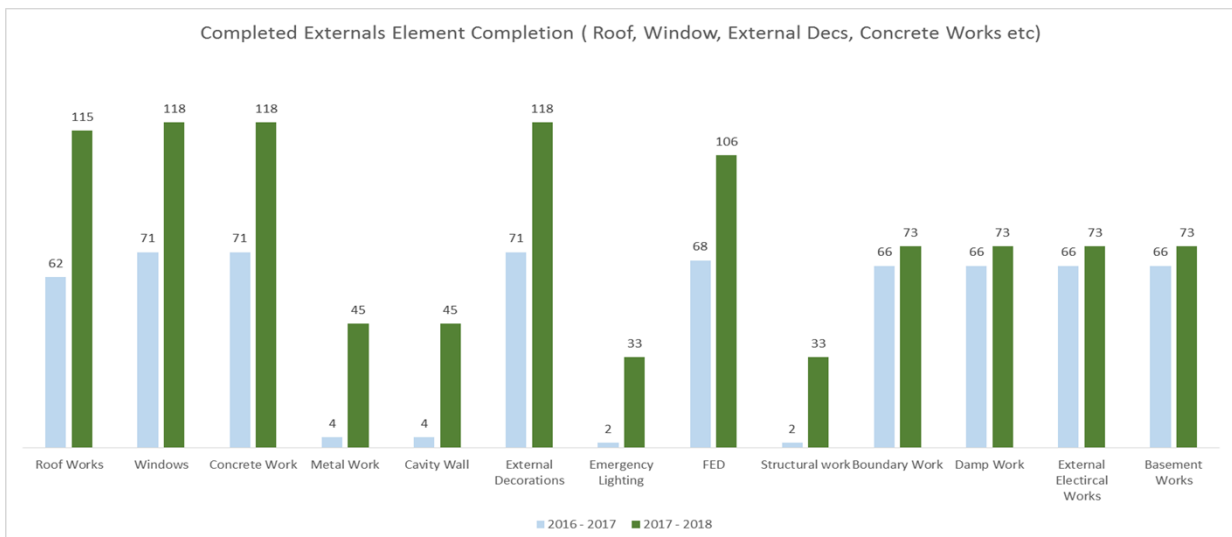
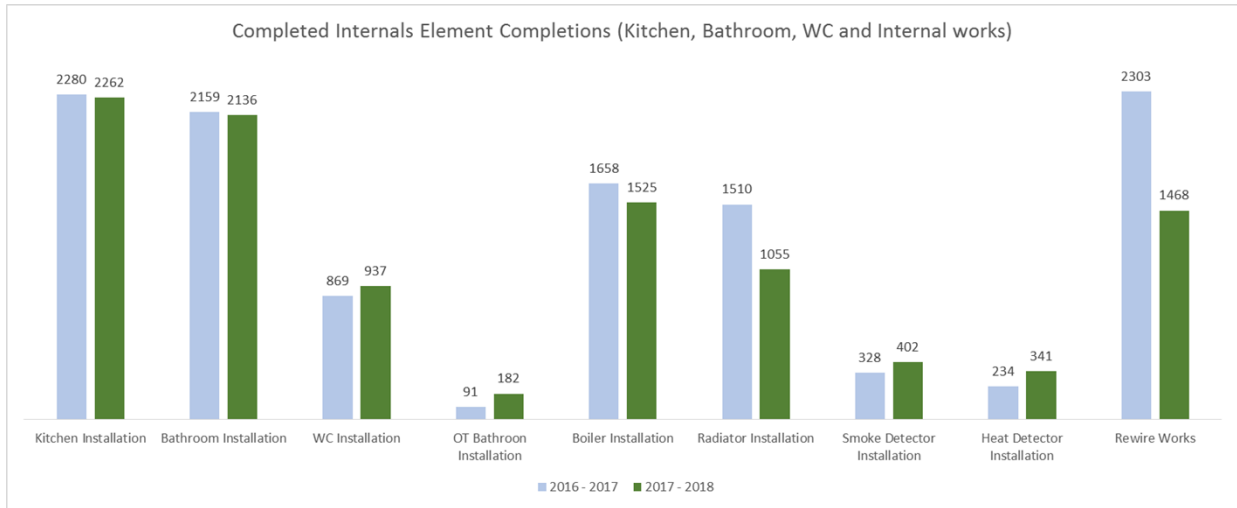
Hackney participates and take good practice from a number of respected sources:

- The Council is a member of AMIP Asset Management Improvement Partnership – benchmarking and good practice organisation.
- The Council is also a member of CiH, Housemark and the Housing Quality Network and benefits from their regular briefings on good practice drawn from across the social housing sector
- HQN in particular is a useful source of good practice, briefings, toolkits via its Asset Management Network.
- Housing Services are learning from Housemark’s DLO Business Transformation Project which looked at good practice around systems, performance, technology, customer experience, culture and leadership, and income generation across high performing organisations in a range of sectors.
- The DLO review group are also visiting some other DLOs with similar stock sizes/challenges to understand how they manage and deliver their work.
- External consultants, Pennington Choices, with experience of working across the housing sector have been appointed to help to develop our plans to strengthen our client side arrangements (restructure) and evaluate if our schedule of rates with the DLO / contactors offer the Council value for money.

8. **Planned Repairs and Maintenance (Major Works)**

- 8.1 Property Asset Management (PAM) is currently delivering the 2017/18 Major works programme.
- 8.2 The existing contracts that cover major housing repairs, maintenance and external decoration (called Contract 1) were approved for award at the Cabinet Procurement Committee (CPC) in March 2015. These contracts are with Wates, Keepmoat and Mulalley.
- 8.3 In principle these contracts are 'straight forward' design and build (D&B) partnering contracts. D&B incorporates the technical design and carrying out of the works to a good standard within budget.
- 8.4 A detailed discussion paper on Housing repairs and maintenance contracts was presented to the Living in Hackney Scrutiny Commission on 20 November 2017.
- 8.5 Contract 1 is the Council's primary supply chain for major planned repairs and maintenance. Each contractor delivers approximately £25m worth of major works within the annual programme. This includes internal works of kitchen and bathroom replacements and external works which include renewal of windows, roofs, repairs to brickwork and render and communal decoration projects.
- 8.6 The major works programme is agreed and set for the year ahead and planned in line with an age profile of the asset item, lifecycle and cost, and repair history. The information is gathered from both the Asset Management system, "Codeman" and the Council's housing management system "Universal Housing" for responsive repairs; as well as from continuous dialogue with the responsive repairs team working together to pool knowledge and experience of the property.
- 8.7 PAM also manages larger and at times more difficult projects where there are issues such as structural problems. The section manages and utilise a range of specialist skill sets such as asbestos management, structural engineers, party wall surveyors, and civil engineers. PAM is developing a Technical Centre of excellence with resources both internally and externally as appropriate, to support and assist with all departments and sections across the Hackney Property portfolio.
- 8.8 In addition to the Contract 1 work, the Council also has further contracts for specialist work (such as lifts, door entry, lightning protection, CCTV, electrical specialist works) called Contracts 2 to 9 – see appendix for a table of contracts. These were approved by the CPC in June 2015, with the exception of contract 4 (specialist electrical works) that was approved for award at CPC in June 2016 (following withdrawal of the previous contractor)

8.9 Data in the tables below illustrates the number of ‘completions per component’, ie how many jobs were done, in the planned programme 2016/17 and the number achieved to date (Jan 2018).



8.10 The emphasis this year on completions and ensuring the planned programme of works for this year is completed and the budget (£89M) spent. We are currently on target to achieve this outcome, hence the larger numbers of completions compared to last financial year when the proposed programme was not achieved.

8.11 We have re-introduced operational core group meetings with each contractor. These are now held regularly with project managers, operational manager and commercial manager in attendance enabling us to monitor operational and commercial performance more closely.

Scaffolding

8.12 PAM maintains a scaffold register which indicates the erection and striking of all scaffolds relating to major works. This records the relevant dates and is

monitored closely to ensure that upon completion and sign off of any major works the scaffold is struck and the contractor contacted to confirm this is in a timely manner. Hackney does not pay for any time for a scaffold once the work is signed off and the striking date has been confirmed.

Emergency response

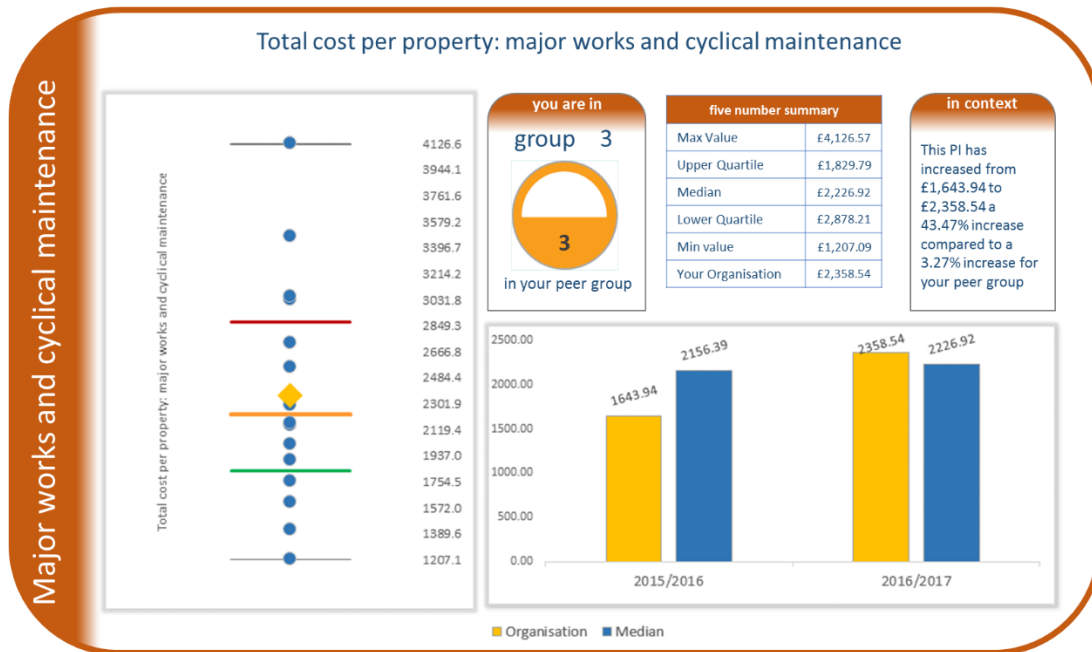
- 8.13 The out of hours/emergency team are first responder to any out of hours incident and as first responder manage the immediate situation on site. If the situation involves major works either in progress or if major works are required as a result of an incident, items such as brick fall or structural issues, then the major works team work closely with the out of hours team to implement support and actions required to remedy and resolve the situation through to full completion of any resulting works.

Working with and learning from others

- 8.14 PAM works closely with the Regeneration team on projects where major schemes are either planned or taking place. Currently PAM is assisting in the Nightingale Estate development and Kings Crescent project. Working closely with the Regeneration team helps deliver the cost effective regeneration of estates and provide more homes in Hackney. Previously we may have delivered major work programmes which whilst bringing improvement to the estates and to residents did not take the opportunity to directly address opportunities for further development.
- 8.15 Whilst there are localised contacts between individuals with other local authorities, where good practice and other information is shared, this does not have a formal platform for major works. Joint working groups operate on issues such as pollution and Fire Safety but not in relation to capital works. PAM is looking at the feasibility for the individual contacts to be developed and a more structured approach by all London Councils in relation to major works and capital programmes.

9. BENCHMARKING

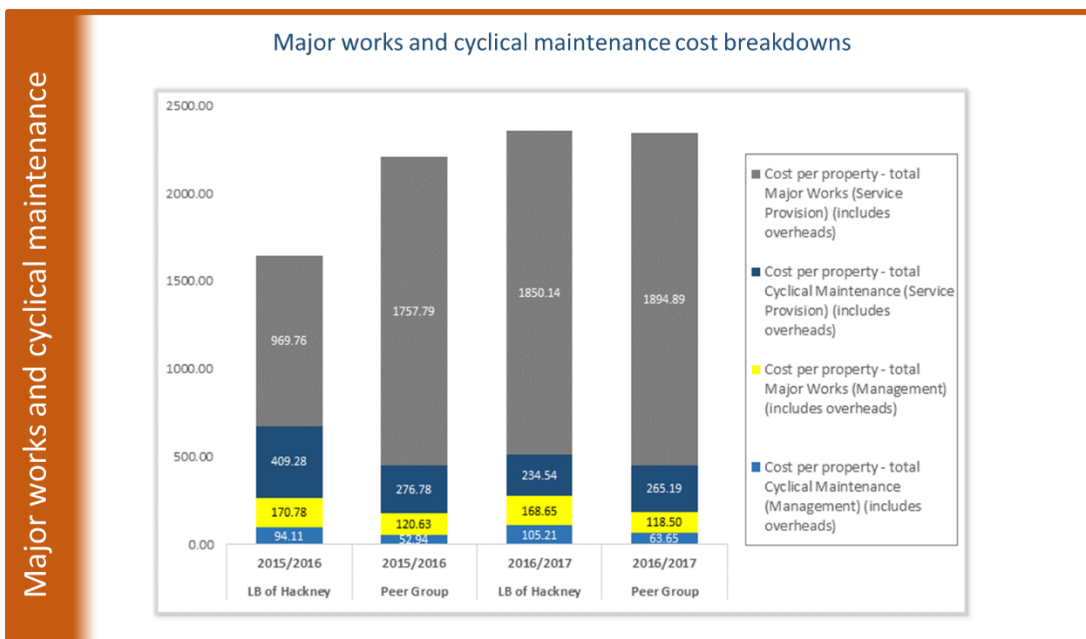
- 9.1 PAM also use the Housemark benchmarking service to compare primarily our spending on planned works, called major works by Housemark.



The major works that are referred to are described in this report as planned works

We are just above the lower quartile for the total cost per property on major works and cyclical maintenance, spending just over £130 per property more than the median. However, this may not be a poor performance as we may be investing in our stock than our peers because we have a more financially sustainable HRA.

The data collected through Housemark allow us to analyse further spending on Major works – the chart below breaks down spending further. It shows that our management overheads are higher than our comparators – this is an area for further investigation.



10. Complaints – Property and Asset Management

10.1 Below is a table showing the number of complaints received between 1 January 2017 and 31 December 2017 in regards to Property and Asset Management. This includes new kitchens and bathrooms, external refurbishments and wholesale lift and heating replacement.

NO OF COMPLAINTS	STAGE 1	REVIEW	OMBUDSMAN
198	188	7	3
Complaints performance	95.0%	3.5%	1.5%

10.2 The table shows the number of complaints at each stage of the process; the review age is where the Council receives an appeal lodged by the complainant in response to Hackney's initial reply and finally, if still not satisfied, the complainant can write to the Ombudsman. We are currently resolving 95% of complaints at Stage 1.

11. Approach to Monitoring Compliance and Quality of Work

The management of planned repairs and maintenance (major works) is closely monitored through a combination of in-house inspections and performance meetings with the contractors. The following bullet points summarise the main actions taken to ensure work meets the right standards of quality and compliance:

- The department has a set of Key Performance Indicators (KPIs), which are jointly reviewed with the contractors at quarterly Strategic Core and monthly Operational Core meetings
- Hackney Council's Contract Managers manage overall performance of the contractors in their area, monitoring site performance, quality, health and safety, and any specialist work
- Project Managers have day to day responsibility for the delivery of individual schemes.
- A recently centralised team of Clerk of Works has improved productivity and undertake a range of inspections which before, during and on completion of the works. Our gas inspectors inspect 100% of new gas installations
- A team of Quantity Surveyors ensure that we pay a fair and reasonable price in compliance with our contracts. This section establishes committed spend, agrees costings before entering into individual contracts, considers variations / final accounts and provides costs for the Section 20 leasehold consultation
- Resident Liaison Officers (RLOs) are employed by the contractors and the Council has Client officers who coordinate the RLO activities and act as an escalation point for resident issues and consultation.

12 Areas for Improvement

- 12.1 Several options for improvement are currently under consideration, such as introducing the maximum target price contract model (MTPC). The MTPC operates by way of agreeing a maximum overall budget. Whilst using any set of industry standard terms and conditions, a MTPC model would afford the Council the following benefits:-
- Contractor has an incentive to remain within budget and generate savings.
 - Officers have better visibility over, and control of, costs.
 - Restructure of the way in which preliminaries, overheads and profit are charged. These are to be included in the rates instead of being added on after the fact.
- 12.2 Addressing a contractual deficiency using a set of terms and conditions that has more 'teeth' should bring about improvements in terms of performance from the contractor (increasing the right first time quality aspect) and management from a client perspective.
- 12.3 In order to streamline the collection of inspection data on site, a web based solution is now available. This will allow the collection of some of the KPI information to be automatically uploaded into eContract. This is to be tested so as to consider how best to implement the system.
- 12.4 Resident feedback is important when seeking to establish customer satisfaction. At times residents may feel under pressure to provide positive Feedback because feedback forms are hand delivered by the contractors' resident liaison officers. The Freepost return of surveys is already in place

however, and the introduction of a web based solution is under consideration in order to ensure independent, uninfluenced resident feedback.

- 12.5 A corporate programme of contract management training is being rolled out across the Council. This will include a bespoke programme for officers in Housing Services to ensure that specific construction industry knowledge can be acquired. Alongside this work, a contract management system, which will allow for greater visibility of contracts performance by managers at various level, will also be implemented. This will ensure that real-time performance can be reviewed by officers without having to wait until poor performance issues are escalated to them.
- 12.6 Property Asset Management are working with the Housing Transformation team to establish a service improvement programme covering the above proposals and drawing on work from an earlier review of the Service carried out for the Council by the Housing Quality Network.
- 12.7 This programme will include work streams on developing the Councils Housing Asset strategy and action plan; improving engagement and consultation with residents; delivering a fit-for-purpose PAM workforce and structure; consideration of procurement options for the existing Contract 1 work (which is due in two years); data, property index, contract management procedure and other IT/digital initiatives; health and safety, especially fire safety, in conjunction with the recently appointed Head of Resident Safety.

13 Spend on Repairs and Maintenance.

- 13.1 The table below shows the revenue budget and spend on responsive and planned repairs

	2017-18		2016-17		
	Budget £000	Forecast £000	Budget £000	Outturn £000	% DLO
Responsive	12,105	12,785	12,065	12,422	47%
Planned/Servicing	13,480	11,437	14,613	7,710	67%
Total	25,585	24,222	26,678	20,132	
Planned as % of total	53%	47%	55%	38%	
Responsive as % of total	47%	53%	45%	62%	

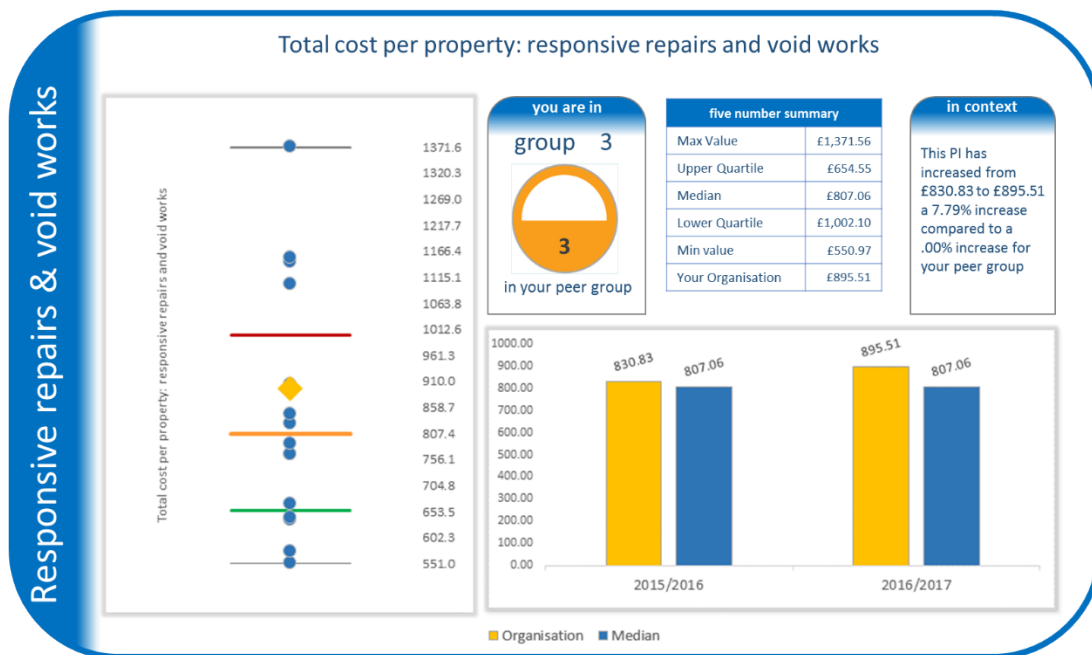
- 13.2 Currently we spend the majority of the revenue budget on responsive repairs; our forecast for this year is a 53% of the overall budget on responsive repairs. The aim of the service is to increase the proportion of spend on planned maintenance and ultimately achieve improved value for money.

13.3 It should be noted that the Council is projecting to spend £98.9m on major housing repairs and maintenance (the housing capital programme) for 17/18 compared to £59.3m outturn for 16/17.

13.4 The benchmarking undertaken through house mark give us useful cost comparators which enable us to make an assessment on whether the service is providing value for money. We have presented below an example of the type of information we obtain from the HouseMark data.

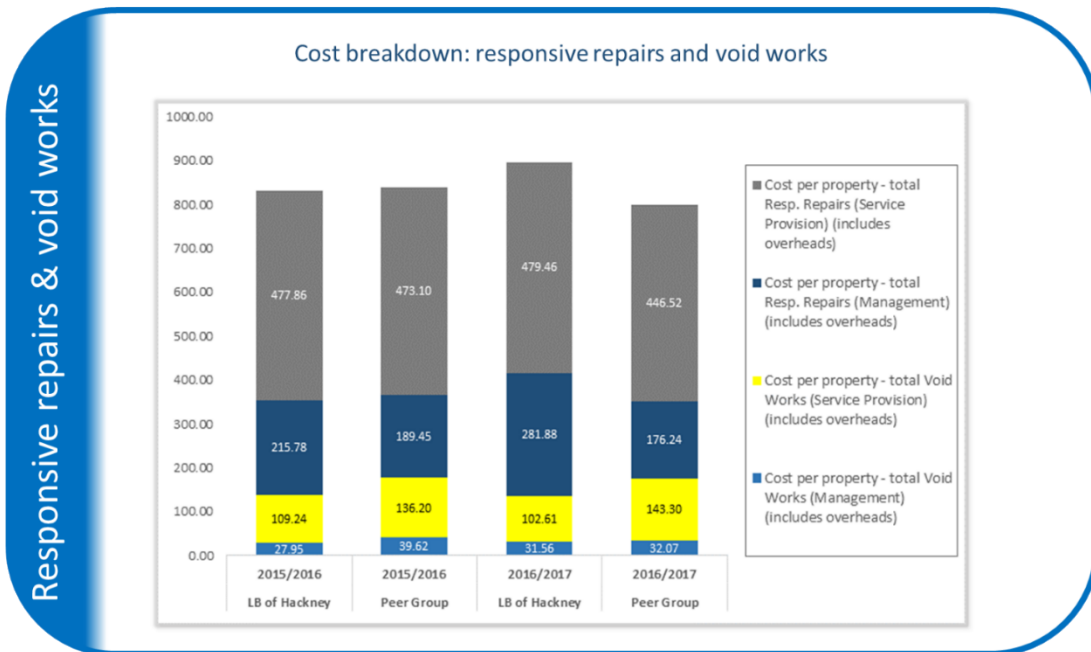
Core benchmarking data 2016/17

LB of Hackney



The Council's cost per property on responsive repairs and void works was £895 in 2016/17 which is above the median for the comparator group. This gives us an indication of whether we are providing value for money. The dataset can then be analysed still further - the table below gives us a breakdown of the total spend.

It can be used for management to review spend and inform the work of the finance and value for money workstream in the Repairs Service Improvement Plan.



13.5 The cost benchmarking information we obtain from the Housemark comparators will be used to improve the efficiency and value for money achieved from the repairs service and other aspects of the housing management service.

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