Initial Diagnostic Review of the Repairs and Maintenance Service

Report for Lancaster City Council

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1.0. Executive summary

1.1 In August 2015, the Council asked APSE to conduct an initial diagnostic exercise on its Housing Repairs & Maintenance Service (RMS), as part of the Council's overall follow up to its 2015 Peer Review.

1.2 The report below is the outcome of this initial diagnostic exercise, which involved 6 days' input by APSE, including:

- Benchmarking analysis via APSE Performance Networks

- Document review

- Diagnostic workshop with a cross-section of RMS, Housing, and Finance employees.

1.3 The purpose of this initial diagnostic work is to highlight areas that may usefully be followed up in more detail, to achieve service improvement, based on the evidence provided to APSE in the source material listed above.

1.4 APSE would like to thank the Council and its employees for their prompt responses to requests for information during this exercise.

1.5 The exercise focussed mainly on the core work of RMS's in-house team, Response repairs, including to void properties, mindful of the wider mixed economy of repairs provision in Lancaster, including Partner organisations, and externally procured works.

1.6 The exercise found:

- Timeliness of repairs is an issue, linked to capacity (i.e. size of the organisation) to deal with regularly recurring volumes of work.

- Overall value for money (for the whole service, in-house and partnered/externally procured) was currently uncertain, in the absence of up to date external benchmarking data.

- Some diseconomies of scale are inevitable, given the comparatively small scale of the Council's housing stock.

- Absence of up to date benchmarking extends beyond costs, to general indicators of performance/overall value for money. The main recommendation of this report is that the service engages actively in key external benchmarking networks, to sustain quality and value.

- Customer satisfaction with the service, although running at 76-90% depending on the method of measurement, appears to be starting to lag behind that of comparable Social Landlords.

- People–related indicators are very positive indeed. The service has the lowest rate of sickness absence, UK-wide, for 2013/14, the last year for which comparative figures are available.

- The service also scores highly on Quality Assurance and consultation factors.

- There is clear evidence of modern building maintenance management processes being adopted, e.g. mobile working, straight to site operation/vehicles home, etc. These measures help offset the diseconomies of scale, and the geographical dispersion of Housing stock issues that face the service.

- No significant work quality or safety issues were identified in the exercise.

- Diligent budget monitoring and housekeeping processes appear to be embedded in the service.

- A main finding of the exercise is that an unusually positive attitude exists, at all levels of the service, to embrace change, to address issues, and improve the service over time.

1.7 The recommendations of the report are included immediately below this executive summary, for ease of reference.

Recommendations

1.8 It is recommended that:

1.9 Key benchmarking network data, i.e. Performance Networks, House Mark, and, subject to Health & Housing service agreement, STAR reporting, be updated and submitted, **and this activity be included as a routine task in the service's annual work programme.**

1.10 As part of this process, an RMS representative attends **APSE's Performance Networks** Advisory Group for Building Maintenance, held seasonally in Manchester, on a routine basis, to share data issues, and current best practice with their peers.

1.11 **The service's overall costs be benchmarked against similar sized Social Landlords, ideally** including a basket of commonly recurring works.

1.12 Subject to the outcome of recommendations of 1.9 and 1.11 above, and any subsequent steps to address any immediate cost anomalies, consideration be given to up-scaling the level of in-house labour available to deal with day to day Response repairs, including to Void properties. Any up-scaling to be managed on a phased basis, and subject to operational trials, to minimise service risk.

1.13 The service aims to increase the number of works offered by appointment, both by its in-house teams, potentially augmented as above, and its Partner organisations and contractors/sub-contractors, against an ideal standard of all non-emergency works eventually being offered by appointment.

1.14 To support implementation of recommendation 1.13 above, **the service's existing** computer systems be refreshed in terms of data held and functionality, in particular the Repairs Finder component.

1.15 To support recommendations 1.13 and 1.14 above, appropriate levels of hand held technology be added to the services existing stock, and the users trained in their use.

1.16 Working Group(s) be set up to review the processes currently used to deliver Day to Day response repairs to tenanted properties and Voids, with a view to streamlining these

processes, and limiting inspections to those which add value and/or avoid problems downstream.

1.17 Other aspects of the overall Repairs and Maintenance service, e.g. Planned Works, Capital Works, Partnered, contracted out, and subcontracted operations be examined in similar vein to Response repairs including Voids, to ensure the Council attains optimum performance from RMS overall, to fulfil its role as an Ensuring Council to maximum effect.

2.0. Introduction/Purpose

2.1 Following a Peer Review of the Authority in 2015, and the local and general elections of May 2015, Lancaster City Council (the Council), as part of its follow up to the Peer Review, decided to look at how it could best direct, place, and structure its Council Housing Repairs and Maintenance Service (RMS), going forward.

2.2 To assist in initiating this process, the Council approached APSE, to provide an initial **external** 'critical friend' perspective on the service.

2.3 Following discussions and correspondence between APSE and the Council, it was agreed that APSE would undertake an initial short 'diagnostic' exercise, to begin to form an impartial view of the current status, and issues facing, the Repairs and Maintenance Service.

2.4 This report contains the findings of this initial diagnostic exercise, including a set of emerging recommendations for further follow up action.

2.5 Due to the limited nature of **this initial diagnostic exercise (6 days' input from APSE), the** focus has been on the in-house component of repairs delivery, centred on the traditional core work of Day to Day Response Repairs, Voids, and some planned schemes (funded from revenue and capital).

2.6 This initial diagnostic exercise has, however, remained mindful of the larger context within which repairs are delivered, including the repairs and improvements to the Council's housing stock delivered by Partner organisations (e.g. Forrest, Emcor, etc), and other external providers.

2.7 APSE is also mindful of the wider strategic context in which the Council is seeking to develop the quality of life within the district and the wider region, as an Ensuring Council, operating in an age of continuing austerity in local government, and the important contribution of housing repairs to this wider context.

2.8 The findings and emerging recommendations of this report are based on feedback from Council employees, primarily via:

- APSE Performance Networks (PN) returns for 2013/14, benchmarking the service **against other authorities' Repairs and Maintenance organisations. Comparisons are** drawn both with authorities of comparable size/nature, and all respondents, UK-wide.

- External benchmarking undertaken by the Council via the STAR reports, up to 2013, and associated House Mark data.

- Internal performance management data (e.g. costs, timeliness, quality, safety, workforce/HR, vehicle and customer satisfaction data), gathered by the Council as part of its normal day to day management of the service.

- A diagnostic workshop held on 5 October 2015 at Morecambe Town Hall, attended by a representative 'diagonal slice' of RMS and Housing employees, including managerial, technical, administrative, financial, and front line operational staff.

2.9 Feedback from Council employees to APSE's requests for data has been prompt and thorough. APSE would like to thank the Council and its employees for this as it has enabled this initial diagnostic exercise to form some clear findings and emerging recommendations for further action, within the required timescale.

2.10 Initial findings and emerging recommendations are contained in the report and Appendices below, and are summarised in the Executive Summary above.

3.0. Baseline: Current Scale and Context

3.1. Lancaster City Council's area includes a population of 138,000, distributed across the main urban areas of Lancaster, Morecambe/Heysham, and Carnforth, and outlying settlements in an extensive rural hinterland.

3.2. There are 58,000 households within the area, of which 3,783 are currently Council tenancies. These 3,783 Council tenancies are the remainder of an approximate 7,500 original Council properties, the balance routinely having been disposed of under Right to Buy legislation.

3.3. Council housing therefore currently accommodates approximately 6.5% of households, a comparatively small proportion for a north-west English district. This is reflected in the overall scale of the Repairs and Maintenance service.

3.4. The geographical spread of the district, and the comparatively small scale of the housing stock, generate some pressures and diseconomies of scale on the Repairs service, when seeking to achieve optimum efficiencies and value for money in its operations.

3.5. RMS operates out of a central depot at White Lund, shared with other operational services within the Environmental Services group (Waste Collection, Grounds Maintenance, etc.) There are sub-depots at York Road, Cedar Road, and Shakespeare Road, but in effect these consist of basic welfare facilities.

3.6. RMS are acutely aware of the diseconomies of scale and geographical dispersal challenges that they face, and have sought to counteract these by adopting modern building maintenance management processes, including 'direct to site' working, mobile computer controlled working using hand-held technology, and 'vehicles home' fleet management, where appropriate.

3.7. Within the Council, RMS operates within the Environmental Services service group, one of five main service groups reporting to the Council's Chief Executive, the others being Planning and Regeneration, Health and Housing, Governance, and Resources.

3.8. All former 'client' and 'contractor' roles for Housing repairs and maintenance are devolved to Environmental Services. The Health and Housing Service retains responsibility for all other aspects of Housing Management, the long term stewardship of the Council's residential properties, and the broader Housing provision within the district.

3.9. This is unusual, but officers and employees from both Environmental and Health & Housing service groups confirm this works well, in the post Compulsory Competitive Tendering era, on both the day to day operational, and longer term strategic levels. They confirm that this arrangement has been one of the drivers of service improvement in recent years.

3.10. 730 people are currently understood to work for the Council, of whom approximately 400 are employed by the Environmental Services group.

3.11. Of these, approximately 67 people are employed within RMS, broken down as follows:

- 4 Managers

- 4 Technical & Compliance Officers

- 4 Supervisors

- Inspectors

- 18 Joiners

- 9 Estates Stewards

- 6 Painters

- 5 Plumbers

- 5 Plasterers

- 5 Electricians

- Roofers

- 2 Labourers

3.12. A workforce of this scale is broadly commensurate with the level of works undertaken (see below). However, the small scale of operations, in particular in-house operations, inevitably imposes some abnormally high overhead costs on front line operations, even once these costs are correctly distributed across the totality of RMS's work streams.

RMS's annual budget expenditure is currently as follows, in headline terms:

Capital Programme   £4.8M

Planned Maintenance   £1.3M

Response Repairs	£3.0M
Civic & Insurance Works	£0.1M
Total:	£9.2M p.a.

Source: LCC 2014/15 out turn, rounded

3.13. Within these overall totals, RMS monitor a Management and Administration account (£900kpa), and an RMS Operating account (£2.4M), in order to ensure internal expenditure is controlled effectively through the year. The figures at 3.12 above include the appropriate recharges to and from internal accounts.

3.14. The £9.2M p.a. repairs expenditure is currently delivered under a 'mixed economy' model, key elements being broadly as follows:

Capital Programme (£4.8M)

Partners –Forrest	£2M p.a.	
- Emcor	£500k p.a.	(Gas Installations)
RMS In-house	£1.3-4M p.a.	(e.g. Kitchens/Bathrooms, Fencing, Adaptations)

All figures above include for materials, charged directly to capital account.

Planned Maintenance (£1.3M)

Partner-Emcor	£600k p.a. Gas servicing
RMS In-house	£200k p.a. (e.g. rota painting schemes)

Response Repairs (£3.0M)

In-house RMS	£1.3M p.a. (includes £400k In-house Voids)
Subcontracted Voids	£400k p.a.
Contracted Services	£600k p.a.

3.15. Thus in headline terms, of £9.2M expenditure, including £1.2M internal fees and recharges, approximately £3M p.a. including capital materials is undertaken in-house, the balance delivered by Partner organisations for regularly recurring works, external

contractors on a case by case basis, or subcontractors to the in-house team, to deal with peak workload and capacity issues.

4.0. Current Performance

4.1.   APSE has been able to form an overview of current performance based on a variety of empirical data sources. These include:

- APSE Performance Networks data return for 2013/14

- Lancaster City Council internal performance data

- STAR/House Mark reports to October 2013

- Feedback from a diagnostic workshop held in Morecambe with Council employees on 5 October 2015

4.2.   The data received from each source generally supports that received from the other sources, with no blatant contradictions of key indicators from one source to another. It is therefore possible for a view to be formed on current performance with a high degree of confidence in key reported indicators.

4.3.   These indicators have been shared with Council employees in the diagnostic workshop. A high degree of unanimity was achieved on the current status **of the service's** performance, and the issues arising from these indications. There was also a high level of appetite for change displayed within the workshop, aimed at improving the service for the future.

Performance Networks Data

4.4.   **The Council is a member of APSE's Performance Networks benchmarking for all its** services. Although in membership, no statistical return had been received for RMS. One of the preparatory actions for this diagnostic exercise was to return the questionnaire template for the service.

4.5.   This action was completed in August 2015, and has enabled APSE to compare the **Council's performance against other authorities**, across a suite of performance indicators for housing repairs and maintenance covering 2013/14, the last year for which comparative data is available, UK-wide.

4.6.   Data is currently being collected from across the UK for 2014/15, to allow these comparisons to be updated. One of the recommendations of this report is that RMS routinely return performance data to PN, and take an active part in the Advisory Groups of practitioners from other UK repairs services. These Advisory Groups take place in Manchester on a seasonal basis, to discuss the implications of the data, and share solutions to issues arising.

4.7. The data PN collects has been suggested and agreed by practitioners across the UK via the Advisory Groups, to allow for like for like comparison of highly relevant data from services nationwide.

4.8. Comparisons of performance are drawn against two sets of other authorities. Firstly, a Family Group of similar authorities (e.g. small district Councils with similar housing stock), and more widely against all responding services, UK-wide.

4.9. Where there are sufficient respondents, authorities are ranked within quartiles, i.e. the top 25% of authorities are in Quartile 1, etc. Average and upper quartile threshold scores are also indicated.

4.10. The full set of indicators for RMS in 2013/14 is included at Appendix 1, for ease of reference. However, for the purposes of this exercise and report, the most relevant indicators are set out immediately below.

4.11. Performance Networks is aimed at improving performance over time, by identifying areas of good and not so good performance within authorities, sharing experience of resolving problems, and implementing best practice.

Key PN Performance Indicators for RMS, 2013/14

KPI	Result	Family Group Ranking	Overall Ranking
Jobs carried out by appointment (PI 1 01a)	13%	6/6	22/22 Quartile 4
Void turnaround time (PI 20b) Shows time keys with contractor for repair	34 days	7/8	16/18 Quartile 4
Time to complete a routine repair (PI 24)	12 days	7/10	18/27 Quartile 3
The above indicators imply timeliness of completion of work is an issue.			
KPI	Result	Family Group Ranking	Overall Ranking
Value of Work per FTE (PI 10)	£46,437pa	7/7	25/25 Quartile 4
Productive Labour Costs as % of Total Labour Cost (PI 08a)	60.73%	10/11	30/34

			Quartile 4
Average number of jobs completed per FTE **(PI's 12 a, 12c)**	190(day2day) 257 (all)	3/5 5/6	8/15 13/18 Quartiles 2 and 3

These indicators imply that productivity may be an issue. Please note PI 10 (Value of Work) is influenced by the price charged by RMS, i.e. low cost work means low income return, but potentially better value to service users in cost terms. (See KPMG/NSOR below)

KPI	Result	Family Group Ranking	Overall Ranking
Sickness absence (all staff) (PI 29a)	0.88%	1/9	1/23 Best in UK, bar none
Quality Assurance Processes and Consultation (PI 17)	123 out of 150 maximum	2/13	4/36 Top Quartile
HR Processes (PI 19)	16 out of 100 maximum	6/12	25/35 Scoring is heavily weighted towards formal processes (e.g. IIP accreditation, appraisal schemes, NVQs etc), which tends to favour larger authorities/services, so the Family Group ranking is particularly relevant here.

These indicators imply that RMS has the culture and organisation to enable it to tackle issues in need of addressing. The sickness absence levels are considered particularly encouraging. This indicator usually reveals as much about the culture of the organisation, and the commitment of its employees as it does about health issues.

An anomalous indicator in this respect is PI 18 (Staff training days). At 0.04 days per employee per year this does not fully fit with feedback from the workshop, and may need further validation.

KPI	Result	Family Group Ranking	Overall Ranking

Vehicle costs (PI 07b)	£2,859pa, per vehicle	1/6	2/24 Top Quartile
Vehicles per employee (PI 06a)	1.08	3/6	20/24

These indicators imply RMS achieves good value/cost control from its vehicles. The Family Group ranking (3/6) for the number of vehicles per employee is the more relevant measure here, in view of the scale of the service. However, as part of the general development of the service, RMS should consider its fleet profile needs, in the light of overall future service delivery plans.

KPI	Result	Family Group Ranking	Overall Ranking
Customer Satisfaction (PI 37)	90.37%	4/6	15/17

The ranking for Customer Satisfaction is supported by other data, especially via the STAR reports, and was explored within the workshop (see below).

4.12. Issues emerging from the PN data, particularly those of timeliness, productivity, and customer satisfaction have been cross referenced with other data sources, and explored within the workshop as part of the diagnostic exercise.

Lancaster City Council Internal Performance Data

4.13. RMS monitors its operations against key indices of performance e. g:

- Timeliness

- Quality, including safety

- Cost

- Customer satisfaction

4.14. These are monitored on a routine basis, as part of the day-to-day management of the service. These data are summarised into reports/budget monitoring documents, etc, at appropriate intervals.

4.15. No significant work quality or safety issues were identified in the data presented to APSE. This included externally benchmarked (Performance Network and STAR/ House Mark) data on Quality Assurance processes and customer feedback on work quality.

4.16. From the budget monitoring data presented to APSE, costs are understood to be effectively monitored and controlled. Out turn budgets for 2014/15 routinely completed closely within estimates, for both capital and revenue expenditure, on a detailed level within the key budget headings. The only significant area of

under/overspending noted for 2014/15 was an underspend of £124k within Planned Maintenance, 9% of the £1.4M annual budget. Response repairs out turned at £65k (2%) below its £3M annual budget, and the Capital Programme out turned £152k under its £4.9M revised annual estimate (Source: LCC 2014/15 out turn).

4.17. Benchmarking data presented to APSE on costs is limited, with some historic data on comparisons of baskets of commonly recurring work (KPMG study, 2006, see below) and Performance Networks data on Vehicle and Productive Labour costs (see above.)

4.18. RMS are understood to be awarded Response Repairs works, and to submit priced bids for planned works funded from revenue and capital sources. Partner organisations are understood to have been the subject of a market testing exercise. Contractors and sub-contractors are understood to be subject to individual priced bids, including, e.g. annual tenders for periodic electrical testing.

4.19. One of the recommendations of this report is that regular benchmarking is undertaken by RMS. This should include costs, where feasible, e. g. via an update of the NSOR (H) basket of work exercise.

4.20. Customer satisfaction feedback is recorded by RMS on a routine basis, and yields a satisfaction ratio e.g. of 90.37% for the Performance Network return covering 2013/14. Customer satisfaction levels are benchmarked against other authorities both in Performance Networks (see above), and within the STAR/House Mark reports, where customer satisfaction is analysed in detail (see below).

4.21. Timeliness of works presents the most significant issue arising **from RMS's own** performance monitoring data, which is up to date, including 2014/15 out turn performance, and seasonal and year to year trends, for both Voids and repairs to tenanted properties.

4.22. The key performance monitoring document is included at Appendix 2 for ease of reference, but key trends can be summarised immediately below:

Repair Category

(% in Target Time):	2013/14	2014/15
Emergencies	98.29	95.57
Urgent	80.48	74.9
Routine	86.17	84.41
Gas Certificates	98.61	99.6
Overall	90.16	87.69

4.23. Thus, all categories of reactive repairs, bar gas safety certificates, delivered via Partner organisation Emcor, can be seen to be deteriorating, in terms of timeliness, year to year, from 2013/14 to 2014/15.

4.24. The overall effect of this trend is to move the average end to end time for all reactive repairs from 9.9 days in 2013/14, to 15.26 days in 2014/15. (Source: RMS Performance Monitoring, see Appendix 2).

4.25. RMS Performance data supports that from APSE Performance Networks and STAR/House Mark benchmarking, that timeliness is an issue to be addressed within the service.

STAR/House Mark Reports

4.26. APSE were provided with reports written for the Council on an annual basis, entitled STAR reports. These reports fed back on detailed research on performance of the **Council's Housing functio**n, as a Social Housing landlord. This included the repairs component of the service, and customer satisfaction with that aspect of the service, among others. STAR reports include reference to external benchmarking, including via House Mark data, with other Social Housing landlords, nationally, regionally, and/or of similar size.

4.27. The latest STAR report provided to APSE was dated October 2013. Its findings support those from Performance Networks and internal LCC/RMS performance data. The STAR findings also align with feedback from service employees within the diagnostic workshop event (see below).

4.28. In summary, key findings from the October 2013 STAR report, concerning customer satisfaction with the repairs service are as follows:

% of Respondents Satisfied:	LCC	Median	Lower Quartile
(All Social Landlords)	76%	79%	72%
(North West)	76%	83%	77%
(Small/under 5k properties)	76%	80%	72%

4.29. Thus, it can be seen that although customer satisfaction levels show more than three out of four tenants are satisfied with their repairs service, this compares unfavourably with all other social landlords responding (141 in number), those in North West England (42) ,and comparably small in size (52).

(Source; STAR Report, October 2013, pages 74-6)

4.30. STAR drill down into the components of customer satisfaction with the repairs service, and year to year trends within these. Key findings include:

(% Satisfaction)	2012	2013
Speed of completion	88%	82%
Overall quality of work	87%	83%
Ability to make appointment	82%	81%

Right 1st Time	78%	78%
Time taken to start work	77%	74%

4.31. Thus, speed of completion shows the most marked year to year decline in key components of customer satisfaction.

(Source: STAR Report, October 2013, page 71)

Historic KPMG Data

4.32. One of the background documents shared with APSE was a report commissioned from KPMG in 2006, when the Council was appraising its options for the future delivery of Housing Repairs in Lancaster.

4.33. That report makes a range of recommendations, and these are reflected in the current overall profile of the service (mixed economy of delivery, partner organisations, etc.)

4.34. The KPMG report is the only information APSE have been able to refer to that compares **RMS's overall costs** with externally benchmarked comparator Social Landlords, **principally via the National Housing Federation's** 'Checkmate' basket of commonly occurring works. The comparison is drawn using the then current National Schedule of Rates (NSOR (H)).

4.35. KPMG correctly raise a number of significant technical caveats, e.g. RMS were only able to price a proportion (just over half by number, 29%-69% by value, Voids and tenanted properties respectively) of rates, and the basket of work was based on National Federation Checkmate frequencies. The data is also effectively ten years old.

4.36. However, the KPMG data, with all its caveats, did indicate a historic level of low cost/pricing in the delivery of repairs in Lancaster at that time. This is the most up to date externally benchmarked overall cost comparison APSE has seen to date for RMS, and thus is included here, as a reference point.

4.37. KPMG/NSOR (H) 2006 research indicated RMS costs of 86.16% of the average of all other **respondents' costs for Response repairs, and 79.57% for Voids, i.e. 14**-20% below average, respectively, for Response repairs and Voids.

4.38. Clearly, this information is now out of date, and even at the time was subject to correctly highlighted caveats from KPMG. Unless costs have moved significantly since 2006 compared to other landlords, and/or the technical caveats distort the comparison on further investigation, the indication would appear to be of a low cost service, compared to similar Social landlords. However, in default of more up to date or refined information, this finding is included for reference.

(Source: KPMG Study, Draft Final Report, Slide 12)

4.39. **If (a big** 'if', based on current data) this is the case, the comparatively low value of work generated annually per employee referred to in the Performance Networks return would be at least partially explained (see paragraph 3.11.etc., above).

4.40. Because of the importance of cost, and the absence/unreliability of data seen to date by APSE, it is recommended that future enhanced benchmarking includes the element of cost, where feasible.

5.0. Diagnostic Workshop, 5 October 2015

5.1. Diagnostic workshops **are at the heart of APSE Solutions' process for establishing the** current status of services, the issues confronting them, and developing feasible proposals to address these issues, and improve services.

5.2. A diagnostic workshop was held at Morecambe Town Hall on 5 October 2015, aimed at:

- Agreeing current status of the service in overview terms, and validating data already received

- Understanding the issues currently facing the service

- Challenging some aspects of current practice, based on national best practice and comparative data

- Generating initial ideas for future actions to improve the service that could be owned, and feasibly delivered, by those responsible for it.

5.3. The event was well attended, with a cross section of the service present, along with representatives of Housing, Finance, and Organisational Development functions. Attendees took an active part in proceedings, and displayed a very positive attitude to potential improvement actions. **A list of attendees and the day's agenda** are included in the Appendices for ease of reference.

5.4. In terms of assessing current performance, attendees carried out a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats), for both the Council as a whole, and RMS in particular, the results of which are summarised immediately below.

5.5. Throughout the event, attendees split into two groups to discuss agenda items and propose potential actions. There were no significant differences of opinion between groups as to current status or proposed actions, and assessments of current status from attendees broadly fitted with findings from external performance data.

5.6. Attendees had been generally unaware of the comparative position with other Social Landlords, particularly on customer satisfaction, but had understood the timeliness issue within the customer satisfaction element.

SWOT Analysis: Lancaster City Council

Strengths:

- Well run

- Makes good use of assets/attributes

- Service delivery

- Workforce

Weaknesses:

- **Don't celebrate success/blow own trumpet**

- Staff turnover, in recent years

- Geographically scattered district

- Communications from the top, sometimes

- Some resistance to change, from some Members

- New building

- Low pay area

Opportunities:

- New elected Members with new ideas

- New methods potentially available

- Tourism/development

- Environment

- Living Wage

- Population growth/attractive area

Threats:

- Austerity

- Government cuts

- Selling Council houses

- Housing Associations/Competing for staff

SWOT Analysis: RMS

Strengths:

- Service delivery

- Positive attitude

- Workforce resilience

- Reliable source of core rental income

- HR/people issues dealt with well

- Price/cost good one. g. kitchens/planned work

- Safety

- Customer satisfaction (bar timescales)

Weaknesses:

- Repeated need for savings/reorganisations distracts/destabilises service

- In-house capacity for volume of available work

- Timeliness

- Capacity for developing service

- Ageing housing stock

- Some silo working

- Staff retention

- Training

- Pay rates

- Competitive intelligence/benchmarking

Opportunities:

- Supportive employer

- Appetite of employer and workforce for change

- More mobile working

- Reviewing vehicle allowances

- Re-evaluating working patterns

- Employ more staff to deliver consistently available work

- Train apprentices

- Partnership working with e.g. Housing Associations & Schools

- External commercial opportunities

- Enhanced data collection and use.

Threats:

- National government agenda (austerity, cuts, Local Government policy, Council rent directives)

- Pay rates in market place

- Competitors

Process 'Walk Through'

5.7.   Attendees carried out a Process 'walk through' of two main aspects of core in-house repairs delivery, namely:

- Day to day response repairs

- Voids

5.8.   The walk through was aimed at understanding the current processes, highlighting main current difficulties in completing work efficiently, and beginning to consider potential remedies for these, within the time available on the day. The main issues and potential remedies   identified   on   the   day   are   summarised   immediately   below.

5.9.

<u>Day to Day Response Repairs:</u>

Issues	Potential Remedies?
Appointment availability finite	Increase capacity (workforce) Update database, and repairs finder software Aim for 100% appointments, bar emergencies
Materials availability	Pre-inspector order materials and measure Carry more stock Standardise where feasible
Access	More appointments Text reminders Update database (phone numbers)
Data	Refresh database/SOR Implement Repair Finder software
Excessive links in process	Review inspection regime, to minimise steps to those which add value/pre-empt difficulty down stream
Deployment of workforce geographically, day to day.	More appointments Update database and software Repairs Finder software More hand held technology Increase workforce/capacity

<u>Voids:</u>

Issues	Potential Remedies?
Capacity (peaks and troughs) Currently raid Day-to-Day workforce	Increase capacity/workforce to predictable levels (9-10 per week average)

	Sub-contract genuine peaks and specialisms
Capacity (steady state)	Increase capacity/workforce to predictable levels (9-10 per week average)
Excessive surveys? (Housing, RMS, Electrical, Gas, Asbestos, Sign off)	Review inspection regime to minimise to surveys that add value/pre-empt problems downstream.
Paper based control system	Computerise
Access/tenant related issues	Estates Stewards in place. Front-end inspections as feasible. Recharge tenants for damage.

5.10. In summary, the workshop was able to:

- Validate key data provided on current status and performance

- Receive data on benchmarking, especially on customer satisfaction and timeliness

- Identify key issues

- Begin to suggest potential remedies.

5.11. The most encouraging aspect of the event was the clear readiness of the group to embrace change to improve the service. This is in keeping with data received in advance of the event, including Performance Networks data on Quality Assurance and HR/People issues. This readiness for change is not always present in every authority, on some of the key issues faced.

5.12. The workshop has clarified the issues facing the service in regard to its core in-house business, and how that fits into the bigger picture of the mixed economy of Housing repairs in Lancaster.

5.13. These issues, and emerging recommendations for follow-up actions are summarised below.

6.0. Findings

6.1. From the information provided by Council employees it is possible to form some clear findings on the current status of the service, and the issues now facing it. From this

understanding, some logical follow up actions begin to emerge. These are referred to here, and within the recommendations of this report.

6.2. There are still some 'known unknowns' concerning the service, in particular the benchmarked level of overall cost, and those areas of the service that this initial exercise has not yet been able to consider in any detail (e.g. Planned Works, works delivered by Partner organisations and contractors/sub-contractors). However, it is possible to begin to recommend a course of action to address issues now identified, and ensure any remaining issues are considered appropriately.

Key issues identified from the diagnostic exercise:

6.3. There is an issue with the timeliness of Response repairs, both in terms of reactive repairs to tenanted properties, and Voids.

6.4. The timeliness of Response repairs (and many others of the issues identified in this initial study) traces back to the capacity (i.e. size) of the in-house workforce to deal with this, and other key issues.

6.5. Overall value for money is currently uncertain, mainly as a result of lack of data to date on benchmarked costs.

6.6. Financial monitoring and day to day use of resources (employees, vehicles and plant, materials) appear to be diligent in pursuit of the best value available from these resources. This is borne out in some specific areas by the available empirical data, e.g. the low cost of vehicles.

6.7. However, the service necessarily suffers from some diseconomies of scale. These trace **ultimately to the comparatively small scale of the Council's Hous**ing stock, at c 3,783 dwellings, or 6.5% of residential properties, in a geographically wide-ranging district.

6.8. Some of these diseconomies of scale will remain with the Council/RMS, whatever steps it takes to deal with identified issues, simply as a result of the scale and dispersion of its Housing stock.

6.9. However, this Housing stock remains a key element in local housing provision, and there are a number of steps the service can take, to ensure it maximises the effectiveness of its resources, both in terms of in-house delivery, and procured services, within the local 'mixed economy' of overall repairs provision.

6.10. At present there is a lack of up to date benchmarking of key aspects of service delivery. This is understandable, in view of the limited resources available to the service, resulting from its comparatively small overall scale. However, this small scale in itself magnifies the need for the service to understand its current status and performance, especially when compared to similar, smaller scale Social Landlords.

6.11. There is currently a lack of up to date benchmarking data on key elements of service, including:

- Costs

- Quality

- Safety

- Timeliness

- Customer satisfaction

6.12. This data will enable the service to understand its current strengths and weaknesses, and allow it to make informed decisions on actions it may or may not consider cost effective to take, to correct deficiencies, and/or develop the service.

6.13. An example of this would be customer satisfaction. Returns for 2013/14, the latest seen by APSE, indicate customer satisfaction levels of 90.37%, as measured against Performance Networks criteria.

6.14. Customer satisfaction levels of 90.37% would be the envy of many service organisations. However, benchmarking against similar landlords/repairs providers indicates this level is below average (92.1%) for 2013/14, and historic data indicates customer dissatisfaction to be increasing, in particular with the timeliness of repairs.

6.15. Understanding these like-for-like comparisons and trends in near real time will allow the service to address issues promptly, as far as resources and priorities allow. It should be noted that the service may legitimately consider that significant improvements (e.g. to best in class levels of satisfaction, or any other performance indicator) are not worth the additional resources required to deliver that level of improvement. The key is, that the service understands it's up to date position, and can make informed choices on priorities, with all key stakeholders in the service.

6.16. The service appears to have all the information, systems, and skills available to routinely participate in key benchmarking networks. It is understood that there are pressures on all staff members' time, but developing a routine approach to participating in these networks is considered cost effective in terms of return on staff time invested.

6.17. Quality and safety of work, including that of partner organisations, e.g. Emcor, appears to be satisfactory or better, from available data.

6.18. A key finding of this exercise is that a very positive attitude exists at all levels of the service towards the need to embrace change to improve the service. This level of engagement is unusually high in this service.

6.19. This finding is borne out by empirical data including very low levels of absenteeism, good quality assurance and consultation procedures, and HR/people management processes.

6.20. Lancaster's RMS has modern working practices e.g. salaried trades, mobile working, hand held technology, straight to site operation, vehicles home, etc., already in place.

This baseline, coupled with the well evidenced appetite for positive change, should enable the service to tackle the issues before it, to maximise its potential, and the value for money it delivers to its customers.

6.21. A series of action centred recommendations are included below, to follow up these initial findings.

7.0. Conclusion

7.1. **Lancaster's Repairs and Maintenance Service delivers a key service to its core customers, the district's almost 3,800 Council tenants and their families.** The service faces a number of challenges, primarily relating to the comparatively small scale of the Housing stock, distributed across the wide geographical spread of the district.

7.2. The main issues facing the service appear to be the timely delivery of day to day repairs, including to Void properties, and the potential diseconomies of its small scale. There is also an issue of lack of up to date benchmarking of key service data with comparable small Social Landlords.

7.3. Despite its small size, the service has all the elements in place to deliver a modern, value for money repairs service. These include modern working methods, computer and other management systems, vehicle fleet, and depot arrangements, operating in a mixed economy of in-house, partnered, and externally procured service delivery.

7.4. Alongside these, the key element evidenced in this diagnostic exercise is an appetite **within the service's employees, at all levels, to embrace change to deal with issues and improve the service.**

7.5. APSE has no doubt that the service is capable of addressing the issues it faces, to optimise the value for money it offers tenants, and develop the service in future.

7.6. To begin to do so, a series of action centred recommendations are set out below.

8.0. Recommendations

8.1. It is recommended that:

8.2. Key benchmarking network data, i.e. Performance Networks, House Mark, and, subject to Health & Housing service agreement, STAR reporting, be updated and submitted, **and this activity be included as a routine task in the service's annual work programme.**

8.3. As part of this process, an RMS representative attends **APSE's Performance Networks** Advisory Group for Building Maintenance, held seasonally in Manchester, on a routine **basis, to share data issues, and current best practice with employees' peers.**

8.4. **The service's overall co**sts be benchmarked against similar sized Social Landlords, ideally including a basket of commonly recurring works.

8.5. Subject to the outcome of recommendations 8.2 and 8.4 above, and any subsequent steps to address any immediate cost anomalies, consideration be given to up-scaling the level of in-house labour available to deal with day to day Response repairs, including to Void properties. Any up-scaling to be managed on a phased basis, and subject to operational trials, to minimise service risk.

8.6. The service aims to increase the number of works offered by appointment, both by its in-house teams, potentially augmented as above, and its Partner organisations and contractors/sub-contractors, against an ideal standard of all non-emergency works eventually being offered by appointment.

8.7. To support implementation of recommendation 8.6 **above, the service's existing** computer systems be refreshed in terms of data held, and functionality, in particular the Repairs Finder component.

8.8. To support recommendations 8.6 and 8.7 above, appropriate levels of hand held technology be added to the services existing stock, and the users trained in their use.

8.9. Working Group(s) be set up to review the processes currently used to deliver Day to Day response repairs to tenanted properties and Voids, with a view to streamlining these processes, and limiting inspections to those which add value and/or avoid problems downstream.

8.10. Other aspects of the overall Repairs and Maintenance service, e.g. Planned Works, Capital Works, Partnered, contracted out, and subcontracted operations be examined in similar vein to Response repairs including Voids, to ensure the Council attains optimum performance from RMS overall, to fulfil its role as an Ensuring Council to maximum effect.

Appendix 1 Performance networks report

Please see separate document provided with this report.

Appendix 2 In house performance indicators

Repairs and Maintenance

2014-2015 Quarter 1-4 Figures

Annual Figures

	Q1	Q2	Q3	Q4	2010/11	2011/12	2012/13	2013/14	2014/15
% emergency repairs completed within target time	98.2	97.2	96.53	95.57	98.6	97.8	97.1	98.29	95.57
% urgent repairs completed within target time	84.2	80.5	68.99	74.9	93.7	86.9	86.4	80.48	74.9
% routine repairs completed within target time	96.2	87.7	85.15	84.41	95.1	89.3	88.7	86.17	84.41

% of Gas Safety Certificates outstanding at end of period	1.4	0.6	0.6	0.3	1.96	2.06	1.6	1.39	0.3
% of dwellings with a valid gas safety certificate	98.6	99.4	99.94	99.6	98.04	97.04	98.4	98.61	99.6
% of all reactive repairs completed within target	96.2	90.9	88.27	87.69	95.9	91.8	91.6	90.16	87.69
Average end to end time for all reactive repairs	5.5	9.17	14.83	15.26	9.12	8.6	8.79	9.9	15.26

Voids Maintenance 2014-2015 Quarter 1-4 Figures

Annual Figures

	Q1	Q2	Q3	Q4	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	
Standard relet times (cal. days) GN & HfOP	50.15	56.91	57.17	60.13	38.31	49.9	52.78	46.51	60.13	⬆ Worse
Standard relet times (cal. days) GN only	50.15	56.91	56.39	58.08	39.12	50.29	49.5	47.14	58.08	⬆ Worse
RMS Average void time (cal.days) GN & (HFOP)	39.39	38.86	38.57	36.12			28.99	28.43	36.12	⬆ Worse
% of rent loss through dwellings being vacant GN & HfOP	1.9	1.9	1.88	1.9	1.2	1.59	1.71	1.75	1.9	⬆ Worse

Appendix 3 Workshop Agenda

Lancaster City Council Housing Repairs Service

Diagnostic Workshop 5th October 2015

Morecambe Town Hall

AGENDA

1. Introductions and purpose of the day   11.30

2. Lancaster   11.45
   - The area
   - The council
   - Your service

3. SWOT analysis   12.30
   - The council
   - Your service

4. LUNCH   13.00

5. Feedback from SWOT   13.30

6. Performance data   13.50
   - Performance networks
   - LCC data
   - STAR/House mark

7. SWOT review   14.30

8. Process walk through   14.45
   - Day to day response repairs
   - Voids

9. Feedback from process walk through   15.30

10. Issues to address   16.00

11. Close   16.30

Appendix 4 Workshop Attendance List

For LCC

Jez Bebbington

Bob Bailey

Chris Hanna (part)

Mark Davies (part)

Kay Haddon

Mark Rigg

Peter Stephens

George Taylor

Tom Greenwood

David Murby

Chris Dunford

Jean Bull

Andrew Kipling

For APSE

Karen Dyson

Peter Moffatt