

# FAREHAM

## BOROUGH COUNCIL

### Report to Housing Tenancy Board

**Date**                    **28 July 2014**

**Report of:**            **Director of Environmental Services**

**Subject:**              **QUARTERLY PERFORMANCE REPORT - BUILDING SERVICES**

#### **SUMMARY**

This report provides the Board with information relating to the Housing Repairs Vanguard Intervention and outlines the new system for responsive repairs and associated performance measures to be reported to the Board in the future.

#### **RECOMMENDATION**

That the Board note the contents of the report and endorse the new approach to service delivery, re-investment of potential savings and performance monitoring.

## BACKGROUND

1. The Council currently owns 2,371 properties and is responsible for the repairs and maintenance of each.
2. The work undertaken by Building Services is split between two categories. Responsive repairs covers works requested by customers as and when failures occur; whilst Planned Maintenance relates to larger volumes of work that are scheduled to be undertaken. This report is limited to considering responsive repairs. The table below provides an overview of what is and isn't covered by the Housing Repairs service.

<b>Housing Repairs</b>	<b>Planned Maintenance (work not covered by Housing Repairs)</b>
Day-to-day repairs e.g. replacing taps, cupboard doors and showers	Large scale replacements of windows and doors
Emergency light testing	External redecorations
Periodic electrical testing	Roof replacements
Individual kitchen and bathroom replacements	Boiler replacements
Single door replacements	Insulation works
Single window replacements	Electrical rewiring
Disabled adaptations and improvements	Large scale replacements of kitchens and bathrooms i.e. for more than one property
Out-of-hours repairs	Car park works

3. The Housing Repairs service was originally delivered by an in-house team of employees. Over a number of years, through employee turnover, a number of contractors were brought in to resource shortfalls in the service provision.
4. In 2007 a Value for Money review found that the service was performing reasonably well; however it recommended that action be taken on resourcing the service, because the existing way of working was not sustainable. The recommended approach was for the majority of work to be outsourced via a tender process whilst emergency and urgent repairs and works to vacant properties would remain in-house.
5. Whilst the Value for Money review presented an option for tendering out work, it explained that this option was not likely to deliver any significant savings to the Council.
6. In 2010 a tender process was completed and a contract was awarded to Comserv UK

Ltd, with a value of £1.1million per annum, for 3 years with the option to extend for a further 2 years. The current contract has been extended and must end by March 2015. Emergency, urgent responsive repairs and vacant property works remain in-house.

7. Currently the provision of the Housing Repairs service is split between the Council and Comserv UK Ltd. The Council currently receives the enquiries from customers and decides who will do the work. Emergency and urgent repairs are handled by a small team of Council employees, at a cost of approximately £293,000 per annum (vehicle, equipment and material costs not included). All other repairs have been passed to Comserv UK Ltd for completion, approximately £1.1million per annum.

## **VANGUARD INTERVENTION**

8. In November 2013 the Council employed a team of consultants from a company called Vanguard to assist with a review of the Housing Repairs Service.
9. The Vanguard Method is an approach to redesigning services and procedures from the customer's perspective. A fundamental rethink of service provision, the approach looks at what matters to the customer and uses a continuous cycle of monitoring to improve performance. Unlike other approaches, which rely on consultants, the Vanguard Method is being rolled out by teams of Council employees who are supported by consultants. This approach allows the Council to learn the method and apply it itself in the future.
10. The Housing Repairs and Improvements Service is one of the first services to be subject to a Vanguard Intervention. The Intervention team have taken a fundamental look at the way the service is delivered. The result of this work has been to identify a number of customer focused measures that reveal a great deal about the existing method of working.
  - A sample of work identified that 63% of telephone calls were from customers requiring updates on repairs they had previously reported to us or that something previously repaired had broken again.
  - On average it was taking just over 89 days to complete a repair. This timescale is from when a customer first contacted the Council to when the repair was completed and is not unusual for responsive repairs delivered by social landlords when the true timescale for repairs are measured as opposed to individual attendances to undertake the same repair. On occasions repairs have required several attempts to be completed.
11. The Intervention team have spent the past few months working to develop better ways of working. The result of this work has been the development of a new approach to repairs.
12. The Intervention team are currently applying their approach to 58% of the Council housing stock; this is having gained confidence in the new way of working for a smaller number of Council owned homes. The initial impact of the new approach is outlined with the performance measures below.
  - The average time to complete a repair is now less than 8 days. This is a decrease of 90% of the average time taken in the previous system.
  - In over 97% of jobs, we are able to access the customer's property at the first appointment, which demonstrates the success of customers advising the Council when it is convenient to them for tradesmen to attend.

- 64% of jobs are now completed in a single visit. An indication that the team are building knowledge of what materials are frequently needed is that 79% of repairs are being completed using materials held on the vans.

13. It is proposed that in the future the service adopt the approach outlined below, based upon what has been learnt during the Vanguard intervention.

- We will trust customers.
- We will trust our tradesmen, by empowering them to diagnose and complete repairs without the need for a pre-inspection by a Surveyor.
- We will talk to customers and understand them as individuals and stop delivering a “one size fits all” approach.
- The materials for a repair should either be in the employees vehicle, based upon analysis of commonly used parts, or be easily delivered to site when required.
- We will focus on how the service performs from the customer’s perspective. This has resulted in a method of work that concentrates on what matters to customers.

14. The key finding from the Vanguard intervention is that delivering the Housing Repairs service using two systems of work does not provide value for money. Using a mixture of an in-house team and a contractor creates duplication and complicates the service for customers.

15. Based upon the findings from the Vanguard intervention the way forward is to implement a single system of work. The issue that needs to be resolved is whether the service is fully outsourced or brought entirely in-house.

## **PERFORMANCE MEASURES**

16. How the new way of working is performing is monitored by a number of performance measures. What matters to the customers is that:

- I. we keep the appointments made with them
- II. undertake the right repair
- III. that the repair stays fixed
- IV. the repair is completed in a timely manner

17. Historically, Performance Monitoring reports have focussed on how much repairs cost and how satisfied customer are with the service. It is now known that costs reported to the Board have been misleading as the computer system did not link costs where numerous orders were required to complete a repair. This concerns approximately 65% of repairs.

18. In addition, customer satisfaction was reported to be in the region of 98% for those customers who were provided with a satisfaction card and returned it. During the intervention customers views and comments have not supported this figure therefore demonstrating that the reported satisfaction level was not a true reflection of the customer experience.

19. The measures listed in paragraph 16 above will inform the Board whether the new

system is achieving what matters to our customers, achieving the purpose of the service. Customer satisfaction will be natural fallout of these measures performing well. If we are attending when we said we would and fixing the problem properly then customer satisfaction will inherently be high.

20. It is recommended that the Board receive these performance measures on a quarterly basis at future meetings.

### **SPECIALIST WORKS**

21. The new system of work is applicable for about 95% of repairs. The Housing Repairs intervention team has identified that the core group of tradesmen will need to be supplemented with specialist contractors for works such as installation, service and repair of passenger lifts, stair-lifts, warden call systems, door entry systems, CCTV systems, communal fire alarms, etc. How these services will be procured will be reviewed. This requirement applies to both options.

### **FINANCIAL IMPLICATIONS**

22. The implementation of the new system may result in significant savings in the region of £150,00 per annum compared to the current cost of the previous way of working.

### **REINVESTMENT OF POTENTIAL SAVINGS**

23. The potential savings by implementation of the new system could be used to reduce the gas, electricity and water costs of the customers in our homes.

24. It is proposed that any savings achieved be used to finance projects including:

- Installation of gas central heating and hot water system for electrically heated homes
- Installation of overbath showers when modernising bathrooms

25. A pilot project is currently being progressed to undertake both of the initiatives above at Arras House, Nashe Way, Fareham in response to customer complaints regarding their energy costs. A number of customers have offered to share details of their energy consumption with Building Services so that the effectiveness of the improvements can be measured. It is estimated that energy bills can be reduced by an impressive 30% when switching from electric to gas for heating and hot water supplies. This will be a direct financial saving for our customers as a result of implementing the new system for responsive repairs.

### **CONCLUSION**

26. The review of the Housing Repairs service has resulted in vast improvements and a new system that focusses on the customer's experience. In addition, there are potentially significant financial savings that are proposed to be reinvested to reduce customer's energy costs.

27. The review has found that previous measures of performance are not reflective indicators of customer service and that the new measures listed in paragraph 16 of this report be adopted by the Board for future performance monitoring reports.

## **RISK ASSESSMENT**

28. There are no significant risk considerations in relation to this report.

**Background Papers:**

**Reference Papers:**

**Enquiries:**

For further information on this report please contact Chris Newman. (Ext 4849)