

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1. Meeting	Improving Places Select Commission
2. Date	Wednesday 28 November 2012
3. Title	Housing Repairs and Maintenance : Update Report
4. Directorate	Neighbourhoods and Adult Services

5. Summary

This report seeks to provide a summary update in respect of the Repairs and Maintenance Service provided for the Councils Housing Stock two years beyond the externalisation of the service as requested by Improving Places Committee.

6. Recommendations

That the comments in this report are noted.

7. Proposals and details

Background

The delivery of the Housing Repairs and Maintenance Repairs Service was transferred to Morrison and Willmott Dixon Partnership on the 1st of November 2010. This involved the TUPE transfer of the existing staff from the In House Service Provider. Moving the provision from one of internal to external delivery was a significant step for the Council and the customers of the service. The decision to do this was made on the back of an Audit Commission recommendation that market testing should be carried out and the fact that the existing arrangements were in financial deficit.

The basis of the new contract also represented a significant change in approach to charging for the service focusing on maximising cost certainty and minimising risk to the Council. On three work streams, Responsive Repairs, Minor Voids (Voids not requiring capital investment) and Gas Repairs and Safety checks a fixed price per property approach was adopted. It must be understood that in order to avoid risk pricing by the contractor this does not mean all risks are included in the price. The cost covers the day to day “are going to occur” events (example blocked WC, loss of heating) it does not cover high cost one off repairs or rechargeable events that will be paid for as a variation. This approach to pricing avoids the risk of the Council carrying cost for things that happen once in a while and where the frequency may change over time due to ongoing capital investment. For example planned capital investments in roofing will over time reduce the demand for major roof repairs currently paid as variations. So this cost will diminish over time and as this element is not locked into the Price Per Property (PPP) the Council will see the benefit.

Other work streams, Capital / Major Voids, Planned Work Schemes, Aids and Adaptations and Capital investments are charged on a more traditional basis of Schedule of Rates due to these being measured works which would be difficult to accommodate in a fixed price arrangement.

The contract contains financial risk and reward for the contractors in respect of performance. These impacts in several ways:

- Open book accounting has been adopted – overspends at contractor risk – a mechanism for shared savings is in place which can both return financial sums to the Council and impact on future pricing in a downward direction.
- Contractors have an element of profit at risk dependent upon performance:
Morrison – 70% of profit at risk against performance
WDP – 60% of profit at risk against performance
- A future extension of the contract beyond the first 5.5 year term is performance related.

The initial transfer of the service went well and there were few issues with the movement of staff.

The extreme weather experienced almost immediately post transfer did caused significant issues particularly in respect of maintain heating within the housing stock. An unprecedented and unforeseen level of frozen condensate pipes on boilers lead to loss of

heating for many residents this was exacerbated by issues of access to the estates due to heavy snow.

Further issues were experienced in below standard service delivery in the months that followed as new processes and procedures were established and bedded in. It was inevitable some issues would arise when undertaking such a significant transfer, these are now behind us.

Customer Insight

In December 2011, we brought staff together from within the Council's Repairs and Maintenance team and our construction partners Willmott Dixon and Morrison's to review and follow real life customer journeys from start to finish to help change the way things were done for the better. The outcomes from the staff workshop and the customer experiences were embraced and used to help improve things:

- Improvements in appointment systems- introduced a customer mutual agreement appointment
- Keeping customers better informed - Over 70% of customers have received receipts via text in advance of the repairs being completed
- Reviewed variation processes to speed things up and reduce delays
- Improved diagnosis of damp
- We now complete trial properties for refurbishment work in each area prior to the full programme commencing allowing quality of work and customer service standards to be agreed in advance. Partners have increased site supervision on refurbishment work
- Introduced a new way to calculate the 'percentage of repair jobs completed to an acceptable standard' by using the information from our own independent Quality Assurance Inspections to help improve the quality of work carried out

We have seen increases in the number of repairs completed on time, with more repairs completed 'right first time', and fewer appointments cancelled. Customers have told us we are also doing substantially better at keeping them informed about their appointments, including via text message. These improvements have led to an increase in customer satisfaction.

Customer Feedback

During 2011/12, we improved the complaints response from 68% to 100% within six months. Improvements identified through complaints include:

- Improvements in information on gas servicing
- Boiler replacements changed from 28 days to nine day priority
- Programmes for renewing locks to communal lighting service cupboards
- Introducing damp meters for RMBC Technical Officers

We take complaints very seriously, and we have seen a significant reduction in complaints, down from 73 for the month of January 2011 to 7 for October 2012.

The biggest single improvement is a reduction in complaints about the repairs and maintenance service. Satisfaction with the repairs service is currently 99.39%

The aim of this report is to update Members two years on about developments and service delivery.

Where are we now?

The service has made significant progress in the last 12 months in respect of performance and customer satisfaction. At the end of the 2011/12 financial year all the Key Performance Indicators (KPIs) reported to the Directorate Leadership Team were on target. Scrutiny of the performance by the Performance and Quality team along with Tenants Groups confirm that the outturns are reflective of reality. This is further supported by low levels of complaints accepting that within an area of service carrying out levels of activity; in excess of 40,000 responsive repair jobs per year, some things will go wrong from time to time.

Monthly measurement of the same performance indicators at the half year (FY 2012/13) indicate sustained levels of performance.

Criteria	Rating a start of contract	Rating at end September 2012	Target
Customer Satisfaction	98.61%	99.38%	95%
Appointments Made & Kept	89.53%	97.84%	98.5%
Repairs Completed on Time	88.10%	99.08%	99%

Attached at appendix A is the full set of KPIs reported within the contract with outturns at the half year 2012/13.

Significant progress has been made in changing the emphasis away from emergency and urgent repairs to a more planned approach. At the outset of the contract this ratio was 60/40 it currently it stands at 40/60. (Emergency & Urgent Jobs 40.80%, Non Urgent 59.02% - data at 7th November 2012). While not in line with perceived best practice of 30/70 taking into account local knowledge further progress is likely to be at the expense of customer service and as such is not recommended.

The service is has also undertaken a number of other initiatives seeking to improve the customer experience:

- Restructure of the team responsible for delivery – Contract and Service Development Team
- Increasing the number of front line staff
- Allocation of specific areas to Technical Officers – named point of contact for repairs
- Embracing agile working to allow more time on the patch
- Adopting Text Messaging notification of repairs
- Increase levels of monitoring around quality of outturn

The impact of these changes in management and approach has demonstrably delivered service improvements which have been recognised by Members, Service Users and Officers alike.

The Payment Model

The arrangements for payment were highlighted on the opening section of this report and have been developed as we have progressed through the contract. The PPP model has had its challenges in agreeing what is in the PPP and what is out of scope but these issues have been addressed and agreements reached. We have cost certainty around a significant proportion of our repairs (C66%) and the out of scope variations are clearly understood.

For example in this financial year we have seen an increase in the levels of significant roof repairs due to extremes of the weather (heavy rain and some strong winds). Equally we are embarking on some significant capital works to roofing which will over time reduce these costs.

The objective is to reduce the levels of variation by focusing our investment using the knowledge gained from the repairs history; this should assist us to achieve this objective.

Performance Management

With regards to the Repairs and Maintenance service all the R&M performance indicators have achieved the cumulative year end targets. This has been achieved through being pragmatic, dedicated and having a proactive approach in our partnership working. All parties have worked together and been focused on putting actions into practice to help improve things and supported and shared good practice within the partnership. Most importantly the understanding of the customer view of the service has been critical to achieving this improvement. This is shown with year on year improvements on “Right First Time” and “Appointments Made & Kept” which saw improvements rise to 74.50% in 10/11 to 92.70% in 11/12 and 80.88% 10/11 to 98.81% in 11/12.

Learning from complaints

Reports of damp constituted a significant proportion of repair complaints and disrepair claims received in 2011/12. The issues were highlighted and now 100% of damp reports are now inspected

A new tenancy start date was delayed by weeks due to a high security door being damaged and the need to measure and supply a new one. In response to their concerns the contractors have arrangements to access temporary high security blank doors which can be installed pending the delivery of a standard high security door

Open Book Accounting

The contract is subject to open book accounting and any cost overruns are at the Contractors risk. Any savings are subject to a shared saving mechanism presenting the Council with an opportunity to take a proportion of any savings as a financial rebate and also to be reflected in future year on year pricing. For the Financial year 2012/13 this has resulted in a gain to the council around £750K

Responsive Repairs

This area of the service deals with the day to day repairs delivered to the Council's housing stock, in excess of 40,000 repairs per year across the borough to C21, 000 properties. At the start of the contract there were some significant issues to be addressed in regard to both timeliness of responses and quality of work. Following the transfer of the service workshops were held on a regular basis to identify issues and work on solutions.

Examples:

- The initial process for dealing with broken windows was to raise a job for making safe and then raising a second job following feedback to the client to replace the window. This resulted in windows being left boarded up for unacceptable periods initiating complaints and dissatisfaction. The process was reviewed and now a single job is raised and the work completed all be it in two visits.
- Inspections of work on site indicated poor workmanship and use of inadequate materials with recalls at rejections at unacceptable levels. This was address through a process of quality checks, feedback to operatives in toolbox talks given by RMBC officers and workshops to review and challenge progress.
- Levels of customer complaints and enquiries were unacceptably high due to shortfalls in performance and poor communication. Front line staff have been put in place to ensure that queries raised are answered promptly and the allocation of Technical Officers to geographic areas has helped to reduced these down to a minimum keeping customers informed and responding to the issues they raise.
- Work has been done with the Call Centre to improve scripts and diagnosis resulting in improvements in performance – foe example improved right first time performance because we send the right trade. With the return of RBT to the Council further work will be undertaken to improve the robustness of the Call Centre and in particular the Out of Hours service.

The processes we have are now embedded and the service has shown improvement on a sustained basis with low levels of complaints and high levels of satisfaction. This is not to say that there is no more to do but we have reached a milestone on the journey, establishing a sound platform from which to move forward.

Beyond delivery of the Responsive Repairs Service the contract also delivers on 5 other work streams:

- Voids – Major & Minor
- Gas Safety & Cyclical Works
- Planned Works
- Capital Works
- Aids and Adaptations

Voids

The performance around the delivery of works to Voids in 2011/12 fell short of expectation not only on the part of the contractor who were in many respects victims of unsatisfactory

process on the part of the Council. Action has been taken in restructuring NAS to address the shortfalls in respect of process and this is reflected in progress with Void turnaround. The Contractors have taken on additional responsibilities and are now meeting their responsibilities in respect of returning properties in a timely manner. The number of Void properties that are out of circulation remains low and there is an ongoing focus on achieving the target turnaround times for letting.

Overall quality of workmanship has also improved in respect of voids handed back to the council.

Last year saw us ranked below average for the time taken to let properties, when compared to over 200 other organisations. This has improved over the last six months and we are now in the middle quartile.

Individual performance monitoring is being developed to highlight further areas of improvement.

Performance on voids in 2011/12 made positive progress, especially the number of long term empty properties being reduced from 150 down to 7. This will be taken forward into 2012/13 and as such will see a significant improvement in the performance of the performance indicator, the number of properties let also increased by 19% based on the previous year's outturns, this has been achieved by streamlining the team and the processes used. Although the average re-let time is still above target at circa 29 days improvements continue to be made.

Management of the keys to keys process by the Contractor has now been fully implemented with both contract partners and is already having a positive impact on performance.

Monthly control targets are being set to cover the next 6 months to inform further improvements.

Gas & Cyclical Works

One key area in this work stream is the maintenance of compliance with the Councils responsibility, as Landlord, with gas safety legislation. Since the start of the contract this has seen a significant improvement in compliance. The table below shows the compliance percentage for the last 6 months demonstrating sustained improvement.

Month	Minimum acceptable percentage against 100% Compliance objective	Outturn
April 2012	99.6%	99.81%
Mat 2012	99.6%	99.81%
June 2012	99.6%	99.84%
July 2012	99.6%	99.80%
August 2012	99.6%	99.81%
September 2012	99.6%	99.73%

This position reduces risk for the council of breaching Health and Safety regulation and reduces costs of enforcement through gaining legal access.

Gas responsive Repairs

Despite investment in new boilers and systems during the Decent Homes programme we still have significant levels of demand on heating repairs – 18,500 jobs per year which is equivalent to almost one call out for every property where heating is installed; this is over and above the annual safety check. At this level the number of repairs is running ahead of other comparable organisations and work is ongoing to reduce the call outs. Specific actions to date:

- Review of scripting to help with better diagnosis.
- All systems are now fitted with a magnetic filter to remove damaging particles from the water in the system
- We have stopped fitting battery powered room thermostats due to the high levels of call out these cause – all new installations are hard wired.
- We are developing self help guidance to be posted on the RMBC website as well as sending out advice to our Tenants about management and control of heating systems.

Following the extreme weather of December 2010 / early 2011 action has been taken to seeking to reduce the risk around frozen condensates:

- Condensate pipes that froze in 2011/11 have been reconnected with a drain point in the pipe work to ease the process of creating a relief point should they freeze again.
- All new installations are internal piped where ever possible (80%) the remaining ones are insulated to minimise the risk of freezing.
- A small number of properties at high risk (Boilers in lofts where the condensate froze in 2010/11) are being specifically targeted for remedial work.
- The CSD team along with our partners have developed an escalation plan to be adopted in case of issues arising in extreme weather.

WDP are looking at new ways of working and are seeking to change working patterns to support service improvement. This will mean some necessary changes to contracts of employment to increase flexibility. Demand for repairs follows a pattern with high demand at the start of the week and at the end of the week both times when under current arrangements WDP are down to half staffing due to the current 4 day working pattern – this they seek to change to a 5 day arrangement to even out resources availability.

Planned and Capital Works

Both contractors are actively carrying out planned and capital schemes across the borough.

The focus over the next few years will be on external improvements, roofing, rain water goods, pointing etc. This will both improve the visual impact of the estates and ensure security of the stock for the future.

A focus for the client team is and remains both quality of outturn and timeliness of delivery. Significant progress has been made in respect of quality of outturn, some work remains to be done in respect of timeliness.

Aids and Adaptations

Both contractors deliver works on Aids and Adaptations in three work areas:

- Minor Fixings
- Minor Adaptations
- Major Adaptations

These works are measured against fixed timescales for each area of work and progress reported monthly – 97.87% of works were delivered on time in September 2012.

Contractors Corporate and Social Responsibility

Both contractors have embraced this aspect of their initial bid and the results are visible in the commitments they have made to Rotherham:

Morrison:

- Have opened the promised training academy and we are seeing not only local staff but others from outside area attending this facility.
- They have sponsored the local Football Club – The Morrison Stand
- They have delivered works to the Shilo Project and in the process received an award for their efforts

Willmott Dixon

- Have undertaken works at Rotherham Hospital and adopted the charity involved for further support this financial year.
- They are sponsoring the Rotherham Titans Rugby Club
- They have provided 123 man days in voluntary work in the borough.

Both should be commended for their visible actions it is very easy to make promises about community support in a Tender and then not deliver on these.

What does the future hold?

The Contract and Service Development Team as the name suggest are committed to working with both partners to modernise the service and improve the experience for the customer. We started on a journey in November 2010 and have work through some difficult challenges to establish the service with our external partners. We have seen significant improvement through joint effort and must now seek to build on that platform.

What will we be working on?

Service development is a journey and we have reached a milestone on the way from which we must move on, objectives for the next year are:

- Working with Morrison FS new owners, Mears, to ensure the progress made to date is embedded and the changes in the background do not disrupt the service.
- To improve customer access and communication at first point of contact we have started to review customer access within our Housing Services and we aim to implement the high level recommendations to deliver a 24/7 repairs service from the Council's customer services contact team, rather than from Rothercare Direct.
- Continuing the focus on quality of outturn and workmanship with a view to further improvement
- To improve perception and recognition of the service by delivering to the highest standards
- We are working with our partners to reduce the level of minor defects and ensure that the level of customer care received is of the highest standard.
- To step up the delivery of additional Capital Works over the coming years
- We have put in place a plan to improve the process for tenant alterations. This will ensure that customers and the Council are clear on what can and cannot be altered. Customers have clear guidelines which have been written for the customer. This enables them to make a more informed decision when considering a major alteration and everything that is required prior to the Council giving permission to start.

8. Finance

There are no specific financial issues in relationship to this report.

9. Risk

There are no specific risk issues in relationship to this report.

10. Background papers and consultation

Appendix A 2012/13 Half Year KPI outturns
RMBC Housing Account 2011/12

11. Contact name

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