

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 17 MAY 2006

IMPROVING HOUSING REPAIR SERVICES IN EAST AYRSHIRE

Report by the Executive Director of Neighbourhood Services

1. PURPOSE

- 1.1 To recommend proposals submitted by the Joint Working Group comprising officers and tenant representatives to improve the Council house repairs service.

2. BACKGROUND

- 2.1 At the meeting of this Committee held on 26 January 2005, Members agreed to establish a joint working group to re-examine the existing housing repairs service with a view to introducing the necessary changes to improve service performance and quality, and increase cost effectiveness, efficiency, and levels of tenant's satisfaction.
- 2.2 Membership of the Working Group comprises senior managers from Housing, Building and Works, and representatives from the Tenant Participation Steering Group, supported by the Tenant Information Service as external and independent advisors. The involvement of tenants was considered vital to ensure that tenants' concerns and views were fully taken into account in determining any recommendations for future action.
- 2.3 The Group has met on a regular basis to take matters forward. Many of the earlier meetings were focused on developing the tenant representative's knowledge and understanding of the current systems in place and the wider issues involved so that they could make a full contribution to the review. A visit to Dundee allowed the Group to meet Council officers and Tenant Federation representatives and learn from their experience of their own Repairs Service Review which received favourable comment from Audit Scotland in that Council's recent Best Value and Community Planning audit report.

3. THE NEED FOR CHANGE

- 3.1 The Council's plan to deliver the SHQS by 2015 requires the adoption of robust business planning processes to manage service costs in alignment with the continuing reduction in house numbers through Right to Buy sales. At the same time, the Housing Service requires to meet the performance standards set by Communities Scotland, on behalf of Scottish Ministers, against which our performance is likely to be assessed during the current financial year. In particular our activities relating to property management will be scrutinised to assess, inter alia, our performance in delivering responsive

repairs services for our tenants and planned maintenance and improvement programmes efficiently and effectively.

- 3.2 The total HRA budget expenditure for 2006/2007 is £33.9M. The estimated costs of repairing the Council housing stock within the same period is £10.6M. This does not include the cost of improving the stock to the new Scottish Housing Quality Standard which will amount to £13.66M by the financial year end.
- 3.3 During 2004/2005, over 30,000 emergency and 18,500 urgent repairs were carried out in response to demand from tenants and indications are that this level of ordering will be repeated in the current financial year. This is high compared with most other authorities and imposes a significant cost burden on the repairs budget as emergency repairs carry a high cost premium.
- 3.4 East Ayrshire Council's repairs performance is compared and benchmarked against other Councils via the Scottish Housing Best Value Network and is also monitored and reported by Audit Scotland. Details of service performance in completing 24 hour repairs within target is reported to this Committee on a twice yearly basis and members have noted scope for improvement.

4. PROPOSALS FOR SERVICE IMPROVEMENT

- 4.1 In determining the way forward, the group felt that it was imperative that a long term view be taken when considering any proposals for change, looking beyond the constraints of current service arrangements and configurations and recognising the key change factors likely to impact on the service over coming years. From the outset, the group recognised the need to be open to change to ensure that any new approach to the design and delivery of the service was based around the needs of all stakeholders, particularly tenants who pay for the service. The group identified key areas for scrutiny and focussed attention on means to enhance customer service quality, minimise duplication, and to achieve cost savings and value for money in accordance with the principles of Best Value.
- 4.2 The key areas for improvement identified within the review of the responsive repairs service are as follows:
 - **Repair Categories**
 - **Repair Timescales**
 - **Appointments System**
 - **Job Ordering**
 - **Schedule of Rates/Recharge**
 - **Quality Control/ Customer Satisfaction**
 - **Financial Considerations**
- 4.3 Each of these areas has been looked at in detail with proposals for service improvements put forward at each stage.

5. Repair Categories

- 5.1 The present categorisation process accommodates two prioritisation systems, i.e. arrangements between the Housing Service and the tenant and arrangements between the Housing Service and Building and Works. The former categorises works as **Emergency, Urgent** and **Planned**. The latter categorises works as Category **A, B, C, D** and **E**.
- 5.2 Emergency jobs issued to Building and Works as Category A or B, are to be completed in either 2 hours or 24 hours. The tenant is advised that the timescale for these jobs is 24 hours. The 2 hour response is used internally to highlight the need for Building and Works to turn up quickly and for example, to turn off the water supply in the case of a burst pipe.
- 5.3 Urgent jobs are issued to Building and Works as Category C, and are due to be completed in 3 working days, with the tenant advised accordingly.
- 5.4 Planned jobs are issued to Building and Works as either Category D or Category E. Relatively few jobs are issued to Building and Works on a category D; mainly new tenant work, plasterwork and replacement double glazing units. The tenant is advised that these works will be completed within 10 days. The remainder of Planned jobs are issued to Building and Works on a Category E priority. Building and Works has 180 days to complete the job. At the time of reporting the repair, the customer is not advised when the job will be completed, only that it will be programmed and that they will be notified when the repairs will be carried out in due course.
- 5.5 The main problem from a tenant perspective is the uncertainty regarding Planned repairs. For certain repairs e.g. roughcast repairs, fencing works or gutter cleaning, a programmed approach to completing the works is considered acceptable. However, for other types of repairs e.g. internal joinery, minor plumbing works etc that approach is not appropriate. The consensus of opinion on this within the review group is that additional repairs categories are required. It is proposed that works should be categorised as follows:
- **Emergency** – along existing guidelines, where there is a danger to life or limb or where the integrity of the building is being compromised (includes most Right to Repair jobs).
 - **Urgent** – along existing guidelines, where if the repair was not promptly attended to it could develop into a more critical situation to the danger of life or limb or eventually affect the integrity of the building, or where the tenant is being deprived of facilities associated with modern living standards.
 - **Routine** - responsive repairs, generally to the inside of the house, to return equipment to a serviceable condition.

- **Programmed** – responsive repairs, generally to the envelope or curtilage of the property which may be more suitable to seasonal work, e.g. roughcast or where the repair has a low priority and can be released when budgets allow, e.g. fencing.
- **Cyclic**- works which require to be done on a regular basis to maintain or preserve the functionality of the components, e.g. gutter cleaning, stair lighting.
- **Voids and New Tenant** - along existing guidelines.

5.6 It should be appreciated that the Standard Delivery Plan (SDP) to meet the requirements of the Scottish Housing Quality Standard (SHQS) will place an emphasis on removing all major component renewals from the responsive repair service for inclusion in the Housing Improvement Programme. It is, therefore, envisaged that there will be no kitchen renewals or door renewals done on a responsive repair basis and bathroom fitment replacements will only be authorised if the component is beyond repair. There may, however, be circumstances where component renewal in void houses is unavoidable.

6. Repair Timescales

- 6.1 Much of the feedback from tenants indicates that more certainty is desired with regard to timescales for works being carried out. This is especially important for internal works, as discussed above. The **Emergency** repair service currently provided is generally regarded as good and does not require adjustment. It had been mooted that a 'next day' commitment would allow more repairs to be completed within timescale, however, there is a statutory performance indicator which measures jobs completed within 24 hours and it is felt that **24 hours** is easily understood by tenants whereas 'next day' may be a needless source of contention.
- 6.2 Clearly, there is a demand for some form of repairs by appointment and in order to accommodate this it is proposed that **Urgent** repairs will seek to accommodate this, but within an extended overall timescale. It is proposed that an appointment should be offered within **5 working days**.
- 6.3 **Routine** repairs will generally be for internal works and, therefore, an appointment should be offered. The suggested timescale for these works is **30 working days**.
- 6.4 Programmed works will generally be for external works and may be seasonal in nature. It is proposed that no appointments will therefore be offered, but there should be a timescale to have these works done within a 6 month period or **130 working days**.
- 6.5 **Cyclic** works will be accommodated within the course of the year and programmes devised to visit properties at least once **within a calendar year**. Certain cyclic works, e.g. gas maintenance places legal obligations on the Council which require to be taken into account.

6.6 **Void** repairs are currently completed within either a **3 day** timescale for basic safety checks and hygiene works or **10 days** for other repairs. It is proposed to retain these timescales in order to ensure a quick turnaround of void properties. **New tenants** should have any agreed repairs carried out within **10 days**.

6.7 The foregoing has been summarised in the table below:

Repair Category	Timescale	Comments
Emergency	24 hours	Priority for certain repairs within 2 hours. No appointments.
Urgent	5 working days	Repairs by appointment
Routine	30 working days	Repairs by appointment
Programmed	Maximum 130 working days	No appointments
Cyclic	Agreed annual programme	No appointments
Voids and New Tenant	3 working days or 10 working days	New tenant works by appointment within 10 days .

7. Appointments System

7.1 The introduction of an appointment system is regarded as crucial to a modern repairs system.

7.2 There currently exists within the Orchard Integrated Housing Management System an appointments module but this is, fundamentally, a client-based system and to use this for Building and Works operatives would require accurate and up to date information to be transmitted regularly and frequently between Orchard and Servitor to enable tradesmen diaries to be updated. This presents significant risk of failure which would impact significantly on levels of customer service.

7.3 The Servitor system currently used by Building and Works has a diary facility which can be adapted to incorporate an appointment system for the tenant. This presents the obvious advantage of streamlining the work ordering process whereby, appointments can be arranged directly with Building and Works taking account of the available trade resources at any one time.

7.4 If the need to introduce an Appointments System is a significant driver for improving the repairs service then the question as to whether job ordering and works processing should be consolidated onto a single system has to be addressed. It is proposed that the Servitor system should be considered as the software vehicle for job ordering and the introduction of a comprehensive and integrated appointment system.

8. Job Ordering

8.1 A brief synopsis of the job ordering process is presented as follows:

Methods for ordering jobs:

- By telephone to the Area Housing Office
- In person at the Area Housing Office
- In person at the Local Office
- Online, using the repairs report pro forma or by e-mail
- Contacting Helpline, by phone, out of hours

8.2 Process:

8.2.1 All jobs are entered into the Orchard system and details are interfaced through to the Servitor system operated by Building and Works. Emergency jobs are phoned through to Building and Works.

8.2.2 The system works reasonably well and with the Repair Finder facility sitting alongside Orchard, a reasonable degree of consistency can be applied. However, with any narrative system of ordering there is room for significant variation in description and this is compounded by the fact that none of the inputting staff are repairs specialists. In the Housing Service, inputting staff are generally clerical assistants who have had some repairs input training. The Local Office staff are multi-functional who also have had some training in repairs input. The Helpline's main business is Community Alarms. Notwithstanding this, there is a reasonably high degree of expertise demonstrated by all the staff.

8.2.3 The current business processes and software systems are satisfactory, but there are elements of duplication in inputting into one system to interface across to another and a variety of Council staff taking repair reports to pass across to another group of Council staff. Similarly, there is duplication in that one group of Council staff inspect jobs to be passed across to another group who also do an element of pre-inspection.

8.2.4 If the need to introduce an Appointments System - with the added opportunity to better use our employee and other physical resources - suggests a move across to Servitor as the sole operating system for repairs handling, then the ordering side of the business can also be rationalised in terms of the process. Lines of communication can be reduced by moving the repairs reporting and ordering side of the business to a centralised system with a Customer Contact facility. It is not proposed that all Local offices would have access to the Servitor system but rather look at a Freefone facility to report repairs directly from Local Offices into the Customer Contact facility.

8.2.5 Arrangements for the 'Out of Hours Service' would have to be considered in view of the introduction of the Risk Management Centre.

9. Schedule of Rates/Re-charge

9.1 The current SoR is cumbersome and is designed to accommodate the building components of schools and public buildings as well as the Council housing stock. It is envisaged that a SoR dedicated to housing components could be very significantly reduced and that further reductions in the number of items could be achieved by introducing composite schedules. The pricing structure for responsive repairs could therefore be rationalised. This may allow the significant resources presently tied up in monitoring and managing the rejection process to be released and put to better use improving quality control and levels of customer satisfaction. It is proposed that a discrete SoR for Housing be developed and that the narrative ordering system currently in place be reviewed.

10. Quality Control and Customer Satisfaction

10.1 Quality control will, initially, be the responsibility of front-line Building and Works staff. Research into levels of customer satisfaction will be ongoing and based both on a random selection of jobs generated within the Servitor system and carried out on a telephone contact basis and on structured, detailed surveys commissioned periodically by the Customer Liaison Team within Housing.

11. THE NEXT STEPS

11.1 Establishing a Partnering Agreement

"Partnering is a management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participants resources. It requires that the parties work together in an open and trusting relationship based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements." Bennett and Jayes, 1995.

The existing working arrangements between Housing and Building and Works are stable and generally effective in a number of areas of activity. However, the relationship remains shaped by previous CCT legislation and good practice evidenced elsewhere shows how spend on response repairs within agreed budgets can be maximised, material costs and labour resources controlled efficiently and administrative costs reduced to the minimum. It is proposed that such a partnering arrangement be established in East Ayrshire with the following aims and objectives:

- minimising bureaucracy
- completing jobs and doing them right first time
- appointments being made and kept
- tenants being kept fully informed of progress

- ensuring the best fix not necessarily the cheapest
- all staff, including operatives, taking responsibility for the service they provide

11.2 Service Level Agreement

Underpinning the new partnering relationship and subject to satisfactory competitive performance, it is proposed to establish a formal service level agreement between Housing and Building and Works, which would clearly define the roles of both parties and set out clear principles for governance and scrutiny. It is proposed that a new pricing structure be agreed, based on a much reduced and revised composite schedule of rates. The feasibility of an open book accounting framework will be examined. This would enhance transparency and to allow closer monitoring of costs and expenditure, thereby strengthening service business planning. Cost efficiencies or savings arising from new management arrangements would be available to the Housing Revenue Account for further investment in the Council housing stock.

11.3 Scottish Housing Quality Standard

The Council has agreed to address the requirements of the new Scottish Housing Quality Standard through a strategy based on continued Council ownership of the Council housing stock. This requires the Council to publish a Standard Delivery Plan setting out both an investment strategy and output targets to ensure that the new Quality Standard is introduced across the whole Council housing stock by the Executive target of 2015 and beyond. This increased emphasis on long term and sustained investment over a period when Council house numbers and rental income are projected to decline, requires a significant move towards planned and programmed works and a corresponding reduction in the value and volume of the day to day responsive repairs. This re-alignment of service direction requires the adoption of new internal arrangements to ensure that maximum value is obtained from the significant annual and ongoing Capital Investment Programme. A number of new supply chain contracts have recently been awarded to external partners and these will be used to support the Housing Improvement Programme from 2006/2007. Further supply chain contracts will follow in due course in a further move to align service priorities with available resources. Based on evidence of good practice developed elsewhere, it is proposed to review the existing internal arrangements whereby Technical Services act as the sole agent for managing the programme and examine the opportunity to establish a new group comprising elements of Housing, Building and Works and Technical Services which will focus exclusively on programming and delivering the Standard Delivery Plan. This offers an opportunity to free up a significant proportion of the monies presently charged as overheads to the programme for re-investment in housing improvement works, and will help to off-set the pressure on rent increases in future years to maintain necessary expenditure to support the Standard Delivery Plan.

11.4 Service Audit

To help drive the change process envisaged in this paper, it is proposed to commission a series of initial service audits which will examine existing business processes in the Housing Repairs Service and thereafter, in the Housing Improvement Programme. These service audits will examine purpose, customer value, current compatibility process efficiency and system conditions. The audit outcomes will identify the scope of potential improvement and the short and long term actions needed to improve service, efficiency and cost effectiveness. External advisors will be appointed to assist in the audit process with staff seconded from Housing and Building and Works to design and deliver the improvement plan which will be robust with clear milestones and with progress linked to achievement. There is scope to extend this approach to non Housing property maintenance and the General Fund Capital Works Programme.

12. CONCLUSION

- 12.1 The proposals outlined in this report provide the basis for modernising the various Housing and Property maintenance and improvement programme services within the Council both to provide efficient, quality services which meet the Best Value criteria and which ensure end-customer satisfaction. The review process and the consequential Improvement Plan will help inform the Building and Works and Technical Services Best Value Service Reviews. The recommendations set out in the report support the objectives of the East Ayrshire Community Plan and the Local Housing Strategy.

13. FINANCIAL/LEGAL/ POLICY IMPLICATIONS

- 13.1 The cost of the proposals can be met from agreed HRA budgets. Any efficiency savings identified during the review process will be available either for re-investment in core or non-core service activities or to off-set future rent increases. The proposals will also be subject to ongoing discussion with a wide range of stakeholders including tenants, staff and the trade unions.

14. RECOMMENDATIONS

- 14.1 Members are asked to:-
- (i) Approve the headline proposals for change to the responsive repairs service set out in Paragraphs 5 to 10 inclusive;
 - (ii) Approve the "next step" proposals set out in Paragraph 11 above;
 - (iii) Note that initial reports on progress will be submitted to members after 6 months; and
 - (iv) Otherwise, note the contents of the report.

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CMCA/LA
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List of Background Papers - Nil

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