

<b>2 September 2015</b>		<b>ITEM: 5</b>
<b>Housing Overview &amp; Scrutiny Committee</b>		
<b>Repairs Policy and Service Update</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non Key	
<b>Report of:</b> Kathryn Adedeji, Head of Housing		
<b>Accountable Head of Service:</b> Kathryn Adedeji – Head of Housing – Investment and Development and Commercial Services		
<b>Accountable Director:</b> Barbara Brownlee – Director of Housing		
<b>This report is Public</b>		

### Executive Summary

In December 2014 Cabinet agreed a new policy and contractual framework for the delivery of responsive repairs and maintenance to Council homes. The policy was designed around a number of principles, including the provision of an enhanced service for vulnerable residents, alongside reframing shared responsibility between tenants and the council once major capital investment through its Transforming Homes programme has been completed.

The new contractual framework was designed to ensure the council was in a position to deliver an enhanced responsive repairs service clearly underpinned by a set of measureable, transparent key performance indicators informed by resident feedback. Alongside providing a service that both provides value for money and added value to the local community through social value commitments set out as part of the contract award. Both the policy and contract were implemented in February 2015. This report provides the committee with updates on how the principles set out are being achieved within the first six months since both the new policy and contract were implemented.

Key highlights include:

- Continually improving independently assessed customer satisfaction rating of **87%** good to excellent.
- **82.3%** of repairs calls are now answered within 30sec up from **45%** pre transfer to Mears.
- **16%** Reduction in repairs expenditure over the last three years which represents over **£1M reduction in spend**.
- Addressing issues of greatest concern to residents such as damp and associated mould.

- Increased social value outcomes, with significant local added value at no additional cost.

## **1.0 Recommendation(s)**

**1.1 Note the continued progress made in the delivery of responsive repairs to Council managed homes.**

**1.2 Note the ongoing work being done to address the incidence of Damp, Condensation and associated mould.**

## **2.0 Introduction and Background**

**2.1** Cabinet approved the termination of the Morrison FS contract in December 2012, and also approved the award of interim contract to Mears PLC (Morrison FS new parent company) under negotiated procedure, to ensure the immediate provision of repairs, maintenance and voids services.

**2.2** Service under the Morrison contract had been very poor and did not deliver on the agreed objectives for the delivery of the service – including c 5,000 overdue repairs, poor customer satisfaction and complaints, poor KPI performance, and associated reputational damage for the Council.

**2.3** During the interim arrangements, the Council put in place robust contractual arrangements in order to protect the Council in the provision of the repairs service. As part of the interim contract with Mears, the Council took steps to re-evaluate resource planning within the existing delivery structure with a view to providing sufficient resource to address contractual deficiencies. An integral part of this plan was a review of the repairs diagnostics and prioritisation framework, and undertaking a full review of Thurrock's repairs policy in consultation with residents.

### ***Background to the new Repairs Policy***

**2.4** The repairs policy was revisited through the course of 2014-15, with a focus on addressing a range of issues. This included delivery of service provision to an increasing number of vulnerable and elderly residents in the borough, who often resided outside tailored provision of existing sheltered housing properties. There was also a need to establish a policy environment which was coherent with the ongoing capital works improvements to properties and the associated need to establish tenant responsibilities. Finally, in the context of financial constraints, there was a need to identify potential efficiencies in service provision and to establish more effective and appropriate modes of service delivery, with the repairs policy establishing a coherent policy framework.

**2.5** The previous Thurrock Council repairs policy had been not been revised for over ten years and reflected a service delivery within a context defined by different constraints and options. A context of wider changes to housing service delivery, as well as transformations associated with HRA constraints, means the delivery of repairs and maintenance faces new challenges. A new Repairs Policy therefore had to address these challenges, while providing a policy framework for the refreshed strategic and integrated approach to planned capital works, maintenance and servicing.

**2.6** The revised policy was widely consulted with tenants, leaseholders, and Members, and included workshops, letters, forums and presentations and a survey sent to all 10,000 plus households. This was further supplemented with an information letter and dedicated phone line for residents to call to discuss any aspect of the policy post implementation. A total of 25 residents called, with most wanting further information about additional services for vulnerable residents. This is explored in more detail under section 3.

### **3.0 Issues, Options and Analysis of Options**

**3.1** The strategic context of developing an improved repairs service is one of a wider reorientation to more effective and efficient integrated asset management, focusing on value for money in service delivery, as well as the targeted use of resources where need is greatest. In this context, delivery of the repairs service has undergone substantial analysis, review and transformation, resulting in a substantially improved customer focused service that is part of a wider more effective integrated asset management that has also delivered substantial savings.

#### **Overview of repairs policy development & implementation**

**3.2** The following provides an overview of the development and implementation of the new Repairs Policy, approximately six months from its introduction, including an overview of resident feedback on the policy since introduction.

#### ***Repairs Policy development: integrating residents in evidence based policy development***

**3.3** The process for developing the revised policy included a range of measures implemented to ensure the revised policy met resident needs and aspirations, effective integrated asset management, and service provision which is in line with comparable organisations.

**3.4** Extensive consultation was undertaken with stakeholders, including residents and members, engaged through consultation forums and surveys:

- **Members Briefing:** Members were invited to a briefing session in January 2014 regarding the development of improvements to the Repairs Policy.
- **Residents Consultation:** Residents were invited, through publication in the local press, to a consultation session in January 2014.

- Sheltered Housing Consultation: A consultation session was undertaken at one of the largest complexes, Frederick Andrews Court, focusing on provision for vulnerable residents.
- Repairs Survey: Repairs surveys were delivered to 10,000 Council tenants in January and February 2014, with 1500 responses received.

- 3.5** Additionally, a benchmarking exercise was undertaken to review repairs policies of five local and comparable authorities, identifying where there were significant differences in approach. The benchmarking exercise identified that the type and nature of repairs delivered through the Council's current repairs policy exceeds that of four out of five authorities and thereby a realignment of provision should be considered.
- 3.6** Repairs delivery analysis was undertaken, using 18 months of repairs data, providing insight on the nature of repairs delivered. This established a basis for proposals for batched service provision as set out in the policy.
- 3.7** Analysing these consultation and data sources, an approach was been developed which identified a number of options for improvements to the Repairs Policy. This approach provides evidence driven improvements, ensuring that provision to general needs residents is in line with equivalent local authorities, whilst offering vulnerable residents improved services.

***Repairs Policy development: focus on resident need, shared responsibility & efficiency in service provision***

- 3.8** Following the analysis undertaken, the new repairs policy sets out a number of key themes which underlie the Council's approach to delivering a resident focused service which effectively and efficiently supports integrated asset management:
- Differentiated service provision for vulnerable residents: targeting resources where most needed.
  - Maintaining the fabric of the property: reframing shared responsibility for maintenance of internal property elements post-Transforming Homes.
  - Efficiency of service provision: delivering specific routine repairs in more efficient and effective planned programmes.
- 3.9** As set out in the December 2014 Repairs Policy Cabinet Report, performance improvements across these key areas provide potential savings in service delivery – projections as noted below:

**Table 1: Potential repairs reductions following from Repairs Policy revisions**

	Potential Reduction in Repairs Outturn	Potential Repairs per property Reduction
Batch Repairs Programmes	1808*	3.68%*
Post-Transforming Homes Repairs	736	1.70%
Tenant responsibility / other agency	1466	3.93%
<b>Grand Total</b>	<b>4010</b>	<b>9.31%</b>

\*NB: batch repairs programmes remove repairs from responsive delivery streams

**3.10** Indeed, these projections may already be being realised as demonstrated in reduced repairs demand (see section 3.34). The context of reduced responsive repairs is as demonstrated in the above table that repairs are increasingly delivered through more appropriate, efficient batch repairs delivery streams. Equally, while responsive repairs are reduced, the service delivered demonstrates continued improvements in resident satisfaction (see section 3.19).

#### ***Repairs Policy implementation: staff training & resident communications***

**3.11** In the course of implementing the new Repairs Policy, it was key that all staff and stakeholders affected were fully aware of changes being implemented.

**3.12** For staff who deal with repairs related issues, a ‘train the trainers’ approach to disseminate information about the new policy has ensured training is given to the breadth of managers and team leaders from across the service, who are then able to replicate this for their particular service area.

**3.13** Further to staff in the organisation, we have ensured that resident engagement and consultation which was central to the development of the policy was followed through in implementation, with residents able to provide feedback through organised forums focusing on the repairs delivery service:

- Publication of the policy has been undertaken through letters to residents, website updates and estate poster boards – providing wide ranging coverage.
- Resident Forums: the Repairs Policy has been part of the forum agenda, ensuring key active residents are aware of changes.

#### ***Repairs Policy implementation: resident feedback***

**3.14** Initial feedback sessions following implementation were undertaken these allowed residents to:

- Raise queries or feedback regarding the aims and objectives of the policy, and the key changes being introduced.
- Raise queries or feedback regarding specific repairs that may be affected by the revised Repairs Policy.

- 3.15** The forum provided an opportunity for a structured means of understanding any queries and concerns that residents may have regarding the Policy and Repairs.
- 3.16** In approximately six months from the introduction of the new policy, the Council has received 25 enquiries from residents, primarily around additional information on the service to vulnerable residents. With this low number of enquiries demonstrating a policy that is a progressive enhancement of previous practice, rather than radical change. Combined with the continued improvements in resident satisfaction (see section 3.19), this demonstrates a refinement of service delivery without significant negative impact on residents.

**Overview of contract performance, learning & new contract implementation**

**Contract performance 2013-15**

- 3.17** Figure 1 displays resident satisfaction with Thurrock Council’s Repairs and Maintenance service over three distinct periods: Morrison Facilities Services, Mears’ interim contract, and Mears’ new contract. This illustrates the continued improvement in resident satisfaction:

**Figure 1: Resident satisfaction by contract**

	Morrison Facilities Services	Interim Mears Contract		New Mears Contract		
	FY 2013	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016
% Satisfied with Service	65%	81%	82%	84%	84%	88%
% Satisfied with Appointments	80%	85%	92%	93%	93%	92%

NB: FY 2013 refers to 2012-13, FY 2014 refers to 2013-14, FY 2015 refers to 2014-15, FY 2016 refers to 2015-16 Q1

- 3.18** Figure 2 displays an example of the monthly satisfaction statistics in this financial year – from 831 surveys undertaken 88% of residents have rated the service as good or excellent.

**Figure 2: Q1 2015/16 Monthly Satisfaction Performance**

Q1			Grand Total
April	May	June	
86% (281)	86% (251)	91% (299)	88% (831)

### ***Morrison Contract***

- 3.19** In the 8 months between July 2013 and February 2013 1,279 residents were surveyed on their satisfaction with Morrison. 65% rated the service they received as good or excellent, whilst 20% rated it as poor or terrible. In October 2012 satisfaction levels dipped to a low of 56% from 152 surveys undertaken. In this same month satisfaction with the keeping of appointments and quality of repair also fell to 76% and 77% respectively.

### ***Interim Contract***

- 3.20** The initiation of the Mears interim contract saw an immediate rise in satisfaction levels with an increase of 8 percentage points in Q4 2013 to 81%. February 2013 (83%) represented the first month in which the 80% target had been met; previously the highest monthly figure was 70% in July 2013. Satisfaction levels remained consistent throughout the interim contract with overall satisfaction exceeding the 80% threshold in 7 of the 8 quarters. Satisfaction with the keeping of appointments also improved vastly in this period – up to 92% satisfaction compared with 80% during the Morrison contract.

### ***New Contract***

- 3.21** Since the start of the new contract with Mears, satisfaction levels have increased to 86%, with a contract high of 88% being achieved in the most recent quarter. In Q1 2016, 90% of residents were satisfied with the quality of the repair they received; the highest proportion since the satisfaction surveys began in Q2 2013. In June 2015, 91% of residents rated the overall service they received as good or excellent. This represents a 35 percentage point increase from October 2012 when satisfaction was at 56%.

### ***KPI Performance***

- 3.22** In December 2012 when the Morrison contract was terminated the contractor had a backlog of 5000 overdue repairs. One of the highlights of both the interim Mears contract and the New Mears contract is the adherence to contract KPI's which focus on completing jobs in target and having a low level of repairs in progress.
- 3.23** In July 2015, Mears completed 2,985 repairs in July 2015 with 98% of these being completed within the required timeframes (1 day for emergency repairs, 5 days for urgent repairs, and 20 days for routine repairs). Mears achieved high completion rates across all three repair categories.
- 3.24** In August 2015, the volume of repairs in progress was also considerably lower than during the Morrison contract. As shown in Figure 3, as of 6 August 2015 609 jobs were in progress. 98% (597) of these jobs were on target to be completed within their required timeframe with just 12 jobs in progress past target, a considerable decrease compared with the Morrison's contract.

**Figure 3: Number of in-progress repairs as of 6 August 2015**

Repairs in Target	Emergency	Urgent	Routine	Grand Total
Yes	11 (100%)	146 (99%)	440 (98%)	597 (98%)
No		1 (1%)	11 (2%)	12 (2%)
Grand Total	11 (100%)	147 (100%)	451 (100%)	609 (100%)

***The new Repairs Contract: implementing learning for improved performance***

**3.25** The above review of performance prior to, and in the period of, the introduction of the new repairs contract, demonstrates the results of improvements that have been implemented across a number of variables.

**3.26** Contract management and monitoring has been a key focus of improved structuring of the contract delivery framework, and takes forward learning from the Morrison and interim contracts:

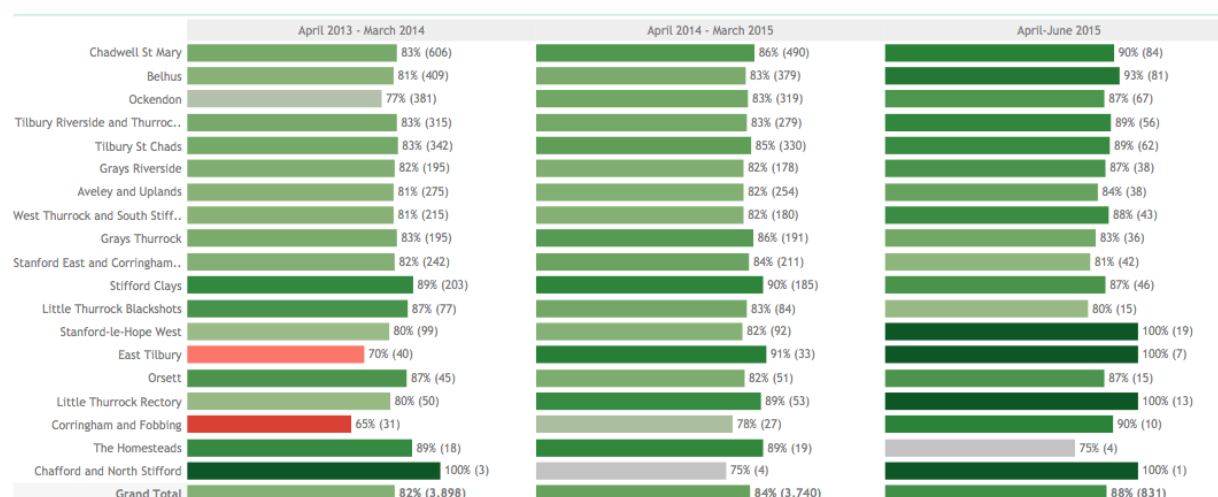
- A reframing of the organisational arrangements within the delivery team has been undertaken, putting in place a strengthened and robust structure with focus on service delivery and contract administration while continuing to fulfil the Council’s corporate and statutory obligations.
- An approach to governance and strategic delivery appropriate to the objectives and scope of the contract partnership: focusing on the development of robust performance management information and reports. Monitoring is carried out by the partnership Core Group, which consists of Head of housing management, senior managers from the property and investment service, the contractor. Operations Group meeting also take place, with this also attended by two residents.
- Arrangements for managing the financial performance of the contract: robust cost management and monitoring, underlying a reduction in expenditure of 1.2M when compared with 12/13, against a backdrop of improved service delivery and satisfaction from residents.
- Managing out of target repairs: Improvements in satisfaction have been driven by a improved management of out of target repairs – which are more easily identified through improved reporting as noted above.
- Monitoring resident satisfaction and feedback: allowing for the identification of areas of poor performance and ensures that the services that are delivered reflect our residents’ needs and aspirations.

**3.27** As an example of improved monitoring of residents feedback, performance across wards is reported (figure 4) – ensuring consistency in performance across the borough can be monitored closely.

**3.28** Further examples of contract monitoring and reporting can be found in Appendix A.



**Figure 4: Ward Satisfaction Comparison –2013/14, 2014/15 and Q1 2015/16**



**3.29** Aligned to this improved contract management framework, the focus of the new Repairs & Maintenance contract, procured and mobilised through 2014 and early 2015, sets out a number of key terms which underlie driving performance improvements:

- Reduced number of responsive repairs per property per annum.
- Reduced annual responsive repairs spend per property per annum.
- Integrated asset management – increased proportion of maintenance that is delivered via planned and cyclical maintenance programmes – thereby delivering repairs through the most effective, efficient and appropriate delivery mode:
  - Targeted resourcing: continued addressing of damp & mould issues through tailored approach – surveys through both maintenance and capital works, and remedial works or residents guidance where required.
  - Innovative programmes: working with delivery partners, development of works programming using new technologies, including for example infrared heating, to improve conditions in properties susceptible to damp and mould.
- Implementing new technologies: a number of developments will be made including use of online and mobile repairs reporting, and the use of improved data analysis.

**3.30** Including these key objectives within an effective performance management framework provides a basis for Thurrock to ensure a repairs service which can demonstrably improve value for money in delivery.

**3.31** Figure 5 demonstrates repairs demand across 4 months of the current and preceding financial years – with demand shown to be reduced in the current year.

**Figure 5: Monthly Repairs Demand Comparison – Q1 2014/15 vs Q1 2015/16**



***Integrated asset management: batched repairs provision***

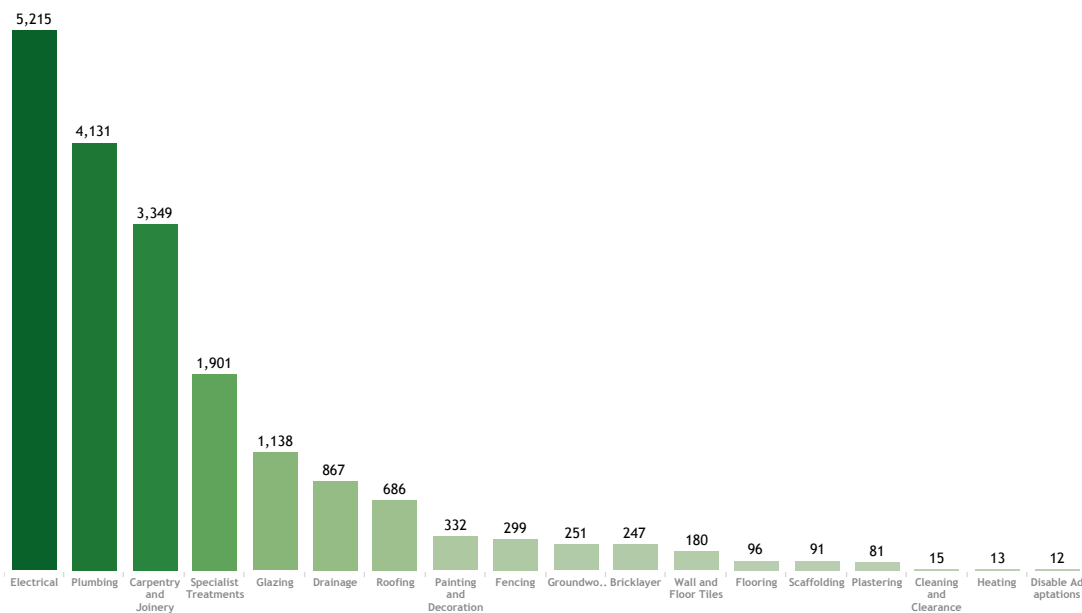
**3.32** Taking forward the groundwork established in the interim contract, the development of the contractual terms and the associated policy framework, the new responsive repairs service has expanded the delivery of repairs through batched repairs programmes.

**3.33** Identifying repairs which would be appropriate for delivery through a batched repairs service is based on ongoing analysis across a range of factors:

- Prioritisation of repair: only routine repairs would be appropriate for delivery in batched provision.
- Nature of repair: are there likely efficiencies in delivery – for example in materials, skills or other ordering processes which provide efficiencies in delivering volume repairs.
- Repairs analysis: volumes, frequency and locations of repairs – underlying potential efficiencies.

As an example of a means of improved repairs data analysis, trade data (figure 6) is increasingly used for the identification of efficiency saving planned programmes.

**Figure 6: Repairs Demand, trade level analysis**



**3.34** Currently, there are a number of programmes being undertaken through the planned programme work stream within the repairs contract:

- Fencing programme: in place from July 2015, improved standard of boundary fencing, borough wide to 96 properties.
- Glazing programme: in place from July 2015, replacement of failed double glazing units, borough wide to 145 properties.
- Guttering programme: six monthly programme to restart in winter months, clearing block guttering and downpipes to >1000 properties.
- Jetting programme: cyclical annual programme, clear drains to c1500 properties.

**3.35** It is anticipated that delivery of these repairs through planned programmes will provide a number of outcomes, ensuring the key objectives of improved value for money and effective asset management are met:

- Improved data analysis underlying improved asset management: moving away from responsive repairs as the default delivery model, using data analysis to identify improved delivery of asset management.
- Improved component management: consistency in components delivered through repairs, setting in place consistent lifecycle and repairs management.

***Integrated asset management: tackling damp and mould issues***

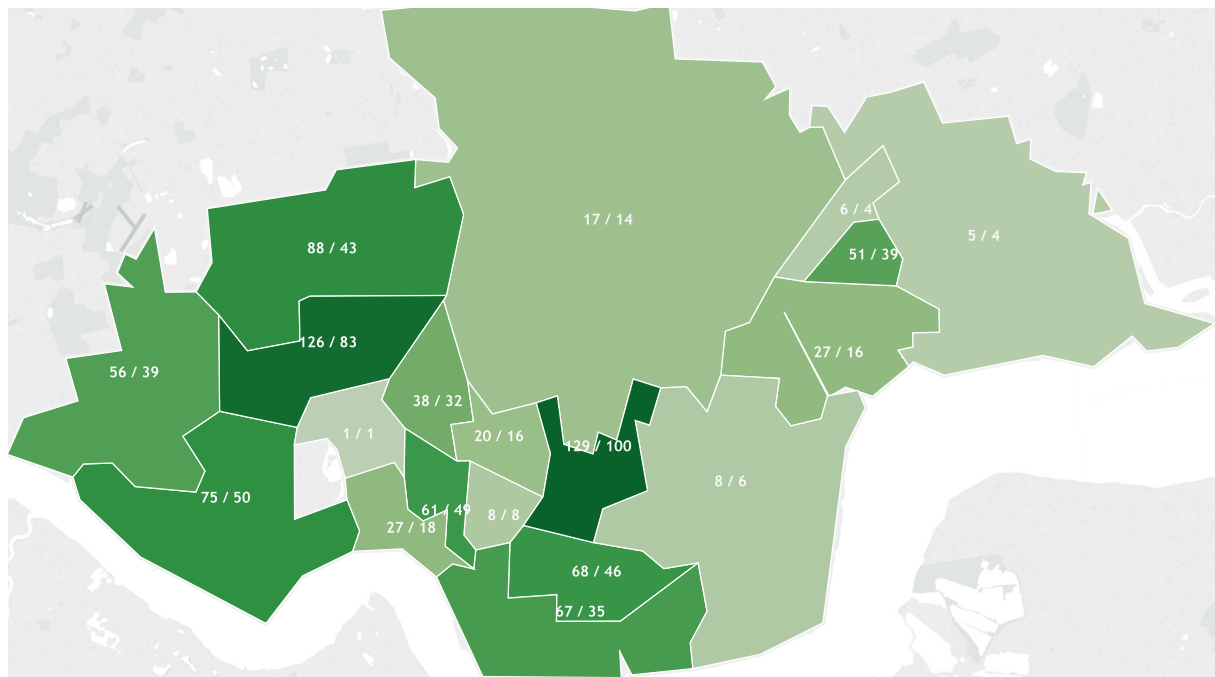
**3.36** Further demonstrating the integrated asset management approach, delivery of damp and mould repairs in 2014-15 have been delivered through both planned and reactive programmes. Determined by the nature and extent of the repair required, work will be undertaken through the most appropriate programme – leading to efficiencies in delivery and effective asset management.

**3.37** A reactive works programme has been set up with Mears to carry out remedial damp and mould works, including a three stage wash down and treatment to remove any mould spores in properties throughout the borough:

- 898 damp and mould surveys since February 2014, with 615 remedial works.
- weekly reporting to monitor turnaround times and ensure surveys and works are quickly undertaken once reported by the resident.
- 17 damp and mould surveys undertaken in August 2015 took on average 9 days from the date reported to the date of completion.

**3.38** Figure 7 demonstrates the geographical spread of damp and mould works across the borough – with this reporting underlying targeted service delivery:

**Figure 7: Damp and Mould surveys and remedial works by Ward**



**3.39** In addition to the reactive damp and mould surveys and repairs carried out by Mears, the Transforming Homes programme also focuses on tackling damp and mould through its planned programme. In Year 1 and 2 a total of 576 damp and mould surveys were carried out, with 441 instances of remedial works. Remedial works include a three stage wash down, and treatment to remove any mould spores.

***Delivering Social Value: benefiting the wider community***

**3.40** Delivering Social Value frames how Housing Investment & Development deliver key benefits to Thurrock residents using our Social Value framework. Underlying this is a commissioning, contract management and partnering approach, ensuring Thurrock is working across sectors to support training and employment opportunities for all segments of our communities.

**3.41** The contract put in place a number of requirements and commitments for the contractor to deliver social value for the local community, across employment, training, works experience, and the supply chain.

**3.42** To date, Mears are surpassing commitments across the range of social value variables, with a number of key benefits already being delivered to local residents:

- Apprenticeships: A total of five are now in place in partnership with South Essex College with a further two to be taken on this year.

- Thurrock workforce: currently standing at 39% of the total workforce, with new employment opportunities to focus on Thurrock residents.
- Suppliers based in Thurrock: currently standing at 20%.
- Local spend in Thurrock: currently standing at 25%.
- Employment: the fencing planned programme is being used as a pilot to implement an ex-offenders employment programme, developed via the LEAF. Additionally, there are further measures being implemented to support local residents in returning to work.
- Training: the trade school continues to deliver tailored repairs & maintenance focused training skills for 14-16 year olds to date over 300 young people in Thurrock have benefited.



#### 4.0 Reasons for Recommendation

Not applicable.

#### 5.0 Consultation (including Overview and Scrutiny, if applicable)

Extensive consultation took place as part of the process of developing revised policy and service framework (as detailed in 3.5 above).

#### 6.0 Impact on corporate policies, priorities, performance and community impact

The improvement of the Council's assets is linked to key corporate priorities:

- Creating a great place for learning and opportunity.
- Encourage and promote job creation and economic prosperity.
- Building pride, responsibility and respect.
- Improve health and well-being.

The different housing programmes will support strategic and local opportunities, investing in the long-term integrity of the Councils assets, new homes and new opportunities for our residents, contributing to their wellbeing and the long-term regeneration of Thurrock.

## **7.0 Implications**

### **7.1 Financial**

Implications verified by: **Michael Jones**  
**Strategic Resources Accountant**

There are no financial implications arising from this report

### **7.2 Legal**

Implications verified by: **Assaf Chaudry**  
**Major Projects Solicitor**

There are no legal implications arising from this report

### **7.3 Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Community Development and Equalities  
Manager**

Although there are no direct implications arising from this update report, An Equality and Community Impact Assessment will be completed for specific elements of the programme where appropriate. The programme seeks to benefit the community through new training and employment opportunities which would have a positive impact on health and wellbeing.

### **7.4 Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder

Not applicable.

**8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Award Repairs and Maintenance contract - December 2014.
- Repairs policy report - December 2014.

**9. Appendices to the report**

Appendix A - Sample Contract Monitoring Reports.

**Report Author:**

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Housing