

Report of Director of Environment and Housing

Report to Scrutiny Board (Housing and Regeneration)

Date: 28th October 2014

Subject: Monitoring of the Responsive Repairs Service

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Scrutiny Board have raised concern about the accurate monitoring of the responsive repairs service and also that different IT systems are being used by the repairs service providers. This report seeks to address these issues by setting out clearly the scope of the responsive repairs service, how performance is monitored and the approach taken to ensuring that the service continues to improve.
2. The performance of the responsive repairs service against the Key Performance Indicators has shown a marked improvement over the last 12 months and since Mears have taken over the contract from Morrison's. Performance data is analysed and reconciled on an ongoing basis to ensure that it is reported accurately. Within the Mears contract, if the contractor does not meet the targets, then the contract enables financial deduction to be levied. Performance targets used to monitor the delivery of planned improvement works are different to those used to monitor responsive repairs. The completion of improvement work is monitored outside the responsive repairs service as they come under separate and different forms of contract.
3. Notwithstanding these areas of improvement, it is acknowledged that much further improvement to the service is required which is been delivered through the Category Management Plan and service improvement workshops which form part of the contract management procedures.

Recommendations

The Scrutiny Board is requested to:

- note the content of this report;
- note that improvements have been made to the responsive repairs service and that further improvements are scheduled to address key areas of concern.
- give feedback on further areas of improvement in order to improve the effectiveness and efficiency of the responsive repairs service.

1 Purpose of this report

1.1 The purpose of this report is to advise the Scrutiny Board on:

- How the responsive repairs service works
- Contract monitoring, in particular performance monitoring

2 Background information

2.1 At the June Scrutiny Board meeting, the Board raised concern about the monitoring processes for the responsive repairs service, particularly in relation to the setting and meeting of target timescales. The Board also raised concern that Property & Contracts and the repair contractors are using different ICT systems. The Board discussed a specific example of an ongoing repair case at The Willows in Horsforth, as an example to highlight these concerns.

3 Main issues

3.1 The Responsive Repairs Service

3.1.1 The principle aim of the Council House Repair service is to keep properties safe and habitable, and to meet the Landlords statutory repairing obligations.. Whilst legislation principally requires a Landlord to keep properties safe and wind and water-tight the Council's policy extends beyond this basic legislative obligation to provide a comprehensive service aimed at satisfying tenant needs and maintaining fixtures and fittings within the Council's assets. This includes ensuring that value for money is achieved through an effective and efficient service. In order to achieve this, two key principles of the service are to correctly prioritise repairs at the first point of contact and to undertake as much work as possible on a planned rather than responsive basis.

3.1.2 Responsive repairs are defined as:

- *The repair or replacement to parts of the home which are generally due to wear and tear; to ensure health and safety or to protect the building where there is an immediate risk of damage. Responsive repair work can usually be completed in one visit.*

3.1.3 Currently, approximately 183,000 responsive repairs are completed annually through the responsive repairs service.

3.1.4 The scope of the responsive repairs service is set out in the Repairs Handbook which is attached as appendix A to this report and is available on the Council's website. The handbook sets out the definition of the responsive repairs service and includes common examples of the types of repair that the Council is responsible for and their category and the priority and timescale for completion.

3.1.5 The repairs service and repair priorities are based on the Council's legal responsibilities as landlord to:

- keep the main structure and outside of properties in good repair
- carry out certain essential repairs that could affect health and security: for example:- heating breaking down, faulty electrics, blocked drains, burst pipes and doors and windows that cannot be secured properly
- carry out most repairs to the main fixtures and fittings that are provided inside homes and communal areas

3.1.6 Responsive repairs are currently delivered in the south and south east and west and north west and parts of the city through external contracts with Mears PLC. Responsive repairs in the east and north east areas of the city are delivered through Construction Services who are an Internal Service Provider (ISP) to the Council.

3.1.7 Repairs are reported to the council through the following sources:

- Corporate Contact Centre – Approximately 40% of all repairs
- Housing Office/ One Stop Centre – Approximately 40% of all repairs
- Surveyor/Housing Visit – Approximately 19% of all repairs
- On-line – Approximately 1% of all repairs

3.1.8 Repair responsibility is determined at the first point of contact through a series of scripted questions. Where the repair is the responsibility of the Council, further questions are asked to determine the correct priority category for the repair.

3.1.9 Responsive repair priorities are categorised into three predefined groups based on the urgency of the repair. Priorities and target timescales for the completion of repairs are fixed in the council's computer system against an agreed schedule of rates, which links directly to order raising and performance monitoring procedures. These categories are defined as:

- *Emergency* – Where urgent action is required to prevent a serious risk to health and safety, major damage to the structure of the property or results in the property being insecure. The target for these repairs is to attend within three hours, and complete within 24 hours. Examples of emergency repairs include burst pipes and insecure doors.
- *Priority* - Repairs which seriously affect comfort or cause damage to the property. The target for these repairs is 3 to 7 working days dependant on the type of the repair. Examples of priority repairs include leaking roofs and broken extractor fans.
- *General* - Other non-urgent repairs. The target for the service provider to complete this type of repair is within 20 working days. Examples of general repairs include repairing internal doors and repairing kitchen cupboards.

3.1.10 Where non-urgent repairs or items of replacement which may require a pre-inspection; need time to order and / or manufacture materials are diagnosed; which do not meet the criteria of a responsive repair, these are categorised as batched repairs. Batched repair orders are raised without an appointment with a 60 working day target. The service provider is required to schedule and complete

the works within this target. Examples of batched repairs include clearing out guttering and repairing fencing and paths.

- 3.1.11 The approximate percentage of repairs raised annually in each of the repairs categories is:

Year 13/14	
Emergency	31.67%
Priority	19.23%
General	45.76%
60 Days	2.97%
Other	0.37%

- 3.1.12 A Category Management Plan (CMP) has been produced for the Reactive Housing Repairs and Voids services. The aim of the CMP is to identify the scope of the council's Reactive Repairs and Voids service; to improve the way the repairs service is delivered and ensure that money is spent efficiently and effectively. The plan includes an action plan for the improvement of the service.

3.2 Planned/Improvement Work

- 3.2.1 Improvement (planned) works do not fall within the scope of the responsive repairs service and are delivered on planned programmes of work through separate contracts as the Council's Housing Investment Programme. Timescales for the completion of improvement works programmes are agreed with the various Contractors on an annual basis and depend upon the nature and complexity of the work and the capacity of the particular Contractor. Performance targets used to monitor the delivery of planned improvement works are different to those used to monitor responsive repairs as they come under separate and different forms of contract. Examples of improvement works include roof renewal, kitchen and bathroom replacement and electrical rewiring.

3.3 Repairs Contract Management

- 3.3.1 The performance of both Mears and Construction Services Responsive Repairs teams are monitored on a monthly basis. The contract management arrangements for Mears are undertaken in a more formal contractual manner as they are an external Contractor. Construction Services performance is monitored and benchmarked against Mears performance but not on a formal contractual basis.
- 3.3.2 The contract management of Mears is undertaken at both a strategic and operational level. At the strategic level senior management in both organisations meet on a bi-monthly basis at a Strategic Core Group meeting attended by the Chief Officer Property and Contracts and the Mears Chief Executive Officer. On an operational basis, teams from both organisations then meet monthly at formal performance meetings.
- 3.3.3 Day to day contract management is provided through area based teams within the Property and Contracts division of Housing Leeds. These teams are responsible for operational functions such as allocation and ordering of work, pre and post inspection variation and quality control, budget monitoring and customer liaison.

Contract management/delivery teams from the Council and Mears/Construction Services collocate in two contract areas of the city.

- 3.3.4 Colocation has proven extremely successful in building relationships with the service providers and ensuring that issues are dealt with promptly and in a customer focused way. Colocation for the west and north west contract with Mears will be in place by the end of November 2014.
- 3.3.5 Both Mears and Leeds have separate IT systems which interface in-order to ensure the accurate and timely transfer of information between organisations. Leeds staff raise all responsive repairs in the councils system which then sends the details through an interface to the Mears MCM system. Mears then undertake the repair. The repair is then interfaced back to the Leeds system for payment. As a result, both Leeds and Mears are able to analyse repair data, and both parties report upon the key performance indicators (KPIs), which are critical to the monitoring of the contracts. As part of the contract management process, monthly quality assurance processes are undertaken to ensure that the information in both systems matches exactly and to deliver this designated staff from both organisations have access to each other's IT systems.
- 3.3.6 Underpinning the contract management relationship is monitoring the Contractor on agreed and contractual Key Performance Indicators (KPIs). For Responsive repairs there are 6 KPIs that Mears are specifically measured against. Each of these KPIs has a specification detailing the data that the KPI will report including a target that the contractor is expected to meet. Within the Mears contract, if the contractor does not meet the targets, then the contract enables financial deduction to be levied against the Contractor. As a result of the commercial risk (with deductions currently being applied), Mears take the reporting of KPIs extremely seriously, focusing their efforts on enabling the KPIs to be met.
- 3.3.7 The table below details each KPI and the performance from July and August 2014:

		Target	Jul-14	Aug-14
RR1 ³ - Repairs completed first time (Higher is better)	E&NE	95%	96%	97%
	S&SE	95%	89%	90%
	W&NW	95%	88%	88%
RR2- Repairs completed in target timescales (Higher is better)	E&NE	99%	82%	84%
	S&SE	99%	97%	97%
	W&NW	99%	98%	98%
RR3 - Appointment kept (Higher is better)	E&NE	99%	96.24	90.94
	S&SE	99%	96.85	94.47
	W&NW	99%	98.52	98.67
RR4- % of Invoices Accepted (Higher is better)	E&NE	98%	26%	44%
	S&SE	98%	88%	92%
	W&NW	98%	89%	96%
RR5 - % of calls that are avoidable (Lower is better)	E&NE ¹	NA	NA	NA
	S&SE	16%	11%	19%
	W&NW	16%	8%	14%
RR6 ³ - % of Satisfaction with Repairs ² (Higher is better)	E&NE	97%	92%	93%
	S&SE	97%	100%	100%
	W&NW	97%	100%	99%

Notes:

¹Avoidable contact not reported individually for Construction Serves – data included in overall LCC performance.

²Data is currently collected in a different format for Mears contracts than for Construction Services.

³RR1 & RR6 for E&NE is based on average data due to system issues for August.

3.3.8 It should be noted that whilst not all performance indicator targets are being met consistently, performance across the service demonstrates a marked improvement on the overall position 12 months ago in most areas (and more so since Morrison held the initial contracts). These improvements have been achieved through a

combination of actions developed through the Leeds/Mears partnership and detailed within their Service Improvement Plan.

- 3.3.9 Property and Contracts staff work in partnership with Mears staff on a daily basis to deliver the repairs service. To support this, Leeds and Mears have developed a detailed Quality Assurance Manual (known as the Quality Plan) detailing the roles and responsibilities for all matters relating to repairs such as how repairs are raised, the interfaces, the KPIs specifications, how repairs can be varied etc.
- 3.3.10 Leeds and Mears are continually developing ways to work more closely and effectively. Two recent examples are:
- 3.3.11 Since early September Leeds and Mears staff have undertaken a weekly analysis of a sample of the jobs that have failed RR1 (Right First Time KPI) to understand the failure reason and to identify process improvements. As a result of this, the scripts for the diagnosis of repairs will be further improved, with Leeds training its staff, whilst Mears innovates by sourcing new products, improving van stocks and undertaking further training of their operatives.
- 3.3.12 On 8th October a joint Leeds: Mears Service Development Conference was held, where representatives from all the 4 work streams (Repairs, Gas, Planned works and Voids) identified the priorities that staff want to deliver over the next 6 months. For repairs, the main initiatives suggested are
- Further improve the working procedures and respective documentation for both Leeds and Mears;
 - Sharing IT systems. Currently limited numbers of Mears staff have access to the Council's IT system and vice-versa. More staff need access;
 - More joint working to develop the service and better sharing of performance information;
 - Ensuring that related teams are located together enabling Council and Mears staff to sit next to each other (currently only the South team work in the same Building as Mears)

3.4 Case Study – The Willows, Horsforth, Leeds

- 3.4.1 Analysis has been undertaken on the specific case which was raised at the June Scrutiny Board meeting in regards to repairs at three blocks of sheltered flats at the Willows site in Horsforth. This case involved the report of a responsive repair (blocked guttering) which eventually resulted in the acceleration of major improvements (replacing roof coverings) to all 3 blocks at the site. The case has identified a number of key areas of the repair service which require further improvement. Some of these areas have already been addressed whilst others are identified as immediate priorities for the service:
- The process for contractors applying for variations to repair orders, where the work required is significantly different to the original order, was identified as a

failure in this case which lead to significant delays and avoidable customer contacts. The variation process (Compensation Event) has been changed to make it more appropriate to a responsive repairs service and more customer focused. Changes to this process were made in July this year and have had a positive impact on the service with less variations being required.

- Delays in the repair process and poor communication between teams has been identified causing a barrier to important information being shared effectively between operational teams. This is being addressed through a move to the colocation of the Mears and Leeds teams for the west and north west contract area. This is scheduled to be completed for November this year. Colocation is already in place for other Leeds/Mears teams across the Property and Contracts portfolio and delivers significant benefits in terms of dealing with issues promptly and the quality of customer service/experience.
- The process for identifying and managing planned repairs and improvements is being reviewed in order to ensure a more customer focused process with better communication, in particular, where responsive repairs turn into planned repairs and improvements. This supports the overall drive to undertaking more planned work and less responsive work. Delays in communicating changes in status to customers are being addressed through better planning and joined up work between the responsive repairs and planned works teams.
- Better information is now available to customers through the repairs handbook which sets out the scope of the repairs service and is designed to set clear customer expectations in terms of the scope of the repairs service and realistic timescales for completion. The lack of such information previously has often been a cause of customer dissatisfaction.
- This particular case identified issues with the existing Leeds team structures and in particular, split responsibilities within the teams which have been a source of internal conflict and delays in dealing with key issues. These issues are being dealt with through the restructure of existing teams and the colocation of Leeds and Mears teams.
- Analysis of this particular case identified an issue with the capacity of Mears to respond to requests for scaffolding and access equipment. This has already been addressed through the partnership with a joint approach being taken to expanding the Mears supply chain by signposting access to the current Leeds supply chain, including local SME's.

3.4.2 Notwithstanding these areas of improvement, it is acknowledged that much further improvement to the service is required and this will be delivered through the Category Management Plan and service improvement workshops which form part of the contract management procedures.

3.4.3 Despite the findings of the analysis of this case study and the multiple learning outcomes, it should be noted that fundamentally, whilst the issue started off as a responsive repair which lead to the acceleration of major improvements; once essential repair were carried out to deal with the immediate issues, the issue

ceased being a responsive repair. Improvement work is monitored separately to responsive repairs as it is delivered through separate contractual arrangements.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation with tenants and leaseholders is currently underway through the area based focus groups/customer sounding boards in order to canvas feedback on the content of the Repairs Handbook. The handbook has been developed following the return into the Council of the Housing Management services from the ALMOs and sets out the details of a single council house repairs service. Feedback from the consultation will be used to help shape the future repairs service.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact assessment is not relevant at this stage as the report is primarily an information report.
- 4.2.2 The responsive repairs service caters for the individual needs of tenants and leaseholders and does not discriminate against any protected characteristics.

4.3 Council policies and City Priorities

- 4.3.1 The contract management / monitoring procedures in place for the responsive repairs service are based on a model of continuous improvement and support the Councils aim to deliver the best repairs service. The development of a Category Management Plan for this work stream supports the Councils priority of better contract management through Transforming Procurement.

4.4 Resources and value for money

- 4.4.1 The procedures in place for managing and monitoring the responsive repairs service are aligned to the effective and efficient delivery of the service in line with the Category Management Plan.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report does not contain any exempt or confidential information.
- 4.5.2 This report is not eligible for call in.

4.6 Risk Management

- 4.6.1 There are no identified risks associated with the issues under consideration.

5 Conclusions

- 5.1 The performance of the responsive repairs service is monitored robustly through formal contract monitoring procedures which links directly to financial deductions

been applied to Mears where performance targets are not met. Mears performance is benchmarked directly against the Council's own Construction Services to ensure that value for money is being achieved. Performance data is analysed and reconciled on an ongoing basis to ensure that it is reported accurately.

- 5.2 It is acknowledged that whilst the performance of the repairs service has shown a marked improvement over the last 12 months, much further improvement is required. These improvements have been and will continue to be achieved through a combination of actions developed through the Leeds/Mears partnership and detailed within their Service Improvement Plan.
- 5.3 The delivery of Improvement work is carried out on separate and different forms of contract to the responsive repairs service and is therefore monitored through a different performance framework.

6 Recommendations

6.1 Scrutiny Board is requested to:

- note the content of this report;
- note that improvements have been made to the responsive repairs service and that further improvements are scheduled to address key areas of concern.
- feedback on further areas of improvement in order to improve the effectiveness and efficiency of the responsive repairs service.

7. Background documents¹

7.1 Repairs Handbook

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.