

Innovation and Repairs Transformation

Summary

All social landlords face unprecedented challenges over resources and business plans. Every area of spend must now not only justify itself in terms of its impact upon residents but also demonstrate a respectable rate of return on investment in the business and its property assets. Any money that is not being efficiently invested in repairs and maintenance means lower investment in the Council's overriding priority of increasing supply to meet demand for social and affordable housing.

“With up to one third of operating costs going into repairs and maintenance, what this is spent upon and how this delivered are now under exacting and ever closer scrutiny. The traditional repairs delivery models led primarily by either simple tenant demand for reactive repairs or by the predicted lifecycle of components in the case of planned maintenance will no longer match the value and economy thresholds now expected.”

Rethinking Repairs, Chartered Institute of Housing

Alongside this financial challenge social landlords are now grappling with new fire safety requirements and likely changes to building regulations. In common with other landlords we are working hard on rebuilding the trust and confidence of residents in our commitment and ability to keep tenants safe at all times.

This paper introduces the principal insights and learning from a recent CIH Working Together Repairs project which involved fifteen landlords and two national repairs contractors.

Making Sure Repairs Add Value

Repairs and maintenance is still the flagship service in social housing which shapes tenants' judgement about their landlord. Repairs has, therefore, been viewed as a service and investment priority. It follows from this that making what is spent on repairs relevant and always a proper contribution to sustaining the assets is critical.

The traditional model of tenant led demand typically generates a pattern of uneven distribution with a small proportion of intensive users of the service yet up to a third not requesting or receiving any repairs visits. This disparity in how the service is allocated means that future decisions over what repairs are undertaken should be more consistently aligned with a clearly articulated and transparently managed rights and responsibilities agenda.

Repairs and maintenance practitioners must be at the forefront of cultivating a new relationship with residents that embraces a duty of candour and is inclusive, engaged and responsive to resident concerns. The structures of resident engagement and how asset management and repairs and maintenance are undertaken need to be reformed and invigorated to match these expectations.

An overriding strategic challenge for social landlords is: *how to optimise the value obtained from delivery of repairs and maintenance services and ensure all investment contributes to business objectives.*

The CIH project undertook an evidence-based examination of good practice in repairs and maintenance service design and operation, and through peer group evaluation made an objective appraisal of the results and outcomes. This also included critical appraisal of new delivery models, assessing what works well and what needs fixing and defining next best practice.

“Our conclusion is that the sector needs a paradigm shift in its approach to repairs and maintenance which disrupts both the established delivery models and the typically sterile terms of debate, for example, over in house or outsourced provision.”

The genuinely important issues and concepts for a modern repairs service have been redefined and include:

- **Designing and implementing a new collaborative approach based upon a clear and common purpose that effectively aligns and coordinates input between the delivery provider and the client and across the landlord team to optimise use of resources and collective effort**
- **Driving down cost and minimising waste by extending component life where a repair will be effective and adopting a consistent testing regime prior to component renewal**
- **Measuring what is important both for residents and for the building asset and testing that the service is adding value**
- **Understanding the drivers of cost and value in repairs and maintenance and harnessing these to improve outcomes**
- **A new deal with residents that is an explicit partnership to look after homes and neighbourhoods**
- **Application of commercial thinking and practice to protect investment and asset value**

This entails a root and branch overhaul of strategic objectives and partnerships to result in new clienting and delivery models based upon collaboration which can evidence the value that is being added both to the asset and to residents' lives.

From the outset project members were highly ambitious about what they wanted to achieve through Working Together and an explicit aim was to *disrupt* certain elements of traditional practice.

The ***Working Together to Rethink Repairs*** project concluded that the rigid and prescriptive frameworks and rules articulated in the mid noughties by the Audit Commission and through the Decent Homes programme were:

- *Unfocused in their understanding and definition of how to add value to building assets*
- *Profligate in condemning viable building components to premature renewal*
- *Contributed to an unsustainable illusion of entitlement around repairs expectations*

However, these assumptions were found to still be shaping today's assumptions about what the sector is here to deliver and the design of most repairs business models.

For example, replacing *better for less*, which is arguably a slippery and ultimately unsustainable boast, with the term *simpler and more effective* could describe the new agenda.

“The current climate of economic austerity makes an unbridled customer first agenda unrealistic and there is a need for candour in acknowledging this if an appropriate level of resources is to be invested into the fundamental priority of keeping tenants safe at all times.”

It is inappropriate to pretend that social housing can offer the significantly higher service standards that have been promulgated in the past and which would be the envy of other tenures. Services and business direction need to be driven with a serious commercial edge that makes the most of the available resources.

The principal findings will irreversibly change the approach of the sector to repairs and maintenance:

Repairs and Maintenance Matters: the things we need to challenge and change if the sector is to deliver genuine investment value for tenants through repairs and maintenance:

- ***No more repairs that don't add value to the stock:***
Continuing financial constraints affecting the sector mean there is a pressing need to ensure repairs and maintenance is adding value as investment in the stock and is not just seen as an on-demand service to tenants. Repairs and maintenance should form an integral part of strategic asset management, delivering resident focused place based investment that improves the building asset, the wider neighbourhood and the community and keeps residents safe at all times
- ***New models of repairs delivery must move away from absolute user sovereignty which is unaffordable and instead be based upon a radically revised understanding and application of resident entitlement:***
The new relationship with residents should replace entitlement with partnership. Looking after homes requires an active, mutual and long-term partnership with residents that landlords must invest in. We need to replace the old thinking and vocabulary of the Audit Commission KLOEs with a set of new models and corresponding objectives and measures of performance and delivery that look beyond the traditional range of customer focused metrics.
- ***Repairs must contribute to strategic landlord objectives and become a core element of the landlord team:***
Repairs and maintenance must make a wide-ranging contribution to core housing management objectives of tenancy sustainment, successful households and viable neighbourhoods where people want to live; creating new ways to work collaboratively with and support housing managers so repairs and maintenance shares the benefits and advantage of privileged access to residents and becomes a ***super partner*** to housing management
- ***New model workforce for repairs and maintenance:***
A modern repairs service will be resilient with a hierarchy of skills including craft ability but include effective personal organisation, wider problem solving, timely communication with and technical advice for tenants, property inspection and for broader advocacy on behalf of the landlord

- ***Repairs objectives must include commercial sustainability:***
Landlords should embrace a credible and commercial definition of great customer service that addresses the tension between delivering a high-quality repair offer and living within available resources;
- ***Resident engagement and inclusion:***
Landlords should listen to and work with residents to co-create the solutions to repairs and maintenance challenges. This depends critically upon generating the trust and credibility needed through open and two-way communication that supports resident engagement. A key expectation that residents have of landlords is that staff are entirely candid in their communication and dealings with them.

1. *Application of sector led collaborative techniques to radically shrink the cost of repairs and maintenance whilst driving up investment value delivered in tenants' homes:*

The sector must deliver a new and interrogatory model of cost and performance monitoring for repairs and maintenance which focuses upon:

- Identifying high spend properties and proactively remedying the root causes of high expenditure
- Tracking properties with high numbers of reactive repairs to evidence why these repairs are arising and setting targets to reduce this
- Examine high spend jobs to ensure the underlying reasons can be addressed as part of planned maintenance -
- Active interventions to ensure resident responsibility repairs are managed in line with policy
- Tracking compliance with all legislative and health and safety requirements to guarantee resident safety
- Ensure there is an intelligent link between reactive and planned repairs and with the wider repairs policy
- Robust monitoring of planned works including financial penalties to ensure providers are held accountable for any latent defects that may arise over an extended period
- Regular involvement of residents in sense checking the outputs and reports from service monitoring and in interpreting the data in the context of resident and local community experience

2. *Provision of an evidence based examination of good practice in R & M service design and operation and an objective appraisal of the results and outcomes*

- Promoting alternatives to reactive repairs through planned pre-inspection and remedy programmes and adoption of critical measures of success that should apply
- Ensuring that preventative maintenance results in a medium-term reduction in overall costs and extends component life and value
- Challenging the conventional assumptions around component life cycles and perceived need for blanket renewal which always results in premature removal of some serviceable elements
- Planned on demand: adopting a fully flexible approach to renewal which is premised upon tenant demand and upon the tested condition of each component

3. *Addressing the fact that traditional repairs delivery models will not match the value and economy thresholds now expected*

- Intelligent use of data generated by response maintenance to track where high expenditure being committed
- Analysis and evaluation of materials utilisation to understand how different components perform
- Improved diagnosis, remedy and prevention of damp and condensation problems and support for residents in combatting

- Adopting an effective learning approach to resident feedback and through exacting post inspection of work quality

With these objectives in mind the project examined:

▪ **A number of sector leading initiatives:**

- *Riverside's 'Think Homes' and Property MOT programme which aims to reduce responsive repairs costs by proactively bringing homes up to standard*
- *Incommunities' 'Planned on Demand' approach which overturns traditional assumptions about planned replacement of components*
- *New approaches to performance measurement and management that focus on value added to the asset*
- *What social landlords can learn from the commercial approach of the private rented sector*

▪ **Things that are ripe for disruption:**

- *Asset management and repairs and maintenance Performance Indicators are not measuring value*
- *The traditional landlord and tenant relationship which doesn't address mutuality or drive household and community success*
- *Dysfunctional working within and between organisations that generates noise, tension and waste*
- *How the repairs and maintenance workforce of today can become an integral part of the landlord team*

▪ **The need for a new kind of 'commercial' approach:**

- *Learning from how the new private rented sector institutions are approaching repairs and maintenance*

Key Challenges and Opportunities facing repairs and maintenance:

- **Eliminating waste and inefficiency:** how can landlords shrink high repair costs and still add value for the tenant and for the building asset
- **Adding value to the asset:** repairs spend must deliver not only in meeting resident demand but also as investment in sustaining the stock
- **Ripping up the old:** the responsive planned dichotomy is no longer a helpful distinction or rubric for prioritising improvement in property condition; traditional assumptions should be set aside, and new thinking deployed to identify value
- **New repairs offer:** managing tenant expectations from the earliest stage in the housing process and continually incentivising and reinforcing good behaviour from across the organisation
- **Engineering a paradigm shift in favour of high value R+M activities:** critical appraisal and evaluation of new delivery models to test innovation and evaluate what is being delivered
- **New model operatives:** recognised as members of the landlord team and contributing to service redesign; customer facing, trusted, multiskilled, articulate and valued
- **Great customer experience:** effortless contact with the service, provision of timely information on repairs delivery and opportunity to feedback on what went well and what can be improved; confidence in landlord's intention to meet standards consistently

- **Better understanding and application of data to drive performance and value:** monitoring and management attention aligned to property needs and customer expectations
- **Procuring for success:** finding and retaining partners to work collaboratively to reduce costs and improve impact
- **Resilient and successful households:** ensuring repairs and maintenance contributes to securing wider landlord and strategic community goals
- **Productive dialogue with tenants:** setting clear expectations and empowering tenants who can take responsibility

Disrupting Repairs and Maintenance - New Opportunities and Solutions

Rewriting the Rules:

Repairs and maintenance is more than just a service to tenants; it should be part of the core investment in the physical assets of the business. It is not simply an on-demand service to residents but should be an investment in sustaining safe, warm and comfortable homes

- A good repairs service is about much more than just turning up on time and fixing on the first visit, whatever the cost
- We must end the obsession with Decent Homes which too often condemns serviceable components to premature abandonment
- We need a preventive maintenance approach designed to anticipate repairs needs, producing lower levels of reactive demand
- We must test and verify the impact of planned programmes on reactive repairs and be prepared to change the approach to meet the new best value standards

Integrating repairs and maintenance with strategic asset management

- Repairs and maintenance activities and priorities should be directed towards sustaining the building assets and enhancing the lives of residents – it is about more than turning up on time and fixing on the first visit whatever the cost
- New thinking is needed to develop models of provision that are relevant for today's needs: much recent investment including in decent homes has condemned serviceable components to premature abandonment
- The sector needs a preventive maintenance approach designed to anticipate repairs needs and significantly lower reactive demand. Landlords should promote a partnership with tenants that supports their responsibility to look after their homes
- Planned maintenance on demand that is designed to extend the life building components and replace only when they become unserviceable – just in time renewal
- Development of KPIs that measure the value added to the asset, the value secured to the business and the beneficial impact or social value for the resident and the community
- Application of business analysis tools that can identify avoidable or abortive expenditure and suggest alternative maintenance solutions
- Evaluation of planned maintenance programmes to test and verify their impact on reducing reactive repairs demand

Collaborative working with housing management and across the landlord team

We must cultivate collaborative working with housing management and across the landlord team to deliver stronger, shared outcomes and outputs for residents, the building asset and to meet housing need

- We must get out of our silos and develop a shared understanding and appreciation of how cross-team working can deliver mutual benefits
- We must see repairs as just one facet of a 'fit for purpose' home, recognising the wider importance of repairs for estate and neighbourhood sustainability

- Repairs and housing teams must work collaboratively together to deliver tenancy sustainment and reduce the incidence and costs of re-housing
- Creating a clear understanding of the benefits that are realisable from collaborative working with housing management
- High level objectives of more successful households, fit for purpose homes and a place based focus on estate investment in neighbourhoods and communities which gives residents a real say over estate budgets
- Engaging early with residents to establish clarity around the share of responsibilities for repairs and maintenance that is set out in the tenancy agreement and repairs policy
- Integrated approach to tenancy sustainment and to re-letting and rehousing which reduces the incidence and cost of rehousing
- Colocation of repairs with housing management and caretaking teams and establishing a shared resident focused culture
- Devolution of budgets and input for housing management and for residents in expenditure decisions

Forging a new and productive partnership with tenants and residents

We must forge a new and productive partnership with tenants and residents based around mutual obligations

- As landlords, we must invest in an active, mutual, long term partnership with residents that strengthen mutual trust and confidence
- Repairs teams must be involved in helping tenants prepare for their tenancy and in providing a proactive tenancy induction programme promoting mutual rights and obligations in the repairs policy
- Both landlords and tenants need to embrace a robust approach to rewards and sanctions so that the right behaviours are reinforced and errant behaviour is seen to be sanctioned
- Looking after homes requires an active, mutual and long-term partnership with residents that landlords must invest in so that we reach a wider cohort of tenants and leaseholders
- Developing mutual trust and strategically transforming behaviour over the longer term
- Repairs teams must play their part in helping tenants secure pathways out of dependency and towards independent living yielding more successful households

A resilient and capable repairs and maintenance workforce for the future

We must have a resilient and capable repairs and maintenance workforce that has the defined skills and experience needed to deliver the new, modern service

- We must have in place a resilient blend and hierarchy of skills based around craft ability, communication, advice, wider landlord perspective etc.
- Repairs operatives must all be proactive problem solvers, with a flexible 'can-do' approach
- We must make use of the repairs visit by the operative to identify and capture any potential property or tenancy concerns
- The repairs workforce of the future will be resilient and display a hierarchy of skills that begin with craft ability and completion of the whole repair so additional trade visits are not required but will also include...
- Communicating with, advising and educating tenants; inspecting and surveying the property; application of new technology; landlord eyes and ears when visiting to identify any concerns that need attention particularly around health and safety
- More opportunities for transitioning between asset management and housing management and for women to work in R+M
- Development of complementary skills for a craft based repairs and maintenance workforce that enable right first time completion
- Enhanced communication skills to articulate the mutual obligations around repairs that the Tenancy Agreement expects
- Coaching and advising tenants on looking after their home
- Problem solvers with a flexible, can do approach
- Making use of the repairs visit to note and make sense of any property or tenancy issues that may be apparent, assessing how the tenancy is being managed and looking out for any potential health and safety and compliance concerns

Defining and establishing a commercial approach to housing repairs and maintenance

- Adopting a commercial definition of great customer service: addressing the tension between delivering a high-quality repair offer and living within available resources
- Learning from good practice in the private rented sector: maximise rent, minimise expenditure and generate high levels of tenant satisfaction and retention
- Proposing and recommending new freedoms that would allow the benefits of a more commercial approach to be realised
- Deposit based upon six weeks rent, inventory at check in and check out, two months' notice requirement, tenant responsible for professional clean at the end of the tenancy and for all costs that are not fair wear and tear

- Whole life' approach to material selection that considers long term maintenance and repair arrangements
- Fully integrated IT systems covering all aspects of management and maintenance