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| <b>Item No.</b>                    | <b>Classification:</b><br>Open | <b>Date:</b><br>21 October 2013                 | <b>Meeting Name:</b><br>Housing, Environment, Transport<br>and Community Safety Scrutiny<br>Sub-Committee |
| <b>Report title:</b>               |                                | <b>Update on Repairs Performance</b>            |   |
| <b>Ward(s) or groups affected:</b> |                                | All Wards                                       |   |
| <b>From:</b>                       |                                | David Lewis, Head of Maintenance and Compliance |   |

## Background Information

1. Good progress has been made in improving the repairs service. Tough decisions have been taken on who provides and manages the service in the borough. Structures and processes have been refined and contract management has been improved.
2. However, the service still has a long way to go before it is truly delivering the service residents deserve. There are still too many instances of the service going wrong and when it goes wrong it tends to do so badly. All too often it is frustrating for residents to access the service or be kept advised of progress resulting in many repeated contacts. This has to be improved.
3. The procurement of the long-term repairs and maintenance contract for the south of the borough presented an opportunity to provide a new style service, which truly puts the customer first, one that challenges service improvement and aspires to deliver a greatly improved repairs service for residents.
4. The contract has now been procured and awarded to Mears from the 3<sup>rd</sup> October 2013.
5. This procurement of a new contractor provided the opportunity for the council to review the delivery arrangements for Southwark Building Service (SBS). There is no doubt that SBS is getting better. New managers are in place, performance is improving and the service is becoming more efficient. It is, however, still early days and there is a way to go on the improvement journey.
6. There are many ingredients to delivery an excellent repairs service. Broadly these are:
  - **A responsive, organised and customer focused contractor**
  - **Direct delivery with reduced sub-contracting**
  - **Accessible Contact Centre with effective staff**
  - **Complaints dealt with effectively**
  - **Good and consistent performance**

## **Mears Contract**

7. The Mears interim contract went live on 3<sup>rd</sup> October 2012 and they hit the ground running (having mobilised in two months). The IT worked well from day one and all operatives use handheld computers to receive and provide updates on repairs jobs. A total of 20 new staff have been recruited including 12 operatives mainly from the local area. New systems and processes have been put in place to ensure repairs are delivered more efficiently and right first time. New Mears senior managers are also in place and are driving the required cultural change.
8. The first 12 months of the relationship with Mears has been a successful one. Performance has improved, complaints reduced and the general feedback from residents has been positive.
9. The long-term repairs contract went live on 3<sup>rd</sup> October 2013. It is for 5 years with the option to extend for a further 5 years. There are a number of service enhancements in the contract. These include Saturday and evening appointments, 2-hour appointment slots, new dedicated communal repairs team and the option to move to a price per property model to improve the focus on the customer and provide cost certainty.
10. Communication remains an issue, with examples of residents not being kept informed in every instance. This particularly relates to follow-on and delayed work. Mears are working on processes to improve this.

## **Southwark Building Services**

11. The Mears improvement juggernaut has raised expectations about the rate and pace of repairs service improvement. In SBS, the workforce has downsized by a third, key staff recruited, new technology is in place and performance is improving. However, there are still issues. Complex work is a problem as is keeping residents informed at every stage of the repairs journey.
12. SBS has an improvement plan in place to continue to drive up performance. The expectation is that SBS will at least match Mears' delivery and then exceed it. Changes are planned to move material supply to electronic delivery which will aid right first time. The contract lump sum payment will be removed (it guarantees an annual payment of £4.7m for overheads irrespective of activity – a legacy of the 2009 procurement) in favour of National Housing Federation all-inclusive rates. Payments will only be made on work completed and allow comparison with Mears and other landlords in and out of London.
13. Negotiations are also underway to modernise the pay and reward scheme to ensure pay is equitably distributed and is linked to key performance, including resident satisfaction. Flexible appointments to include Saturday and evening appointments are also part of this package. These developments are expected to be in place by April 2014.

## **Sub-contracting**

14. There will always be a need to sub-contract repairs work. First to deal with peaks and troughs but also to deal with non-specialist works beyond the repairs contractors' ability, for instance, scaffolding, joinery or window replacements.
15. It is generally recognised that the source of some residents' complaints is the work completed by sub-contractors. They are a challenge to manage, do not all use the same technology, have less visibility and perhaps do not share the same ethos of customer service shared by the main contractors. There have been a number of recent contractors being removed from use because of this.
16. Direct delivery is key. Both SBS and Mears have been set targets to limit the use of non-specialist sub-contracted work to 10% by volume. SBS currently sub-contract just under 10% while Mears stand at 26%. The target in the new long-term contract is for this to be achieved by the end of the first anniversary of the new contract i.e. October 2014. It is worth noting at its height Morrison sub-contracted 70% of their work.

## **Complaints**

17. Since June 2012 complaints and member enquiries have been kept open until the repairs have been resolved. This has significantly reduced the number of complaints escalating to stage 2, with 52% less escalating than a year ago. There were 1450 open cases in January, but this has gradually been reduced to 750 by mid September.
18. Numbers of repairs complaints received has fallen by 42% (April to August 2012 compared to April to August 2013) so open complaints have fallen slightly faster. Members enquires received has actually increased 4% for the same period,
19. While there is no one action that has caused the fall in repairs complaints, the end to end process for repairs has been improved in a number of areas over the last year and we are seeing this reflected in the complaints received.
20. A number of areas have been identified as either frequently arising in complaints or which are likely to escalate to stage 2.
21. There has been a problem for some time with window repairs/replacement and this has previously been identified as an area which experiences a high level of escalations as compared to the number of complaints received. Both contractors are putting in place arrangements to undertake window repairs in-house and are sourcing new window replacement sub-contractors to improve response times.
22. Roofing (including scaffolding) and leaks are the most common area for complaint and often the most difficult to resolve. This is often because the repairs required are complex or expensive and may have been outstanding a long time. Both contractors have introduced new processes to improve these types of works.
23. There continues to be ongoing problems with identifying renewal repairs, where repeat jobs are raised when a renewal would be more cost effective. There may also be underlying problems not being identified. Some of the issues here are about the expectations of the residents. This was featured in the most recent

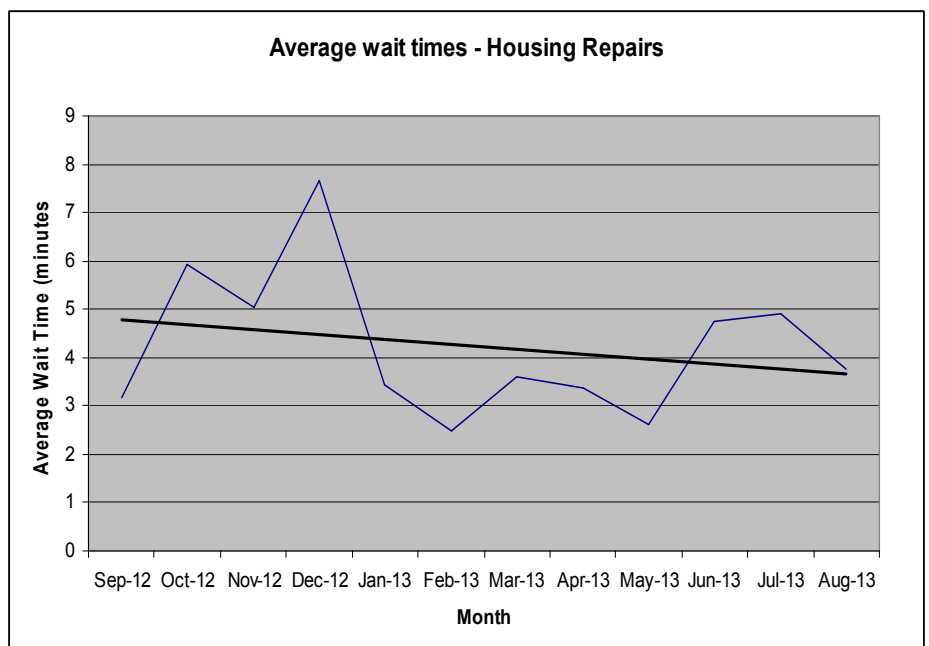
edition of Southwark Housing News on repair responsibilities. It is also about empowering staff to make decisions to replace when it the appropriate thing to do.

**Contact Centre**

- 24. The foundation of any good repairs service is accurate diagnosis and ordering at the front end. If this is not correct the repair is destined to fail. Conversely, of course, if the customers problem is captured correctly and includes a full description of the problem then the right operative will attend with the right tools and complete the job right first time. This is the aspiration for the new Contact Centre. Early indications are that this aspiration is starting to take shape.
- 25. The Contact Centre has been in-house since the 1<sup>st</sup> June 2013. New IT systems are in place and 40 apprentices have been recruited and extensively trained. Repairs and Maintenance staff are co-located at the Contact Centre (as are both heating contractors since the end of September).
- 26. The emphasis is dealing with all issues right first time avoiding the need for repeat or chase-up calls. This emphasis on improving the quality of the service delivered is undoubtedly the correct approach. Spending time getting the service right first time, will lead to less call back in the future. This does however, need to be balanced with services that are easy to access.
- 27. Highly trained staff and with specialist contractor support means issues that arise can be resolved quickly and efficiently.
- 28. The current trend indicates the call performance in the Contact Centre compares favourably against the recent performance of GDIT. Average call waiting (ACW) has been below 5 minutes since June 1<sup>st</sup>. Since the summer of 2012, GDIT's ACW performance has averaged at just under 5 minutes, with 3 months having ACW above 5 minutes. **See table 1** – call waiting time for repairs.
- 29. The trend is showing improvement however. Both the abandoned rate and average call waiting has improved in September. **See table 2.**

**Table 1  
Average Call Waiting (ACW) In Last Twelve Months**

| Month      | ACW    |
|------------|--------|
| Sept 2012  | 3m 11s |
| Oct 2012   | 5m 56s |
| Nov 2012   | 5m 2s  |
| Dec 2012   | 7m 39s |
| Jan 2013   | 3m 26s |
| Feb 2013   | 2m 29s |
| March 2013 | 3m 36s |
| April 2013 | 3m 23s |
| May 2013   | 2m 37s |
| June 2013  | 4m 45s |
| July 2013  | 4m 54s |
| Aug 2013   | 3m 47s |



## CONTACT CENTRE PERFORMANCE APRIL TO SEPTEMBER 2013

Table 2

|                   |        |        | Repairs Only |        |        |           | All Calls |
|-------------------|--------|--------|--------------|--------|--------|-----------|-----------|
| 2013/14           | Apr    | May    | June         | July   | August | September | Exc SWB   |
| Offered           | 37,064 | 32,260 | 22,061       | 22,203 | 20,745 | 25,272    | 56,186    |
| Answered          | 29,051 | 26,540 | 17,660       | 17,896 | 17,524 | 23,817    | 50,918    |
| % Answered        | 78%    | 82%    | 80%          | 81%    | 84%    | 94%       | 91%       |
| Avg Wait          | 03:23  | 02:37  | 04:45        | 04:54  | 03:47  | 02:36     | 02:06     |
| Avg handling time | 07:57  | 06:40  | 08:17        | 08:13  |        |           | 05:56     |

| Target  | 2013/14 YTD Performance |   |
|---|-------------------------|---|
| < 60 secs average call waiting time of (repairs only) | 156 secs                | R |

### Performance

30. There are five measures used to assess performance of the repairs service. Each is set out in **table 3** below. The first three: satisfaction, right first time and appointments are measured solely through monthly surveys by telephone and email. Very few landlords across the country measure performance in this way, but officers believe this gives the most accurate judgement of performance. Between 400 and 600 surveys are completed each month. The number of surveys gives a strong statistical confidence of the accuracy of the results. The remaining two indicators are drawn from council's housing management computer system (iworld).
31. Stretch three year targets have been set for the service to drive performance up to a level residents deserve. Satisfaction and right first time are the most significant measures of a successful repairs service and both are improving, but are still some way from achieving target. Appointments kept and work completed on time are broadly achieving target and these targets will be reviewed at the end of year.

*Table 3 – Key performance indicators – 11/12 to September 2013*

| Performance indicator                    | Target | 11/12 | 12/13 | 13/14      |
|--|--------|-------|-------|------------|
| Overall satisfaction with repairs        | 90%    | 79%   | 81%   | <b>82%</b> |
| Repairs Completed right first time (RFT) | 90%    | 69%   | 76%   | <b>80%</b> |
| Appointment kept                         | 96.5%  | 93%   | 96%   | <b>97%</b> |
| All repairs completed on time            | 95%    | 93%   | 94%   | <b>93%</b> |
| Emergencies completed on time            | 95%    | 95%   | 94%   | <b>96%</b> |