

Item No. 12.	Classification: Open	Date: 24 March 2020	Meeting Name: Cabinet
Report title:		Repairs service – Improvement Plan	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Kieron Williams, Housing Management and Modernisation and Councillor Victoria Mills, Finance, Performance and Brexit	

JOINT FOREWORD: COUNCILLOR KIERON WILLIAMS, CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION AND COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR FINANCE, PERFORMANCE AND BREXIT

A high quality housing repairs service is central to our commitment to providing good quality homes for our tenants and residents. On 1 October 2018, the council brought responsive housing repairs in house in order to drive up standards and ensure a consistent approach to repairs that will benefit tenants. This was the latest, and biggest, example of Southwark leading the way in reversing the trend of outsourcing public services, with our experience since 2010 being that in-house services can carry less risk and deliver higher quality and performance.

Now is the right time to focus on how we plan the sustained improvement of our repairs service. This Repairs Improvement Plan captures what residents have told us in the past but is also the result of recent engagement too. In addition, it builds on a robust analysis of what we are currently getting right but what we all too often get wrong. It looks at aspects of our service that can see rapid and simple changes to those areas which require longer-term investment and action, particularly in IT, to see the transformation that we need.

Our vision is for a service that consistently gets repairs right first time, responds to our residents needs, grows our own workforce, works with local suppliers to help boost the local economy and achieves the very best value for money. Above all else, we want to see a truly ‘One Council’ service that puts residents at the heart. For this reason, this report and plan also sees the transfer of Southwark Building Services to the Housing Department and an end of the ‘client and contractor’ relationship that isn’t relevant now that our in-house team is the one team serving residents.

RECOMMENDATIONS

Recommendations for cabinet

1. That Cabinet agree the Repairs Improvement Plan and requests a report back on progress in June 2021
2. That Cabinet agree that progress in implementing the plan be reported quarterly to the lead cabinet member and also to tenant’s representatives through the council’s new Tenants Forum or a sub group of that forum.
3. That Cabinet notes the proposed transfer of Building Services from Environment and Leisure to the Housing and Modernisation Department. One of the key gains

from the shift to Housing is that Southwark Building Services will become more seamlessly part of the council and part of the overall Housing team

Recommendations for the leader

4. That the Leader delegates authority to the Cabinet Member for Housing Management and Modernisation to update the Repairs Improvement Plan to strengthen it as work on it progresses and further specific improvements and actions are identified

BACKGROUND INFORMATION

5. On 1 October 2018 the Council's contract with Mears ended and 65 staff transferred to the Council, joining SBS who took over responsibility for delivering internal repairs, minor aids & adaptations and void works throughout the whole Council housing stock.
6. On 17 September 2019 the Cabinet agreed that all non chargeable repairs and associated works (responsive repairs inside council tenants' homes) remain in-house, delivered by the Council, ensuring 'council' ownership and responsibility of repairs and a greater 'one council' approach.
7. At the same September meeting, Cabinet requested that a three year improvement plan for the housing repairs service be developed, in consultation with staff, members and residents and presented to Cabinet for approval in March 2020
8. The current organisational structure for repairs is operationally through Southwark Building Services (Environment and Leisure Department) with supporting advocacy services and customer contact through Asset Management and Customer Experience respectively (Housing and Modernisation Department.)

KEY ISSUES FOR CONSIDERATION

Delivering Services In-House

9. The repairs service is entirely managed by Council officers with a shared vision of putting the resident at the heart of the service and applying the Fairer Future Promises. Delivery is through an in-house team with support from contractors to provide additional capacity or specialist skills.
10. Strengths include easy identification of service provider for contact centre, residents and council officers, leasehold costs easily recoverable due to competitive tendering for chargeable works, reduction in procurement and associated contract administrative costs.
11. Many residents receive a good repairs service which staff work hard to deliver, often going above and beyond expectation to do a good job. However, there is significant room for improvement to ensure that all residents are getting the service they deserve.

Progress since the service was brought in-house

12. Whilst developing the improvement plan, work has been ongoing to stabilise and progress the service. Officers have been working to identify local change and implementing developments which are aligned to improvement plan.
13. Having recognised that the technology used to deliver the service is one of the biggest barriers to operational delivery, discovery work has been ongoing to identify service and user needs and in developing a procurement strategy for replacement. Work has begun on the next 'Alpha' phase to test the available solutions.
14. The consultation has progressed positively and is ongoing. The work is taking place within the collective bargaining unit made up of staff side and Trades Union representatives.
15. Locally improvements are being made around
 - Provision of SMS 'texting' to residents informing them in advance of their appointment times the day before and on the day of the appointment.
 - An internal drainage team has been set-up reducing reliance on sub-contractors.
 - Streamlining processes in the back office including booking resident confirmed appointments only.
 - Created new system dashboards which will allow easier notification and job management of work orders.
 - Provided additional resource to improve performance significantly in the areas of providing tenant aids and adaptations and in managing complaints.
 - Changes and improvements to the 'no access' and 'follow on' processes to minimise any inconvenience to tenants following a failure to complete works at first visit.
16. In addition to operational improvements work has been ongoing in improving some of the fundamentals for the repairs service.
 - A major review of IT software and associated applications has been completed and the 'Alpha' phase for system renewal has been commissioned with a view to introducing new hard and software for repairs ordering and management.
 - A review of the material procurement and management has been completed along with an options appraisal for the future approach.

Transferring Building Services to Housing and Modernisation Dept. (H&M)

17. The proposed transfer is following Officer review of the required structure for the delivery of the proposed Improvement plan and future success in delivering a resident focused housing repairs service. Officers are working towards this taking place early in the new financial year.
18. As set out in the Cabinet report 'Insourced repairs service' September 2019 the improvement plan preparation has included considerations regarding the strategic management of the council, including the proposed decision on

reallocations of functions between departments and chief officers as the historic 'client contractor' split is dissolved to create the one-team approach.

19. The review found that whilst some operational and administrative efficiency have been achieved through the organisational positioning of Building Services within Environment and Leisure there have been a number of draw backs including some duplication of effort and some mixed or confused ownership of issues and solutions.
20. Additionally, as part of the findings of the Housing Scrutiny Commission – Repairs Report the Commission recommends that the light client model is dismantled. The transfer of Building Services to H&M will support delivery of this recommendation
21. In repositioning Building Services there will also be greater alignment of resident engagement and broader housing improvement programmes such as Great Estates, Capital Investment programmes etc.

Improvement Plan - Engagement

22. To ensure the engagement met with the Cabinet recommendation of including staff, members and residents, consultation was undertaken by HouseMark, it was undertaken using a number of methods with a cross section of contributors. We have:
 - Engaged with tenants through existing structures, arranged forums and telephone interviews to build upon the information we already held
 - Arranged and facilitated workshops, forums and input from
 - Existing Tenant groups (e.g. STGO, Area Forum reps)
 - Tenants who use the service frequently
 - Tenants who rarely use the service
 - Vulnerable Residents
 - Residents who had made complaints
 - Residents who had reported a repair which was yet to be completed
 - Over a period of two months we completed a series of One to One interviews, shadowing, team meeting attendance and observing / attending repairs calls / works.
 - Input was received from
 - Building Services
 - Housing Repairs and Maintenance
 - Housing Services
 - The Contact Centre
 - Trades Unions Representatives
 - Lead Members

Improvement Plan – Discovery

23. The discovery phase of the Improvement plan included a desktop review, resident, staff and member consultation and the outcomes from the engagement phase. Details included;
- Understanding tenant and resident concerns and aspirations for the repairs services.
 - Understanding the interaction between tenants and teams over the life of a repair.
 - Reviewing procedures and how they are adhered to by the various repairs teams within scope.
 - Delivering an end-to-end review of a repair, from reporting to closure and surveying for satisfaction
 - Spending time on-site with operatives to understand the challenges they face
 - Assessing the nature and volumes of work by trade and consider how procedures work for different trades e.g. the impact of compliance.
 - Assessing operating structures against the workloads identified, undertaking a skills gap analysis.
 - Evaluating the repair order system and understanding its impact on operations and the ability to undertake your work.
 - Understanding the impact of other sections such as Health and Safety and exploring ways to improve joint working with other parts of the council.

Improvement Plan – Insight

24. Following the engagement programme HouseMark has identified a large number of observations and insights. An initial summary details that:

Residents

- Reporting a repair was sometimes time consuming and challenging,
- Sometimes inefficiencies in diagnosing repair occurred, leading to repeat and lengthy visits
- The appointment system seemed to be failing and it would be ‘perfect to track them like parcels’
- There is low expectancy of what constitutes a good repair
- Poor communication led to frustration and disappointment

Staff

- The appointment system needs a significant amount of manual intervention
- Works diagnosis can be incorrect (duplicating resident view)
- Identification of required parts and material management leads to multiple visits to both property and suppliers.
- The current pay and reward system leads to inaccuracies and sometimes drives negative behaviours
- Skills and training available is limited
- Team structures across the Council can lead to confusion when communicating about works progression, completion or follow-up requirements.

Improvement Plan – Financial

25. Separately to the engagement work carried out by HouseMark, the Council asked RSM, as its nominated auditors, to support with financial analysis to understand the operating history and fiscal processes. At a high level this review has covered the following;
 - A clear, concise financial analysis of performance to date - actuals against budget / financial business case, by sector, and commenting on the detailed reasons for the difference for the last 3 financial years – 16-17, 17-18 and 18-19 – and with a forward look to forecast outturn for 19/20.
 - Review and commentary on the understanding of revenues, costs and activity and the relationship to the work programmes and payment mechanisms.
 - Review and commentary on the financial systems and processes currently in use within operations and the tracking and matching of costs to income.
 - Review and commentary on the financial controls in operation.
26. The detail and findings have been considered in the preparation of the Improvement Plan in particularly in informing on the vision and aim of delivering a cost effective service.

Housing Scrutiny Commission – Repairs Report

27. As part of its work plan, the Housing Scrutiny Commission has completed an investigation into concerns with the delivery of repairs. It has prepared a draft report identifying context, methodology and its view of issues within the repairs service.
28. In this work it recognises that ‘repairs to individual properties and communal areas are a crucial service delivery point for the council’ and have set out a number of recommendations to support improvements. It also notes that ‘We hope that the recommendations made in this report will make it easier for staff to deliver the high-quality service that we all want to see’.
29. To support the Housing Scrutiny Commission and to ensure that the recommendations from its report are considered and delivered officers have included the findings in its preparation of the Improvement Plan. As such each of the recommendations will be addressed.
30. The Housing Scrutiny commission was concerned at the client/contractor split continuing, albeit a light-touch client. Chief Officer Team has agreed that to deliver the overall repairs improvement plan SBS should sit within the Asset Management Division of Housing and Modernisation. Plans are being put in place to make this effective from the start of the new financial year.

Improvement plan - Delivery

31. The Director of Asset Management will take responsibility for delivering the plan and will draw up an ambitious programme of process change and business rules after a period of due diligence. The governance and management structure to deliver the plan will be reported at the first quarter’s lead member briefing

Resource Implications

32. Full resource implications will be determined after a brief transition period between directorates

Financial implications

33. To develop and deliver an ambitious improvement programme as detailed, officers are aware that there will significant financial implications e.g. replacement of IT system software and hardware.
34. As part of the governance arrangements for each work stream, procurement or resource requirement the prepared business case and any funding release will be subject to the necessary due diligence and oversight to ensure compliance with budgetary programmes, chief officer, financial and contract standing order requirements.

Community impact statement

35. These services affect all council tenants, support the Council's commitment to providing affordable quality housing and deliver its Fairer Future objectives. The repairs and maintenance service level agreement is designed to deliver both timely and responsive repairs for council tenants. Improving performance in customer satisfaction and right first time repairs will have a positive effect on service users.
36. In delivering the work to support the aims of embracing resident engagement and improved resident satisfaction we believe we will provide high quality, comprehensive information in a range of formats so that residents can tell us what they think about the repairs service both now and in the future and enable us to share ideas, options and progress.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Human Resources

37. The negotiation and consultation of the new terms and conditions of service for trades and craft operatives is underway with the Council's recognised Trade Unions. To date negotiations are progressing well. The proposed terms and conditions of service have been designed to move staff from a complex bonus scheme to a salaried scheme with career progression, to ensure that the new pay and grading structure supports and enables delivery of the improvement plan
38. The move of SBS from the Environment and Leisure Department to the Housing and Modernisation department can be achieved within the council's reorganisation procedures. As a general guide, changes of department require consultation and this is underway with our recognised Trade Unions. Individual consultation has also been undertaken with those staff directly affected by the move.

Strategic Director of Finance and Governance

39. The Strategic Director of Finance and Governance notes the report and service improvement plan. The repair and maintenance of the council's housing stock

consumes the greatest proportion of operating resources within the HRA and budgets remain under constant pressure. The in-sourcing of the repairs service in October 2018 was designed to improve service delivery at modest additional cost. As yet the financial and performance targets predicated in the business model have not been achieved as envisaged. The proposed transfer of the service to Housing and Modernisation will over time realise synergies and efficiencies and bring a more focussed approach to service delivery. The intention as stated in the report is for the 'client contractor' split to be dissolved, consequently, operational practices, support services, systems and processes will be reviewed and reshaped as the repairs service is integrated into Housing and Modernisation with the aim to provide a cost effective service that makes best use of the financial resources available for the benefit of residents.

Director of Law and Democracy

40. The Director of Law & Democracy notes the content of the report.
41. This report asks cabinet to note the progress to date in transforming the repairs service and to note the Repairs Improvement Plan (Appendix1). In addition cabinet is asked to note the proposed transfer of Building Services from Environment and Leisure to the Housing and Modernisation Department.
42. Cabinet's attention is drawn to the Public Sector Equality duty under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, relation, religion or belief, sex and sexual orientation, The duty also applies to marriage and civil partnership but only in relation to (a). The cabinet is specifically referred to the community impact statement at paragraphs 35 and 36 setting out the consideration being given to equalities

Reasons for lateness

43. This report was submitted after the deadline for submission for including on the agenda due to a combination of delayed submission of forewords and officers working on Covid 19 emergency plans.

Reasons for urgency

44. This report needs to be included on the agenda for March Cabinet due to the proposed change in governance of the repairs service which this report is recommending takes effect from 1 April 2020.

APPENDICES

No.	Title
Appendix 1	Improvement Plan

AUDIT TRAIL

Cabinet Member	Councillor Kieron Williams, Cabinet Member for Housing Management & Modernisation and Councillor Victoria Mills, Cabinet Member for Finance, Performance and Brexit	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation and Caroline Bruce, Strategic Director of Environment and Leisure	
Report Author	Mick Lucas, Director of Environment and David Hodgson, Director of Asset Management.	
Version	Final	
Dated	18 March 2020	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	yes	yes
Strategic Director of Finance and Governance	yes	yes
Cabinet Member	yes	yes
Date final report sent to Constitutional Team	18 March 2020	