

HOUSING MAINTENANCE REVIEW

1. INTRODUCTION

- 1.1 This report deals with a review of the Housing Maintenance Service, carried out by the Executive Head of Housing and Governance, as part of a fundamental review of all aspects of the Council's housing delivery.
- 1.2 Since the Executive Head assumed responsibility for Housing Services in November 2017, a number of reviews have been undertaken as follows:-
- **Housing Strategy and Development** – dealing with the Council's approach, as Housing Authority through a new Housing Strategy (adopted by the Council in December 2018), to facilitate the delivery of increased house building in the District in accordance with the Local Plan, as well as the Council's own council house building and acquisition programme to create at least 600 new council dwellings up to 2026.
 - **Housing Options Service** – covering how the Council allocates social housing in the District and the Council's response to homelessness culminating in a new Homelessness and Rough Sleeping Strategy and a new Allocation Policy (both of which were adopted by the Council in February 2019).
 - **Private Sector Housing** – a review of how the Council carries out its private sector housing duties culminating in an action plan to get the Council where it needs to be in order to discharge all aspects of the functions to a high standard.
- 1.3 This review concentrates on the Housing Maintenance Service which is responsible for maintaining the Council's housing stock which currently sits at 5,088 properties, made up of tenanted houses, flats, hostels and schemes providing extra care.
- 1.4 Due to the financial implications resulting from the review, the matter is being referred to Cabinet and Council for approval.

2. SCOPE OF REVIEW

- 2.1 This review includes all aspects of Housing Maintenance – planned, cyclical and reactive maintenance which have a total estimated 2019/20 spend of £10.5 million.

3. BACKGROUND

- 3.1 The Council owns over 5,000 Council properties and is under a legal duty to maintain the structure and fixtures of these properties including their communal areas.

3.2 The Council's maintenance responsibilities are split into three main areas as follows:-

- **Planned Maintenance** – this involves planning (including financial planning) and implementing the improvements that Council properties need in the medium to longer term. Stock knowledge and its condition are essential so that maintenance and repairs can be programmed to ensure the 'Decent Homes' standards continue to be met and to maintain stock value. Examples of planned maintenance are kitchen/bathroom replacements; roof, door and window repair and replacements.
- **Cyclical maintenance** – there are certain functions that have to be undertaken on a cyclical basis to ensure the Council complies with statutory requirements. These include the need to carry out annual gas testing of all gas appliances in every home and ensuring that everything is in good working order including checking smoke alarms and carbon monoxide detectors and to provide the necessary safety certificates.
- **Reactive maintenance** – this involves the Council having in place a 24/7 repair service to deal with repairs that the Council is legally responsible for. This includes dealing with issues relating to the following:-
 - the structure and exterior of dwellings (including roofs, chimneys, chimney stacks, flues, exterior walls, floors, ceilings, window frames, external doors, drains, gutters and outside walls and paths);
 - kitchen and bathroom fixtures – basins, sinks, toilets, baths and showers;
 - electrical wiring and gas and water pipes;
 - heating equipment and water heating equipment;
 - any communal areas around a property (including stairs, lifts and parking areas).

3.3 Historically, the Council divided its maintenance responsibilities for council housing stock across 2 areas:-

Housing Property Services – who undertook asset management and planned maintenance functions; and

Building Works – who undertook reactive and cyclical maintenance.

This structure operated on a client/contractor split. These 2 services were amalgamated in 2018 which culminated in the new Housing Maintenance Service.

3.4 When the Executive Head assumed responsibility for the amalgamated Service in 2018, it was clear that further work was needed to bring about a Housing Maintenance Service that was efficient, joined up with the rest of Housing Services and based upon a sound delivery model in order to carry out what is required in maintaining over 5,000 Council properties. As part of this review, careful consideration has been given to what functions are carried out in-house and what work is externalised in order to decide whether the current split between internal and external delivery is pitched correctly (see Section 4 below).

- 3.5 The following Table sets out relevant financial information about the Housing Maintenance Service:-

<u>2019/20 Budgets</u>	£m
Planned Maintenance	6.415
Cyclical Maintenance	1.380
Reactive Maintenance	<u>2.672</u>
	<u>10.467</u>
Current Staffing Structure (Top of Grade Budget)	3.316

4. OVERVIEW OF THE COUNCIL'S CURRENT DELIVERY MODEL FOR HOUSING MAINTENANCE

- 4.1 The Executive Head of Housing has considered the entire component parts of Housing Maintenance (i.e. planned, cyclical and reactive) in order to consider whether the current balance of work – involving both in-house and external delivery – is appropriate. An analysis of this is set out below:-

4.1.1 Planned Maintenance

- 4.1.1.1 Currently the Council externalises the majority of capital planned maintenance to external contractors, for example, kitchen/bathroom replacements, roof, window and door replacements, thermal insulation and other major works.
- 4.1.1.2 The Council's Procurement Strategy 2018/22 seeks to realise the 'Quality, Service and Value for Money' offering from suppliers to support and improve the Council's service provision to residents. A significant piece of work that has recently been undertaken is the competitive tendering of both single and multi-supplier 4 year framework contracts for rolling capital expenditure programmes. This is in contrast to the past, where tenders and contracts for planned maintenance were let annually.
- 4.1.1.3 However, whilst external contractors carry out this work, there is significant input required of officers from within the Housing Maintenance Service to plan the works, specify them for contractual purposes, 'call off' the works and then manage the contracts.
- 4.1.1.4 The Executive Head considers that, as far as Planned Maintenance is concerned, the model of using external contractors to carry out capital programme works under a number of framework contracts, with the in-house team planning and specifying the works, including contract management, is appropriate. However, changes are required to the way the current 'in-house' Planned Maintenance team carry out their role. This is picked up in Section 6 – New Proposals.

4.1.2 Cyclical Maintenance

4.1.2.1 The items that fall into the category of Cyclical Maintenance are as follows:-

- Annual gas inspections of every Council property containing gas fuel appliances;
- Annual inspection of every property containing solid or oil fuel appliances;
- Annual checks on smoke and carbon monoxide detectors;
- Electrical inspections on a rolling 5 year programme;
- Fire alarm servicing at 6 monthly intervals;
- Emergency lighting testing (blocks of flats, hostels and extra care schemes) on a monthly basis followed by an annual full rated 3 hour duration test;
- Passenger and Through Floor Lift servicing and inspection regime at 6 month intervals;
- Stairlift servicing and inspection regime at 12 month intervals;
- Legionella testing and inspection regime on a rolling frequency. (The frequency is determined by the item and these include clarifiers, water tanks, water heating systems, water outlets and TMV's etc.);
- Automatic door servicing and inspection regime at alternate 6 and 12 month intervals;
- Cyclical external decorating of all properties and internal decorating of blocks on a rolling 7 year frequency and 'Elderly Person One Room Decorating Scheme'.

4.1.2.2 In the past the Council outsourced gas and electrical inspections to external contractors. The compliance rate for these statutory safety inspections dropped and, as a result, the service was brought back in-house. The Council's current compliance standards for gas and electrical safety compliance are very good, standing at 99%. This involves a dedicated effort on the part of the Housing Maintenance Service and other Housing Teams (including Estates Management) to ensure that every effort is made to gain access to Council properties in order to carry out the required annual checks and other inspections. Legal Services support the current work by instigating court action when attempts to gain access to a property (with the tenant's consent) have failed. The whole process works well and there is a reassuringly high compliance rate for carrying out this important work.

4.1.2.3 Under the newly adopted Fire Safety Policy for Housing Landlord Services, Housing Maintenance is now responsible for managing the call-off arrangements for all Council housing Fire Risk Assessments. However, fire alarm, lift servicing, automatic door servicing and Legionella testing still remain with the Council's Facilities Team. It is considered that Housing Services should be responsible for all aspects of this work to ensure clear accountability and that it is carried out to the required standard. Section 6 picks up new proposals in this regard.

4.1.3 Reactive Maintenance

4.1.3.1 It is crucial that the Council has arrangements in place to deal with repairs, including a 24/7 emergency response. Currently the Housing Maintenance Service undertakes almost all of the routine and emergency reactive repairs which, together, stand at nearly 19,000 requests annually.

4.1.3.2 The Team also carries out some kitchen and bathroom replacements as part of the capital programme. The reasons for this appear to be historical. In recent years, due to long standing vacancies, the completion rates of such work have varied. The Executive Head considers that it would be more effective for the current in-house team to concentrate on repairs, leaving the external contractors to undertake capital kitchen and bathroom replacements as they already undertake the majority of such work.

5. KEY FINDINGS OF REVIEW

5.1 The following are the key findings of the Executive Head during the course of the review:-

- Statutory compliance arrangements need to be consolidated within Housing Services;
- Further resources are required at both the management and operational level to deal with the scale of the work involved;
- Better interaction/co-ordination needed between Marsh Lane and Appletree Court employees – Housing Maintenance needs to be seen as one Service;
- Environment at Marsh Lane Depot – better working environment needed for office based staff which is not remote from Appletree Court;
- Pay/reward structures in need of review – in order to retain and attract good employees;
- New culture needed in terms of managing and supporting employees;
- Supervision of work carried out needs to be strengthened (more enhanced post-inspection work by supervisors/management);

5.2 Section 6 sets out the changes that the Executive Head considers necessary to bring about improvement and change within Housing Maintenance.

6. NEW PROPOSALS

- 6.1 This Section is divided into a number of key headings covering the new proposals that the Executive Head considers necessary to bring about change and improvement in the Housing Maintenance Service.

6.1.1 STRUCTURE OF THE SERVICE

- 6.1.1.1 The Executive Head is proposing to increase resources and implement changes to the structure of the Housing Maintenance Service. The new proposed structure is attached at Appendix 1. This shows 17 new posts, one of which is an additional Service Manager. These will be offset by the deletion of 7 current vacant posts. A summary of the duties of each new post is set out in Appendix 2.
- 6.1.1.2 As can be seen from Appendix 1, the new Housing Maintenance Service is separated into 2 main parts:-
- i) Compliance and asset management (including capital delivery); and
 - ii) Operations (including reactive repairs and void management).
- 6.1.1.3 A central shared support team (see further below) will support both parts of the Service.
- 6.1.1.4 The new structure addresses the need to consolidate and enhance statutory compliance. Within the current structure, there is no one individual or team that has dedicated responsibility and accountability for ensuring that all statutory compliance issues are properly understood, actioned and monitored. Instead compliance is spread over a number of teams across the Council.
- 6.1.1.5 The new structure reflects the importance of this vital work by placing responsibility for all statutory housing compliance under a new Compliance and Asset Management Service Manager, who will have the necessary skills and background in compliance. Annual gas and electrical testing in council properties will now report into this new Service Manager, this being core compliance work. Further, responsibility for Legionella testing, fire alarm testing, lift and automatic door testing will move from the Facilities Team to this new Team. This will ensure that there is clear accountability and responsibility for all compliance work across Housing Maintenance. The ongoing safety of residents is of paramount importance and it is right that the correct strategic context for housing compliance is in place.
- 6.1.1.6 Asset management functions will also sit under this Team as they are linked with compliance issues. It is very important that the Council understands its stock, has detailed knowledge of deficiencies as well as the right approach to planning the necessary maintenance over the longer term, to ensure its stock meets the 'Decent Homes' standard.

- 6.1.1.7 Capital works will also sit with this part of the Service. These are works identified from the carrying out of stock condition surveys and also to address the Decent Homes Standards. The majority of capital works are carried out by external contractors and it essential that the right skills set is in place to manage the contracts to ensure that works are carried out to the required standard. This is an area where a renewed focus, along with a re-skilling of employees, is required to enable the contract management function to be carried out to the required standard.
- 6.1.1.8 A dedicated Health and Safety Officer and 3 Clerks of Works will also sit within this Team. The importance of health and safety cannot be underestimated. The Government's Regulator of Social Housing has recently reminded Housing Providers that they must have appropriate controls in place to ensure the health and safety of tenants and employees. Whilst there is existing corporate health and safety support, there needs to be sufficient resources on the ground within Housing to deal with health and safety issues on a day to day basis. The new Health and Safety post will fulfil this function as well as managing the 3 Clerks of Works, who are the 'eyes and ears' in terms of what is happening on the ground. Whilst these posts will sit under the new Compliance and Asset Management Service Manager, they will also offer support to the Operations Team when required, for example when dealing with task specific risks, method statements, working with materials containing asbestos and ensuring the Council are procuring suitable tools, equipment, PPE and control of substances hazardous to health. These new arrangements will ensure that any risk is identified and measures are in place to reduce such risks to as low a level as reasonably practicable to ensure that employees and tenants are not placed in danger when maintenance activities are carried out.
- 6.1.1.9 The other part of the Service (Operations) will concentrate on reactive repairs and void management. This requires a different skillset to the Compliance and Asset Management responsibilities. The Operations Team relies on skilled 'Trades' to carry out physical remedial work and repairs. The new structure reflects the need for appropriate supervisory roles in this area of work. The new posts will provide a robust management framework resulting in improvements to day-to-day operations, estate and property inspections and will give reassurance that adequate supervision and management are in place to ensure high standards across reactive repairs and void delivery.
- 6.1.1.10 Further, the structure puts in a place 2 dedicated Cleaner posts, directly reporting into the Void Team. These posts will ensure the required standard of cleaning in voids is achieved (see further Voids section, paragraph 6.1.3).
- 6.1.1.11 The two teams will share resources of a central Business Support and Customer Services hub who will deal with the administration of the business, customer service, workforce planning and finances across the whole of the Housing Maintenance Service. Both parts of the Service will draw upon these central resources in order to discharge their respective functions.

6.1.1.12 Further, the structure puts in place a dedicated Training Coordinator post which will sit within this central hub. The Service employs a large and diverse workforce of employees with different qualifications, technical skill and competencies. It is imperative that the Service is able to identify, record and manage the training needs for all its employees and this post is key to ensuring collective and individual training needs are agreed, budgeted and delivered in a timely and cost effective manner.

6.1.1.13 The proposed structure closely replicates other well established models utilised within other Housing Providers of a similar size and provides clear lines of management accountability and appropriate skill and focus for defined activities. An overview of the key functions within the new parts of the Housing Maintenance Service can be found at Appendix 3.

6.1.1.14 The two Service Managers, whilst having separate responsibilities and different skills, will work closely together. Each will have responsibility for 49 and 59 FTE's respectively.

6.1.1.15 The new structure will place the Housing Maintenance Service on a firm footing for the future, given the scale and importance of the responsibilities that go with maintaining the Council's Housing Stock of over 5,000 properties.

6.1.2 **WORKS THAT WILL BE TRANSFERRED BACK TO HOUSING MAINTENANCE**

As from 1st April 2019 responsibility for call-off arrangements and oversight function for Fire Risk Assessments transferred to Housing Maintenance in line with the new Fire Safety Policy for Housing Landlord Services. There are a number of remaining functions carried out by the Council's Facilities Team which also need to transfer back to Housing Maintenance. These are:- fire alarm testing, lifts, automatic door servicing and Legionella testing. It is proposed that the transfer of each of these compliance areas back to Housing Maintenance will be phased in over the next 6 months to ensure a smooth handover transition.

6.1.3 **VOIDS**

- It is crucial that void properties are turned around quickly so that they can be re-let at the earliest opportunity. This is extremely important from a Housing Waiting List perspective and also to ensure the Council receives rent. There are between 200 – 300 void properties annually.
- The Executive Head considers that the current void letting standard and timeliness of delivery could be improved. As can be seen from the new Structure at Appendix 1, a new Void Manager post is proposed and this postholder will be responsible for managing the end-to-end void property process. This new postholder will manage a dedicated Void Delivery Team that will possess the necessary skills, aptitude and experience to turn around void properties to a high standard, supported by the day-to-day Operational Void Supervisor. The new Void Delivery Team will include personnel currently deployed on in-house kitchen and bathroom capital programme work as this latter work will come to an end. This will create a fully integrated approach to void management, provide resilience, speedier response and embed the necessary enhanced standards of service delivery.

6.1.4 **LOCATION / ENVIRONMENT**

The Executive Head has listened carefully to the concerns of office based employees at Marsh Lane Depot, who consider their environment needs improving. It is proposed to relocate all office based employees, who are currently based at Marsh Lane Depot, to Appletree Court, where they will have the benefit of 'smarter working' opportunities, including refurbished office accommodation. This will create a fully integrated service approach to Housing Maintenance, provide resilience for smarter working, embed the necessary standards of delivery and improvements across the whole of Housing Services. It is proposed that this will take place in Autumn 2019.

6.1.5 **CUSTOMER SERVICES**

In 2018/19 the Council's Customer Services Team handled approximately 47,000 calls across Housing Services, with the demand for Housing Maintenance being the highest at 18,761 calls.

The end-to-end journey and experience for tenants needs to be at the forefront of service delivery design for the future. A modern contact model that seeks to maximise digital opportunities and empower tenants to have greater control and influence on the maintenance and repairs undertaken to their property is a key priority. A corporate Website Project Board was set up in early January 2019 to review digital delivery across Council services. The priority for Housing Services is to develop a modern contact model delivered over two phases:

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|---------|---|
| Phase 1 | Design updated Housing Landlord Services web pages around a new web platform during 2019/20 |
| Phase 2 | Implement and embed Uniclass customer self-serve portal during 2020/21 |

In the interim period, until the new 'Self Service' contact model is implemented, it is proposed to integrate and embed all housing related customer engagement and contact handling within the Housing Maintenance Service. This will provide effective, efficient and skilled customer engagement front of house, improve data capture issues, enable skilled judgement in dealing with matters and improve delays in processing repair requests.

It is proposed that a number of existing Customer Services employees (precise numbers still to be determined but likely to be 4 FTEs) transfer to the Housing Maintenance Service in time to coincide with the move of Marsh Lane Depot office based employees to Appletree Court (September 2019). Customer Services will form part of the new Central Support Hub, as explained in paragraph 6.1.1.11.

6.1.6 **SUPPLY CHAIN CO-ORDINATION**

An existing (vacant) post of Contract Relationship Officer, whose principal function is to set up supply chains, has recently transferred to the Council's Procurement Team with the specific focus to implement a modern supply logistic based upon the "pull demand" model. A key function of the role will be to set up and manage the supply of goods and services from ALL third party suppliers (materials and contractors) that are required operationally. The new supply and logistics

processes will ensure right time, right quality, right place and right price alongside minimising inventory holding.

The role will also ensure Operational Managers and their teams and suppliers fully comply with the processes and service specifications set out in commercial contracts with regular contract monitoring and KPI compliance adding rigour and support to operational activities and contract management. A recruitment exercise has already commenced to fill this existing vacancy.

6.1.7 **PAY REVIEW**

The Council has found it increasingly difficult to attract and retain good and skilled employees in both construction trade and professional disciplines. The Executive Head considers the current pay/reward structures require further consideration to ensure that the Council is competitive and attractive as an employer.

An external pay consultant has been appointed to undertake a review of the pay and reward structure. This will be subject to a further report to EMT within 6-9 months.

7. FINANCIAL IMPLICATIONS

- 7.1 The HRA budget for 2019/20 that was set in February 2019 included a 'Management and Supervision' budget of £4.710m, representing 17% of total income. The structural changes as included within this report result in a potential maximum increase in annual staffing expenditure of £534k. Approximately one third of the total forecast increase in cost is attributable to employees tasked with maintenance operations, and so would fall within the parameters of the existing maintenance budgets. The remaining two thirds (£352k) relate to the required positions within Compliance & Asset Management and the Central Support Hub and would be in addition to the £4.710m budget (resulting in a revised percentage of total income of 18%).
- 7.2 The financial implications to 2019/20 will be less than those outlined in 7.1 due to the part-year effect of the proposed changes, coupled with the likely remuneration points of employees being spread throughout the salary bands, and not all being at the top scale points (which is where the maximum £534k is based).
- 7.3 Redundancy costs could be in the region of £30k-£35k if any of the displaced employees did not either seek redeployment within the Service or were not successful in being appointed to new posts in the revised structure. There are however unlikely to be any redundancies.
- 7.4 Any further changes that may be required following receipt of the Pay Consultant's report (as explained in Section 6) will be reported at the earliest opportunity.

8. RECOMMENDATION

- 8.1 That the Housing Overview and Scrutiny Panel consider the report and makes a recommendation to Cabinet.

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Background papers:

Existing public documents.