



Report to Safer & Stronger Communities Scrutiny & Policy Development Committee 26th March 2015

Report of: Interim Director of Housing & Neighbourhoods
Services – Communities Portfolio

Subject: Social Housing Repairs and Maintenance Contract

Author of Report: Iain Allott (Strategic Lead for Repairs Service: Housing
& Neighbourhoods Service – Communities Portfolio.
(Christelle Hovine: 0114 2736495)

Summary:

The Council agreed a contract for Repairs and Maintenance services to tenants' homes with Kier Services Ltd (Kier) which commenced on the 1st April 2014 for a period of 3 years (with the option to extend by a further 2 years)

The contract sets out the Council's ambitions for re- structuring the service to provide a service fit to be integrated with the Council housing service at the end of the contract period should that remain the Council's ambition.

The contract contains service standards and targets for service delivery which build on the previous contract and acknowledge that improvements are required in certain parts of the service.

A strong partnership between Kier as provider, tenants and leaseholders and Sheffield City Council to achieve the efficiencies, benefits and continuous improvements envisaged for the service.

The information presented has been requested by the Committee to enable scrutiny to consider the progress made on implementing the requirements of the contract.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	x
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	

Background Papers:

Report to Safer & Stronger Communities Scrutiny & Policy Development Committee 26th March 2014: Social Housing Repairs and Maintenance Contract

Cabinet Report 14th January 2015: Housing Revenue Account (HRA) Business Plan: HRA Budget and Rent Increase 2015/16.

Category of Report: OPEN / CLOSED (please specify)

1. Background

1.1 The Social Housing Repairs and Maintenance contract commenced on the 1st April 2014 following a competitive procurement.

1.2 The Council's preference would be to consider an in-sourcing option at the end of the contract period. However, to achieve this will require significant progress to be made as part of the new contract.

1.3 The contract contains service standards to which the Repairs and Maintenance contractor must deliver or incur financial deductions through a Performance Deduction Mechanism.

1.4 Under the arrangements for providing the service from 1st April 2014 the Housing Repairs Call centre it was agreed that this would transfer into the Corporate Contact Centre as a dedicated Housing Repairs Service.

1.5 A report will be presented to Cabinet on the 18th March 2015 on the options for the Housing Repairs and Maintenance Service after the end on the current contract.

1.3 This report was requested by the Committee to inform on the progress made on delivering the contract objectives following its report to this Committee in March 2014.

2 Progress Update

Efficiency savings

The budget for the first year of the contract was set at £37m in the 2014/15 Housing Revenue Account (HRA) business plan update. This year's budget proposals won't be finalised until the meeting of the City Council at the start of February.

In order that the required savings of £665k/ per year are realised over the 3 years of the contract, the total revenue repairs budgets for 2015/16 and 2016/17 are proposed to be capped at a total of £63m.

Based on current progress this objective will be met.

Performance against service standards

The contract has Performance Indicators (PI) which requires Kier to perform to agreed service standards or potentially incur penalties across a range of activities.

Kier Services - commitment schedule audit

The contract allows for Sheffield City Council to carry out a periodic audit of progress against the commitments made by Kier in their method statements. Failure to achieve a score of 2.5 (out of a maximum of 5) results in a financial penalty for Kier. The first audit was carried out in November / December 2014. Generally each bid commitment achieved a score of 2.5 or more, however

some areas around mobilisation of the contract, subcontractor management, complaint management and progress with the modernisation of the workforce achieved a score of less than 2.5. A detailed Action Plan is now in place having been developed with Kier Services to improve this.

Integration with the Housing Service

The intention was to work as part of an integrated team with the Housing Service as part of its 'Hub' model, significant progress has been made and 3 hubs are currently in place across the city serving the 6 Housing Areas:

- North Hub- Moonshine Lane Housing Office
- South Hub - Lowedges Housing Office
- Central Hub- Manor lane

To improve the customer service new initiatives are being trialled in the North hub around call handling with a dedicated resource now in place to take calls. Call monitoring software will be put in place from January 2015. This software will enable SCC to monitor Kiers call handling performance at the Hub and the data will be used to improve enquiry management and communication with the SCC Corporate Contact Centre.

A trial is also being undertaken in the North Hub where customers who have 55 day planned repairs will be contacted within a maximum of 15 days for an appointment time for repairs to be carried out.

The Handyperson Service

This has been implemented in all Housing Areas. There are six handyperson(s) providing assistance to vulnerable customers by completing small jobs in the home that they cannot carry out themselves. This includes for example decorating, hanging curtains and fitting shelves. The service is very popular and achieves consistently high levels of customer satisfaction.

The Handypersons also assist with the resolution of low level customer complaints and problems, allowing for a more customer focused reactive approach to complaint management.

Information and Communication Technology (ICT)

The rollout of tablet devices to Kier staff continues across the repairs, voids and gas activities and opportunities are being explored to fully integrate these with other software to improve the delivery of the service.

Salary based reward scheme

As part of the bid commitments Kier Services set out as part of their bid submission their plans to review their pay and reward scheme during the first 2 years. This is progressing and the overall plan is for all operatives to be on a salary scheme by 1st January 2016.

Complaints Process Review

The complaints / customer interface has been process mapped and Kier have put in place a dedicated team based at Manor Lane who will manage Sheffield City Council Corporate Contact Centre enquiries and the customer complaints process. This has resulted in quicker resolutions for customers.

The handyperson service will be used wherever possible to respond to complaints quickly and resolve to the customers satisfaction.

Gas Servicing / Heating Mechanical & Electrical Service

Gas Servicing is within the target set in the contract.

The electrical teams are now split between the 3 Hubs. This change to the way the service is delivered has brought about some challenges to complete repairs within the time scale in the contract and performance continues to be reviewed to ensure electrical repairs are carried out on time.

Voids

The contract contains targets for bringing void properties to the let able standard with penalties for missing targets. Kier have made considerable changes to the way they deliver the service to address this challenge. The roles of voids inspector and work supervisor have been combined and mobile technology introduced. This has increased the time spent on site with a reduced turnaround time.

The improved mobile technology includes photographs providing comprehensive visual information about the property which is assisting with any recharges for damage and recording the condition of the property.

Performance indicators have been developed for this contract and do not make a like for like comparison with the previous contract however there is evidence to show that the time taken to carry out a repair is around 18% faster than the average in the final year of the previous contract.

Performance

Performance remains on or above the targets in the contract with a few exceptions which are being addressed.

Sheffield City Council Corporate Contact Centre:

The Repairs contact centre has been provided by SCC since 1st April 2014. Before this it was provided by the LLP. The Kier LLP contract arrangements (sub-contracted to Liberata). Whilst not part of the contract delivered by Kier it is an important aspect of the service interfacing with both customers, Kier and the Housing Service for the delivery of the service. The Contact Centre has agreed service standards and targets against which performance is measured.

Performance since April 2014 has been below target for calls answered on time. This has been reflected in negative feedback from customers. However, the Council and Kier have been working together to improve performance and have agreed the first of a series of process changes. A change in the way that calls and information is transferred between teams in the Council's service centre is due to go live on Monday 12th January. This will reduce the handling time on calls where referrals to Kier are required.

Changes have been made to the telephony structure for repairs calls meaning that tenants will be able to select an appropriate option depending on the nature of their call ensuring they get through to the correct person to deal with their call in the first instance. Part of the review process has been developing and multi-skilling current call advisors to give the Contact Centre increased flexibility and efficiency.

3. What does this mean for the Tenants of Sheffield?

3.1 The service standards and targets in the contract will bring about a repair service that:

- Will provide a customer focused service through improved call handling, a right first time approach and improved complaint management.
- Provides a value for money service that supports the HRA Business Plan.
- Further benefits from the use of Mobile Technology.
- Will allow for a more integrated service with the Housing and other Council Services at the end of the contract period should that remain the Council's ambition.

4. Recommendation

4.1 The Committee is asked to note the report and provide views and comments on the progress to date.