



Report to Assets, Development and Investment Committee

11 May 2016

Title: Repair and Maintenance Contract - End of year 2015/16

Report of Director of Customer and Communities

Purpose of Report

1. To provide the committee with an overview of the repair and maintenance contract at the end of the first year of the two-year extension period.

Background

2. As part of the arrangements for the extension of the contract between Gateshead Council and Mears, opportunities were sought for joint working with the council's Construction Services. Construction Services have carried out vacant property repairs in the East and Central Neighbourhoods during 2015/16, as well as repairs to flat roofs and boundary works (fences and brickwork) across the borough.
3. Previous committee reports during the year have described the significant improvements in performance on vacant property repairs. Performance on gas servicing had also improved during the year.

Performance

4. Performance results for responsive repairs and for cyclical maintenance are included on a separate report on the agenda for this committee. These results relate to repairs carried out by Mears.
5. Responsive repair performance indicators for repair appointments and repair satisfaction achieved target in 2015/16. The indicator for repairs completed within timescale was just out of target, with a result of 97.51% against a target of 98%. Performance had declined against this indicator in Quarters 3 and 4, and analysis revealed that performance against gas repairs during the winter period was the main cause.
6. There had been a significant improvement in gas servicing since Quarter 2 when there were 55 addresses classed as non-compliant. At the end of Quarter 3 there were only 7 addresses without a valid gas certificate, but this increased to 26 at year end. 18 of these have been resolved, but 8 require the service of a

warrant to gain access. The year end result of 99.86% represents an improvement against the previous year.

7. Performance on vacant property repairs features in the accompanying contract review document and both Mears and Constructions Services have contributed to overall improvements in relet timescales and in getting the relet work completed right first time.

Contract Review

8. The formal review document is included in the appendix to this report. There are sections on:

- Responsive Repairs
- Performance Indicators
- Vacant Properties
- Gas Servicing
- Gas Repairs
- Cancelled Appointments
- Electrical Testing
- Painting and Repairs
- Aids and Adaptations
- Apprentices
- Customer Care
- Learning Modules
- Serving our Communities
- Value for Money
- ICT
- Service Improvement

Links to Values

9. This report links to the company values of being: -

- Customer focused
- Open and honest
- Accountable

Impact on tenants

10. For most tenants, their contact with the services provided by the company is most likely to be linked to the repair service – and customers tell us through the annual survey that well maintained homes remains a key priority.

Risk Management

11. The report links to the strategic risks around:
 - delivering effective asset management
 - delivering on new projects
 - maintaining a positive reputation
 - managing finances and delivering value for money
 - effectively managing business continuity

Health Implications

12. There are no health implications directly arising from this report.

Financial Implications

13. The management accounts to the end of year 2015/16 were reported to Resources Committee on 3 May 2016. The overall position for repairs at the end of the year is an over spend of £13,000. Against an overall budget of more than £21 million this represents a very satisfactory outcome, but was not achieved without considerable attention being given to monitoring of each budget heading.
14. Within the overall budget position, there were some areas that significantly overspent. Mears Responsive Repairs were £942,000 over budget however this was partly offset by insurance income of £205,000 relating to repair works that were caused by storm damage. The overspend was also partly offset by an underspend on repairs carried out by Construction Services, due to low spend in the early months of the contract during contract mobilisation.
15. Both Mears and Construction Services relets were over budget by £400,000 combined. During the year we were invoiced for 1,979 jobs, which is an increase of 214 jobs compared to 2014/15, and is the main reason for the relets overspend.
16. In order to limit any potential overspend, controls were put in place to restrict expenditure on non-essential external repairs in Quarters 3 and 4. These included garage repairs, flat roofing and boundary treatments. Whilst these controls did limit expenditure, there are impacts on customer service and increased expenditure when work is eventually carried out.

Value for Money Implications

17. Value for money was a key factor in the award of the repair and maintenance contract, and in the ongoing review of its operation.

Recommendation

18. The views of the committee are sought on whether the committee is satisfied with progress on the management of the repair and maintenance contract to the end of year 2015/16.

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CONTRACT REVIEW

April 2015 to March 2016



Working in partnership for you

Overview

The Partnership continues to work together to deliver the Repairs and Maintenance and Vacant Property Service to our customers and at the end of Quarter four we achieved set performance targets across all but one indicator. Working with two repair partners continues to be beneficial, specifically in relation to performance improvements. At the end of Quarter four we continue to have seen excellent performance on work to vacant properties in terms of quality and timescales.

Repairs and works to vacant properties continue to be split between the two partners as follows:

Mears

General Repair and Maintenance works

Vacant property repairs to South, Inner West and West neighbourhoods

Construction Services

Repair and maintenance works to flat roofing and boundary treatments (including fencing and walls)

Vacant property repairs to Central and East neighbourhoods

TGHC continues to work with both Mears and Construction Services to achieve delivery of an efficient, customer focused repair service taking into consideration value for money and the daily challenges of budget constraints.

Responsive Repairs

At the end of quarter 4 the number of responsive repairs completed by Mears totalled 61,799 (65,619 including planned jobs). Jobs held from 2014/15 due to budget constraints were fully completed by the end of quarter two; however, quarters three and four saw the continued use of budget control measures to protect the 2015/16 budget. As a result, non-essential repairs were placed on hold. During March 2016 additional funding was provided by Gateshead Council to allow a small percentage of the overall held jobs to be released. Of the additional 550 initially released jobs, approximately 300 were completed by year end. The overall current backlog remains at approx. 750 jobs. These jobs are planned to be commenced during quarter 1 of 16/17.

Cancelled jobs remain a challenge for the partnership with the main reasons for cancelled appointments being no access. In these instances the customer has failed to allow access at the agreed appointment time. The partnership continues monitor the levels of cancelled appointments, identify trends and aim to reduce numbers as this would benefit both the partnership and our customers. The number of appointments cancelled at the request of TGHC continues to be the second highest reason at year end. An analysis of the quarter 4 15/16 data will be reviewed during quarter 1 of 16/17.

Both Mears and Construction Services have adapted well to the changes in terms of transferred works and resources and improvements have been seen across the Partnership. We will work with both partners to maintain the high level of standards during the final year of the contract.

From late 2014/15 and throughout 2015/16 TGHC continued to see significant numbers of Section 11 Disrepair cases. Disrepair cases take a great deal of surveyor and customer care input and works once agreed must be prioritised to adhere to legal protocol.

During quarter 4 the jobs issued to Construction Services continued to be cascaded across various sections to ensure in-house delivery and best use of resources.

Performance Indicators

At the end of quarter 4 performance remains positive with all but one KPI across the responsive repairs Service delivered by Mears achieving target.

The number of responsive repairs completed within timescale failed to achieve target at the end of quarter 4 with a result of 97.51% (98.32% 14/15 year end) against a target of 98%. Analysis of the fails has shown that the number of upgraded emergency gas jobs over the repair policy deemed

winter period placed excessive pressure on the service and as a result we were unable to meet demand.

Customer satisfaction continued to achieve target at 98.24% by the end of quarter 4, this is an increase against the 2014/15 year end result of 97.72%. Of the 7,916 surveyed completed, 7,777 customers were satisfied with the service they received.

The number of appointments made as a percentage of appointable orders continued to achieve target at the end of quarter 4 with a result of 99.44%, showing a slight reduction against the 14/15 year end result of 99.68%.

The number of appointments kept with our customers within the 2 hour appointment slots as at the end of quarter 4 continued to meet target with a result of 96.18%. This is a slight reduction since the 14/15 year end result of 96.99%.

A review of the planned works procedure with Mears has shown not only an increase in performance to a result of 91.36% but a more consistent level of service delivery for our customers. An increased level of information and support is provided before, during and upon completion of the works in our customer's homes. The number of roofing jobs requiring scaffold and the manufacturing of bespoke materials places an additional challenge on completing jobs in time.

In an aim to sustain and hopefully improve the performance in Repairs and Maintenance, Mears and TGHC agreed a number of initiatives to investigate during 2015/16. Below are the initiatives and quarter 4 updates on progress for each:

- Identify training needs to upskill/multi skill operatives

Update – Review started in November 2015 and has identified training requirements. A training programme is currently being developed for roll out during 16/17.

Q4 Update – Four multi skill apprentices are due to complete training in July 16. Utilising the information obtained during recent personal development reviews Mears are continuing to devise relevant training packages to develop the teams appropriately. At the same time, training is delivered to remain compliant with regards to particular trade requirements and health and safety. Mears continue to roll out tool-box-talk programme to enhance the training.

- Consideration of mobile technology for supervisors

Update – The roll out of new Samsung Galaxy PDA's across the operatives is to start late February. Supervisors are to be issued with iPads by the end of quarter 4 15/16.

Q4 Update – Although not being completed by the end of quarter 4 2015/16 as originally projected, the phased introduction of the new PDAs is underway. An initial pilot has been carried out with the electricians that raised a number of software issues. The intention is to roll out to the remainder of the trades by June 2016. The development of the supervisors tablet is running concurrently and is on target to be rolled out at the same time.

Challenges remain at year end 15/16 with the alignment of the ICT systems. As a result, the production of performance information, processing of job completions, cost variations and system invoicing for Construction Services remain outstanding.

Vacant Properties

Delivery on vacant properties in line with KPI's has seen significant improvements since the work was divided between the two Repair Partners. The number of vacant properties remained high during quarter 4, the number of properties let by year end had increased in comparison to 14/15 but the turnaround of work has much improved.

By the end of quarter 4 2015/16 there were 1059 relets raised for Mears, 913 were completed during this period. Relet performance stands at 14.17 days (33.62 days at year end 2014/15) against a target of 11 days and major work performance at 46.12 days (111.71 days at year end 2014/15)

against a target of 33 days. Of all jobs completed by end of March 2016 the number achieving timescale reached 42.28% which was a significant improvement from 4.74% at 2014/15 year end.

At the end of quarter 4 2015/16 there were 746 relets raised for Construction Services, 674 were completed during this period. Relet performance stands at 15.25 days against a target of 11 days and major work performance stands at 37.00 days against a target of 33 days. Of all jobs completed by end of March 2016 the number achieving timescale reached 47.92%.

The partnership has seen a significant improvement in the number of properties that are completed right first time during 2015/16. The table below demonstrates the increase in percentage of properties completed right first time:

| | Right First Time Rate (%) |
|---|----------------------------------|
| Mears – Year end 2014/15 | 70.37% |
| Mears – End of Quarter 4 2015/16 | 91.57% (91.45% end of Q3) |
| Construction Services – End of Quarter 4 2015/16 | 99.26% (99.09% end of Q3) |

Joint planning of required works continues to increase partners knowledge of the standard. Instances in which the standard has not been achieved first time continue to be discussed on an individual basis between TGHC and Repair Partners to ensure learning is shared and feedback provided to both Supervisor and operatives.

Performance information on vacant properties is produced by TGHC with all information shared and confirmed with both repair partners to ensure accuracy prior to publishing.

During March 2016 there were 46 previously held voids released for completion of works. These properties were planned in advance of the release date to allow an efficient turnaround by both Mears and Construction Services. At year end 89 properties remain held due to low demand. These properties will be released and works completed according to demand and budget availability. Should the value and number of held void properties increase significantly this will place additional pressure on the service during 2016/17 in terms of performance and budget.

Gas Servicing

Performance on gas servicing continues to be a priority area for continuous improvement. The partnership continues to work intensively on gaining access earlier in the appointment process resulting in retained levels of performance at the end of quarter 4 at 99.86%.

At the end of quarter 4 there were 18,072 properties that required a gas service. Of this only 26 were outstanding at the end of the period. Of the 26 outstanding, 8 of the properties remained inaccessible and progressed to full warrant stage through the enforcement process.

No access continues to be monitored by the Partnership. The Mears no access squad continue to work to keep the overdue LGSR's at a minimum level. This additional service will undergo monthly review commencing in April with a view to delivering an efficiency saving in the latter half of 2016/17. The partnership has outlined a new approach to recharging tenants the cost of a warrant application, this will be presented to the Council Housing Portfolio Holder for consideration in April.

An additional safety bulletin, a recommendation of the Gateshead Council Internal Audit, has been issued to residents highlighting the responsibilities around gas cooker maintenance. The TGHC Gas Servicing Team are developing additional safety bulletins for release throughout 2016-17.

The Mears best practice/ standard operating procedures on gas continue to be developed. The first draft is scheduled for release at the end of Q2.

Work continued on the gas servicing interface with several partnership testing sessions conducted throughout January and February, further details can be found in the within the ICT update.

Gas Repairs

Mears continue to call ahead prior to all gas repair visits in an aim to minimise no access but this remains a challenge for the partnership.

The introduction of 2 hour appointments during quarter 3 has proven to be a success in terms of performance and a reduction in no access. The level of information and support to customers has increased to ensure customers have power available at the time the operative attends.

A Mears Gas Supervisor and gas operative will be attending and presenting during the training of new HomeRepairs Customer Service Advisors in April 2016.

Cancelled Appointments

Cancelled jobs continued to be a challenge for the Partnership as at the end of quarter 4 of 2015/16 showing an overall increase in comparison to the same period last year.

The table below shows the number of cancelled appointments across the Repairs & Maintenance service as at the end of March 2016. These cancelled jobs have a direct impact on our ability to provide a more operationally efficient service. In these instances the operative would more than likely be at the property when the order is cancelled. In total there were 6,783 cancelled appointments which is an increase of 604 in comparison to the 6,179 reported at year end of 2014/15.

| Cancellation Reason | Q1 | Q2 | Q3 | Q4 | Total |
|-------------------------------------|------|------|------|------|-------|
| Building Surveyor Required | 9 | 4 | 14 | 29 | 56 |
| Cancelled by Mears | 38 | 10 | 6 | 0 | 54 |
| Job Already Done | 26 | 9 | 17 | 12 | 64 |
| No Access (tenant did not keep apt) | 1101 | 1094 | 1444 | 1650 | 5289 |
| No Work Required | 188 | 196 | 267 | 218 | 869 |
| Tenant Refused Access | 8 | 8 | 16 | 13 | 45 |
| Tenant Refused Job | 86 | 96 | 104 | 120 | 406 |
| | 1456 | 1417 | 1868 | 2042 | 6783 |

The number of cancelled appointments due to customers not allowing access continues to increase. Appointments are agreed and confirmed to customer at the point of raising a repair. Customers continue to receive calls and texts in advance of the appointment time in an attempt to gain access.

TGHC completed additional promotional work during quarter 4 to encourage customer access. Unfortunately no access continued to increase during quarter 4 15/16.

The table below shows the number of cancelled appointments across the Repairs & Maintenance service as at the end of March 2016. These cancelled jobs have no impact on our ability to provide a more operationally efficient service.

| Cancellation Reason | Q1 | Q2 | Q3 | Q4 | Total |
|----------------------------------|------|------|------|------|-------|
| Tenant Cancelled Service Request | 112 | 93 | 99 | 150 | 454 |
| TGHC Instruction | 831 | 1019 | 945 | 959 | 3754 |
| Incorrect Description of Job | 194 | 230 | 254 | 259 | 937 |
| | 1137 | 1342 | 1298 | 1368 | 5145 |

Customers make contact to cancel their appointment in advance of the due date. In these cases there has been no lost operative time and this becomes an administrative task only.

The number of jobs cancelled at the request of TGHC remained high at the end of quarter 4. With the new BARIS interface live with Mears, additional functionality is to be explored in the aim of providing a better level of understanding of all cancelled jobs to TGHC.

Electrical Testing

The electrical programme for Mears for 2015/16 consisted of 1,293 electrical testing orders.

At the end of quarter 4 the full years programme had been successfully completed with the exception of 67 properties which continued to refuse access after numerous attempts. The 67 outstanding tests will be carried forward into future programmes.

Electrical testing programme is scheduled on an 8 year cycle rather than the recommended 10 year cycle.

Painting and Repairs

The Mears painting programme for 2015/16 consisted of 1,568 properties. Estates completed during the period included Vigo, Blue Quarries, Centurion Way, Fieldhouse, Highfield, Holly Hill, Kateregina, Rose Milling & Pipebridge plus the full internal programme.

Construction Services external programme consisted of 1,059 properties, 6 sheltered schemes and a number of mid-rise blocks. Estates completed during the period included Lyndhurst Upper & Lower, Old Fold, Snookhill, Birtley Villas, Pleasant Place, Swalwell plus a full internal programme. Furrowfield Estate was commenced and is due to be completed early in 2016/17.

Due to budget control measures a number of estates were postponed and will be completed in the 2016/17 programme. These estates included Rectory Glebe, Longbank, Kibblesworth, Milvain Close, Birtley West and Crawcrook. These estates have been programmed for the beginning of the 2016/17 programme and customers have been informed of the delay.

Aids and Adaptations

As at the end of quarter 4 there were 1,065 adaptation jobs completed by Mears with performance achieving target at 99.81% completed in the target timescales. Of the 1,065 only 2 jobs failed to be completed in set timescales. This shows an improvement against 2014/15 year end result of 99.26%.

Apprentices

At the 2015/16 year end there were 17 apprentices on the Mears Gateshead Contract.

During quarter 4, one Business Administrator secured a full time post with Mears while continuing to complete their NVQ Level 3. An Electrician completed their course, is awaiting full certification and in the meantime has applied for a full time post within the Mears Gateshead Contract.

The breakdown of apprentices at the end of quarter 3 on the Gateshead Contract was as follows:

| | |
|-----------------------------|-------------------|
| Plumbers / Gas Plumbers – 5 | Plasterer – 3 |
| Electricians – 2 | Multi-skilled – 4 |
| Roofer – 1 | Decorator – 1 |
| Business Administrator – 1 | |

Customer Care

At the end of quarter 4, Step 2 complaints had increased to an average of 25 per month, if comparison to the quarter 3 average of 15 per month. The average time taken to respond to TGHC with supporting information continues to achieve an average 6 days during quarter 4. Of the complaints submitted during quarter 4 only 62% were recorded as justified or partly justified.

The main trends of complaints with Mears during quarter 4 included:

- Multiple leaks from central heating system pipework causing damage to property/belongings
- Communication

TGHC and Mears are working with the customers to ensure the working areas are as clear as possible for major works to commence.

The introduction of the BARIS interface with Mears continues to show an increase in the information available to TGHC during complaint investigations.

The main trends with Construction Services during quarter 4 included:

- Delays in work being completed
- Appointments not made and or kept

Step 1 complaints continued to be registered and managed by TGHC with the main trends for the year being:

- Missed/cancelled appointments
- Access to the repair reporting service

A further 6 Customer Service Advisors were employed into the Home Repairs Repair Reporting Team by year end and are due to start early in 2016/17.

Learning Modules

Learning Modules have continued throughout quarter 4 of 2015/16 including topics such as:

- Violence & Aggression
- Storage
- Slips, trips and falls

Supervisors and Customer Care Officers have continued to deliver briefings to Operatives via tool box talks and PDA's on general house-keeping and communication.

Serving Our Communities

Mears continue to work with TGHC and its communities to identify suitable projects to receive either financial or labour support.

Works were completed at Barmoor Hub Community Centre to replace all fascia and guttering.

Silverline Community, a Springwell gardening project had a composting toilet installed.

By the end quarter 4 a number of donations have been made including:

- £100 donated to Sara's Hope Foundation
- £100 donated to The Great North Air Ambulance

Mears continue to support the Percy Hedley Foundation and provide valuable work experience opportunities.

Value for Money

Conversations are ongoing with Repair Partners to identify efficiencies in current processes. The partnership will continue to review and seek areas of efficiency.

During quarter 4 an appointment diary has been developed to allow customers to gain appointments for Building Surveyors. As demand for Building Surveyor appointments is extremely high at present, it is hoped that the diary will ensure better time management for the team and a better level of customer service during their first contact with TGHC. The diary is planned to go live in quarter 1 of 2016/17.

ICT

The alignment of ICT between Repair Partner systems and TGHC Northgate system will allow increased functionality to support business processes, increase our ability to embed efficiencies for both Repair Partners and improve the customer journey in relation to the Repair Service.

The BARIS interface with Mears continues to show an increase in available information when dealing with customer enquiries. Business processes are being reviewed to ensure efficiency and best use of systems to minimise user input. With jobs in the old interface outstanding there is an element of dual input required by Mears. It is hoped that when the old interface is closed this will be reduced.

The BARIS interface with Construction Services Total System went live as planned on the 18th January 2016. Progress is being monitored but issues have been noted around completions, variations and system invoicing.

The BARIS interface for gas servicing commenced in December 2015, minor amendments to the status update process have been identified. Mears ICT are working towards a resolution that will align both repairs and gas servicing systems into Northgate. The original date of January 2016 go live was not achieved as the service date for all required properties was not fully confirmed between the Partnership. It is hoped that services will be raised in Northgate for the July 2016 services.

Service Improvement

Keys areas of improvement include:

- BARIS interface with Construction Services went live 18th January 2016
- Development of an appointment system for Building Surveyors in development
- Development of a Leasehold Surveyor appointment system is proposed for quarter 1 2016/17