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<b>REPORT TO:</b>	<b>HOUSING &amp; COMMUNITY SERVICES</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>20 APRIL 2017</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DAVID HUCKER</b>	<b>OPEN</b>
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<b>SUBJECT:</b>	<b>DELIVERING A FIRST CLASS REPAIRS SERVICE</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1.0 Recommendations**

- 1.1 This report recommends changes to the Direct Labour Organisation, (DLO) to improve our way of working and the services that the Council offers to tenants and the wider community.
- 1.2 Making these changes will allow the DLO to become streamlined, efficient and reduce the reliance on external contractors to back up our services. This in turn will help the service become self-reliant and financially sustainable in future years.
- 1.3 The changes would be brought in incrementally, starting with mobile working and then, after further discussion and negotiation with the trades team and trade unions, multi-tasking and flexible hours.

## **2.0 Purpose of Report**

- 2.1 In August 2016, a report was approved by Housing & Community Services Committee to allow Housing Services to investigate, plan, overhaul and modernise the services that the DLO offer. In brief, the report asked the Committee to approve the following changes to the service:
  - Mobile working and mobile services
  - Multi-tasking of operatives
  - Adopting flexible working hours to aid appointment services
- 2.2 Making these essential changes would allow the DLO to eradicate the existing paper based working methods, reduce travel times and repeat visits and show a modern and effective service that the Council can be proud of. The changes will also allow the DLO to function without the constant reliance on support contractors and show that the service can be sustainable going forward, allowing it to grow and develop.

- 2.3 At this stage of the project, approval is only being sought to implement the mobile working element of the service, which does not alter the terms and conditions of the trades team, but will have the greatest impact going forward. Multi-tasking and flexible working will be the subject of further reports after discussion and negotiation.

### **3.0 Executive Summary**

- 3.1 This report sets out to detail the main aspects, plans and financial implications to deliver a first class repairs service.
- 3.2 The existing services adopted by the DLO are outdated and to allow the service to become self-sufficient in the future, without the reliance on support contractors, it is essential that modern methods of working and changes to the service are adopted and implemented.
- 3.3 This report recommends that, at the initial stage, the service implements and adopts a mobile working system to relieve the heavy reliance on paper-based methods of working and report more efficiently on productivity and finances. Once the mobile working system is implemented and proving successful, the service will then have the opportunity to explore the multi-skilling and flexible working hours considerations.
- 3.4 The implementation of a mobile working will involve the purchase of a scheduling system, which will allow the tradesmen to be fully mobile and receive works direct to a mobile device, scheduling works for the tradesmen, updating Health & Safety Information, updating tenants of timescales for works, completion and appointments.
- 3.5 The existing working method is a traditional paper based system which is time consuming and inefficient, leading to downtime for operatives and poor communication with tenants and stakeholders.
- 3.6 To put this system in place, the Council will need to appoint a suitable system supplier and agree costs and service level agreements through a selective tender approach. In carrying out the research to enable this project, three different suppliers have made approaches to the Council in terms of utilising their equipment and site visits have been conducted with each of them.
- 3.7 All suppliers will be on Government recognised frameworks for their services and have extensive Registered Social Landlord, (RSL), and Local Authority (LA), customers within their client base. The Council will then look to place an open tender for suppliers of mobile working services to put forward costs and working methods for their products. This will be undertaken in conjunction with the Council's procurement and IT teams.

### **4.0 Future Considerations**

- 4.1 The existing team is based on single trades, which although a traditional approach, restricts the activities that can be undertaken by one operative. The proposal is to train the workforce to three levels of ability to become multi-skilled, allowing them to cross trade works when working upon properties. This will reduce travel costs to the service,

provide a better service for tenants, in that one operative will be able to undertake several tasks within a property, and also be an investment into the workforce in terms of training staff and development.

4.2 To undertake this, three levels of skill base will be introduced. In brief these are as follows:

1. Level 1 – Trades that are closely associated to existing trades
2. Level 2 - Accreditation in more complex skills i.e. those that are not necessarily associated with, or allied to those carried out as a part of the normal range of duties of the individual trade
3. Level 3 - Qualification to NVQ 2 in a second trade or multi-skilling qualification, or significant formal assessment of secondary skills

4.3 The other aspect under consideration is for the DLO to adopt a flexible working system where, instead of everyone working the same start and finish times during the day, some would commence earlier and some finish later. This would mirror the system that is currently in place for SDDC office staff and provide a more flexible working approach and allow the DLO to offer appointments to tenants at times better suited to them.

4.4 It is anticipated that implementing these changes to the service will result in financial savings and improved efficiency, as well as better customer service.

## **5.0 Detail**

5.1 The existing DLO service is based on a traditional approach of directly employing varied trade operatives to undertake repairs services to the Council's housing stock. This service is supported by a partnering support contractor to undertake works where the in-house team cannot do the job or where the works are of a larger work type. The existing in-house team consists of the following operatives and trades:

- Joinery – 5 operatives
- Plumbing – 3 operatives
- Plastering/bricklaying – 3 operatives
- Labourer – 1 operative
- Apprentice – 1 Joiner, 1 plumber
- DLO Forman – 1 Operative

5.2 The Council employs external contractors to cover additional works and also for electrical maintenance/servicing and painting & decorating.

5.3 The method of works distribution is currently undertaken via paper communications and phone services for emergencies that occur during the working day. Job tickets are printed for the tradesmen and allocated to each trade to complete within a set criterion, These criterion are as follows:

- 24 hour – Emergency type works – to be completed with 24 hours
- 3 day – Works of an urgent nature – to be completed within 3 days
- 20 day – Non-urgent works to be completed within 20 days

5.4 Void works are also completed by the DLO team. These works are ordered by the area Inspector and then allocated by the scheduling team/DLO Foreman. Trade specific tasks are ordered and trades will work together to complete tasks given within a property.

## **6.0 Why we need to modernise**

- 6.1 The current working patterns and operating methods are proving labour intensive, showing inefficiency in terms of travel and working time and, importantly, increasing reliance on the services of a support contractor, which comes at a cost that is not affordable going forward.
- 6.2 The time is now right to modernise the service and prove that the existing team can not only improve what we do, but provide a service that can be an industry leader.

### **Mobile Working**

- 6.3 The current method of organising works and repairs to council homes is via paper based method of works ordering, using an existing housing management system and schedule of rates, which determines the cost for each job charged against the repairs budget within the Housing Revenue Account. With services across all sectors changing and becoming more efficient through advances in technology, the time has now come for the DLO to update and move onto a scheduling system for mobile working, not only streamlining our service, but producing on-going efficiency savings at a time when rental income is declining.
- 6.4 Core objectives are to improve voids turnaround, increase efficiency of property repairs operation by reducing overall reliance on contractors and working to common systems and processes.
- 6.5 Currently SDDC uses Orchard Housing software, which the mobile solution must integrate with. A large proportion of administration around work allocation, records and updates are kept on paper and then updated manually into the Orchard Housing system, or other systems such as in-house databases and spreadsheets. Orchard have been commissioned to run a check on existing modules purchased by the council to ensure full integration with whichever equipment supplier is chosen.
- 6.6 Integrating a mobile working system will show significant benefits to the service, namely;
- Increased efficiency from implementing automation of manual tasks
  - Reduced administration time

- Reduced amount of workers' time spent in offices
- Reduced overall costs of maintaining properties
- Improved services by providing accurate and timely data
- Enablement of staff to manage their own Health & Safety requirements
- Improved process for Voids management and re-letting – reduced void times
- Providing a better service to tenants – ability to arrange appointments via text
- Management team to better analyse service delivery and potential improvements
- Provision of automated integration to Orchard to reduce manual input and duplication
- Delivery of mobile working best practices

6.7 It is believed benefits will accrue within the first six months of implementing the mobile working systems, including:

- Reduced paper and postage costs
- Reduced administration time
- Improved use of resources
- Accurate and relevant management information
- More consistency of information
- More control over service delivery

6.8 Contractor support to the DLO is budgeted at £200,000 per annum, but this figure has been overspent consistently over the past six years. The implementation of mobile working, based on industry trends of a raise in productivity levels equates to an average 15% saving, as less time is wasted on repeat visits and the work is better controlled by scheduling. There is also greater customer satisfaction stemming from better communication.

### **Multi-Tasking of Operatives**

6.9 The DLO currently has single trades undertaking their own specific trade roles to repair the Council's housing stock. In a modern environment, trades people should be skilled and equipped to undertake varied tasks and roles. This would allow a single operative to complete several tasks while in a property, saving both time and money.

6.10 To achieve this, the Council will invest in training, tools and salary increases to allow the tradesmen to become multi-skilled operatives. To introduce this system, we will need discuss the following with the trades team and with trade unions;

- Additional salary awards and costs to SDDC
- Additional training costs associated with each trade person gaining the correct NVQ qualification
- Creating a DLO cross trade matrix – this will identify tasks to achieve a set level
- Setting out three different skill levels for which rates will be agreed.

- Formalising the training plan
- Procuring tools and equipment
- Formalising new role and working areas in line with mobile working

6.11 Having set out three levels of competency for the rates to be agreed, these will be continually reviewed to meet the needs of the customers and the turnover of the organisation. The prescribed levels are:

- Base Trade: The operative will undertake the duties as defined by the job description relevant to their trade, and hold the relevant qualification, and or sufficient experience.
- Multi-Tasking: The operative will need to demonstrate their ability to undertake additional actions associated with their primary trade, to competency level 1 / 2.
- Multi-Skilling: The operative will need to evidence the relevant competency level in the additional trades they wish to undertake, and be able to demonstrate the additional competency skills to level 2 and or Level 3. Should an operative not be able to demonstrate a Level 3 a training period will be established to enable the development of the operative to the relevant level.

To gain the increase in salary, the following levels will be required to achieve.

LEVEL 1: Self-assessment; Accreditation in less complex skills i.e. those that are closely associated with; or allied to those carried out as a part of the normal range of duties of the individual trade can be gained through a process of self-assessment. Quality checks of completed works will be carried out and operatives may be requested to demonstrate their claimed complementary skills from time to time. A skills matrix for allied works as attached in appendix 2.

LEVEL 2: Formal Assessment; Accreditation in more complex skills i.e. those that are not necessarily associated with; or allied to those carried out as a part of the normal range of duties of the individual trade. These can be gained through a process of formal assessment. Training support may be provided for operatives in order to develop more complex skills if required for the development of the Repairs and Maintenance service.

LEVEL 3: Qualification to NVQ 2, in a second trade or multi-skilling qualification, or significant formal assessment of secondary skills. Training support may be provided for operatives in order to develop more complex skills if required for the development of the Repairs and Maintenance service.

6.12 Higher salaries will not only benefit the trades team, but return a dividend to the Council through efficiency savings and the cost of each repair. A multi-skilled workforce will eliminate unnecessary travel and increase the number of right first time repair (RFT) visits to properties.

- 6.13 Also to be considered would be the training fees for gaining the qualifications for each trade. There are varied options in terms of the qualifications. These can range from the Traditional City & Guilds route which can be obtained in a Multi-Skilled Certificate giving an accredited qualifications or the NVQ route which would give a qualification in a specific trade. This would allow each operative to complete an accredited course to gain a level three. This cost is envisaged to be implemented in year two/three of a five-year improvement programme.

## **7.0 Financial Implications**

- 7.1 A procurement exercise has not been undertaken, but three initial quotes for mobile working have been obtained from different suppliers to provide an indication of the potential cost of set-up and on-going support.
- 7.2 The three quotes obtained range between £43,125 and £74,905 for initial set-up with on-going annual costs from year 2 ranging from £5,856 to £23,680.
- 7.3 It is anticipated that savings in the first year of implementation could be up to 15% of budgeted contractor spend due to efficiencies and better productivity but this is still to be reviewed and so is not for consideration at this stage.
- 7.4 The medium term financial plan for the HRA forecasts a deficit in 2017/18 but the costs of implementation of mobile working could be managed without the HRA falling below the £1m statutory reserve balance. It should be noted that if any further reports relating to an increased cost base are to be considered, the HRA cannot cover more than £100k in 2017/18.
- 7.5 Multi-tasking, additional training and tools costs have not been reviewed in this financial summary as they are to be considered in a future report.

## **8.0 Corporate Implications**

- 8.1 Undertaking the DLO modernisation programme shows that the Council is committed to improving the services that we provide, not only for the tenants of the district but also by showing a commitment to the employees of the service through enhanced training, better pay structures and modern technological advances to aid the service and make the job easier for the team.
- 8.2 These improvements will provide a link to the Council's Corporate Plan in terms of Outcomes. It shows a long-term aim to provide a Skilled and Trained Workforce, (Q4) and to maintain Customer Focus, (Q5). The proposal will enhance both these corporate targets by increasing the skill base of the workforce to allow our staff to undertake greater skilled tasks for the service and in turn showing that the service can be self-reliant in the future without the need to commit further funds to external Contractors.
- 8.3 Enhancing the technology aspect of the service will show a greater customer focus by utilising these advances to provide a modern service that uses modern forms of communication to focus the service and provide a better communication route with the wider community.

- 8.4 In undertaking these objectives, the aim is for the service to rival the best in both the public and private sectors, ultimately being able to compete to provide works and services for other authorities and organisations in the future.
- 8.5 Undertaking these improvements will have an impact on the existing staff of the DLO. This will be in terms of how the service operates and, subject to negotiation, the existing staff will be taking on new terms and conditions of employment to become multi-skilled and also by undertaking a more flexible approach to the working practices.

## **9.0 Way Forward**

- 9.1 Although the trades team are aware of the Council's intentions for the service and our phased approach, detailed proposals in respect of multi-tasking and flexible hours will be put forward through the trade unions for dialogue and then negotiate the terms that are being proposed.
- 9.2 There will also be a working group put in place that will allow the staff to have a voice and a stake in the new procedures and allow them to engage with management and the companies that will be involved in the mobile working plans. Looking at the work of other LA's which have undertaken similar process to that of SDDC, this has proved the right approach to achieve the best outcomes.