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This handbook is an accompanying volume to the Commission’s earlier report *Learning from Inspection – Housing Repairs and Maintenance*. It is for service heads, and for people managing service delivery, who may be seeking practical examples of successful change as they carry out best value reviews and develop their own action plans to address local concerns and the wider Government agenda. It is not an exhaustive guide but is intended to highlight issues commented on by housing inspectors and auditors. With this focus, it complements good practice guides produced by other organisations, such as the Chartered Institute of Housing and DTLR ([Refs. 1 and 2](#)).

Housing repairs and maintenance has been chosen as a topic for a ‘Learning from Audit, Inspection and Research’ paper for several reasons: it is an issue of great concern to tenants and leaseholders in many authorities, having considerable impact on their quality of life; it accounts for a considerable level of public expenditure; and a good body of evidence is available from inspections already carried out.

In producing this report, the Audit Commission has drawn on the learning from a range of sources: 34 inspections of repairs and maintenance services; 16 broader housing inspections including coverage of repairs and maintenance; 24 local value-for-money audits of responsive repairs services; and interviews with a further group of authorities carried out by the team. The findings are supported by analysis of national data and wider discussion with relevant stakeholders.

This handbook highlights key elements in good repairs and maintenance services, describes performance in inspected authorities and shows in detail how some authorities have achieved change, for example, in delivering well-managed capital programmes, or in increasing the efficiency of their responsive repairs services. It should therefore help all authorities to improve their service, particularly through their best value reviews.

The structure of this handbook follows that of the earlier report, so that readers can cross-refer between issues covered and corresponding information and case studies.

Each section follows the same format. Key points are followed by analysis of the major challenges for managers in improving services, shown in a diagram. Then each of these challenges is considered in turn. For each one:

- key actions are highlighted;
- evidence from inspected authorities is presented;
- comparative data (if available) are shown in graphical form; and
- case studies are presented.

Checklists for action are provided at the end of each section.
**FUNDING HAS INCREASED**

Local authorities in England and Wales currently own about 3¼ million homes, and plan to spend around £4.8 billion on repairs, maintenance and improving their stock in 2001/02. Almost one-half\(^I\) of this will be spent on responsive repairs and planned maintenance, and the remainder\(^II\) on capital improvements to council homes. Capital spending will increase significantly in 2001/02 to, in real terms, just less than 1990/91 levels [EXHIBIT 1].

Capital allocations for local authority housing in England increased significantly, to £2.2 billion in 2001/02, which is £856 million over that available in 2000/01. Funding in Wales has in contrast increased at a rate just above inflation.

**EXHIBIT 1**  
English and Welsh expenditure on repairs and maintenance for 1990/91 to 2000/01, and planned spending for 2001/02 (1999/2000) prices

Capital spending in 2001/02 will increase significantly to reach approximately 1990/91 levels.

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\(^I\) CIPFA Housing Revenue Account (HRA) Statistics 2001/02: planned gross expenditure.

\(^II\) England 2001 Housing Investment Programme: Housing Annual Plans; Welsh capital forecast returns 2001/02.
NEW TARGETS FOR ADDRESSING BACKLOG

The backlog of repair and improvement work in local authority housing stock is considerable: in England, it was estimated that £19 billion of work was outstanding in 1996\(^1\) (the most recent House Condition Survey); in Wales, the figure was £750 million in 1998\(^2\).

The condition and repair of their homes is an issue of greatest concern to tenants in most authorities.

In the Housing Green Paper (Ref. 5), the Government set out a strategy for improving the quality of social housing in England and made a commitment to bring all housing up to a decent standard within a decade. It set a target for the number of homes not meeting decency standards to be reduced by one-third between 2001 and 2004.

A home meeting the decency standard is one that meets four criteria:

- it meets the current statutory fitness standard;
- it is in a reasonable state of repair (external components, electrics and gas heating do not need replacing; no more than one other building component needs replacing);
- it has reasonably modern facilities and services (kitchens, bathrooms, noise insulation and adequate communal areas); and
- it provides a reasonable degree of thermal comfort (efficient heating and effective insulation).

The National Assembly for Wales is ‘committed to bringing all existing social housing up to quality standards…within ten years’, and has set a similar decency standard (Ref. 6). The DTLR has published guidance on quantifying the level of non-decent housing.\(^3\)

BUSINESS PLANNING: A TOOL FOR TARGETING RESOURCES

Although capital funds for housing in England have increased, authorities face major decisions on the future resourcing of their stock, and how and by whom services will be provided. The Government has recently introduced a requirement for business planning in English local authority housing, which pulls together relevant information to allow authorities to plan and consider the investment needs of their stock and hence make best use of the funding available.

The business planning system is currently in its first ‘live’ year; all authorities are expected to have fully capable information and planning systems within five years. A shift in thinking is required: authorities need to consider the life cycle and sustainability of their stock, and repairs and maintenance requirements over the next 30 years, rather than concentrating on annual programmes and budgets. They have to set a timetable for eliminating backlog repairs, and for carrying out ongoing maintenance. HRA business planning will be introduced in Wales by April 2003.

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\(^{1}\) English House Condition Survey 1996.

\(^{2}\) Welsh House Condition Survey 1998.

\(^{3}\) Decent Homes: Capturing the Standard at the Local Level (www.housing.dtlr.gov.uk/information/dhg/pdf/standard.pdf)
**REPAIRS AND MAINTENANCE SERVICES**

Delivering effective repairs and maintenance services is critical to delivering the Government’s decency standards.

To deliver an effective repairs and maintenance service, an authority has to:

- carry out several interlinked activities well [EXHIBIT 2]; and
- involve different groups of people: staff at different levels within housing and outside it, elected members and residents.

**EXHIBIT 2**  
**Delivering an effective repairs and maintenance service**

Several interlinked activities are needed to improve repairs and maintenance services.

The structure of the handbook follows each of these five areas in turn.
While this report does not focus explicitly on housing strategy, repairs and maintenance form part of that wider strategy. Maintaining a home is investing in it, and investment must be in the type of housing that current and future populations will need: channelling funding to those properties in the greatest need of maintenance, in areas that are sustainable in the long term. Repairs and maintenance are tools that help to deliver the housing strategy, as well as the broader authority aims of regeneration and community safety.

EXHIBIT 3  Key challenges in adopting a strategic approach

Housing repair plans need to be linked closely with housing strategies, using good information on maintenance needs and sustainability of properties.

Source: Audit Commission
ESTABLISHING MAINTENANCE NEEDS ACROSS PROPERTIES

Stock condition information should be used to prioritise investment and target increases in capital funding on dwellings not meeting the decency standard.

There remains concern as to the reliability of stock condition surveys (for example, sample size when covering internal and external elements, and all property types); many authorities are commissioning surveys now, and they should refer to existing guidance (Ref. 2).

Surveys can become obsolete over time, as maintenance is carried out on homes. They can remain effective forward planning tools if information on works carried out is added to the system on a regular basis. Many surveys are discreet five-yearly (or less frequent) events: by comparison, a continuous survey process (sampling ‘diagonally’ across estates and stock types over time) can sustain an emphasis on stock condition so it is easier to update, and builds up a more complete picture over time.

Many recent stock condition surveys were carried out before the publication of the decency standard, and property databases will not necessarily hold information relevant to the standard (particularly on kitchens and bathrooms). Supplementary surveys are needed, so that funding may be focused on non-decent homes.

KEY ACTIONS

- Prioritise updating of stock condition surveys to include the decency standard.
- Follow good practice guidance when commissioning surveys.
- Invest in IT that allows data to be updated easily.

INFORMATION FROM INSPECTIONS AND RESEARCH

Many authorities had based past investments on broad policies or out-of-date stock information, which did not relate to current maintenance need or sustainability of neighbourhoods. Up-to-date, accessible information on stock condition and current and future demand for homes is often lacking.

Evidence from inspections and fieldwork suggests that some authorities do not currently have adequate information with which to plan investment: some information dates from 1995 or earlier; sample sizes vary; and major building elements are covered to different extents (some surveys are of external elements only). Many inspected sites were using stock condition information dating from 1995 or earlier: one visited authority was still using information from a 1985 survey. Two authorities did not have any stock data other than that collected in an ad-hoc fashion by their surveyors.

The Housing Investment Programme returns required authorities to report on how they were carrying out stock condition surveys. In 2000, of 354 English authorities responding, 16 per cent (56) could not supply the information, and 21 per cent (73) had not carried out any surveys in the previous five years. Fewer than one-quarter (76) had surveyed all their stock in the last five years [EXHIBIT 4].
The degree of sophistication of stock condition data varies: sample sizes in visited authorities ranged between 5 per cent and 100 per cent; the extent to which major building elements are covered varied; some surveys were of external elements only, some internal and external.

Many recent stock condition surveys were commissioned and carried out before the publication of the decency standard, and were based on the more restricted unfitness standard. Business planning returns to DTLR (published January 2002) showed that only 95 of 238 (40 per cent) authorities could provide information on how many of its homes were non-decent; only 74 (31 per cent) could estimate how much this would cost to rectify.

Many authorities are not storing their stock condition data in a form where they can be accessed and updated, and are not linking the data with the planned and responsive repairs systems. In several authorities visited, the stock condition data were held on a standalone PC that did not link with the repairs systems, and only a few officers knew how to run reports from the data. The stock condition surveys quickly became obsolete as a planning tool. Several authorities were in the process of updating their repairs software: two had implemented Windows-based systems that automatically update stock condition data when planned and responsive repairs are carried out; another was using an old, DOS-based system that could perform the same tasks.

**EXHIBIT 4  Percentage of authority stock surveyed in the last 5 years – England**

Less than one-half of authorities surveyed more than 30 per cent of their stock between 1996 and 2000.

**Note:** 298 English authorities included; 56 could not provide information.

*Source: England 2000 Housing Investment Programme*
WORKING OUT WHICH STOCK IS SUSTAINABLE

A decision to carry out backlog maintenance or investment in stock has to take into account the extent to which the stock will be needed (or wanted) by prospective tenants in the (short- and long-term) future. Repairing stock to a decent standard may help stimulate demand for certain properties.

Authorities need to obtain good information on their housing communities, across tenures, to establish where there is, or there is risk of, low demand; and determine the reasons for low demand, and whether intervention could help.

Where demand for social housing is declining, authorities need to focus investment on sustainable areas, to benefit the community of tenants as a whole. Managed disinvestment will be appropriate for some other areas (within legal repair obligations). This can be politically difficult, and decisions need to be made involving those residents whose communities will be affected.

There is a need to inform and communicate well with tenants, to facilitate debate on sustainability.

The approach takes commitment from elected members, and will require considerable senior officer support.

KEY ACTIONS

- Collect broad indicators and information on demand, for different neighbourhoods.
- Include information across all tenures, and allow for impact of community development strategies.

INFORMATION FROM INSPECTIONS AND RESEARCH

Authorities were making progress on business plans in 2001.

Many did not have robust, systematically collected information on demand. Many were limited to using information on voids and turnover in areas relating to local housing offices.

Demand in an area often related strongly to the type of property on offer. Most authorities are experiencing low demand for bed-sits, some sheltered housing and one-bedroom properties amongst their own stock, and many are unable to meet demand for 3- and 4-bedroomed properties.

Few authorities had considered the impact of community planning and regeneration strategies on demand for housing.

---

1 Even in authorities where overall demand is high, there are pockets of low demand. In these cases, investment may be needed to remodel or replace unpopular stock, as part of a co-ordinated approach to regenerate local communities. A few authorities face an overall decline in demand, but most have a mixed pattern of demand across their social housing communities.
### CASE STUDY 1  
**Leeds City Council – Neighbourhood-Oriented Model of Area Demand (NOMAD)**

The Neighbourhood-Oriented Model of Area Demand draws together a range of housing and social indicators for 180 neighbourhoods (local lettings areas) in Leeds. The model is used to inform decisions on the future sustainability of council housing. The ten indicators are:

**Demand, mobility related:**
- applicants per vacancy
- local authority voids as a percentage of stock
- tenancy turnover
- percentage of all council tenants resident for under 2 years

**Housing market related:**
- all empty homes as a percentage of all housing
- average house prices across all properties

**Social condition related:**
- domestic burglary rate
- performance of local schools at GCSE
- benefit dependency
- performance of local schools at key stage 2

For a neighbourhood, each indicator value is scored by comparing it to the Leeds average. Some indicators are weighted higher than others, reflecting their impact on demand for social housing. Total scores are used to classify neighbourhoods into four groups: areas in significant decline; areas on the edge; popular areas with specific problems; and popular areas.

Results of the model are reflected back to local managers, and broadly concur with their perceptions. Results will be considered by area panels, whose objectives are to look at local options and set up local business plans. Panels will also have details of: investment needs of the stock in the medium to long term; long-term income/expenditure profiles for their areas; stock profile information; and results from a research study on housing requirements across all tenures.

**Contact:** Huw Jones, Leeds City Council.

*Source: Audit Commission project fieldwork*

### CASE STUDY 2  
**Stock reduction programme in Sheffield**

Sheffield City Council’s public sector Stock Reduction Programme originated in response to a trend identified over a number of years of falling demand for certain types of properties. The main property types affected are bed-sits and one-bedroom flats, including those in sheltered housing complexes, maisonettes, some tower blocks and small two-bedroom houses.

**Selecting areas**

In developing stock reduction proposals the following factors are considered:

**Demand:**
- percentage of vacant (trend over time and snapshot position)
- turnover rates
- ratio of waiting list applicants to available tenancies
- length of tenancies
- refusal rates and reasons for refusal

**Property related:**
- construction style
- condition
- size and type
- location
- scale of investment required

**Sustainability:**
- health of the local private housing market, including Right to Buys
- estate environment, for example, car parking, open space areas, transport links, education provision and shops
Assessing areas for inclusion in the programme

Information arising from the six-monthly assessments of demand statistics is shared with Members and resident representatives at the bi-monthly Area Housing Meetings. The statistics are used to identify those locations where low demand is an issue, and where more in-depth analysis of the factors affecting demand needs to take place. The planning, implementation and evaluation of these in-depth assessments are overseen by these meetings, and the timing and content of the wider consultation programme is agreed.

The wider consultation programme is tailored to the needs of each particular area and can involve one-to-one visits, surveys, exhibitions and public meetings. Residents are asked how they feel about the area, what specific problems they feel there are with their homes and what their long-term intentions are. The outcomes from this consultation are built into the assessment process.

The scheme assessment process produces a set of recommendations that are put to the Council's Cabinet for their consideration and decision.

Once a decision has been made

If a decision to proceed with a stock reduction scheme is made local Members and resident representatives are immediately informed. A letter is then sent to all affected residents explaining the decision and setting out the on-going consultation process.

Everyone who is affected is visited individually to discuss rehousing/reaquisition procedures and compensation arrangements. People who wish to be rehoused by the Council complete a rehousing form detailing their preferences for a new property. Priority is given on the waiting list to all those who have to move because of the stock reduction scheme. A phased rehousing schedule, which gives people an idea about how long they may have to wait for rehousing, is drawn up and managed by the local Area Housing Office.

The Council’s Demolition Good Practice Guide sets out the process and the standards of performance expected of the Housing Officers involved.

The Council’s Land and Property Unit visit freeholders and leaseholders to negotiate the reacquisition of their property. The Council pays the market value for each property, plus the statutory homeloss compensation. Owners have a number of options open to them including becoming a Council tenant again, nomination to a Registered Social Landlord, Homesteading and Equity Swap. Every effort is made to reacquire a property by negotiation, but in the few instances where agreement cannot be reached the compulsory purchase process is adopted.

A local Project Group is set up which meets on an on-going basis to monitor progress and keep everyone informed; the group includes the demolition contractor, resident representatives and Housing Officers.

Properties that are included in stock reduction schemes continue to receive responsive repairs, but are excluded from improvement work programmes. Their responsive repairs are limited to those that would have health and safety implications for tenants if not carried out.

Initial detailed research and assessment indicated that there was an oversupply of approximately 10,000 Council properties spread across the City. The programme started in 1999/2000 and since then 3,271 properties have been demolished. The impact of the on-going programme on demand levels and the regional housing market is regularly re-assessed, and the overall target number of demolitions will be reviewed in the light of these assessments.

Contact: Karen Ratcliffe, Sheffield City Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork
BUSINESS PLANNING AND IMPLEMENTATION

Demand, stock condition and financial information form the basis for business planning. Business plans are long term, and new funding can be rolled over. This is a considerable change from most authorities’ former approach to investment, delivered through yearly budgeting and procurement cycles. Many aspects of business planning are technical; however, these need to be balanced with a participative approach. Residents and staff should have the opportunity to contribute to decisions and understand what is required and why. This further highlights the need for resident support and information.

Having set a clear strategy for the level, type and location of stock that the authority wishes to make available to tenants in the future, and worked out the long-term maintenance funding this will require, authorities need to consider sources of income to meet these needs, and the options of ALMO, PFI and LSVT. The human resource capacity needed is lacking in some authorities, which will impact on the long-term success of investment and the business planning approach. In the shorter term, once a plan is developed, it has to be turned into practice, using that capital immediately available to follow the plan.

KEY ACTIONS

- Develop a participative approach to business planning.
- Re-profile current budgets to follow the business plan.

INFORMATION FROM INSPECTIONS AND RESEARCH

Many authorities are currently not focusing their maintenance spending on sustainable areas: spending on planned maintenance and capital projects was often spread over local housing areas without any consideration of the long-term viability of the homes, or was based on out-of-date historical budgets. Area budgets are often still distributed based on the number of homes in each area, irrespective of maintenance or housing need. Authorities often delivered maintenance in accordance with policy rather than need, and many authorities were setting up major programmes of replacements before they received their new stock condition survey results or had full details on the sustainability of their neighbourhoods.

For example, one site was committed to renewing all the windows in its stock on an area basis in a five-year programme (in the absence of information on whether this money was targeted appropriately).

The impact of responsive repair spending was often overlooked at a strategic level: planned and responsive works are carried out by different groups of staff between whom links were often missing.

Resident involvement in business planning was not well developed.

In some authorities, lack of capacity to take a strategic approach will impact badly on the success of investment in housing and carrying out a thorough business planning process. For example, one inspected authority had very low numbers of housing staff, who were struggling simply to
monitor their services; another authority’s director was heavily involved in operational details, as there were few middle managers.

English authorities are using rents, housing subsidy and other HRA income to spend £150 million – 8.7 per cent – more on repairing their stock than the maintenance allowance calculations assume they need to [EXHIBIT 5]. Some authorities spend considerably less than their maintenance allowance on repairing their homes. This may be because their need is less than anticipated by the allowance, or because money is being diverted into other HRA expenditure such as tenancy management. Alternatively, if the authority has set rents much lower than guideline levels, its resources for maintenance will not match Government’s assumptions.

The MRA has increased capital resources available to housing in England in 2001/02 by £856 million (to £2.2 billion), which is two-thirds over that available in 2000/01. District councils have particularly benefited from the MRA, whereas London’s share of capital allocations has reduced from 34 per cent to 29 per cent. The majority of authorities plan to spend more on capital and planned programmes of work in 2001/02 than their capital allocations [EXHIBIT 6].

EXHIBIT 5  Actual revenue spending per dwelling on maintenance, compared with what Government calculates authorities should spend – England 2000/01

Most English authorities are spending more than the Government’s calculated level.

Note: Each point on the graph represents an individual authority. If an authority’s actual spending equalled the Government’s calculated level, then its point would fall on the line. The majority of points are above the line – on average, spending is 8.7 per cent more than the allowance.

Source: DTLR, List of Management and Maintenance Allowances per Dwelling, 2000/01; CIPFA HRA Statistics 2000/01
EXHIBIT 6 The capital that authorities plan to spend, compared with their capital allocations as determined by Government, England, 2001/02

The majority of authorities plan to spend more than allocated by central Government, on improving their housing stock.

Note: Data for 260 English authorities was available and included – LSVT authorities and the City of London were excluded.


See CASE STUDY 3 Leeds area panel, page 20

POSITIVE PRACTICE

Kirklees changed the way it allocated its budget, from an historical basis to one based upon stock condition with a unit cost per property allocation.
SECTION 1: CHECKLIST

ESTABLISHING MAINTENANCE NEEDS

Have any stock condition surveys been carried out or commissioned in the last year?

Was good practice guidance followed in commissioning?

Were recent surveys carried out with the decent homes standard in mind?

Does the authority’s current information allow reliable estimation of the number of non-decent homes?

Is a rolling approach to surveying used, so some stock is surveyed each year?

If not, are surveys carried out at five-yearly intervals or less?

Is the current sample information representative of all property types?

Is it representative of all estates?

Can the stock condition database be updated when planned maintenance is carried out?

Is it?

Can the database be added to when surveyors visit properties in the course of their jobs?

Is the stock condition survey (SCS) held electronically?

Is the SCS database held in a form where several housing and technical staff can access it?

Can a range of people run reports from the data?

If purchasing new software, has the authority investigated (the success of) systems used in other authorities?

WORKING OUT WHICH STOCK IS SUSTAINABLE

Does the authority have designated resources for collecting and aggregating information on demand?

Does the authority have, for its neighbourhoods, information on:

- future housing need (types, numbers of dwellings);
- maintenance investment need;
- estimates of future income;
- current demand for council homes;
- current demand for RSL homes;
- current demand for private rented accommodation;
- current demand for owner-occupied homes; and
- likely impact of community planning, regeneration strategies and interventions?

Does the authority share information on demand with neighbouring authorities, and housing associations?
**BUSINESS PLANNING AND IMPLEMENTATION**

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<td>Is housing strategy and business planning led by a senior officer?</td>
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<td>Has someone been allocated responsibility for engaging residents in business planning?</td>
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<td>Are residents involved in business planning and option appraisal?</td>
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<tr>
<td>Does the authority share its business plan with neighbouring authorities, and housing associations, and invite them to participate in its development?</td>
<td></td>
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<tr>
<td>Are investment plans being changed to target investment on non-decent homes?</td>
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<tr>
<td>Does allocation of funds to planned maintenance programmes follow the business plan (that is, take into account future and current demand, and maintenance needs), rather than being based upon historical allocations or policy?</td>
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<tr>
<td>Does the responsive repair policy fit with the business plan?</td>
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<tr>
<td>Has the authority reviewed how much it spends on maintenance from revenue, compared to what the Government expects it to spend?</td>
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<td>Does the authority plan to invest its full capital allocation in the housing stock this year?</td>
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ENGAGING EFFECTIVELY WITH RESIDENTS ABOUT THEIR HOMES

- An important input to the strategic direction must come from residents (tenants and leaseholders resident in council stock), to ensure that priorities reflect their needs and aspirations as far as possible.

- The future sustainability of council housing rests on its desirability to tenants. In the short term, if the quality and appearance of a home do not meet potential tenants' aspirations, offers will not be accepted as readily – impacting directly on the housing revenue account.

- The state of repair of a home not only affects residents’ health, but their attitude towards their home and sense of local pride and security. The opportunity for empowerment (rather than just consultation) can foster self-belief and self-reliance in a community, and also has a clear relationship with health.

- Historically, while housing departments have had some interaction with tenants, particularly around rent-setting, they have not always discussed elements of the repairs and maintenance service with them, unless complaints arose. Technical sections, which usually draw up programmes of work and manage repair and maintenance contracts, have often approached the housing stock in a more distant and functional way, focusing more on the asset than its inhabitants.

- In general, authorities have improved involvement of residents. However, residents are involved at a low level in many authorities, and are involved less frequently in mainstream decision-making.

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II Allen, C: On the physiological dope problematic in housing and illness research: towards a critical realism of home and health, Housing, Theory and Society, 2000.
EXHIBIT 7  Challenges in engaging residents effectively

Many authorities need to follow others’ example and make progress in involving residents throughout the service delivery loop.

Source: Audit Commission

INVOLVING RESIDENTS IN DECISION-MAKING, SETTING STANDARDS AND SELECTING CONTRACTORS

The introduction of Tenants’ Compacts to regulate, on a negotiated basis, the process of involving tenants throughout the service delivery loop, is a major step forward. However, compacts had not been introduced at all authorities; and often residents at inspected sites felt that, while they were consulted, they did not play a part in decision-making. Although there is broad recognition of the importance of residents’ views, often residents still feel frustrated that although they are listened to, nothing then happens.

KEY ACTIONS

- Make clear to resident groups the extent of influence they can expect.
- Report back to resident groups the actions taken as a result of their recommendations, including the reasons why any actions were not taken.
- Involve representatives in developing customer care standards.
- Work with residents to involve them in selecting and monitoring contractors.
Inspectors reported that the tenants’ forum at one site put forward ideas for change to the repairs service in 1998, but the ideas were not taken seriously or acted on. Only when DLO financial problems (a couple of years later) highlighted the need for change was a best value review suggested; some of the tenants’ suggestions were then put into new contracts.

At another site, there was no consultation over the introduction of a repairs call centre. The authority also failed to inform tenants of current issues and performance, even though there was a tenants’ panel.

The tenants’ panel in one authority had no input to the budget or rent-setting process, which impacted on planned and responsive repair services.

Tenants in one site did not hear about the option of LSVT until seven weeks after a policy decision was made to pursue the approach.

EXHIBIT 8  Levels of tenant involvement in inspected sites
Tenants are often less involved in mainstream decision-making.

<table>
<thead>
<tr>
<th>Least frequent</th>
<th>Most frequent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual tenants’ broad satisfaction survey</td>
<td>Satisfaction cards – responsive repairs</td>
</tr>
<tr>
<td>Tenants’ forum discusses repairs complaints</td>
<td>Tenants’ forum discusses maintenance priorities/planned works programme</td>
</tr>
<tr>
<td>Tenants set customer care standards for responsive repairs</td>
<td>Performance information fed back to tenants’ forum</td>
</tr>
<tr>
<td>Performance information fed back to whole tenant population</td>
<td>Local tenants allowed individual or group choice of fittings/colours</td>
</tr>
<tr>
<td>Tenants have some control over specific budgets</td>
<td>Tenants’ forum has major inputs to prioritising mainstream maintenance budgets</td>
</tr>
<tr>
<td>Local tenants set up timetabling and decanting for major works</td>
<td>Tenants set methods statements and take part in interviewing contractors</td>
</tr>
<tr>
<td>Local tenants feedback after planned or capital works</td>
<td></td>
</tr>
</tbody>
</table>

Source: Analysis of Housing Inspectorate reports and project fieldwork

POSITIVE PRACTICE

In Kirklees, several service initiatives suggested by the tenants’ federation have been implemented: the handy-man scheme (where local caretakers do minor repairs); improvements in customer care including use of badges/uniforms; joint inspections by housing and the contractor; improvement in the quality of materials; and changes to the variation approval system to allow operatives to do extra work worth up to £50.

Barnet is setting up participation panels following from agreement of their Tenants’ Participation Compact. Their role will be to develop services standards, discuss performance and set priorities for planned and capital works.
In Brent, tenant representatives have set standards for service since the development of Compulsory Competitive Tendering. Residents in Exeter were closely involved in selecting the repairs contractor. They suggested amendments to the contract specification, visited short-listed contractors and took part in selection interviewing.

In Kensington and Chelsea, where housing management is run by a Tenants’ Management Organisation, tenants are members of consultant and contractor interviewing panels for capital works (which are run by the authority). Tenants in Barnet were heavily involved in creating the test criteria by which methods statements would be judged, particularly those relating to customer care. They helped mark the tender submissions and also interviewed contractors.

Gosport tenants have input to assessing methods statements, and take part in contractor interviews for the planned maintenance programme.

Canterbury tenants can contribute to the repair strategy specification through a sub-group of the tenant consultative group. This group has been heavily involved in the selection of new repairs contractors. Tenants are also members of a contract development group, which monitors implementation issues following contract completions.

## EMPOWERING RESIDENTS SO THAT THEY CAN HELP TO PRIORITISE MAINSTREAM REPAIRS BUDGETS

Residents sometimes have control over particular budgets, such as estate improvements or security budgets. In comparison, while mainstream maintenance budgets are often consulted on, the level of influence residents have (for example, over how, or in which area, or which estate money was spent) is variable.

Giving residents a direct involvement in, for example, prioritisation of maintenance programmes, has to be handled carefully to avoid over-influence by those ‘who shout loudest’. Also, residents’ views need to be balanced with several considerations: finances and building needs of the housing stock are major factors. It is very important that authorities provide residents with the information, mechanisms, training and support to overcome this problem.

Increases in capital funding mean that some authorities will have huge increases in their work programme. Authorities need to build the capacity among their residents to make increased contributions to business planning and prioritising work, by providing training and broadening involvement.

### KEY ACTIONS

- Set up a process for resident representatives to have meaningful input to business planning and directing overall maintenance budgets.
- Develop training and provide specific support for the representatives to enable them to make informed decisions.
- In parallel, maintain local residents’ input to decisions on specific budgets.
CASE STUDY 3 Leeds City Council – area housing panels

There are six area housing panels in Leeds, set up in September 2001 for 12 months, each covering around 12,000 council homes. They follow the Primary Care Trust (PCT) areas, of which there are five in Leeds: one PCT area was subdivided into two panel areas as it contains a high number of council homes. (The five PCT areas in Leeds have been taken up by other services – police, social services, and probation – as the basis for planning, so public services have all organised themselves to work around consistent geographical areas. To reinforce these areas, the council has established a new constitution, with area committees.)

**Purpose of the panels**

The panels were set up following a council decision in February 2001 to pursue an open inclusive approach to consideration of investment options for council housing in Leeds. This ‘Going Local’ strategy aimed to involve tenants in the option appraisal process and also work towards Government aims of developing smaller, more locally focused landlord organisations with greater levels of tenant involvement. Going Local also aims to achieve change in service performance, improve customer satisfaction and enable better co-ordination with other service providers to achieve regeneration in neighbourhoods. Specific objectives for the panels are: to understand the reality for council housing in their area; to evaluate each of the investment options against this; to oversee a consultation programme (about the options) with tenants in their area; and to make recommendations to the council concerning the future of housing landlord services in their area. The role of panel members is to consider the needs of housing in the area as a whole, and not represent small parts of it.

**Selection of panel members**

Panels mirror the ALMO model, consisting of one-third tenants, one-third elected members and one-third independent individuals.

Elected members were selected from Leeds’ Community Involvement Team (CIT) structure. Each CIT covers 1–3 wards, and consists of the ward’s elected members and non-voting co-opted residents, having an area or an issue focus. Every CIT with substantial council housing stock in its area had one councillor representative on a housing panel. If there were a very high number of properties, two or more representatives could join the panel.

Tenants were invited to apply to join panels. A newsletter was sent to all tenants, asking them if they would like to become more involved: around 1,000 responses were received. All these respondents, and all residents’ groups in the city (approx. 80), were written to and invited to a briefing session where the panels and their purpose were discussed. The session was repeated four times. All attendees and those unable to attend were given written information, an application form, and details of the tenant training programme. Selection of tenants was on the same geographical basis as for the elected members, with preference going to those who had attended training. If the panels are re-established in September 2002 in some other form, it is likely that tenants will be selected by election. At this initial stage, resident panel members are not required to communicate back to their local communities; however, panels’ findings will be tested out with all tenants during consultation in March 2002.

Over 30 independent panel members were needed. Leeds advertised in the local press and in *Inside Housing*, and carried out a mailshot to almost 1,000 local companies. They had over 100 requests for information and responded with comprehensive application packs; 50 applications were received. Two semi-formal interviews followed, at which the aims of the panels were presented; each applicant was then interviewed individually, by a panel of tenants, officers and members. This inclusiveness helped to overcome some scepticism about independent panel members’ potential contribution. All 30 places were filled, with a reserve list.

**Enabling panel members**

All tenant applicants were offered a programme of courses that ran over a number of weeks (before the panels were set up) and were aimed to build confidence and increase knowledge. These were on: roles and responsibilities of the panels; teamworking; equal opportunities; decision-making and housing finance. Those who attended the courses found them useful, and subsequent observation has found them far better equipped for the panel work than those who did not. A further set of four briefings was run, during the first two months of panel work, outside panel meetings. These covered:
tenants’ compacts, best value, housing finance and equal opportunities. They were run in-house, and trainers included the Finance Manager, Best Value Officer and Tenant Training Officer.

**Development of panels’ work**

Panels meet once a month in the evening, and meetings last 2–2½ hours.

First meeting (September): focused on ice breaking, getting to know other members, and talking through terms of reference, panel operation and codes of practice developed for the panels.

Meetings 2–5 (Oct–Jan): built up the knowledge base – including financial information, stock condition data, housing demand information (including the NOMAD model), tenant views from earlier consultations, and information on the investment options. The aim was for members to get a clear idea of the position of council housing and other housing in their area.

Options appraisal event (Jan 2002): all panels attended an event, ‘Making a difference – the future of Council Housing in Leeds’, where each had to:

1. Understand and agree a summary of the current reality for their area.
2. Develop key priorities and a vision for their area, including: whether the housing decency standard is sufficient, or whether local tenants or the local housing market dictate that a greater standard is needed, the need to link with the wider regeneration agenda, and the need to rationalise/remodel stock and services.
3. Consider which option, from ALMO, status quo, PFI or stock transfer, could deliver their vision. Each option was considered in turn against the panel’s priorities and vision, and rated by the panel using a traffic light system.

Following debate, all six panels concluded that an ALMO structure, supplemented with PFI or trickle-transfer where necessary, would provide the investment and service changes needed, and also be acceptable to local tenants.

Results of the option appraisal event for each area will be communicated to the Council, and to the area’s residents in March. Local events will take place where results can be tested with the wider resident community, and the panels and council will consider results and draw up a plan for the future of its six areas in April and May.

**Future of the panels**

Panels are currently overseeing, evaluating and reporting back on the tenant consultation programme.

Assuming local tenants support the recommendation to establish ALMOs, panels are expected to help develop these organisations quickly, taking the opportunity to access additional funds from the Government available in April 2003. It is anticipated that, subject to re-election, the panel could form the basis for the ALMO Management Board, although board member selection would have to be reconsidered.

**Communication with the broad community of residents**

Newsletters are sent to tenants three to four times each year, and recent issues have included information on the panels’ work. Each area panel also produces its own newsletter; the first edition went out at the end of 2001, and the second will advertise the local events (open to all residents) to take place in March. A third will provide details of the panels’ conclusions from option appraisal, and a fourth will communicate results of the consultation programme.

**Communication with authority staff**

A two-day staff briefing took place in January, at which all 1,400 staff from the Directorate of Housing and Environmental Health Services attended. The event focused on ‘Going Local’, details of investment options, current reality for council stock and information on the optional appraisal process. Further briefings are planned.

**Contact:** Martin Broadest, Leeds City Council.

*Source: Audit Commission project fieldwork*
CASE STUDY 4  Tenant involvement in planned maintenance in Sheffield

Tenants of Sheffield City Council are involved at different levels in the planned maintenance programme.

At a city-wide level on overall investment strategy

The city-wide Forum is a biennial evening event which takes place in January and June each year. It is open to all tenants and tenants’ associations. The main focus of the event is to communicate the rent increase for the following year and to explain what tenants can expect in terms of service levels and the planned programme of works. There is the opportunity for feedback from the floor.

At estate and neighbourhood levels on specific investment appraisals

Area Investment Planning meetings take place in each of the City’s 11 Housing Areas and are attended by tenant representatives, Members and Housing Officers. These are mainly half-day events where the participants come together to begin discussions on the prioritisation of the maintenance and improvement three-year programme. Information on sustainability work, stock condition survey and energy database updates and completed work is considered. Presentations are made on the budgets available, what work has already been allocated and what residual money is left for improvement work. The meetings are a forum for ideas generation. The ideas are then carried forward into the HIP bidding process.

At scheme level on tenant choice and project management and at property level on work planning and delivery

Tenant involvement is now being expanded to smaller schemes as well as major works. The tenants’ associations assist with access to dwellings, general liaison and quality checking on the schemes. A time frame is agreed with tenants’ associations and details of the scheme and progress made are included in the tenant newsletter, distributed regularly to all tenants.

Contact: Richard Hawson, Sheffield City Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork

POSITIVE PRACTICE

In Camden, programmes for each year are circulated to tenants’ and residents’ associations, and Tenant Management Organisations. Concerns are reported back to the Housing Committee. Tenants said they felt their views were taken into account, and that they were genuinely involved in determining the final schemes.

In Brent, tenant representatives on area housing boards are involved in reprioritising outstanding works, if the planned programme of works falls behind. Brent’s tenants also approve programmes for the year. Officers and tenant representatives go on estate walkabouts to help tenants get a sense of the balance of needs in their area, so they can make decisions on priorities.

In Sheffield, 22 tenant representatives were included on the ‘Future of Council Housing’ steering group.

In Kirklees, there are joint (officer/tenant) estate inspections, an annual investment conference, and estate manifestos detailing plans for future investment.

Newcastle sends out questionnaires to all tenants to ask them (from a selection of options, for example, new windows, new bathrooms or kitchens) what their local priorities are.

Havant carried out effective community consultation in developing regeneration plans for the Wecock Farm Estate. This included ‘planning for real’ sessions, which helped tenants gain a good understanding of proposals for their area.

Control over specific budgets:

Cantebury has a delegated budget for some works, for example, environmental improvements.

East Riding’s Safer and Secure Estates initiative allocates 40 per cent of its budget to ideas put forward by tenants.

In North Herts, tenants have ‘direct input’ to decisions on a budget of £500k for estate improvements.

Barnet has a ‘tenants’ initiative’ budget, which comes from HRA funds.
IN INVOLVING RESIDENTS IN PERFORMANCE MONITORING

It is common for residents to contribute information to enable someone else to assess the quality of the repairs service. However, residents seldom receive feedback on their input: providing feedback is a courtesy that will encourage residents to respond in future, as they become more aware of the effect their input can have.

There is varied practice on sharing broad service performance information with residents so they can assess it and feed back their views. Establishing a channel for feedback is important, especially since the requirement to produce an annual report to tenants has ceased.

Performance information given to residents does not always provide sufficient information to allow the residents to judge whether performance is good or bad. It needs to include comparative data (for different local offices and other authorities), and should reflect better the factors that residents feel make good services (or not), such as local customer care indicators.

KEY ACTIONS

- Feedback to residents the results of all consultation exercises and customer feedback responses they have contributed to.
- Let residents know what action has been taken as a result, and who is responsible for ongoing developments.
- Let residents have key information on service performance – for example, repairs completed on time – along with commentary on how this compares to neighbouring authorities.

INFORMATION FROM INSPECTIONS AND RESEARCH

Authorities typically provide information to their residents’ forum, or to all residents in a newsletter, or both. While the majority of authorities dealt with this in some way, a minority of authorities were poor in this respect, and did not give any repairs performance information to residents.

Tenants’ forums regularly (for example, quarterly) received repairs performance indicators. Brent, among other authorities, had set up a ‘repairs forum’ as a sub-group of the overall tenants’ forum. This allowed more in-depth discussion of repairs and maintenance issues and performance information. The stronger tenants’ forums used repairs performance information to hold attending officers to account.

Tenants’ newsletters were produced at most authorities (sometimes irregularly). Providing information in annual newsletters is an important way of allowing all those who use (and pay for) the service to see how it compares. Some authorities did not, however, take the opportunity to use newsletters for feedback.

One authority produced a beautifully presented pack of performance information for its tenants and members. It did not, however, include any comparative information from other authorities, or any information on targets for the service, and therefore did not enable readers to pick up on the authority’s poor performance on voids. It is unclear how those meant to judge the service could do so without any ‘yardsticks’.

This usually constitutes feeding back satisfaction slips after responsive repairs are carried out. Residents’ input is less regularly sought after planned works.
Carrick has given resident representatives access to Housemark. Residents can assess their authority's performance against others, enabling them to ask questions based on this assessment of performance.

ALLOWING RESIDENTS MORE INDIVIDUAL AND GROUP CHOICE WITHIN LOCAL SCHEMES, AND COMMUNICATING WITH RESIDENTS

Once overall priorities have been decided, local residents can be involved in the details of schemes. Authorities sometimes involve residents well in one local area or for one scheme only, failing to draw authority-wide lessons from their initiatives. There remains in a minority of authorities an opinion that ‘the homes are [solely] the council’s property’ and that offering residents a choice is not necessary, and if done, done as a favour. Most authorities, however, increasingly allow local residents a choice within schemes, by inputting to what is done, when and how.

Planned and capital works cause major disruption to tenants and leaseholders. Aside from giving residents a choice of colours and fittings, ongoing communication up to, during and after works is important. Residents are often unhappy about the extent of *advance* communication on major works, particularly relating to security issues, decanting options and timetables, and refuge and access arrangements. They also want better consultation *during* works: plans can change while works are being carried out, due to unexpected difficulties, and this can affect designs, specifications or timetables agreed earlier with tenants. Having *completed* a major project, some authorities’ attention moves on to the next one; but many do take the time to learn from tenants, how they felt about the process and its outcomes.

**KEY ACTIONS**

- Always offer local residents a reasonable extent of choice (either individual choice, or by majority vote for communal or external elements).
- Establish and resource a role with responsibility for communicating with residents about the practical aspects of upcoming works.
- Ensure local tenant representatives are kept up-to-date with any changes.
- Conduct customer satisfaction surveys after works, to help to improve the way future works are carried out.
At one inspected authority, residents on one estate were very involved in an environmental improvement programme. A community architect was employed by the housing department and involved tenants in putting together various options for estate communal areas, private gardens and landscaping. Tenants had an influential role in choosing the final option. On the same estate, an external redecorations programme was planned by the authority technical department. Tenants ‘were told’ that the work would be happening, and included painting of wooden porches. They were not told that new, bright, colour schemes would be used to replace the current wood stain. The first they knew of it was when one tenant ‘came home to find her porch painted bright pink’.

At another authority, tenants had influence over materials, design, layout and standards used in the redevelopment of a pre-reinforced concrete-design estate. However, tenants were not given choice over details of the planned and cyclical programmes.

**CASE STUDY 5**

**Redecorations scheme for the elderly in Barnet**

Barnet’s redecorations scheme for the elderly allows tenants to choose what work is done on their home. Each room decorated, and each improvement is given a number of points. Each tenant may ‘spend’ up to eight points – each point is worth about £50 so this controls how much is spent per property. Rooms can be redecorated or minor improvements made, for example, new bath, new door, or new kitchen unit.

_Source: Audit Commission project fieldwork_

**POSITIVE PRACTICE**

In *Kensington and Chelsea*, which has the country’s largest Tenants’ Management Organisation, tenants have been actively involved in management of the capital programme (which is organised by the local authority) for some years. Local tenants’ associations are consulted on the design briefs for contracts, and comment on schemes before they are considered by members. Arrangements are also in place to consult with residents on a one-to-one basis if they wish.

_Sutton_ is regenerating its Roundshaw Estate. Tenants were all consulted on home designs, and the local tenant’s association was involved in the detailed planning of the decant, refurbishment and rebuild programme.

_Tenants in Hammersmith and Fulham_ are able to choose certain aspects of external redecorations by majority decision.

_Gosport_ offers tenants an individual choice of window type, doors, and colours.

_Newcastle_ operates a ‘product approval panel’ where stakeholders including tenants comment and advise on the range and quality of materials used in repairs and replacements.

_Kensington and Chelsea, Gosport and East Riding_ ask for feedback from residents after works have been completed. Questions relate to how the process went, and also how the tenant feels about the outcome. _Gosport_ uses tenant satisfaction with planned works as a key performance indicator under its partnering agreement (see Chapter 5).

_Carrick_ helps to build relationships between contractors and tenants whose homes they will be maintaining by setting up meetings between tenants and contractors to iron out problems.
DEVELOPING DIFFERENT WAYS TO INVOLVE MORE RESIDENTS AND ENGAGE HARD-TO-REACH GROUPS

Evidence from the Commission’s inspections and other work suggests that current participation structures do not involve a broad enough cross-section of the community, and often simply involve too few residents [EXHIBITS 9 and 10].

KEY ACTIONS

- Invite input from established community groups of residents (for example, young persons’ groups, minority ethnic groups) as well as from the conventional resident association structure.
- Allow more informal inputs to decision-making, aside from residents’ associations.
- Use a combination of one-off and ongoing consultation methods.
- Use face-to-face and telephone interviewing to supplement broad surveys and boost input from particular groups.

INFORMATION FROM INSPECTIONS AND RESEARCH

EXHIBIT 9  Coverage of tenants’ and residents’ associations in ten inspected sites

Very few authorities have more than one-half of their residents covered by a residents’ association.

Source: Analysis of Housing Inspectorate reports and project fieldwork
EXHIBIT 10  Tenants’ satisfaction with opportunity for participation – England

More than 50 per cent satisfaction rate is achieved, in the majority of authorities. However, response rates to this sort of survey are usually low, so the results do not necessarily accurately reflect all tenants’ views. Authorities should do more to reach the tenants who do not usually respond.

Note: Data for 243 English authorities were available and included – LSVT authorities were excluded.


POSITIVE PRACTICE

Approaches to ongoing consultation

Ashfield and Waltham Forest had set up community consultation panels. These were ‘virtual’ panels of residents who said they were willing to be contacted for consultation purposes on certain issues.

A few sites had set up the constitution of their tenants’ forum to allow individual members. These tenants came from areas that were not represented by a TA, (usually) because of a lack of local interest. The individual members were usually deemed to be local representatives, rather than representing themselves, which put on them an obligation to do some door-knocking.

Some under-represented groups of tenants already have active community groups. Authorities have been tapping into these, in formal and informal ways. For example: Camden worked with the Bengali Women’s Design Group on its housing capital programme; housing staff at Southend drop in to mother and toddlers’ groups for discussion; Exeter has a young single persons’ group, and a community partnership group where housing issues are discussed; Newcastle set up focus groups and discussions with representative bodies for single parents, people with disabilities and people with drug problems as part of their best value review. It is highly important to allow groups such as these to raise their own issues, which may be very different from those of tenants who contribute to mainstream consultation processes.

Some larger authorities, for example, Birmingham and Sheffield, had minority ethnic tenants’ panels, and disabled tenants’ panels.
Approaches to one-off consultation

Some authorities used focused meetings with a particular target group of tenants: for example, ‘community visioning days’ were run at Ashfield and Waltham Forest. Authorities attributed their success to several factors: the use of external facilitators (an impartial, blame-free, professional party controlled the event); a limited number of tenants were invited (so individual views could be better captured if necessary); and a particular target group was invited (the event was more tailored and relevant).

Ashfield and Newcastle had used face-to-face interviewing, carried out by a market research company. Advantages of this approach were: excluded groups could be reached more easily; the researcher was impartial (so the discussion stayed more open); and qualitative, structured information could be captured as well as rich, individual experiences and opinions. The cost of employing a market research firm is, however, a disadvantage. Authorities would benefit by comparing with others that have already done such work, on: what costs were, what the outputs were, whether the outputs were what the authority wanted, how long the work took, what input the authority had to make, and whether the research actually answered the questions it was supposed to.

Some authorities, for example, North Herts, when planning renewal of its Jackmans Estate, set up sustained ‘drop-ins’ for one-off consultations. These were most successful when in a location commonly visited for other purposes, such as supermarkets.

CASE STUDY 6 Broadening tenant consultation to include young people, and improving levels of participation in Ashfield

Ashfield District Council was aware that its traditional tenants’ associations and forums did not have good representation of younger tenants. As part of the ‘consult’ element of its best value review (BVR), Ashfield wanted to involve a representative cross-section of tenants.

What Ashfield did to improve

Ashfield adopted three new approaches to broaden and increase involvement:

1. There was a corporate decision to use face-to-face interviews in the BVR, to improve response rates and increase the level of input from younger tenants, traditional ‘non-responders’ to postal surveys and non-participants in tenants’ associations. Tenants’ associations and forums were consulted separately.

A sample of tenants was chosen, reflecting the overall tenant population in terms of:

- age;
- gender;
- household make-up;
- length of tenancy;
- area;
- type of house;
- socio-economic group; and
- work status.

A market research agency carried out the door-to-door interviews. Demographic information was collected for the respondents, to check that the sample did indeed reflect the whole tenant population. Responses were collected for 463 tenants. Tenants were also asked whether they were interested in being contacted again about the BVR.

Results of the BVR process were then fed back to the tenants who had expressed an interest, for their views of the findings.
The tenants were sent a letter describing the BVR results, which had been checked for use of plain English by tenant representatives. It also told them they would be contacted by telephone to discuss the results. Tenants were telephoned within 2–3 weeks of the letter being sent out. Local Authority staff from the management support services section carried out this second stage of consultation.

2. To increase general levels of participation, Ashfield has sent out flyers to all tenants, to ask them if they would be interested in being consulted on specific matters. Tenants are able to choose their areas of interest: for example, anti-social behaviour, homelessness, or allocations. Tenants' contact details and interests are stored on a database. This allows tenants to become involved without having to take part in formal structures which require considerable and ongoing commitment, such as tenants' associations, and thus may encourage younger, busier tenants to become involved. It also allows a voice for tenants who are not covered by an association. Tenants will be more likely to participate as they have chosen their areas of interest.

3. To focus particularly on improving communication with younger people, Ashfield carried out cross-department and cross-agency consultation days for young people, some of whom were tenants. Their 'Voice Prints' day invited young people through established groups and projects, and was set up with the aim of finding out what these people thought about services, and how easy it was to access them. A theatre group facilitated various activities including rapping and 'street-stomping'. Housing, social services, NCH, local homeless projects and voluntary groups took part. Staff had informal discussions with young people to find out what they thought. Comment cards were available, which young people were encouraged to fill in. The idea was not to do anything too 'heavy' initially, as that might detract from young people wanting to take part; instead the intention was to create an informal arena to get qualitative feedback, and identify young people who might want to get involved on a more formal basis.

What the outcomes were

1. The BVR consultation found that younger people's views differed significantly from older people's views. Young and old people had different views on how firm the Authority should be with people in rent arrears, and on the allocations service. Older people appeared to be more concerned about anti-social behaviour. Some results of feedback from the survey have been, for example, development of a new Anti-Social Behaviour Strategy in consultation with tenants and the police, establishment of a Rent Arrears Task Force which takes a fair but firm approach to arrears, something surveyed tenants indicated they wanted.

Ashfield has since repeated this approach for consultation on setting up an Arm's Length Management Organisation. They have combined the door-to-door interviews with a leaflet campaign (which invites responses), tenants' meetings, and visits by tenant liaison staff to supermarkets, to talk to tenants on the proposals. They have also produced separate leaflets for leaseholders.

2. The tenants' consultation database is still in the early stages of development, but already there have been responses from tenants who want to get involved. Areas of particular interest tend to be repairs and allocations.

3. Follow-up to the Voice Prints day has taken place: there has been a display of photographs, taken by the young people, and all participants were invited to a barbecue to view the photographs. Young people have been involved in discussions with workers from the agencies, looking at ways to improve services, and particularly at issues relating to access to services and provision of supported housing accommodation. Ashfield is currently investigating provision of supported housing workers through use of Transitional Housing Benefit Scheme. Young people have also been involved in the design of a homeless training course which was given to all housing staff; particular emphasis was given to the problems young people have in accessing services. This training was held jointly with voluntary agencies working with young homeless people.

Contact: Gill Moy, Ashfield District Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork
SETTING RESPONSIBILITIES FOR AND IMPROVING INVOLVEMENT OF LEASEHOLDERS

Some authorities, particularly London boroughs, have a significant proportion of dwellings occupied by leaseholders.

Leaseholders have a strong interest in the appearance and maintenance of their homes, which affect their value. Too often, authorities think of leaseholders as a burden or a nuisance rather than realising the effect that a mix of tenure can have on sustainability, and viewing leaseholders as partners in improving housing and regenerating communities.

Repairs and maintenance is an area where the views of tenants and leaseholders could conflict. Authorities should provide tenants and leaseholders the opportunity to consider things separately, but also to share their views, making sure that the minority leasehold view is not lost.

When maintenance contracts are set up, leaseholders have to be served notice under Section 20 of the Landlord and Tenant Act 1985. Serving notices can lengthen the process considerably if not planned for properly. Increases in capital maintenance funding available to English councils mean that Section 20 work will need to be further prioritised and resourced across authorities.

There are particular problems that authorities face around their Section 20 obligations to leaseholders when setting up longer-term, partnering-type arrangements, such as PFI contracts, because these contracts do not invite tenders for individual works with exact details of costs, as there is an exclusive provider. DTLR has proposed changes to the current legislation, which would enable authorities to pursue partnering while preserving protection for leaseholders. Consultation on the proposals took place until January 2002.

KEY ACTIONS

- Set up participation structures that link with those of tenants.
- Ensure that leaseholder participation groups feedback to other leaseholders and remain accountable.
- Set clear responsibilities for communication with leaseholders: on service charges, repairs services and costs, and major works.
- Prepare to establish an approach for consultation for new partnering-type contracts.

INFORMATION FROM INSPECTIONS AND RESEARCH

In most authorities, leaseholders took part in local residents’ associations with council tenants. Some authorities had, on top of these structures, a separate forum for leaseholders. However, leaseholder forums sometimes had no link of accountability back to the broader community of leaseholders. Where there was no leaseholders’ forum, leaseholders’ concerns became muted, as residents’ associations often took forward the majority (tenant) view to overall residents forums.
Sometimes the lease was the only document that explained to leaseholders how they would be charged for repairs and maintenance. This legal document is not an appropriate medium for explaining things clearly.

Communication with leaseholders on the repair services offered, and how to contact them, was often poor: new, incoming leaseholders were sometimes not even given any information on who to contact in a repairs emergency.

The layout and explanation of service charge bills is improving but authorities still received large numbers of queries relating to repairs and management charges. Some leaseholders experienced inconsistencies in repair costings, for example. Authorities had set up various approaches to liaise better with leaseholders over charges.

In one inspected site, a large number of ‘Section 20’ notices had to be served before starting the capital programme in 2000/01. The process was not started early enough, and was not quick enough, and led to a significant slippage in the programme. The housing committee transferred resources away from the housing capital programme as a result.

CASE STUDY 7  Leaseholder participation in Brent

Brent has a leaseholders’ forum, which has two representatives from every area. It meets quarterly. The forum is purely for leasehold issues, and reports back to the area residents’ boards, which talk about leasehold issues to a lesser degree. Leaseholders are nominated by their area boards, from the area’s community, but may not actually sit on the area residents’ board themselves.

Source: Analysis of Housing Inspectorate reports and project fieldwork

POSITIVE PRACTICE

Communication about service charges

Waltham Forest has set up a leaseholder arbitration service.

Brent holds leaseholder evening surgeries in each housing area in June/July when service charge bills go out. Staff from the home ownership unit and contractors are present, for leaseholders to query their bills. Officers can respond straight away, but if unable to, come back to the residents afterwards. Last year (the first year) had a ‘very good’ turnout and some areas had to set up more than one meeting.

Communication about Section 20 notices

Kensington and Chelsea has improved its work on Section 20 notices by performance-monitoring preparation and serving of the notices. This will be reported to members regularly. Provision has been made to appoint consultants to prepare and process notices if necessary. Furthermore, indicative charge notices are being given to leaseholders at the feasibility stage of contracts.
SECTION 2: CHECKLIST

ININVOLVING RESIDENTS IN DEVELOPING SERVICES

Are residents asked what they would like to improve about the responsive repairs service?

Are residents asked what they would like to improve about the way planned maintenance is delivered?

Are residents told what has become of their suggestions?

Are residents involved in setting standards and targets for repairs and maintenance services?

Do residents help set criteria to judge contractor methods statements?

Do residents participate on contractor selection panels?

GAINING RESIDENT INPUT TO PRIORITISING MAINSTREAM BUDGETS AND TO MAINSTREAM DECISIONS

Do residents have control over specific local budgets?

Are yearly maintenance programmes circulated to all residents’ groups?

Are the programmes publicised to all residents?

Do residents play a part in prioritising overall maintenance budgets?

Do residents play a part in business planning and option appraisal?

Do these residents receive training in:
  - Housing finance?
  - Best value?
  - Decent homes standard?
  - Business planning?
  - Equal opportunities?

Are these residents given the chance to see the condition of stock across the council?

Do these residents receive facilitation support, to help with teamworking?

ININVOLVING RESIDENTS IN PERFORMANCE MONITORING

Are customer feedback forms aggregated and analysed to pull out important themes?

Are complaints analysed likewise?

Are the results of customer feedback reported:
  - to all residents in newsletters?
  - to residents’ associations?

Are national performance indicators reported:
  - to all residents in newsletters?
  - to residents’ associations?
Are national performance indicators reported:
   with clear comparative information about the performance of other authorities?
   with information on what the authority's own targets are?

Are local PIIs reported:
   to all residents in newsletters?
   to residents’ associations?

Are local PIIs reported:
   with clear comparative information about the performance of other authorities?
   with information on what the authority's own targets are?

INDIVIDUAL AND GROUP CHOICE, AND COMMUNICATION BEFORE, DURING AND AFTER WORKS

Are residents always offered an individual choice (from a sustainable range) of internal fittings and finishes?

Are residents always offered a majority-vote choice of communal area fittings and finishes?

Is there a single point-of-contact for local residents regarding local schemes?

Does the authority find out from residents what their concerns are, prior to starting major works?

Are local meetings held, prior to works, to give residents a chance to ask questions?

During works, is there always a designated resident liaison representative (for example, member of contractor staff) on site?

During works, are newsletters produced and/or meetings for local residents held?

After works are finished, are residents asked how they feel the process could have been better?

Does the authority ensure feedback is used to improve practice for next time?

IMPROVING PARTICIPATION

Are established (non-residents’ association) community groups invited to participate formally?

Can residents from areas where there is not a constituted residents’ association participate in residents’ forums?

Do postal surveys achieve a greater than 40 per cent response rate?

Are residents and people with survey expertise involved in designing surveys?

Are targeted events held for specific resident groups (for example, the young, minority ethnic groups)?

To canvass residents’ views, are telephone and/or face-to-face surveys carried out?

Does the council evaluate the percentage of residents who come to its open days/conferences?

Does the council evaluate who (what type of resident) does not come to open days?

Has the authority set up panels of residents for specific issues?

Does the council use ‘virtual’ panels (residents willing to be contacted for consultation regarding specific issues)?

Are drop-ins, at popular locations, used for consultation on major schemes?
INVOLVING LEASEHOLDERS

Is there a dedicated officer for leaseholder liaison?

Is there a leaseholders’ forum?

Does the council ensure leaseholder representatives feed back to individual leaseholders (for example, with a regular newsletter, or by circulating meeting minutes)?

Is there an automatic trigger for leaseholder consultation prior to major works?

Is progress on Section 20 notices always monitored?

Are leaseholders offered the same degree of choice as tenants?

Are leaseholders involved in designing service charge bills and letters so they are more comprehensible?

Are service charge ‘surgeries’ held?

Are extra resources provided to the home ownership/service charge unit once bills have gone out, to help with queries?
Planned and capital programmes are delivering around £3.7 billion of planned maintenance and capital improvement to council homes in England and Wales this year.

Spending this money effectively has been a challenge for many authorities: as more capital funding is now available as MRA, it is more pressing than ever that authorities manage these programmes well.

A failure to manage programmes and investment well will impact directly on authorities’ ability to deliver the Government’s decency targets.

EXHIBIT 11  Challenges in delivering effective planned and capital works

Authorities need to take action in several areas to deliver improvements in planned programmes.

Source: Audit Commission
INVESTING IN PROJECT MANAGEMENT AND WORKING WITH CONTRACTORS SO THAT BUDGETS ARE SPENT FULLY AND ON TIME

Many authorities have great problems spending all their capital budgets on time. Now that more capital is available to authorities they need to become far better in order to spend these increased budgets. In contrast with the credit approval regime, MRA can be carried over, so there is less pressure to spend by the end of the financial year. However, any ongoing underspending means that programmes will lag behind, and decency targets may not be met.

Some authorities have by contrast overspent their planned or capital budgets.

KEY ACTIONS

Make sure that capital and planned maintenance budgets are spent fully and on time, by:

- Investing in project management skills and systems, so problems are picked up early and stages (tendering, consultation, specification) are planned and timed appropriately.
- Planning works over a longer-term period than a year, so there is not a rush to tender at certain times of year.
- Having work specifications ready on-the-shelf to pick up if budgets slip.
- Working with contractors, building longer-term relationships to provide better assurance for authorities and workflow for contractors (see Chapter 5).

INFORMATION FROM INSPECTIONS AND RESEARCH

Authorities visited by inspectors were spending between £1.0 million and £28.4 million on programmes funded from revenue (amounting to between £1.34 and £13.40 per dwelling per week) and between £1.8 million and £25.5 million on their capital programmes.

Underspending in visited authorities ranged from 5 per cent to 46 per cent. Serious capital underspending in some authorities have resulted in subsequent years’ credit approvals being reduced by Government.

In the last year, one site had underspent by 14 per cent on its capital budget; another 13 per cent had been transferred as an emergency measure to the social services department. Another authority had only managed to spend 67 per cent of its planned maintenance budgets and 54 per cent of its capital two years ago: money, again, had been transferred to social services as an emergency measure.

Some authorities went through a ‘famine, flood’ cycle. In year 1, projects were drawn up too slowly and therefore not completed (or started) within the year; budgets were underspent and the contractor was faced with low workflow problems. In year 2, there was a backlog of work specified from year 1, so work could start straight away and was sustained throughout the year as more projects came on stream.
UNDERLYING PROBLEMS

- Projects tend to be developed/specified too late and too slowly (often as a product of the former annual budget and planning cycle), so they are not ready, on the shelf, for contractors to start work early in the year.
- Housing and technical staff do not communicate early enough about requirements.
- Contractors agree to do work that they cannot deliver (due, for example, to staff shortages).
- The client is not ‘strong’ enough: project and budget management skills are poor, and there is high staff turnover (and possibly shortages of technical and project management staff), so problems are not picked up and addressed early enough.
- There is an overcautious approach to programming, as authorities are unsure of their ability to prevent overspending – resulting in consistent underspending – or there is insufficient control of work done and monitoring of budgets, resulting in overspending (less frequently).
- Separate budgets are often managed in different local offices, which do not all have the same project and budget management skills or give planned works the same priority.
- Insufficient time is left for consultation with tenants and leaseholders.

CASE STUDY 8

Improvements in management of capital programmes in Camden

Camden had a period of underspending on its capital programme, which reached significant levels in 1994/95. As a consequence, Camden’s BCA subsidy was reduced, and the authority received a critical report from the District Auditor. Furthermore, due to problems in project management, the external redecoration programme failed in 1996.

At the time, Camden operated ten separate capital programmes: one for each local housing office and one for community care. There was no central control, and as a consequence each programme varied in its technical and financial management. There was no monthly monitoring for spend. A central Building Design Service procured and supervised the ten contracts. Costs of duplicating this work over ten contract areas was excessive: 14 per cent of £30 million resources in 1997/98.

In 1996, the authority did not have a stock condition survey (SCS), so it did not have means to prioritise budgets and programmes across or within local office areas.

Staff turnover was high. Camden had had difficulty recruiting staff of high enough calibre.

What Camden did to improve

Management and delivery were overhauled. The Director created and appointed to a new post – assistant director of renewals – to manage a newly prioritised capital programme. The AD’s brief was ‘to keep tight control on the spending profile by recentralising the programme and building a Technical Client Services Group to compose, procure, monitor and deliver the programme’.

Under the management of the new assistant director, within the technical client services group, new project management posts were created to manage schemes. Project officers report to them, one from each local area. Project officers are based in local housing offices to manage programmes locally and act as a basis for contact with local staff and residents. Budgets were centralised to keep tighter control.

Comprehensive monitoring for spend and project progress was introduced, using the CapFund database. This produces a monthly capital statement, monitoring key dates, spend, variance and out-turn. It is possible to track projects through all
stages. Project officers and other staff were trained on this software, and on concepts in capital programming.

Four stock condition surveys were commissioned: one on each of purpose-built stock, acquired stock including street properties, heating plant, and estate environment. Findings of the SCS were used to prioritise works, and develop a 14-year programme, worth over £230m.

Camden introduced flexible over-programming to maximise spending and allow for unexpected increases in funding or slippage. Any extra capital available is spent on those estates or blocks in the greatest need, as identified by the SCS. This extra work can consist of environmental works, community safety works and inclusion of additional units.

The building design service (architects’ department) was outsourced, making considerable commissioning savings. To address shortages in project management staff, Camden adopted a set of approaches. They used some consultants to fill vacancies, and also seconded in local office staff, providing them with comprehensive training to fit their new role. To help to find a longer-term solution, independent recruitment consultants were employed to advise on job descriptions and pay scales, and whether current packages were sufficient to attract and retain a good selection of candidates.

What the outcome was

The long-term programme is targeted, based on sound stock information; financial control is now much better and there has been great improvement on programme slippage.

Other points

Programme delivery encompasses all improvement work: external redecoration, repairs, renewal, cyclical and small improvements. The authority feels this enables planning, co-ordinates delivery and minimises inconvenience to tenants.

Contact: Melissa Dillon, London Borough of Camden.

Source: Analysis of Housing Inspection reports and project fieldwork.

See also CASE STUDY 23: Partnering in planned maintenance in Gosport, page 99

See also CASE STUDY 22: Partnering in planned maintenance to provide management skills in Barking and Dagenham, page 97

POSITIVE PRACTICE

By introducing tight budgetary control and project management, Gosport achieved less than 1 per cent variance in its planned works budget, after a history of overspending.

Barnet introduced recent improvements from a history of underspending, giving the capital programme greater priority, using controlled over-programming, and arranging work so it could be brought forward if necessary.


Waltham Forest plans ahead for slippage by including work in its planned programme that exceeds its yearly budget by 2 to 3 times.
INCREASING THE PROPORTION OF SPEND ON PLANNED MAINTENANCE

The majority of authorities are still not spending a sufficient proportion of their repairs budget on planned maintenance [EXHIBIT 12]. Planned works are better value for money than responsive works (if procured efficiently and at an appropriate time) as work can be carried out in bulk, and the overheads involved in supporting tradespeople and vehicles on a responsive contract are avoided. Planning work enables spending to fit with the housing business plan, and can contribute to achieving decency targets, whereas responsive spending is comparatively uncontrolled.

KEY ACTIONS

Increase the proportion of spending on planned works by:

- setting a strategic aim and targets, supported by concrete operational plans, for increasing the proportion of planned maintenance spend;
- improving operational links between planned and responsive work, such as batching up non-urgent responsive repairs to feed into the planned programme, making sure only appropriate repairs are ordered under the responsive budget, interrogating the responsive repairs system to inform planned and cyclical programmes, and avoiding carrying out responsive repairs that are part of an upcoming planned programme;
- reducing spend on responsive work (see Chapter 4), and
- using planned maintenance budgets fully (page 36).

INFORMATION FROM INSPECTIONS AND RESEARCH

The majority of inspected authorities were still not adopting a sufficiently planned approach: two-thirds of inspected authorities were spending too little a proportion of their revenue repair budget on planned works.

- Some authorities had a strategic aim of increasing spend on planned repairs. Most, however, had not set hard targets; where there were targets, these were often not challenging enough, or the authority had not set out any concrete plan as to how it would achieve them.
- Only seven inspected authorities had a stated strategic aim of increasing spend on planned work and reducing spend on responsive repairs. Of these, one had set unrealistic targets (to increase planned work to 90 per cent from 33 per cent), and two had set very undemanding targets (increase planned work to 55 per cent by 2005, to 70 per cent by 2007/08). Authorities had not investigated how or where they could redirect spend, and so very few of these strategic aims were backed up with solid plans to achieve them.
- One authority had not set an aim of increasing its spend on planned work, even after its best value review, because the ‘DLO was set up to deal with responsive repairs, and would have difficulty competing for planned work’. This authority was oriented towards the needs of its staff, rather than towards providing an effective service.
Another authority’s documentation highlighted the need to increase planned work by 5 per cent pa for four years, but there was no link made to reducing responsive repairs spend.

Kirklees has been implementing a policy of increasing its planned maintenance spend to 70 per cent for several years [CASE STUDY 11 page 57].

In most authorities, planned works and responsive works were managed, ordered and carried out by separate teams of people. This made it very difficult to achieve a different balance between the two types of work.

Few authorities were batching non-urgent responsive work and transferring it to the planned programme. However, some were packaging together certain non-urgent repairs in a geographical area. A work specification was set up for the batch of known repairs, or alternatively a call-down contract was set up at the beginning of the year for, say, 500 (unspecified) boiler replacements. This system enabled the authorities to reduce costs, as they could let a separate contract for the work or get a discount on their schedule of rates from their normal supplier. Disadvantages of this approach are that some tenants had to wait longer, and response target times could be exceeded.

Some authorities were carrying out inappropriate work under the responsive budget: one inspected site was carrying out boiler replacement and major mechanical and electrical works under the responsive repairs contract.

Authorities did not have reliable arrangements to avoid ordering non-urgent responsive repairs that were to be carried out as part of a planned programme within the year. Some sites did not have systems in place to check for this; others had inadequate arrangements. For example, two sites sent round printed lists of upcoming programmed repairs schemes to local offices; repairs clerks were expected to remember what was on the list while ordering repairs, or refer to the list continually. Some authorities have managed to improve planning and co-ordination by using repairs IT systems that flag up whether a repair is shortly to be covered in planned maintenance programmes.

**UNDERLYING PROBLEMS**

- Planned works and responsive works were managed, ordered and carried out by separate teams of people.
- Responsive repairs were not seen as having an effect on the more strategic, planned programme, and so little time was spent looking at how responsive repairs could feed better into the planned programme.
- Practical links between responsive repairs and the planned programme systems and frontline staff were missing, or were not backed up by automated processes such as flags on the IT system.
Over two-thirds of inspected authorities were spending too low a proportion on planned work.

Source: Analysis of Housing Inspectorate reports

Previous analyses have encouraged authorities to increase the proportion of their repairs spending on planned works to achieve the most strategic/planned approach to repairs possible. An Audit Commission report of 1986 recommended a 60:40 (planned:responsive) split of spend, excluding improvements. As authorities have a range of interpretations of the definitions of capital and of improvements, subsequent District Audit work recommended that improvements be included for this indicator, suggesting a new target ratio of 70:30 (all capital and planned:responsive spend). However, this target predated the MRA. Now that the MRA has greatly increased capital resources, the 70:30 ratio (including capital) may be achieved far more easily.

To maintain the incentive for authorities to move to a planned approach, we make two recommendations. Firstly, it is recommended that data collected across authorities by DTLR, on proportion of planned (capital and revenue) spend, be used as an indicator. An authority can judge how well it is performed by comparison to others rather than using the former 70:30 split as an absolute target.

Secondly, it is recommended that a 60:40 (planned:responsive) ratio for REVENUE spend on repairs is used. This would compare any spend from the HRA (included RCCO) on planned works, with responsive repairs spend.
Proportion of total repairs spending on capital and planned work in English authorities
2000/01

Spending on planned programmes varies significantly across English authorities.

Note 1: These data may have been collected inconsistently across authorities, as this is the first year of collection. Some will have included capital funding, as well as planned work funded from revenue, and some will not.

Note 2: Data for 253 English authorities included here – LSVT authorities were excluded.

Source: 2001 Housing Investment Programme: HRA Business Plan Statistical Appendix
CASE STUDY 9  Improving the ratio of planned to responsive repairs in the East Riding of Yorkshire

East Riding of Yorkshire Council came into existence in 1996 and inherited a poor spending ratio of planned to responsive repairs: in 1997/98 the ratio was 28:72. However, by 2001/02 the ratio had improved to 48:52. East Riding had both reduced its responsive spending and increased its planned spending.

Reducing responsive repairs spending

The council reduced its responsive spending by:

1. Better diagnosis of repairs through:
   - introducing a single point of contact for ordering repairs; and
   - training for repair ordering staff on customer care, asking detailed questions to identify the repair, categorising the repair into the correct category, and identifying which repairs need to be pre-inspected.

2. Introducing a minimum lettable standard across Council homes. The standard has allowed more voids to be completed, in parallel with reduced budgets.

3. Increasing tenants’ understanding of the service that they can expect through:
   - the provision of a comprehensive tenants’ handbook;
   - covering repair issues in the regular tenant magazine; and
   - officers attending Tenant Compact meetings to discuss the repairs service.

Now, if a tenant rings about a responsive repair, which is subsequently identified as a planned repair, then the full process is explained to that tenant.

Increasing planned spending

The council has increased its planned spending by:

1. Focusing the Internal Trading Organisation (INTO) team on responsive repairs and cyclical work and using the private sector to support capital work so that the type of staff employed by the INTO does not drive the programme of work.

2. Merging client/contractor roles with technical services and creating the role of a generic Area Supervisor. This has established common aims and clear ownership of maintenance services, as these supervisors carry out roles that were previously distributed between the two departments. The supervisors:
   - identify the needs for works, specify works and issue work orders;
   - carry out pre- and post-inspections;
   - manage the in-house team and sub-contractors; and
   - have devolved responsibility for fixed budgets.

Other points

There are good financial systems in place where monthly information is available on the service. Regular update meetings also take place between the Housing, Finance and Building departments.

The planned programme is based on a stock condition survey where 85–90 per cent of the building stock has been covered.

There has been an increased use of IT, for example, the use of handheld computers for gas servicing and electrical testing: previously bespoke systems were in place and there was a lack of consistent information.

Contact: Nigel Leighton, East Riding of Yorkshire Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork
See also CASE STUDY 11 Reducing responsive repairs spend in Kirklees, page 57

POSITIVE PRACTICE

Brent brought work previously carried out under the responsive repairs contract into new planned work contracts for electrical, mechanical and external redecoration works.

Wakefield has a framework for ordering responsive repairs which helps to prevent unnecessary replacement of expensive components that could be done on a programmed basis. The standard clearly describes 12 types of repair. For each, there is guidance on whether the ordering clerk should order it, or refer it to the asset manager.

Barking and Dagenham hold regular meetings between staff working on the capital programme and responsive repairs staff. The Best Value Improvement Plan includes detailed future analysis of the impact of the capital scheme on the responsive repairs service.

USING PACKAGING AND CALL-DOWN CONTRACTS TO GET BETTER VALUE FOR MONEY

Packaging work, use of call-down contracts and partnering arrangements can all increase effectiveness of planned and capital programmes. Partnering can deliver considerable improvements – see Chapter 5.

KEY ACTIONS

Managers should:
- look for opportunities to package work wherever possible;
- investigate whether call-down contracts for maintenance would be helpful locally; and
- promote more timely and effective scrutiny processes, to support innovation better.

INFORMATION FROM INSPECTIONS AND RESEARCH

Putting together programmes of work into large packages (in an area or for a particular dwelling type) allowed some authorities to increase efficiency: contractors could price more competitively due to economies of scale; internal commissioning costs were also reduced over the life of the contract.

Packaging was not always used to full effect in authorities (see Competition, Chapter 5)

Sometimes, the management of local financial regulation processes was a bureaucratic barrier to packaging larger contracts.

Call-down fixed-term contracts, based on a schedule of rates, were used for planned work in some authorities [CASE STUDY 10]. These contracts required more commissioning effort up-front,
but may improve costs over the lifetime of the contract by reducing the tendering and final account processes. Contracts provided a standard basis for work in any of a council’s properties, without peaks and troughs in work and labour costs. Prices and specifications for an anticipated level of work were agreed (involving the contractor fully) at the start of the fixed-term contract. However, where control of work and costs was not good, there was risk of over-specification of work.

**CASE STUDY 10  Use of call-down contracts in Barnet**

Barnet has a three-year arrangement for a volume of heating work independent of its location. The core programme is loosely specified (at start of the year, know they want to do x boilers in estate y), as well as other programmes Barnet might want to bring forward quickly. A schedule of rates is used as there are different boilers in different estates or homes. The longer-term arrangement gets more commitment from contractors. They still have a contract, with break clauses to use if necessary. The system was piloted on heating, and subsequently used on kitchen upgrades, bathroom upgrades, and perimeter security works. Barnet will next apply it to external redecorations.

*Source: Analysis of Housing Inspectorate reports and project fieldwork*

**MANAGING WELL-TIMED AND COST-EFFECTIVE CYCLICAL PROGRAMMES AND RENEWALS**

The timing of renewal of building components and sub-components, and that of cyclical programmes, has a great impact on cost-effectiveness and, potentially, on safety.

Renewals to building components can be programmed based on their standard estimated industry lifetimes, or on a ‘just-in-time’ strategy, which can make better use of resources. However, it requires authorities to collect very good information on building components and responsive repairs.

Cyclical programmes often fall behind, with considerable knock-on costs, and effects on tenants’ perceptions of their homes (particularly for external redecorations). Rigid cycles may not make the most effective use of resources, but information to assist decision on timing is vital, or greater, more expensive failures may occur.

Annual gas servicing and safety checking contracts are of particular concern to inspectors. Annual gas installation checks are a relatively recent legal responsibility for landlords, and (safety and legal) risks of not carrying out checks are high. However, monitoring of the work is not always good. No-access problems are also of concern. As the landlord’s responsibility for safety checks is relatively new, some tenants may be unaware of its importance.

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\[\text{For the former, if, for example, a boiler’s expected lifetime was 15 years, all boilers would be replaced on a 15-year cycle, whether they needed replacement or not. Many could function normally for 25 or 30 years. Just-in-time strategies allow usage to extend beyond industry lifetimes: there will be some early failures repaired as responsive repairs; the whole body of boilers is replaced when this failure rate increases and there is therefore evidence that the bulk of boilers is beginning to fail. This involves detailed cost/benefit calculation.}\]
**KEY ACTIONS**

Managers should:

- Consider whether local information on properties and responsive repairs would permit a just-in-time approach.
- Prioritise cyclical programmes, using up-to-date information on current condition to schedule maintenance.
- Use a diverse supply of contractors and keep cyclical work specifications prepared, on-the-shelf, to avoid slippage.
- Monitor performance on gas servicing closely, and follow up performance with contractors better.
- Set up procedures for non-access, and communicate better with tenants about the importance of gas servicing.

**INFORMATION FROM INSPECTIONS AND RESEARCH**

Some authorities were using information on responsive repairs to inform the planned works programme. However, few had the interactive property databases, or facilities to add to them, that would enable them to update information on building components in the way a just-in-time approach requires.

Cyclical programmes had often fallen behind, with considerable knock-on costs. In one authority, there had been no external redecorations in the last year (due to budgeting problems); a second operated a ten-year redecorations cycle; a third had not carried out external painting in some areas for 17 years. This latter site was considering window replacement with uPVC, as so many were now rotten. One authority, having failed to carry out guttering checks, incurred extensive brickwork repair costs. The Chartered Institute’s recommendation is that a good landlord should carry out repainting on a five-year cycle. Slippage is often due to contractor capacity.

The state of repair of external and communal areas were often a source of contention with tenants, who decorated and cared for their own flats (internally) but felt let down by the council’s contrasting standards for external decoration.

‘We wanted to paint the hallway ourselves, it’s so depressing, but the Council told us they couldn’t give us any help and wouldn’t cover us if someone complained or if there was an accident.’ – Council tenant

Gas servicing performance and procedures in inspected sites were highly variable. In three sites, 99 per cent of properties had been tested in the last year: Hyndburn achieved a servicing rate of nearly 100 per cent. In some authorities, however, between 8 per cent and 16 per cent of properties had not been checked. Paperwork was not always correct, and tenants were not always given copies of certificates (as required by law). In one site, there was no signed formal agreement between the contractor and the landlord, which would leave the landlord open to risk of prosecution. Performance monitoring, to reinforce the contract, was poor: one site carried out no cross-checks of contractors’ work; another site inspected 3 per cent of servicing checks; client staff in one site said that they had no experience of, or training on, gas servicing post-inspection. Problems often stem from access problems and not all authorities have set up adequate procedures to address this: some were cold-calling, expecting tenants to be at home. One
contractor was paid for no-access calls: payment for these amounted to £61,000 per annum, out of a £950,000 gas servicing contract. One site said that it planned to gain forced entry, but had not researched the legal implications; another site was gaining forced access illegally; a third sent threatening letters to tenants as a first line of contact.

UNDERLYING PROBLEMS

- Cyclical works were given a lower priority than other planned works (so specifications lagged later and there was less robust contract management).
- Local standards for frequency of work had not always been set, or monitored.
- As work is seen as low priority, contractors often diverted their resources to other work.
- Information on stock condition was not kept to enable authorities to monitor whether the period between works could be extended, or if it was too long.
- Insufficient performance monitoring of gas servicing contracts.
- Lack of an agreed, systematic approach to no-access cases.
- A need for better communication with tenants about gas servicing.

POSITIVE PRACTICE

York has a six-year standard for repainting, which it extended from a five-year cycle by using new paint technology.

Brent has put advertisements in the local press to raise awareness of the importance of gas servicing checks among tenants.

Sheffield has promoted the importance of safety checks and servicing using a variety of methods: posters in public areas; a flag on the IT system to indicate where a service had not been undertaken, when tenants reported other repairs; inclusion of a section on gas servicing with the rent increase letters sent to all tenants; and a section in the annual report to tenants.

Hyndburn was commended for achieving a gas servicing rate of nearly 100 per cent.

IN VolVING RESIDENTS IN PLANNED AND CAPITAL WORKS

This is discussed in Chapter 2.
SECTION 3 CHECKLIST

MANAGEMENT OF PROGRAMMES

Has slippage on capital programmes remained less than +/- 2 per cent in recent years?

Does the council analyse why programmes fail?

Is there co-ordinated management of capital and planned maintenance budgets?

If not, is there frequent co-ordinated monitoring?

Is project management a key competency required when recruiting staff that oversee projects (whether in housing or technical services)?

Are there sufficient technical and project management staff to deliver the programme?

Is there an officer responsible for each scheme?

Is turnover managed well among these staff groups?

Is the budgeting information of good quality, and timely?

Is project management software used?

Are work specifications prepared well in advance?

Is the programme over-specified (with more works planned than can be carried out, with extra work held in reserve), so there is always a potential to use funds?

Is the specification process ongoing (rather than annual)?

Is there an early trigger for consultation with residents?

Does someone have responsibility for making sure consultation happens on time?

Does the authority discuss capacity and workflow explicitly with contractors?

Has the authority set up a partnering arrangement?

Is a senior manager an advocate for the capital programme?

Does the lead member for housing promote the importance of the capital programme?

INCREASING SPENDING ON PLANNED (VS RESPONSIVE) REPAIRS

Does planned maintenance account for 60 per cent or more of revenue spend on repairs?

Is there a stated aim to increase planned spending?

Is there a target level to which planned spending will be increased?

Are there target dates for this?

Are these realistic?

Are there clear operational plans for achieving the change?

Do responsive repair staff and planned programme staff ever meet?

Are similar non-urgent responsive repairs batched and tendered as planned works?
Is the responsive repair system used to aggregate information on failures and therefore inform the future planned programme?

Does the council have guidelines for what is suitable to be ordered as a responsive repair, and what should enter the planned programme?

Are repairs ordering staff aware of the guidelines?

Are there checks (when a tenant reports a repair) to make sure it is suitable as a responsive repair?

Are there checks to make sure responsive repairs are not ordered where planned maintenance or replacements are due?

Are these checks automatic (for example, as flags on the IT system)?

**PROCUREMENT**

Unless a partnering agreement is in operation:

Are planned works packaged as far as possible?

Are planned works packages separately tendered?

Are call-down contracts used?

Is the application of local financial regulations responsive and swift?

If there is an INTO, is there a LOW threshold above which works are tendered out?

**CYCLICAL PROGRAMMES**

Has the council kept up with its cyclical programmes?

Does it have a standard for how often external redecorations are carried out?

Can the standard be flexible, and so optimised according to the actual condition of the stock?

Has the council prioritised (with tenants) those programmes that will have a knock-on effect on costs if not implemented (such as window painting)?

Has the council investigated whether it has the information available to implement a just-in-time approach?

If so, does it have the technical and contractor capacity to deliver programmes quickly once the appropriate point in time has been determined?

**GAS SERVICING**

Is performance on annual servicing close to 100 per cent?

Is progress on servicing monitored at least monthly?

Does the authority do its own cross-checks on completion of servicing?

Does the authority cross-check whether paperwork has been completed appropriately?

Do contractors make appointments for servicing?

Are contractors unpaid for no-access calls?

Are there clear procedures for dealing with persistent no-access properties?

Are newsletters, letters, and local press used to inform tenants of the importance of gas checks?
Approximately £1 billion is spent per year on responsive repairs work (by English and Welsh authorities). Many authorities need to deliver step-change in their responsive repairs services, and learn from the performance and procedures in the best authorities.

By maximising spending on planned and capital work, the responsive repairs workload could be expected to decrease; but there will always be a need for a service responding to unexpected failures.

By failing to control and reduce responsive spending within legal obligations, authorities are not channelling money to more cost-effective planned works and so are limiting their ability to use repairs strategically, to fit with business plans.

There are considerable efficiency savings to be made.

Residents want quality repairs carried out on time, and on a tradesperson’s first visit, and want to be offered appointments. Delivering this is difficult and requires an authority to be good at several interrelated things at the same time.
EXHIBIT 14  Key challenges for delivering an efficient responsive repairs service

Responsive repairs services are complex and efficiency depends on several elements.

Reduce the level of responsive work

Improve accuracy of diagnosis

Get more repairs done on time

Prioritise performance monitoring

Increase customer focus

Develop a cost-effective, coherent approach to void repairs

Run efficient responsive repairs services

Source: Audit Commission
REDUCING THE LEVEL OF RESPONSIVE WORK

The overall level of responsive repairs spending is still high in many authorities. Authorities need to control their level of spending on responsive repairs, within legal obligations, so that they can channel money to more cost-effective planned works. There are considerable efficiency savings to be made. A failure to control activity in this area impacts on the authority’s ability to invest strategically in its stock. This in turn will make it harder to deliver the Government’s decency targets.

Setting a budget that applies realistic downward pressure on responsive repairs, and continually checking against it, is the first step towards reducing spending.

Local control of budgets and officers’ repair-ordering behaviour has a great impact on costs. Differences in spending per property across different offices are partly due to different stock condition, but are also indicative of different levels of budgetary control and repair ordering behaviour. Repairs ordering needs to be strongly linked with its budgetary consequences, with repairs-ordering staff aware of business concepts and managed by those who have control of budgets.

The Audit Commission recommended in 1986 that, to be efficient, housing services should aim to carry out no more than 10 per cent of jobs as emergencies, and should not carry out more than 30 per cent emergency and urgent jobs altogether. Fifteen years later, very few audited and inspected authorities were meeting these targets, with some very high levels of emergency work being carried out [EXHIBIT 19]. While authorities must always fulfil their obligations to repair under the Right-to-Repair legislation, they need to be sure that the emergency jobs ordered are genuine: often they are not.

The strategic link between responsive and planned repairs needs to be matched with close working at an operational level, to help to reduce responsive repairs orders. This is discussed in Chapter 3. Pre-empting responsive repairs with an appropriate planned repair strategy is the ideal: there will always be, however, a responsive repair demand.

KEY ACTIONS

Most authorities spending more than 40 per cent of their repairs revenue budget on responsive repairs need to reduce this by:

- setting aims and target expenditure for the whole service, and controlling budgets;
- training staff (including out-of-hours staff) on repair-ordering policy, business concepts and budgets, so the service becomes less wholly demand-led;
- reducing the level of expensive emergency work, ensuring that repairs clerks do not over-prioritise repairs, by setting and monitoring a policy on which repairs qualify; and
- linking with planned work programmes and increasing planned work carried out (Chapter 3).

Emergency work is expensive, simply because of the manpower and vehicle costs of maintaining such a reactive service. Sites often paid a premium for emergency jobs. Where there is no premium, the costs of the emergency service are met in a greater cost for the whole responsive repairs contract.
Inspected authorities were spending between 30 per cent and 81 per cent of their revenue repairs spending on responsive work; two thirds of authorities were spending more than the 40 per cent good practice target level [EXHIBIT 15].

There is wide variation in the level of work carried out across authorities; differences reflect the condition of the stock, tenant behaviour and authority procedures (or lack of them). The average number of repairs per dwelling per year in inspected authorities ranged from 1.25 to 7.4, and costs per dwelling per year from £72 to £486 [EXHIBIT 16]. Overall weekly maintenance revenue costs vary considerably [EXHIBIT 17].

Most authorities were not setting budgets to reduce responsive repair spend, or to reflect real needs of the stock, but commonly set responsive repairs budgets on a ‘historical plus inflation’ basis. Where local offices managed devolved repairs budgets, these were often allocated according to the proportion of stock in each local area, without taking into account the types of stock or any recent investment. Some local budgets are allocated on a purely historical basis, without even taking into account local stock numbers.

Within some authorities, spending across different offices differed greatly. While some of this could be explained by stock condition and tenant behaviour, authorities did not have well-supported procedures for repair ordering, so it is likely that some differences are due to lack of control in some offices.

Very few authorities monitored the numbers of orders individual members of staff were making. Also, although staff could often report anecdotally that certain tenants put a large demand on the service, authorities rarely analysed responsive repair costs by tenancy. Consequently, they missed opportunities to find out where the greatest demand was occurring, so could not act proactively to reduce it.

In some authorities, a combination of high cost variation and slow charging for work produced great inaccuracies in commitment accounting systems. When jobs were ordered, an estimated cost was entered into commitment accounting systems. If repairs clerks did not diagnose repairs well, they often entered an inaccurate estimate of cost; one site regularly used nominal cost entries when repair clerks were unsure, for example, £5. When actual invoices were received, they varied considerably from the anticipated committed spend registered in the accounting system. Effects on the budgeting process were particularly severe where the contractor did not invoice for work quickly. Several inspected authorities had set up direct IT links with contractors so that variations and spend could be approved quickly, updating the financial system automatically.

At two sites budgets had been exceeded due to a combination of late submission of invoices by the DLO, and inaccurate diagnosis by the client. As a result, orders in quarter four were greatly reduced, causing considerable cashflow and workforce problems for the DLO. To meet responsive repair budgets, authorities often cut spend on responsive repairs in quarter four (the winter quarter). They usually do this by delaying orders of non-urgent repairs. As well as adversely affecting the contractor’s workflow, it delivers a poor, erratic service to tenants.

Repair-ordering clerks were not always well trained on what constituted a responsive repair, and were often over-responsive to tenants’ demands. Few checks were in place to establish, for
example, whether the work could be deferred to a planned programme, or whether the work was already included in an upcoming programme.

Orders made under ‘urgent’ codes varied between 9 per cent and 42 per cent. Three inspected authorities were ordering 60 per cent of their repairs under either urgent or emergency codes. Often, ‘emergencies’ were not genuine. Some authorities did not have clear protocols for ordering emergency repairs, and had not publicised to tenants or trained clerks the sort of repairs that qualified. Few authorities reviewed what work is being ordered under emergency codes; two inspected authorities were not even collecting information on how many emergency repairs they ordered.

Vulnerable or elderly tenants often had the priority of their repair increased to an ‘emergency’ level – this may have been local policy. However, it often happened whether local policy existed or not, and so practice differed across offices or repair clerks, providing an inequitable service.

Sometimes, reporting staff artificially increased the priority of work, as they felt that non-urgent work would not get done – thereby increasing costs.

In several authorities, repairs clerks were confused as to what constituted an emergency. For example, at one location, any electrical repair was ordered as an emergency.

Repairs ordered out of hours were sometimes inappropriate, often due to lack of training of the generic emergency call-centre staff.

Authorities that operated repairs-specific call centres reported that they found it easier to control responsive repair spend by implementing policy and monitoring budgets, because dedicated, trained staff ordered repairs, and were managed by one person who also had responsibility for budgets.

UNDERLYING PROBLEMS

- Lack of targets to reduce responsive repairs spending.
- Insufficient training for repairs-ordering staff, often due to rapid turnover.
- Insufficiently specialist repairs-ordering staff.
- Lack of enforcement of protocols (using IT prompts, for example).
- The need for better budgetary information and control, with feedback on spend to those ordering repairs.
EXHIBIT 15  Proportion of revenue repairs spending that is spent on responsive repairs

Two-thirds of inspected authorities were spending too much on responsive repairs.

Source: Analysis of Housing Inspectorate reports

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EXHIBIT 16  Average number of responsive repairs per dwelling per year

The overall level of responsive repair workload differed considerably across authorities.

Source: Analysis of Housing Inspectorate reports, District Audit local audits of responsive repairs services
EXHIBIT 17  Average weekly cost of maintenance per home, across English authorities

Revenue spending (planned and responsive) varies sixfold across English authorities.

Note: Data for 262 English authorities included – LSVT authorities excluded.

Source: Best Value Performance Indicators 2000/01 – England (outturn data) BVPI 65b

EXHIBIT 18  Spending per property per year in area offices across one authority

Spending varies considerably within an authority area.

Source: Analysis of District Audit local audits of responsive repairs services
EXHIBIT 19  Percentage of repairs ordered on emergency codes

Of 22 inspected authorities 21 were spending too much on emergency repairs.

Source: Analysis of Housing Inspectorate reports

CASE STUDY 11  Reducing spending on responsive repairs at Kirklees

Responsive repairs spending was high and budgets were overspent; neither planned nor responsive repairs spending were well controlled at Kirklees. Responsive repair problems had been in four areas:

1. Budgets were not allocated to apply downwards pressure on responsive work, or according to need. They were delegated down to 17 area offices, and allocated on an historical spending basis.

2. The 55 generic repairs-ordering staff were not acting in line with procedures, and there was inconsistency between offices. Accuracy of ordering was a problem. Turnover was high: people were in the job for 18 months maximum.

3. A high number of jobs were being ordered on emergency codes. Local managers weren’t giving procedures enough priority and monitoring of policy was not good. With so many emergencies, the Internal Trading Organisation (INTO) had to be much more mobile and vehicle costs were large.

4. Jobs were charged slowly, and repairs were misdiagnosed, which caused errors in the commitment accounting system.

What Kirklees did to improve

Kirklees studied why area offices were not able to control spending, looking at processes, supervision, management, information, and whether budgetary techniques were being used. They set achievement of a 70:30 planned:responsive split in spending on repairs as a strategic aim.

A ‘unit maintenance allowance’ was set up – an average of spending across all the properties, weighted for size of property – and was phased in gradually. Improved monitoring information was collected for the individual areas, on: projected overspending, volume of orders, and spending, on a four-weekly basis. The number of generic reporting staff is still a problem though, and Kirklees plan to introduce a repairs call centre, with a diagnostic system where it is easier to train staff. Emergency repairs policy was reinforced by reissuing procedure notes and providing more training to frontline staff. Fortnightly client-
contractor financial meetings have been set up. Charging is now much more up to date: 96 per cent of jobs are charged within a month of completion. Clerks are required to put real estimates into the commitment accounting system. External non-urgent repairs (for example, fences and paths) are batched, to get an increased discount rate on the schedule of rates.

Outcomes

With standards reinforced across the board, in the first year the responsive repairs budget underspent by £750,000. Instant responses were reduced from 18,000 pa to 5,000 pa over three to four years. Tenants accepted the reduction in budgets as they realised they could get more value from planned work, but wanted the budgets ringfenced for repairs.

Effect on the INTO

The INTO business plan was ‘turned upside down’ by the reduction in responsive spending, and the £750,000 underspend in one year. Now, the housing department gives the INTO three-year indicative (not guaranteed) budgets. Client and INTO meet in quarter four to discuss the next year’s budgets. The housing client makes clear how much it is intending to spend on responsive repairs and planned works.

The improvements in tenant focus and service delivery in the DLO have made them an attractive provider to other social housing providers. The DLO had £400,000 turnover last year from work other than on Kirklees housing stock.

Contact: John Roberts, Kirklees Metropolitan Borough Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork

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**IMPROVING ACCURACY OF DIAGNOSIS**

Diagnosing a repair correctly, so that operatives turn up at tenants’ homes with the right materials, tools and time to do a job, first time, is a critical success factor for the service and remains a problem for many authorities. Poor diagnosis wastes time and money, and affects client-contractor relations. It diverts resources to processing variation orders and pre-inspection.

If a the repair order is not fully diagnosed, it is often charged at the ‘day-rate’ for the appropriate trade. This is expensive, as it has not been priced competitively as part of the schedule, and it means the authority cannot collect records on what work is being carried out in its homes (to inform the planned programme, for example).

Variation orders are passed from contractor to client, the client has to approve them, and then jobs are re-issued to operatives. This delays work considerably. Relationships often become adversarial, as client accuses contractor of carrying out too much work to increase payment, and contractor accuses client of inaccurate job specification and trying to order less work than required to save money. Time that could be used to discuss performance of the contract is wasted.

By improving diagnosis, pre-inspections1 can be reduced to a level of 10 per cent of jobs or below. They delay repairs, divert considerable client-side resources as inspectors travel to check and order jobs, and cause extra inconvenience to tenants. Sometimes both housing

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1 Pre-inspections occur a when a surveyor visits a repair to help diagnose it. They are usually ordered by a repairs clerk when he/she feels unable to diagnose fully the problem (perhaps it is particularly complicated, or the tenant is not very clear); they may also be made to check the accuracy of diagnosis.
technical staff and contractor supervisors pre-inspect the same repairs, a wasteful duplicative practice that could be eliminated if client and contractor felt better able to trust each other.

In spite of the effort going into pre-inspection, it is not clear whether it has the desired effect of reducing cost variation anyway. Different local offices order different levels of pre-inspection; as the amount of pre-inspections ordered increases, cost variations do not reduce [EXHIBIT 21].

There is a balance to be struck between diagnosing exactly the right repair and leaving some decision-making to contractors. The aim of delivering repairs right first time may not be best achieved by investment and training to get 100 per cent accurate repair orders. It may be more effective for contractors to work flexibly, picking up some of the uncertainty in orders.

**KEY ACTIONS**

- Invest sufficiently in training staff who take repairs orders, and consider creating a specialist team.
- Reduce the complexity of repairs ordering by simplifying the schedule.
- Provide diagnosis handbooks or software to staff, and train them in its use.
- Consider introducing some degree of flexibility, by leaving some diagnosis to operatives, to cope with inaccuracies.

**INFORMATION FROM INSPECTIONS AND RESEARCH**

Inspected and audited authorities were carrying out between 1 per cent and 63 per cent pre-inspections. The authority carrying out 63 per cent pre-inspections had a contractual target of carrying out 100 per cent!

The percentage of repairs with variation orders in authorities varied from 22 per cent to 99.8 per cent [EXHIBIT 20]; nearly 75 per cent of authorities had variation orders for over 50 per cent of their repairs. If an operative turns up to do a job, and finds the work required to be greater than that ordered, most authorities’ contractual arrangements prevent the operative from carrying out a more expensive job. A variation order is created. Sometimes contractors carry out variation works, and subsequently seek approval at client/contractor meetings.

Repairs staff often expressed concerns that they did not feel confident ordering repairs, as they were not trained on the schedule of rates or the repairs system.

Some offices supported their repairs staff by making surveyors available; however, this was not enough to reduce inaccuracy. Surveyors were not always available (for example, they were out doing inspections), and repairs clerks did not always know when they needed to ask for help.

Local staff were less likely to be specialist as authorities felt the volume of repairs ordered through one office did not warrant a specialist team; 55 staff were ordering repairs as part of generic jobs, across local offices, in one authority. However, local staff sometimes had better knowledge of the local stock, and were more accessible to tenants who wanted to see someone in person.
Schedules in some authorities had well over 2,500 items: picking the correct codes is very difficult when there are so many options. Repairs officers were commonly using only a portion of the possible codes as a result. Many authorities had not updated their schedules for more than five years, so some codes had become obsolete, while new ones were needed. Very few of the authorities visited had composite schedules of rates. (Composite schedules of rates combine all the necessary codes to complete a job. So, to replace a door may require just one code, that specifies what sort of door is needed. If codes are not composite, changing a door would need multiple codes: remove old door, plane new door to size, fit new door on hinges, fit door furniture, etc. Ordering from composite schedules is easier: officers are less likely to miss one of the codes needed to complete a job.)

IT can be an invaluable tool in diagnosing repairs, if staff are well trained on it. Some authorities were using ‘Repairs Finder’ or similar software, where screens guide repairs officers through a series of questions to ask the tenant about the repair and the type of component, until the repair is diagnosed and the software highlights the code(s) needed. However, it was rarely well used. In one site, only two repairs clerks had been trained how to use it.

Some authorities issued repairs clerks and tenants with repairs handbooks, with clear and detailed diagrams to help reporting. It was unclear if tenants use them, however, and no evaluations had been carried out of whether the handbooks increased accuracy.

Some authorities had introduced flexibility in repairs ordering, which means diagnosis did not have to be so accurate, by:

- Ensuring operatives carry more types of stock on their vans. Less information is needed on the job order, detailing which type of door handle, or light switch, is to be replaced, for example.
- Allowing operatives to do extra work up to an agreed limit, on top of that specified on the work order. If the repair order isn’t completely accurate, operatives can get on with the job, without the need for a variation order. A low limit on the extra work minimises risk, as does monitoring each operative for how much extra work he does.
- Allowing the contractor more leeway in how he does the repair. Final, accurate diagnosis is intentionally left to the tradesman. The client is charged for the individual jobs carried out. The success of this approach rests on the level of performance and cost monitoring carried out by the client.
- Shifting diagnosis to the contractor’s own staff, who receive repairs orders. Contractors are paid on a fixed-price, insurance-type basis for the whole body of responsive repairs work, rather than for each individual job. The risk of poor diagnosis is borne by the contractor.

Canterbury City Council has adopted an approach where the running of the call centre (repair diagnosis and ordering), and repair work are both carried out by an external contractor, under a fixed-budget contract [CASE STUDY 12], which removes the risk of inaccurate diagnosis to the contractor. Whether the contractor gets diagnosis right or not still impacts on tenants, however, and the Council monitors contractor performance accordingly.

UNDERLYING PROBLEMS

- Insufficiently trained repairs-ordering staff [EXHIBIT 22].
- An over-complicated repairs-ordering process.
- Unwillingness to transfer some responsibilities for diagnosis to the contractor’s operative.
EXHIBIT 20  
**Percentage of repairs with variation orders in inspected and audited authorities**

Large numbers of variation orders in many authorities limit budgetary control.

![Percentage of repairs with variation orders](chart)

**Source:** Analysis of Housing Inspectorate reports and District Audit local audits of responsive repairs services

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EXHIBIT 21  
**Pre-inspection levels and cost variation levels for offices in 3 local authorities**

More pre-inspection does not help reduce cost variation; even where the level of pre-inspection is high, variations do not decrease.

![Percentage of cost variation](chart)

**Source:** Analysis of District Audit local audits of responsive repairs services
EXHIBIT 22  Accuracy of repairs ordering by different staff groups in one authority

In this authority, housing assistants order 47 per cent of repairs. They are among the least accurate of staff groups, indicating need for further training. Housing officers, who order 21 per cent of repairs, are more accurate.

Source: Analysis of District Audit local audits of responsive repairs services

CASE STUDY 12  Canterbury City Council responsive repair contract

In 1998 Canterbury City Council decided to move to one output-based contract, as its former contracts had performed variably and monitoring was duplicated. A 3 (+2) year contract was awarded to Serco, covering all voids, responsive repairs and gas servicing for all the council’s 5,400 homes. The contract is run and monitored centrally, and monitoring information is split by ward. Specifications included response times (immediate, 5 and 20 days) and minimum void repair standards. A philosophy of ‘right first time’ was established.

There is no schedule of rates. Fixed budgets for repairs, contractors’ overheads and profit were agreed up front as part of the contract. The contract value averages £2 million per annum: £1.5 million for the repairs work (tradespeople and materials), £350,000 for contractor administration and £150,000 contractor profit. The £1.5 million was calculated based on Canterbury’s analysis of expected work levels based on past years’ responsive repairs workload, and estimates of how much this would cost. Client contract managers and Serco agreed, and refine yearly, how the £1.5 million is split across general responsive repairs, voids, garages, and gas servicing. There is no incentive for Serco to ‘over-specify’ work, as the contract sum is fixed.

Tenant calls go straight to Serco, and repair staff order the job on Serco’s internal schedule of rates (risks of mis-diagnosis are passed to the contractor). A job ticket, satisfaction form and tenant letter, and materials order, are generated straight away.

Instead of getting around 25,000 invoices a year, Canterbury get 12, one a month for one-twelfth of the contract sum. This has enabled them to release administration resources for other work. Budgets are monitored monthly against Serco’s
actual spending (after any variation orders). Notional charges for a job are constant no matter under which priority category they were delivered: out-of-hours, emergency or normal. (Costs were developed to allow for some emergency work.) Canterbury can access Serco’s records, to check spending.

Any increases in demand have, so far, been of a low enough level to be met within the contract. During one difficult winter, demand was such that work had to be reprioritised, and (due to manpower resources) the ‘normal’ category was extended to 35 days. Work was accommodated later, within budget. Year-on-year, Canterbury report that increasing numbers of jobs have been carried out within the £1.5 million.

Performance indicators for each ward, including tenant satisfaction responses, evening telephone checks, response times and supervisors’ quality checks are reviewed monthly (at a meeting including tenant representatives); Canterbury can audit this information by checking on Serco’s system. Initially, client post-inspections ran at 10 per cent to 15 per cent, but this has been scaled down as people were often not at home, jobs were of low value, and performance was good. Canterbury now target post-inspection on all voids, and high value jobs. Serco’s supervisors carry out 10 per cent checking of jobs: if a tradesperson has not completed a job properly they are recalled, but not paid for their work.

Joint initiatives are developed at the Contract Development Group which meets twice a year, and includes tenants. One such development was the ‘Repairs Caravan’: performance indicators were used to identify which wards were giving rise to high numbers of calls. Serco then targeted one ward at a time: they sent out letters saying they would be in the area and then visited every property to check whether certain repairs were needed. This was later refined to a list of six items, including clearing gutters, rehanging doors, and repairing window fixings. Repairs are then called through to the call centre as if they were normal responsive repairs. Charges come out of the £1.5 million contract. Currently three wards have been covered and a fourth is planned.

Contact: Chris Seeman, Canterbury City Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork

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**CASE STUDY 13** Flat rate charge for low value orders in Sheffield

The schedule of rates used by Sheffield City Council contained many individual codes which could be ordered by technical staff. Non-technical people could order repairs on a system called ‘Remedy and repair’ which used a less specific code. (The right sort of trade was sent out – operatives had some leeway (+10 per cent or £50, whichever was less) to carry out the specific repairs needed.)

It was decided to introduce a flat fee for all orders under a certain amount. The charge was calculated with reference to historical data on the number of jobs and the value of jobs. An average cost was calculated to include the bulk (70–80 per cent) of responsive repairs ordered. The flat-rate charge is applicable for all orders under £152 and is increased by inflation each year; it is currently £61.

Since the introduction of the system there have been significant cost savings on administration as previously the housing department and DSO met fortnightly to check invoices. Housing staff now spend more of their time on quality control such as pre-inspection and post-inspection. Invoices over £152 are still checked. Currently between 76 and 78 per cent of all responsive repairs are invoiced using the flat rate charge.

Contact: Steve Jenkins, Sheffield City Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork
CASE STUDY 14 Improving diagnosis at the London Borough of Croydon

Croydon has reported improvements in diagnosing repairs since it produced its guide to repairs for tenants.

The guide includes information on:
- how to identify a repair in detail;
- how to order a repair; and
- how long a repair should take.

The guide links to the JobFax documentation used by repair-ordering staff.

Source: Analysis of Housing Inspectorate reports

GETTING MORE REPAIRS DONE ON TIME

Authorities set their own target times for different categories of repair. The Government also requires authorities to monitor whether they complete certain types of urgent repair on time. Authorities are broadly improving their performance on completing emergency and urgent jobs on time, in line with best value targets [EXHIBIT 23]. This follows years of static performance [EXHIBIT 24]. They are not, however, performing so well for less urgent jobs: 24 per cent of authorities have an average completion time of over 30 days. Residents in some authorities are waiting unacceptably long for repairs: for example, 100 days on average. An authority will need to have a co-ordinated approach in several areas before it can improve on meeting its response targets.

KEY ACTIONS

- Improve diagnosis of repairs (reducing the need for pre-inspections which delay works).
- Improve budgetary control, so that budgets are not exceeded and non-urgent repairs are not delayed at end of year to meet spending targets.
- Set clear, easily monitored time targets, and compare non-urgent targets with other authorities.
- Use flexible contractors, who can provide multi-skilled workers, and ringfenced resources for emergency, normal and void work, supporting them to address shortages of key tradespeople.
- If subcontractors are used in times of high demand, monitor time to complete work closely.
- Set up direct IT links with contractors.
- Consider using handypersons for small repairs.
INFORMATION FROM INSPECTIONS AND RESEARCH

Time standards should be set so that they define an acceptable service and are simple to understand and monitor; they should also be communicated clearly to tenants. Most authorities operate 3 or 4 priorities: emergency, urgent, and ‘normal’ categories. Emergency categories were usually 24-hour, with additional 2- or 4-hour categories. The ‘urgent’ category was between a one- and five-day target. There was large variation in non-urgent target times: from 10 days to 60 days. One authority had a job category ‘as soon as possible’. ‘Normal’ response targets vary greatly between authorities: tenants would benefit from greater inter-authority comparison in some cases [TABLE 1]. Actual performance in completing non-urgent repairs is very poor in some authorities [EXHIBIT 25].

A minority of authorities had too many categories – nine, for example. Others operated ‘2-threshold’ targets (for example, 80 per cent of urgent repairs must be completed in 4 days, 100 per cent in 6 days). It is very difficult to prioritise and monitor performance when the categories of repair are so complicated. It also becomes unclear to tenants what service they should be receiving. Furthermore, information given to tenants on response categories is of variable quality. In some cases, authorities had produced several documents with response time information – each with different response times in it.

Some authorities had poor budgetary control and, as a result, towards the end of budgeting periods, had overspent. In this circumstance they often delayed non-urgent repairs to the next budgeting period. This led to response times being far exceeded, with a seasonal pattern.

Delays often occur where more than one trade is required to complete a job (for example, where a plumber fits a new bath, then a joiner fits the bath surround and a tiler renews tiles where necessary). Using multiple trades consecutively for one job is difficult to organise, and brings delays, excessive travelling time and potentially major inconvenience to tenants. An alternative in operation in some authorities – multiskilling – enables the main operative (by adding skills) to finish all aspects of the repair. Some authorities were operating multiskilling; in most cases it was limited to a small number of staff. Tradespeople were sometimes resistant to the idea, seeing it as an erosion of their skills and a threat to their jobs.

The contractors’ bonus scheme can be a considerable barrier to getting certain jobs done on time if supervision at the depot is not sufficient. Many authorities operate bonus schemes based on ‘standard minutes’ worked. This can systematically distort work priorities – operatives in one authority said: ‘We pick the good jobs first.’ Standard times should be updated regularly, but ideally the bonus scheme should be made to reflect quality of work and customer care as well as time priorities, or to reflect the whole team’s performance.

(Standard minutes schemes work by having an expected completion time for jobs on the schedule of rates. For example, fitting a tap washer takes 20 minutes, or plastering an area 1 metre square takes 30 minutes. An operative will probably, in a 37 hour week, be able to carry out more than 37 hours’ worth of standard work, if working quickly. A bonus is paid depending on how much extra work is done. ‘Standard minutes’ are often out of date, as materials and tools have changed since the standard times were established. Many jobs can be done more quickly – but not all. So, some jobs will be more profitable for operatives than others.)

Where contractors do not operate separate teams for emergency and other work, staff can be pulled away from non-urgent work when called. Ideally, separate teams should be set up. A
system that flags up jobs near expiry was available to supervisors at some sites and helped them target work.

Many contractors are facing shortages of key skills such as plumbers, electricians and plasterers, impacting on response targets. The skills a contractor needs changes over the years, for example, as wooden windows are replaced with uPVC, or as the level of responsive repairs is strategically reduced. Contractors and clients should work out current and future workforce needs together, and clients should support schemes, for example, apprenticeships, in key trades.

Particularly long delays often occurred where (due to a lack of capacity) work was passed out to subcontractors from the contractor. This was due to poor monitoring of these jobs, and also the subcontractor often did not accept the contractor’s (or authority’s) diagnosis and a (further) pre-inspection would follow.

Direct IT links reduce delays by enabling quick job ordering and variations. It was common among inspected authorities, for handwritten or computer-generated job orders to be faxed to the contractor, where they had to be entered into the contractor’s IT system. In one inspected authority, contractor operatives had to visit the civic centre every morning to pick up job orders (emergency work was telephoned to the contractor). Direct IT links were more likely to (but did not always) exist where the contractor was the DLO.

Handypersons are employed by several authorities and some tenants’ management boards. Working on a local basis, they carry out small repairs (up to £50). Tenant satisfaction is high: handypersons have a local focus, are familiar faces (often the local caretaker), and response times are often quicker. Authorities should monitor these schemes and make sure staff are trained well: in one authority, complaints were raised about the quality of work from a minority of handymen.

### TABLE 1

**Examples of authorities’ response times**

<table>
<thead>
<tr>
<th>Authority</th>
<th>Emergency repairs</th>
<th>Urgent repairs</th>
<th>Routine repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4 hours, 24 hours</td>
<td>3 days</td>
<td>10 days, 42 days</td>
</tr>
<tr>
<td>B</td>
<td>4 hours, 24 hours</td>
<td>5 days</td>
<td>14 days, 28 days</td>
</tr>
<tr>
<td>C</td>
<td>24 hours</td>
<td>7 days</td>
<td>20 days, 60 days</td>
</tr>
<tr>
<td>D</td>
<td>24 hours</td>
<td>7 days</td>
<td>30 days, ‘no target’ work</td>
</tr>
</tbody>
</table>

### UNDERLYING PROBLEMS

- Too much delay due to pre-inspection.
- Target times are not simple – and are not well understood or monitored as a result.
- Multiskilling is not well developed.
- Contractor’s bonus schemes distort work priorities.
- Human resources for different categories of work are not well managed.
- Lack of focus on checking progress of multi-trade jobs and those being carried out by subcontractors.
• IT is not well developed.
• Authorities and contractors do not make full use of opportunities to train and develop new tradespeople.

EXHIBIT 23  Performance on completing emergency repairs within Government time limits: England

Overall, authorities improved performance on completing emergency repairs on time, during 2000/01. 123 authorities improved their performance, 79 got worse and 5 did not change their performance.

Note 1: The level of improvement required, if these authorities are to meet top 25 per cent performance within 5 years, is indicated. 2000/01 performance is shown. The poorest 25 per cent of authorities are improving but the middle 50 per cent need to do better.

Note 2: Data for 207 English authorities are included: LSVT authorities have been excluded.

Note 3: Similar comparisons are not possible for Wales because definitions have changed year-on-year.

Note 4: This exhibit supercedes Exhibit 14 in the report published 16 January 2002 (based on estimated data).

Source: Best Value Performance Indicators 2000/01 – England (Outturn data) BVPI 72
EXHIBIT 24  Performance on completing emergency repairs within Government time limits: England and Wales

Authorities in England and Wales have not delivered marked improvement on this PI during recent years.

Note: 2000/01 data is not available for Wales as Welsh definitions have changed.

EXHIBIT 25  Time taken to complete non-urgent repairs: England and Wales

Residents in some authorities receive a very poor service.

Average number of days

120
100
80
60
40
20
0

District Councils
London Boroughs
Metropolitan Councils
Unitary Councils
Welsh Authorities

Note: Data for 244 English and 20 Welsh authorities are included – LSVT authorities have been excluded.


CASE STUDY 15  Completion of jobs within target times at Ashfield District Council

Ashfield’s INTO carried out 99.5 per cent of emergency repairs within target times in 2000/01.

Emergency repair requests generate a ticket immediately at the depot, where the team/trade leader sits – there is a direct IT link. The ticket is passed on immediately to those tradespeople covering emergency repairs, by mobile phone or vehicle link.

Roles are allocated so there are particular people whose job it is to do emergency work nearly all the time – there is no rota. One person per trade covers emergencies all year round, with extra cover at some points in anticipation of demand: for example, in winter there are more people on emergency heating and plumbing. This allows specialisation and a better focus on rapid response.

These tradespersons fill in their time with other jobs. They make safe their current (non-emergency) job or they finish it. This make-up work is of short jobs, to minimise disruption.

Emergency tradespersons’ performance is measured as part of trade-based teams. The teams are monitored on: emergency response times (RT) performance; other job RT performance; amount of jobs out of date; and resident feedback (they do cold-calling after a repair). Poor performance is picked up quickly. Feedback is given at the monthly team meetings.

Source: Analysis of Housing Inspectorate reports and project fieldwork
POSITIVE PRACTICE

Gosport had arranged for trade NVQ trainees at the local college to have placements with their contractors, to help to build future capacity.

Brent had provided all its contractors with a hard-wired connection to their repairs systems, which facilitated instant ordering and billing.

Darlington Borough Council had introduced handypersons at the Firthmoor Estate.

PRIORITISING PERFORMANCE MONITORING

Jobs that are not complete or of poor quality are sometimes charged for, and some contractors frequently overcharge for work. Authorities put a lot of resources into diagnosing repairs, payment processing and agreeing jobs with contractors. In comparison, the level of performance monitoring carried out is very low in some authorities [EXHIBIT 26]. It is not clear how they ensure that their and their residents’ money is being well spent.

KEY ACTIONS

- Increase and ringfence client resources for post-inspection.
- Target post-inspections on the riskiest jobs (for example, multi-trade, or based on past poor performance or complaints).
- Co-ordinate better with contractors’ own post-inspection regimes.
- Use residents to help to monitor performance, and build up information on their complaints to improve the service.

INFORMATION FROM INSPECTIONS AND RESEARCH

Even where reasonable targets for post-inspection (for example, 10 per cent) are set, surveyors often do not meet them, because they are pulled on to pre-inspection work. Authorities should focus some surveyors solely on post-inspection, as Brent has done [CASE STUDY 20]. Divorcing the quality control role from the demand-led needs of diagnosis (pre-inspection) ensures there is a fixed resource for the work, and shifts pressure on to those working on pre-inspection, motivating them to improve the diagnosis system.

Particularly where post-inspection resources are slim, they should be (mostly) targeted on high-risk (multi-trade or subcontractor) or high-cost jobs, on those for which a complaint is received, or on a particular trade or operative where necessary. Many authorities, however, carry out random samples of post-inspections. Good monitoring information on job costs and past performance of different trades helps surveyors target their sample.

Contractors and clients should share their performance monitoring information. At some authorities, contractors’ supervisors (appropriately) post-inspect repairs to check workmanship, in parallel with client-side checks. There is sometimes little cross-reference. For example, one site carried out only 0.64 per cent post-inspections itself; its DLO carried out 5 per cent: however, data were not shared. This means that not only could one particular repair be post-inspected...
twice, the chance to build up a broader, combined picture of performance was lost. This stems from a lack of trust between client and contractor, and is highly wasteful.

Tenants will be able to provide authorities with information on how well some sorts of repairs have been carried out (those not requiring specialist knowledge). There is also some information authorities can only get by talking to tenants: whether the operative behaved courteously, whether they showed ID, whether they cleared up, for example. Few authorities collect this information systematically and feed it back to the contractor for operative appraisal.

Authorities need to improve the ways they invite and analyse information from tenants. Most authorities send a satisfaction card to a sample of tenants along with the order confirmation slip when a tenant orders a responsive repair. Response rates are sometimes very poor (for example, 10 per cent), and the quality of the approach varies considerably.

**SATISFACTION CARDS**

Some satisfaction cards simply asked a tenant to provide comments, with no prompts at all. Authorities should ask overtly for feedback on: timeliness, quality, whether the operative cleared up, the attitude of the operative and repairs clerks – any factors that the authority and tenants feel contribute towards a good service. Prompts will assist tenants in remembering and feeding back; they will also help the authority to aggregate responses more easily. In some sites, tenants had assisted the council in putting together clear, simple and understandable cards.

Most sites provided reply-paid envelopes to tenants with the satisfaction card. However, some got operatives to hand out cards to tenants, and/or collect them. This is inappropriate: tenants should feel that their responses will be treated confidentially and will have no repercussions. Furthermore, the housing ‘client’ should keep more closely involved in performance monitoring. One site changed from collecting postal responses in the housing department, to using operatives to collect responses, with collation at the contractor’s depot. The response rate decreased markedly at this point, but the housing client had not carried out any analysis as to why this might be.

If responses are to be returned to the contractor, establishment of a customer-service post, independent of tradesmen, and with a responsibility to increase the level of feedback, may be appropriate. Kirklees’ DLO has a customer care unit which analyses satisfaction data.

To encourage a greater response rate, some authorities entered cards into a prize draw.

A minority of authorities have not managed to implement this approach yet.

Some authorities did not analyse responses properly, letting response cards build up over three to six months before analysing them, or monitoring cards for complaints but not aggregating responses across tenants. One site pinned positive, praising response cards on a notice board – in itself a good idea – but they did nothing with the rest of the response cards. A valuable source of performance information is being lost. The best sites aggregate responses regularly, feeding back the results to operatives and repairs clerks, with the aim of improving performance.

Some authorities are using telephone interviews instead of (or in addition to) satisfaction cards **[CASE STUDY 16]**. The considerable advantages of this approach are that the authority is likely to get a better coverage of the repairs carried out, and will get a better balance of responses from across sectors of its tenant community.
UNDERLYING PROBLEMS

- Too much inspector time is spent on pre-inspection, rather than post-inspection.
- Lack of targeting of post-inspection on the riskiest jobs.
- Methods of gaining feedback from tenants do not elicit high enough response rates and are not well analysed.

EXHIBIT 26  Level of post-inspections carried out by ‘Performance Network’ authorities

Post-inspection rates are excessive in some authorities.

CASE STUDY 16  Satisfaction monitoring in Barnet

Barnet’s repairs call centre carries out a weekly satisfaction telephone survey – 5 per cent of jobs are contacted. Phones are still covered for incoming calls.

The customer care and performance manager organises this and reports results to the call centre manager; she also follows up complaints, and produces internal performance statistics (particularly on call centre performance).

Complaints are collated and discussed at contractor meetings, as well as contractor development needs and variations etc. Tenants attend contractor meeting day (on rota) once weekly. These tenants are drawn from the repairs steering group, and partnership panels, and there are open invitations in tenant newsletters.

Residents’ associations carry out continuous mystery shopping, making three or four calls a week to the call centre. This turns up some problems, which are collated by the call centre manager who feeds them back to staff and sends them to the scrutiny committee every quarter.

Contact: Mike Schultz, London Borough of Barnet.

Source: Analysis of Housing Inspectorate reports and project fieldwork
**See CASE STUDY 20 Post-inspection regime in Brent – page 91**

*Brent* reported an attitude change among operatives on introduction of a new post-inspection regime. The knowledge that their work had a high chance of being inspected was a strong incentive to do work to good standards, and on time. See full case study, Chapter 5.

**See CASE STUDY 15 Completion of jobs within target times at Ashfield DC – page 69**

## INCREASING CUSTOMER FOCUS

Authorities need to make sure access arrangements are what residents want, are well publicised, uncomplicated, able to meet the communication needs of all residents, and preferably free. However, information on the repairs service and how to access it is often either not readily available or inconsistent.

In some authorities, leaflets available at local offices, information to new tenants and information in the tenants’ handbook all had different telephone numbers. Furthermore, reporting routes are often far from transparent, with different telephone numbers for different areas, and separate day and evening numbers.

Appointments should be offered *when* a resident reports a repair, not in a subsequent phonecall between contractor and resident. Authorities were inconsistent in this respect. Introducing an appointment system that operates this way is complex, and should be developed involving client staff and tenants, and in close negotiation with the contractor and its operatives. Appointments can be made, in theory, for all non-emergency (24-hour) repairs.

Running an appointment system can conflict with meeting response targets if a tenant requests an appointment after the deadline. Authorities should make sure there is enough capacity in the system to always offer an appointment *before* the deadline; however, what the individual customer wants, combined with authorities’ assessments of health and safety risk of not repairing, is what matters. The Government has changed the response time indicator to exclude repairs for which an appointment after the time target is made, to reflect this.

Tenants are responsible for some repairs, such as replacing window-panes, which they may order through the responsive repairs service. Failure to follow up recharges to tenants, or to pursue them with legal action leads to a culture of non-payment in some authorities.

### KEY ACTIONS

- Simplify access to repairs ordering.
- Ensure a consistent approach to improving access for disabled residents is applied.
- Roll out appointment systems to cover all non-urgent repairs.
- Set a gradually escalating approach to the non-payment of damages.
INFORMATION FROM INSPECTIONS AND RESEARCH

Most authorities allow tenants to access the service through multiple routes, telephoning an office or call centre, or reporting to an office in person. In authorities that kept records, between 50 and 90 per cent of repairs were reported by telephone.

Information on the repairs service and how to access it is often either not readily available or inconsistent. Tenants are not always kept sufficiently up to date with changes in access arrangements, and entries in local telephone books or leaflets are not always reliable or consistent.

One site operated seven repairs hotlines, organised by area, which were separate from their 33 area office telephone lines. Tenants were understandably confused about which number to use. Most sites had telephone numbers that only operated during working hours, with different telephone numbers out-of-hours. This often meant that tenants got through to an answer-phone and then had to write down and dial a second number. This is not helpful when a pipe has burst or there is no electrical power, or if the tenant does not speak English, is hard of hearing or disabled.

Operating several access routes makes it difficult to cover all of them all of the time. Local offices were often shut one day per week, or at lunchtimes. Telephone access was often problematic, as reported by tenants and when tested by inspectors’ reality checks: answering machines often kicked in, without alternative courses of action being given.

Attempting to report a repair and finding that no one answers the telephone, or the office is closed, is a common frustrating experience. Even where there is a call centre, information on missed calls needs to be monitored closely and workforce levels adjusted to match peaks of demand. One authority’s call centre had comprehensive information that showed it was missing x per cent of calls and that tenants were waiting y seconds for calls to be answered. It had attempted to profile staff with demand, but was still falling short at peak times.

Languageline (a 24-hour telephone-based translation service) was available at many sites. However, some authorities, even among those with high levels of minority ethnic tenants, did not provide a multilingual facility at all repair reporting centres. A minority of authorities have Minicom facilities for use by tenants with hearing difficulties. Authorities need to think through how some of their more vulnerable clients access the service, and make sure they are not disadvantaged, even if there are only small numbers of them in the community of tenants.

Of the 47 authorities visited, 27 were operating repairs appointment systems to some extent. Most of the current systems are, however, pilots, or only cover limited categories of repairs (e.g., plumbing only, repairs with response targets over 10 days). The level of appointments delivered differs starkly between authorities [EXHIBIT 27].

Performance information on appointments needs to be improved, so comparison between authorities is valid. Some authorities were calculating the appointments they delivered as a percentage of jobs for which they had set up appointment schemes, missing out on the pool of repairs for which they were as yet unable to deliver appointments. Some were only measuring the number of appointments they kept, divided by the number of appointments they made.

To make sure the system can work, contractors and operatives should be involved in its development, negotiating how many appointments are feasible per day, per trade. One site had
developed the appointments system as a key output of its best value review. Housing ‘client-side’ was very enthusiastic about the system, and it was being piloted for the plumbing trade. Operatives were, however, very unhappy with the set-up. They had not been consulted on its development and had no input to how long appointment slots should be, or how they should be allocated. This meant that insufficient time was given for some jobs, but excessive time was given for simple jobs like changing a washer. Furthermore, the system allocated jobs across the rural district without any regard as to where the operative had been working previously, so operatives had to travel for several hours a day to meet the designated appointments. Housing did not realise that there were problems, as they had not asked operatives for feedback. Under the old system, contractor supervisors had rung tenants in advance to arrange visit times. Although this was not strictly an appointment system, it enabled tenants to plan ahead, and supervisors to schedule work. The housing department had not carried out any satisfaction reviews with tenants to find out if they preferred the old or the new system.

Tenants are increasingly expecting more from appointments-type services. A system that offers a morning or afternoon appointment between 9am to 5pm is not helpful for working households.

Failure to follow up recharges to tenants, or to pursue them with legal action had led to a culture of non-payment in some authorities. One authority was losing 2 per cent of its overall responsive repairs budget because of failure to collect 97 per cent of charges to tenants.

Some authorities did not have clear policies on recharging. Where recharging policy did not exist, or was not reinforced, the result was inequity for tenants. For example, some officers would ‘let off’ elderly or vulnerable people: this should only happen if expressed in a policy that can apply equally across all neighbourhoods.

If authorities want to change tenants’ responsibilities for repairs, changes must be written clearly in new, agreed, tenancy agreements. One inspected authority wanted to increase tenants’ responsibilities to cover some external repairs. The changes had not been agreed by the council or formally consulted on with tenants, but some of the local offices were already refusing to carry out these types of repair. This is unlawful.

Damage to void properties, caused by previous tenants (for which they are eligible to be recharged), is a considerable cost factor in many authorities. Some authorities had tackled this by inspecting the home for damage and billing the tenant before they left the property.
Percentage of repairs for which appointments are offered

Authorities need to increase the proportion of jobs for which appointments are offered.

CASE STUDY 17  
Pembrokeshire’s appointments system

Pembrokeshire operates a freephone call centre, which can provide tenants with an instant appointment for their repairs. Tradespeople work between 0730–1930 on Monday to Thursday, 0730–1800 on Friday and Saturday, and 0730–1600 on Sundays. This gives tenants more options in getting appointments convenient to them.

Source: Analysis of Housing Inspectorate reports

POSITIVE PRACTICE

Some authorities are responding to the challenge of e-government in delivering their services. East Riding has a repairs-ordering website, and operates video kiosks where tenants can report repairs.

Knowsley tenants can report repairs via the Council’s website. Tenants move through a series of pictures that allows them to select which area of their home needs repair: for example, pictures of baths, doors, gates, gutters, kitchens. They can also click on to the particular part of the item that needs repair. The information is forwarded to the repairs depot.

Darlington Borough Council have a void inspection process that helps increase recharge income from former tenants. When an empty home is inspected, the officer takes photographs of any damage and prepares a witness statement. This is held on file so that if the former tenant challenges the amount charged, evidence can be produced.

Greenwich is operating an appointments system that offers evening and weekend appointments to respond to tenants’ requirements.

Brent maintains a list of vulnerable tenants, whom officers try to visit twice yearly. These checks enable officers to take orders for repairs and deal with any other problems when they make the visit. This gives vulnerable tenants a better service and enables maintenance problems to be tackled in good time.
A COST-EFFECTIVE COHERENT APPROACH TO REPAIRS ON VOID PROPERTIES

Repairs to voids are responsive in nature, but are very different from responsive repairs ordered by tenants: any delay in repairing a void has an immediate effect on rental income for that property; the link with housing allocations is crucial; and no tenant is resident in the property, so it is easier (and cheaper) to carry out the work.

Authorities are not managing to improve their void re-let times in line with best value targets [EXHIBIT 29]; this is against a background of worsening performance over the last seven years [EXHIBIT 30].

Greatly differing amounts are spent on repairing void properties [EXHIBIT 28]. The standard to which authorities carry out work (lettable standard) should link closely with business plans, but often does not. The lettable standard for an area should balance the benefits of increased property marketability, with the likelihood that expenditure will be worth it in the long term. If the area is in low demand, then spending large amounts will probably not help.

The link between repairs and allocations is crucial, to schedule repair work in advance and ensure the property is handed back to be let out as quickly as possible.

KEY ACTIONS

- Improve links between tenancy management and the repairs service.
- Negotiate with the contractor for identified void repair resources.
- Set a lettable standard that links with the business plan, in negotiation with tenants.

INFORMATION FROM INSPECTIONS AND RESEARCH

Pre-allocation (allocating to new tenants before the property is ready), duplication of keys (so allocation staff can access the property to show prospective tenants around at the same time as repairs are being carried out, subject to health and safety protocols), and pre-inspection (of repairs needed, prior to the old tenant leaving the property) can speed up the process. Decoration allowances and delaying some non-essential repairs until after occupancy are common approaches.

Void work and normal responsive repair work were often carried out by the same contractor. Where operatives’ time was split over tenant-occupied and void properties, with two very different ways of working, and (in some cases) with different standards, it became hard to reinforce priorities. Ashfield had speeded up their void repair work by focusing two teams on voids, and introducing a range of performance measures to motivate operatives [CASE STUDY 18].

Reductions in charges compared to the normal schedule of rates were not as good as they could be: ranging from 2 per cent to 10 per cent. Operatives don’t have to work around tenants – their hours of access are not restricted and they don’t have to clear up every day. One site had set up a 10 per cent price reduction for void repairs, but when the void budget ran out it was ordering void work from the normal responsive repair budget, losing its reduction.

It was common for authorities to leave certain repairs until after the new tenant has occupied the home. Letting happens more quickly and rent is accrued. However, repairs charging reverted to
the normal schedule of rates costs in some authorities. Also, incoming tenant satisfaction was in some cases adversely affected: repairs that incur considerable inconvenience to the tenant should be carried out before letting. Inspectors found several cases of inappropriate repairs being left until after a tenant had moved in, for example, replastering of a bedroom ceiling.

Decoration allowances to new tenants can reduce repair times and allow the tenant some degree of personal choice. Payment of the allowance was, however, inconsistent within authorities. In one authority, particular inspectors had a habit of issuing allowances, others did not. Some authorities inappropriately paid decoration allowances into the tenant’s rent account. This meant that the money might not end up being used as intended; it also discriminated against those on housing benefit, as they could not claim benefit for periods when they were not paying rent.

The amount spent on voids varies greatly from area to area [EXHIBIT 28]. This is related to three main factors: the charges made by contractors, the lettable standard in effect locally, and the level of disrepair (and possibly damage) left behind by previous tenants.

Lettable standards (acceptable levels of repair and decoration) should be established though clear procedures, and should be sensitive to incoming tenants’ needs. However, this should be balanced with the needs of other tenants, and costs. Standards vary from authority to authority: some authorities carry out extensive work to voids – fitting new kitchens, for example, to attract tenants. Cost-benefit analysis of this expenditure is essential. Spending a lot on voids can cause resentment among long-standing tenants, and so should be discussed fully with them.

Lettable standards are evidently not always clearly set or monitored sufficiently: inspectors found several cases of properties in very poor condition that were registered as ready-to-let.

**EXHIBIT 28**  
**Average cost of void repairs in inspected authorities**

Void spending can differ across different types and ages of property, and different types of authority. However, benchmarking shows considerable differences within neighbour groups.

![Average void cost (£)]  

Source: Analysis of Housing Inspectorate reports
EXHIBIT 29  Performance on re-letting voids, England

Median performance for 248 English authorities is marginally better, although the average and spread of performance are worse. There needs to be far greater improvement in order that best value targets are met. Average figures disguise the fact that performance has got worse in 115 authorities, and better in 116 authorities; 17 have not changed performance.

Note 1: 1999/2000 performance shown, with projected levels of improvement required if all authorities are to meet top 25 per cent performance within 5 years. 2000/01 performance is shown for the same authorities.

Note 2: 248 English authorities could provide data for both years. LSVT authorities are excluded. Welsh data is not shown here, but average Welsh performance has worsened (see EXHIBIT 30).

Note 3: This exhibit supercedes Exhibit 16 in the report published 16 January 2002 (based on estimated data).

EXHIBIT 30  Performance on re-letting voids, England and Wales

Performance has got worse over the last seven years.


CASE STUDY 18  Competition between dedicated void repair teams – Ashfield District Council

Under Ashfield’s former contract there was £50 – 60k pa loss of rental income (charged to the contractor) due to delayed return of keys.

Operative teams were reorganised to have teams focusing totally on voids: as a result, they are more familiar with the job, and with their targets. The charges to the DLO account are now down to a few hundred pounds pa.

Two dedicated void repair teams compete against each other. The competition is governed by rent loss: if the team doesn’t turn a property round in target times, the rental loss is charged to the team. (It effectively comes out of the contractor’s profits.)

Contact: Steve Haywood, Ashfield District Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork

POSITIVE PRACTICE

As a result of Exeter’s best value review, the lettable standard for empty properties and the standard for vacated properties were reviewed in consultation with tenants, and an improved specification was agreed.
## SECTION 4 CHECKLIST

### REDUCING THE LEVEL OF RESPONSIVE WORK

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does responsive repairs spend account for less than 40 per cent of revenue repairs spend (that is, not including capital spend)?</td>
<td></td>
</tr>
<tr>
<td>Is there a strategic aim to reduce responsive repairs spend?</td>
<td></td>
</tr>
<tr>
<td>Are the reductions in budget backed by concrete plans to change repair-ordering behaviour?</td>
<td></td>
</tr>
<tr>
<td>Are budgets allocated to areas related to the number of properties in the area, as well as taking into account recent investment in stock?</td>
<td></td>
</tr>
<tr>
<td>Are all work invoices submitted to the authority quickly?</td>
<td></td>
</tr>
<tr>
<td>Are repairs-ordering staff managed by the person who has responsibility for responsive repair budgets?</td>
<td></td>
</tr>
<tr>
<td>Is budget and spend information fed back to budget-holders at least once a month?</td>
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<tr>
<td>Is turnover among repairs-ordering staff monitored?</td>
<td></td>
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<tr>
<td>Are all repairs-ordering staff in post?</td>
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<tr>
<td>Is there a policy on what constitutes a responsive repair?</td>
<td></td>
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<tr>
<td>Is clear guidance available for staff on this?</td>
<td></td>
</tr>
<tr>
<td>Are all repairs-ordering staff trained on the policy?</td>
<td></td>
</tr>
<tr>
<td>Is there a policy on what constitutes an emergency repair?</td>
<td></td>
</tr>
<tr>
<td>Is there clear guidance for staff on this, with examples?</td>
<td></td>
</tr>
<tr>
<td>Are all staff trained on the emergency repairs policy?</td>
<td></td>
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<tr>
<td>Is there a policy on the priority of repairs for vulnerable tenants?</td>
<td></td>
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<tr>
<td>Are all staff trained on the policy?</td>
<td></td>
</tr>
<tr>
<td>Is there a check, when a repair is requested, to assess whether it should be ordered as a responsive repair? to ensure the repair is not coming up as part of a planned programme? to assess whether it is an emergency or not?</td>
<td></td>
</tr>
<tr>
<td>Are all these checks incorporated on the repairs ordering IT system (for example, as prompts)?</td>
<td></td>
</tr>
<tr>
<td>Are non-urgent responsive repairs (batched and) transferred to the planned programme where possible?</td>
<td></td>
</tr>
<tr>
<td>Does the authority monitor which tenants order the most repairs in a year?</td>
<td></td>
</tr>
<tr>
<td>Does the authority monitor which repairs staff order repairs most frequently?</td>
<td></td>
</tr>
<tr>
<td>Does the authority monitor which members of staff order repairs with the greatest cost variation?</td>
<td></td>
</tr>
<tr>
<td>Is the level of emergency (24-hour) work under 10 per cent of orders?</td>
<td></td>
</tr>
<tr>
<td>Is there a clear protocol for ordering emergency repairs?</td>
<td></td>
</tr>
</tbody>
</table>
IMPROVING ACCURACY OF DIAGNOSIS

Are repair-ordering staff trained on:
- the overall repairs strategy;
- the aims of the planned maintenance programme;
- building technology;
- interviewing skills/customer care;
- the schedule of rates; and
- the IT system?

Are all new or temporary repairs-ordering staff trained within the first month of work?

Are all new/temporary staff supervised by a more experienced repairs staff member?

Are repairs-ordering staff specialists (working solely on ordering repairs)?

If not, do they work on rotation (that is, do they work on repairs ordering for a day, week, or month at a time, solidly)?

Does the authority monitor the value of repairs ordered out-of-hours?

Are out-of-hours staff trained in ordering repairs?

Does the authority monitor what percentage of repairs result in variation orders?

Does the authority monitor the level of cost variation:
- by contractor?
- by trade?
- by area office?
- by repair-ordering staff member?

Is feedback given to repairs-ordering staff on their accuracy?

Is the level of work carried out on operative day-rates low?

Is the level of pre-inspection at 10 per cent or below?

Do contractors and housing client use information from each other’s pre-inspections?

Does the repairs-ordering software guide repairs clerks through a series of questions, to diagnose repairs?

Does the system deliberately move some of the risk of diagnosis to contractors, by:
- using inexact job orders?
- requiring contractors to carry more stock on their vans?
- allowing operatives to carry out any work up to a fixed cost?
- allowing operatives to carry out work up to a limit above anticipated job costs?

Are composite schedule-of-rate codes used?

Is the schedule of rates useful in practice?

Has the schedule been updated in the last three years?

GETTING MORE REPAIRS DONE ON TIME

Is only one set of time standards in operation?
Are there no more than 5 time standards?

Were standards developed with residents?

Has the authority compared its non-urgent time standards with that in other authorities?

Is performance on all time standards monitored overall?
  - by geographical area?
  - by contractor?
  - by trade?
  - for multi-trade jobs?

Is multiskilling used by the contractor?

Are local trade supervisors responsible for ensuring response times are met?

Is the progress of multi-trade jobs checked by supervisors regularly?

Is the progress of subcontracted jobs checked regularly?

Does the bonus scheme reward completion of all jobs within target times?

Has the bonus scheme been revised at all in the last 3 years?

If ‘standard times’ are used, have they been revised in the last 3 years?

Does the bonus scheme focus on outputs (quality of work, timeliness, customer feedback)?

Is there a direct IT link (to pass information on orders) to all contractor depots?

Are resources for emergency and non-emergency work managed well?

Is the contractor fully staffed for the authority contract?

Does the authority support apprenticeships within the contractor?

Has the authority considered using handypersons to carry out small local repairs?

If so, is the quality and cost of the handypersons scheme set and monitored?

PRIORITISING PERFORMANCE MONITORING

Are targets for post-inspection set?

Is performance on targets monitored?

Are there identified resources for post-inspection and quality control?

Is post-inspection (mostly) targeted on:
  - multi-trade jobs?
  - high-cost jobs?
  - contractors where there has been poor performance in the past?
  - trades where there has been poor performance in the past?

Is information on contractor and housing client post-inspections shared openly?

Are tenants always asked to give formal (postal or interview) feedback on performance?
Is the feedback structured with separate questions about timeliness, quality of work, contractor behaviour towards the tenant, and cleaning up, for example?

Did tenants help to design the questions?

Is a telephone survey carried out?

If not, are reply-paid envelopes supplied for postal surveys?

Is tenant feedback analysed at least monthly?

Is tenant feedback aggregated:
  overall?
  by contractor?
  by trade?

Is tenant feedback discussed at meetings between contractor and housing client?

**INCREASING CUSTOMER FOCUS**

Are tenants consulted on service access arrangements?

Is the percentage of repairs originating by telephone/face to face on the internet monitored?

Does all currently available publicity for the repairs service list the same access arrangements?

Is there one repairs hotline?

Is it a freephone number?

Is the out-of-hours telephone number the same as the daytime number?

Is Languageline offered, no matter how the resident reports a repair?

Is Minicom available?

Is the number of missed calls monitored?

Is an appointment system offered?

Are appointments offered at the time the resident first rings up?

Do appointments cover all non-urgent repairs?

Do appointments cover all geographical areas of the authority?

Are weekend or evening appointments offered?

Have contractors and their operatives been involved in setting up the system?

Is there a clear policy on recharging tenants?

Do tenants know about the policy?

Is the percentage of recharges collected above 60 per cent?

Is recharge work focused on the worst offenders?
VOID PROPERTIES

Is there a clear time target for completion of void repair work?
Is performance on the target monitored?
Is performance improving?
Do links with tenancy management work well?
Is there a policy of pre-inspecting void properties?
Are keys duplicated for tenancy management and repairs staff to use in parallel?
Is there a lettable standard?
Was it agreed with tenants?
Does it relate to the business plan for a particular geographical area?
Is the cost-effectiveness of investing in void properties monitored?
Is there a separate team of tradespeople for void work?
Is there a reduction on the schedule-of-rates charges for void work?
Is there a clear policy on decoration allowances?
If allowances are given, are they in the form of DIY-store vouchers?
5 IMPROVING PERFORMANCE MANAGEMENT AND COMPEITION

- Choosing contractors well and managing contracts (whether internal or external) to ensure good performance are critical in determining whether public and tenants’ money achieves authorities’, tenants’ and Government objectives.
- Partnering has been adopted by some authorities; others need to take forward the agenda, in parallel with strengthening their client function.

EXHIBIT 31  Challenges for authorities in improving performance management and competition

Authorities need to set an outcome- and improvement-focused environment.

Source: Audit Commission
ENCOURAGING COMPETITION

Authorities must operate transparent, open competition against clearly defined criteria to get the best for tenants and local residents. Supplier confidence will be increased, and the local market will improve, if it is demonstrated that appointment of contractors is open and fair. However, there remains in some authorities a tendency to preserve environments that do not promote interest among a range of suppliers.

To invite and evaluate tenders an authority needs to be clear what it wants to achieve from the service. Councils now have to take into account quality and customers’ needs, as well as costs, when reviewing their services and letting and monitoring contracts. Authorities are increasing their use of quality measures in tendering, but most contracts under operation currently have been let on a least-cost basis.

The Local Government Act 2000 gives authorities duties to promote or improve the well-being of their area. This has been interpreted by many authorities to mean that they can use procurement to support local suppliers and economic development. However, authorities need to take into account the cost of an expensive or poor-quality contract to the community as a whole. EU procurement rules prohibit actions damaging fair and open competition. Authorities can help local businesses to compete (by telling them what they expect from suppliers, for example, or by packaging contracts so as not to exclude local businesses). But preferential treatment is unlawful.

KEY ACTIONS

- Open work to real competition, by finding out from suppliers what packages of work would increase expressions of interest.
- Look for opportunities to package work above contract thresholds, to expose work to tendering.
- Make sure political aims of increasing local employment can be accommodated in preparing local suppliers to compete, rather than in the selection process itself.
- Develop, with tenants, the emphasis on quality in tendering.

INFORMATION FROM INSPECTIONS AND RESEARCH

There are several examples of insufficient competition at inspected authorities.

Some authorities operated an inappropriately high cost threshold, above which work was tendered out. In one authority packages worth over £200,000 were negotiated with the INTO, which submitted quotes based on 1996 prices plus inflation (which did not pass efficiency savings on to the authority).

Authorities sometimes used packaging to limit the level of external interest there would be in the work. For example, one authority which owned a large number of homes let just one contract for responsive repairs, rather than dividing the authority into different contract areas. This limited interest to the INTO and a few big suppliers, excluding small local and medium-sized businesses from competing.
At the end of CCT, some authorities simply extended their current contract with the INTO into one that was ‘deemed to exist’, without any rigorous competition.

One authority said it was considering partnering, but only with its INTO.

A district council’s INTO was making losses. Its staff had low productivity: 60 per cent of staff achieved less than 90 per cent productivity, and for the previous year a third of staff failed to achieve their targets. Managers had done little to prevent this occurring again. 60 per cent of work was subcontracted, at rates often lower than the contract rates. This supported the INTO financially. There was no business plan for the INTO. Its real cost was not made clear to tenants or councillors, there was no analysis of its long-term viability or of the quality of its work. Value for money was poor.

Many current maintenance contracts had insufficient emphasis on quality and qualitative factors in tendering. Most authorities reported that their contracts were let on a cost basis. The extent to which they had tested for quality and qualitative factors (for example, customer care) in the tendering process was variable.

**UNDERLYING PROBLEMS**

- There is often too much focus on who the contractor is, with a tendency to protect the interests of Internal Trading Organisations (INTOs), and not enough focus on outcomes for the housing stock and the tenant customer.
- There is insufficient emphasis on quality (such as defect rates, customer satisfaction, and quality assurance processes) in tendering and contracts.
- Authorities took the less time-consuming and safer option of extending contracts for the maximum period, rather than seeking improvements using new arrangements.

**CASE STUDY 19**

Packaging work and competition at Kirklees Metropolitan Borough Council

Client and INTO meet in quarter four to discuss the next year’s budgets. Housing makes clear how much it is intending to spend on responsive repairs and planned works in the upcoming year. The budget is set aside and agreed with DLO supervisors, maintenance officers and senior housing managers.

General indication of how planned work will be distributed is given, across window replacement (uPVC/timber), painting, kitchens, window repairs and roofing.

Housing are intentionally increasing packaging of work, so more work is above the contract threshold and goes out to tender.

The INTO works out what of this it can do, and competes for it. Managers make a list of what they are likely to tender for over the year, which depends on the full amount of work they’ve got. They are successful in about 15–20 per cent of tenders.

The INTO finds there is sometimes a problem of under-bidding – where external contractors bid at lower than cost, so they can keep their workmen on in times of low demand. It can’t do this and therefore finds it hard to compete when the market isn’t buoyant.

**Contact:** Stuart Mellor, Kirklees Metropolitan Borough Council.

**Source:** Analysis of Housing Inspectorate reports and project fieldwork
**POSITIVE PRACTICE**

*Wandsworth* consulted with residents and suppliers on how to package work so that it was attractive to small local providers and to large companies. They opted for small packages of work, encouraging large suppliers to compete for several packages.

*Croydon* wrote to contractors to ask if they would be interested in carrying out market testing aimed at exploring options for partnering. Those contractors who did not respond were followed up to find out why. This stimulated additional interest from the contractors, broadening Croydon’s market. Contractors had failed to respond earlier because of other commitments and lack of resources to become involved in the process.

**IMPROVING PERFORMANCE MONITORING**

Poor use of management information and performance monitoring has an immediate impact on authorities’ ability to ensure a quality service is being delivered. A wide range of information is available to authorities to use for performance monitoring, but it is rarely used well. Using this data, authorities need to build a strong, well-informed client function with good performance and budget monitoring of its own, so it has a basis for comparing and checking the contractor.

Independent checking of a contractor’s work is essential to ensure that services are being delivered as they should be. Many housing clients are too ‘hands-off’, not carrying out sufficient performance monitoring of their own (for example, see rates of post-inspection for responsive repairs) [EXHIBITS 26 and 32]. Combining contractor and client monitoring information establishes a broader picture of performance in which both parties can trust. Residents’ opinions of work carried out are important. Over-rigid contracts and quality assurance arrangements relying too heavily on client-side monitoring and penalties can work against continuous improvement; however, there is a balance to be struck. Many authorities need to build up their client function, by getting better at specifying what they want contractors to provide, and better at checking this is being delivered. A move to less rigid, improvement-focused arrangements can then be pursued (see ‘Working towards Partnering’, below).

Performance information, including PIs, is systematically incorrectly collected by some contractors and clients. So that comparisons across authorities (for benchmarking and Best Value purposes) are valid, it is very important that definitions are followed.

**KEY ACTIONS**

- Identify the sources of performance data available to the authority, on financial and housing systems, and from tenant feedback.
- Identify key performance indicators by which the service and contractors should be judged.
- Aggregate key data to analyse trends and produce useful management information (including key indicators).
- Set aside resources for an independent, client-side performance monitoring regime.
- Check collection of PIs against published definitions.
The use of performance information on responsive and planned/capital work was variable. Many authorities did not make use of the wealth of information available to them on their repairs systems, by failing to aggregate it into useful management information.

Information on which homes or estates were costing the most, by ordering more, or more expensive repairs, was not aggregated by authorities. District Audit work in some authorities showed that differences between homes and areas could be substantial: as authorities were not collecting this information there was no way for them to investigate with tenancy management or contractors why this was.

One site, which operated a list of preferred contractors, could not tell inspectors how much work they had given to each of them, without doing a manual count of jobs allocated over the last period.

Quality-monitoring information was not aggregated in some authorities: tenants’ feedback questionnaires were collected, but then not analysed. One site simply pinned up good feedback on the depot notice-board.

Variations were often agreed on an individual basis; information on which type of repair, which contractor or tradesman or which repairs clerk was producing the greatest value variation, or the highest number of variations, was rarely aggregated.

Performance information, including PIs, is systematically incorrectly collected by some contractors and clients. In visited sites, clients were either fully aware of errors (and had done little to rectify them), or unaware as they had not done any cross-checking of the contractor’s data.

The time taken to complete a repair was often measured from the point at which the repair was passed to the contractor. The BVPI for non-emergency repairs states that the clock should start ticking when the repair is requested by the tenant.

Slippage in major work programmes, mid-year, often went unnoticed by clients – their performance information and systems did not pick it up, meaning that no action was taken and end-of-year out-turns were poor.

Inspectors found several instances of work not carried out that had been charged for; also some repairs were carried out to a very poor standard. There were some instances where responsive repairs were recorded as completed meeting target times, but real completion dates were outside targets. In one authority, repairs orders were taken by the DLO direct. Appointments were supposed to be offered, morning and afternoon, five days a week, but inspectors found they were not offered for Friday afternoons.

Post-inspection of repairs (including asking tenants for information), which would pick these things up, has a low priority in many authorities. Post-inspection rates in visited authorities varied between 0.6 per cent and 97 per cent. This low level of quality checking was not due to a high level of trust between client and contractor; it was a result of too much emphasis on pre-inspection, pulling the scarce surveyor resource away from monitoring. Brent has set up a rigorous performance management regime for responsive repairs.
UNDERLYING PROBLEMS

- Lack of focus on key management data.
- Procurement of IT that cannot deliver key data automatically.
- Insufficient priority given to post-inspection of work, and other checks on contractor performance. In particular, for responsive repairs services, too much surveyor time is spent on diagnosing repairs, rather than post-inspecting them.

EXHIBIT 32  Level of post-inspections carried out, and target for post-inspections, at inspected authorities

Note: Some authorities had set targets, but were not monitoring post-inspections.

Source: Analysis of Housing Inspectorate reports

See also EXHIBIT 26 Level of post-inspections carried out by Performance Network authorities, page 72

CASE STUDY 20  Improving performance management in Brent’s responsive repairs service

Brent were receiving a large number of ombudsman complaints, many of which were repair-related. Problems often arose from simple repairs not being done. Brent wanted an intervention to make sure small works were completed, to improve operative performance and to build confidence in the repairs service among tenants and members. The authority wanted some substantial evidence to show that the majority of repairs are good.

Area offices, under a centralised management structure, took turns to do post-inspections. There were, however, inconsistencies in this approach.

What Brent did to improve

Brent set up a centralised 2-FTE post-inspection team.
The inspectors print out a list of all jobs and telephone tenants, aiming to make contact regarding 50 per cent of jobs. Voids and out-of-hours jobs are not included. Last year they contacted tenants who had had 7,000 jobs done, out of a total of 17,000* jobs carried out. The central team mostly pick up the repairs that have not been pre-inspected – those that were ordered direct by repairs clerks – which are usually the single-trade jobs.

Inspectors discuss all the recent repairs history, not just the last repair. A range of customer care questions are asked, as well as quality control questions. All tenants who are not satisfied are visited. Last year inspectors visited (post-inspected) 700 (4 per cent) of jobs. If the job has not been done well, or not at all, the contractor is recalled or a credit is called back.

Area office surveyors make their own checks on those works that they have pre-inspected – usually multi-trade jobs. Nearly 3,000 jobs are checked by local surveyors. There will be a small overlap with post-inspections carried out by the central team. If the job is worth less than £100, they telephone the tenant; if more than £100, they visit to check.

Overall, over 50 per cent of jobs are checked by telephone, which allows subsequent post-inspection visits to be very targeted and surveyor time to be used effectively. All post-inspections are cross-referenced with those of the contractor, to compare results. The long-term aim is to reduce any duplication as the relationship with each contractor develops.

The five area offices fill in monthly contractor appraisal forms, which include information on pre-inspection and whether jobs have passed or failed post-inspection. This is combined with information from the central team, which produces quarterly reports for tenant representatives and for officers monitoring the contracts.

To check the contractor doesn’t falsify completion dates, operatives have to get a dated tenant signature when a job is completed. Contractors invoice in bulk monthly, so the process is streamlined. Each individual tenant signature is not looked at: Brent do an audit trail of a sample to check dates against contractors’ invoices. For communal repairs, a tenant representative has to sign for the repair.

What the outcome has been

91.5 per cent of tenants are satisfied with work.

Last year the two-man team recalled £100k from contractors, enabled through provisions made in contracts. One contractor was identified to be a poor performer (c. 70 per cent of damages were recalled from this provider), and that contract was subsequently ended.

The long-term aim is to reduce post-inspection carried out by housing, as trust builds between housing and contractors.

Contact: Gerry Doherty, London Borough of Brent.

* This figure includes voids and out-of-hours repairs so inspectors are probably reaching their 50 per cent target.

Source: Analysis of Housing Inspectorate reports and project fieldwork

CASE STUDY 21 Joint post-inspection in Kirklees

A surveyor from the INTO and a housing officer inspect a sample of jobs when complete. As well as inspecting the quality of workmanship, they sit down with the tenant and go through a structured questionnaire on customer care issues. This is for about 80 jobs per week (of 800–1,200 jobs) – getting more feedback than they would with a postal questionnaire.

The aim is to pass post-inspections over to the INTO, when trust is built up.

Source: Analysis of Housing Inspectorate reports and project fieldwork

See also CASE STUDY 16 Satisfaction monitoring in Barnet, page 72
FOCUSING AND SUPPORTING PERFORMANCE MANAGEMENT

Good performance management of contractors’ work, using key performance information, is critical to service delivery and improvement. However, it is sometimes neglected, or, in contrast, cumbersome. Resulting poor performance is often incorrectly blamed on contractors, but the service delivery and improvement agenda is set by the client. Clients have to improve their monitoring and performance management capacity, to improve dialogue on performance.

Best value emphasises the need for continuous self-assessment and improvement; however, some authorities view their current contracts very rigidly, so failing to negotiate additional improvements. This leaves some communities with poorly performing or expensive contracts, and also fails to prepare either contractor or client for any future partnering approach.

Performance management should involve feedback to, and appraisal of, frontline staff to be effective. This means taking time out of the ‘productive’ working day to prepare feedback information and discuss it with operatives. Practice was variable among contractors. Authorities need to recognise the needs of contractor staff and make requirements and cost allowances for staff training and feedback in contracts, which will ultimately lead to a better service.

KEY ACTIONS

- Focus the time spent with contractors on key outcomes, using aggregated information.
- Use performance management of current contracts as a tool for improving outputs and getting better value for money, rather than simply monitoring the status quo.
- Make allowances (and requirements) for contractors to feedback to individual operatives and their teams.

INFORMATION FROM INSPECTIONS AND RESEARCH

Meetings between contractor and client are often poorly focused and sometimes over-frequent, with attendees poring over job and payment details, rather than concentrating on major outcomes and irregularities, and identifying where improvements could be made. For example, in several sites, pages of variation orders would be agreed one by one. If data were aggregated, client and contractor could focus on the most commonly occurring or highest value variations. Sometimes, meetings had no agenda. In one authority there were frequent, duplicative meetings with contractors: area office managers met with the contractor as a group, the overall client-side manager met with the contractor individually, and local and overall managers had a combined meeting with the contractor. It was unclear how these meetings related to each other or which one had the most authority. Often, focus is on costs and timings; quality needs to be built in to performance assessments, including resident satisfaction information.

Several inspected authorities had put improvements on hold, because they were part-way through a contract period with their current provider. This delays improvements for tenants and reinforces a culture of no change: service improvements can be agreed in addition to a contract,
and would help both client and contractor to move forward when the contract comes up for renewal. Once contracts are let, there is often little downward or competitive pressure on costs to ensure value for money. For example, many authorities negotiated reductions on the schedule of rates for large packages of work; but often the threshold was too high or they did not always use all the available opportunities to package work. Some contracts were based on out-of-date schedules of rates plus inflation: efficiency improvements were not being shared with the client. One authority had agreed increases of 8 per cent in schedule-of-rates charges (absorbing high levels of emergency call-out charges into the schedule), when the prevailing building industry increase was 2 per cent.

Performance management within contractors is often too focused on finishing work in the minimum timespan. In a culture where the only profitable time is time spent carrying out repairs, this is understandable. Under new partnering or fixed-price contracts, or where there is a more responsive client–INTO relationship, things have improved. However, individual feedback to, and appraisal of, operatives is not consistent across contractors. In the best authorities, tenants’ comments and results of post-inspections were linked back to the individual who carried out the repair, for discussion in appraisal meetings.

UNDERLYING PROBLEMS

- A lack of focus on key indicators when discussing performance, with consequential tendency to get bogged down in detail.
- Contracts currently in operation were viewed inflexibly, with little ongoing downward pressure on costs or upward pressure on quality.
- Lack of robust performance management regimes, with feedback and appraisals, that extend throughout organisations.

WORKING TOWARDS PARTNERING: DEVELOPMENTS IN PARTNERING AND CLIENT–CONTRACTOR SPLITS

Rethinking Construction (Ref. 7) proposed a way forward for relationships between client and contractor, in construction and maintenance. Emphasising the need for performance information and management to underpin sustained improvements and competition, it promoted long-term agreements, and a move away from formal contracts. The aim is that client and contractor, openly admitting their interdependence, work together to improve services, and share the benefits. Contractors benefit from a more assured long-term workflow; clients benefit from being able to trust the contractor and so divert resources from checking and enforcing a contract; both ‘sides’ can benefit from better relations, reduced costs, improved quality, and innovation. This requires a change to the mindset of many officers, members and contractors.

‘RETHINKING CONSTRUCTION’

The Egan report looked at change delivered in manufacturing and service industries, and analysed five drivers of change: committed leadership, which drives forward an improvement agenda; customer focus – so what is delivered is what the end-user needs; integrating process and team
(contract management, suppliers, design and build) around the product and end-user; a quality

driven agenda (right first time, on time and to budget – the quality that clients want); and

commitment to people.

The report highlighted the need to set targets, and measure progress, to enable clients to
differentiate between contractors’ performance when selecting and rewarding them. It also said that
an essential ingredient in the delivery of performance improvements in other industries was the
creation of long-term relationships or alliances, on the basis of mutual interest. Long-term
relationships offer co-operation and continuity, enabling the team to learn and take a stake in
improvement.

To enable improvement, the report said that:

• partners should be selected on the basis of best overall value for money, attitude to
  teamwork, and ability to innovate;

• clients and contractors should share success – so incentive arrangements should share savings;

• reliance on contracts should be ended gradually – contracts can add significantly to the cost of
  a project but not to its value – so tendering should be reduced; and

• performance measurement and competition against clear targets for improvement (time,
  quality, cost) should be the basis of relationships.

In authorities that have an INTO, movement away from adversarial relations and short-term contracts
mirrors some elements of a partnering approach. To benefit from changes, authorities and their INTO
partners need to keep moving forward on the partnering improvement agenda, rather than fall back
to pre-CCT relations which often acted to the disadvantage of tenants and taxpayers. Housing
managers should also determine whether the INTO is the most appropriate long-term partner before
moving into these new arrangements. In visited authorities with an INTO, steps towards changing
the relationship between client and contractor had been made, sometimes to the benefit of the
service, but not consistently so.

Some authorities have set up partnering agreements already. This has not always gone smoothly.
Some clients have rushed into partnership which has left them with unsatisfactory partners, an
insufficiently developed performance monitoring framework and a contract that does not promote
improvement. However, even where partnering was not rushed, authorities have made similar
mistakes.

Authorities face several barriers when setting up partnering agreements: standing orders may need to
be changed; a new approach to risk needs to be developed; and tried and tested means of procuring
(three-year contracts) should be relied on less and less. Some authorities, whose contracts are
performing satisfactorily, may feel there is little incentive for them to change their approach. These
authorities should note the great improvements that partnering has brought to other industries, as
highlighted in Rethinking Construction, the targets for continuous improvement set out in the report, and
the experience of authorities whose partnering arrangements have allowed them to deliver
improved outcomes for citizens across a range of services. In an environment of ongoing service

Reduce: construction time by 10 per cent per annum; capital cost by 10 per cent per annum; number of defects
on handover by 20 per cent pa; number of reportable accidents by 20 per cent. Increase: number of projects
completed to time and budget by 20 per cent pa; productivity by 10 per cent pa; turnover and profits of
construction firms by 10 per cent pa.
improvement, and increased expectations of housing, today’s satisfactory performers who do not embrace change risk being left behind. Several authorities have made progress, addressing some of the difficulties in setting up partnerships and establishing innovative arrangements, using external providers for the delivery of services and of management expertise [CASE STUDIES 20 and 21].

KEY ACTIONS

- If merging client and former DLO, objectively assess whether the INTO is the appropriate partner to deliver services, and maintain audited checks on INTO performance and costs under any re-merged structure.
- Build partnerships carefully, retaining a strong client role and recourse to the underlying contract until trust is earned through sound performance monitoring and improvement.
- Consider trying out partnering in one area before going council-wide, if authority stocks are of sufficient scale.
- Select partners carefully, based on a range of quality and cost indicators.
- Select partners with experience in the relevant area where possible, and those who can demonstrate they have good quality control systems and commitment to teamworking.
- Select, with partners and including tenants and leaseholders, a range of key performance indicators including quality criteria, cost, response timings, etc. Be clear about the desired outputs, more than the inputs.
- Develop trust and confidence in the monitoring information through openness: risks and savings should be identified and shared. Keep up client-side monitoring, if necessary in parallel with contractor monitoring, until trust is developed.
- Develop contract management skills, and invest in people expert in managing contractors, in preparation for when contracts become longer and more complex.
- Maintain senior officer and contractor staff support to the partnership.

INFORMATION FROM INSPECTIONS AND RESEARCH

MERGING INTO AND HOUSING CLIENT

Many in-house contractors had been merged into the housing management structure.

Some authorities had quickly taken measures to reduce duplication; payment processing/invoice checking staff numbers had been reduced. In one site, for example, there were 25 staff involved in invoicing activities; those on the ‘INTO’ side were mostly former tradespeople supervisors, and were returned to trade work when the INTO came under the housing management structure.

Some authorities had retained their underlying short-term contracts, with the aim of a gradual move to long-term arrangements.

Among authorities where a contract was ‘deemed to exist’, there was little objective consideration of whether the INTO was an appropriate long-term partner.
Some authorities had simply absorbed their DLO into the housing management structure when the CCT contract expired, with no rigorous assessment of whether the DLO was the most suitable provider.

**PROBLEMS WHEN INTRODUCING PARTNERING**

Many authorities have not historically had a strong contract-management culture on the client-side, and some had poorly performing INTOs. Under partnering, these authorities still have little influence over contractor performance and had unjustifiably assumed that things would be better.

Authorities have not always adopted appropriate performance indicators for the partnership. *Rethinking Construction* sets out 12 national PIs, and DTLR with the Housing Forum has developed some key PIs for repairs and maintenance which are currently being piloted.

The contracts or agreements underlying partnerships do not always promote improvement; rewards are not shared, and there is little incentive for developments or reduction of costs.

Sometimes contractors chosen are not appropriate, as they do not have the capacity to deliver partnering in repairs and maintenance. Some are picked for experience of partnering in another area (new-build, for example); some use subcontractors who were not signed up to a partnering approach; some were not chosen on the basis of sound performance information.

The gradual build-up of trust that is necessary is often missing. Some authorities forfeit their client performance management role very early, before being in a position to understand and trust the contractor’s performance information systems to collect monitoring data for the partnership.

### CASE STUDY 22

**London Borough of Barking and Dagenham – use of partnering to provide management and procurement skills to the capital programme**

Although the authority’s recent housing repairs and maintenance inspection report (which focused on responsive repairs) resulted in a ‘poor’ rating, the inspectors judged that the service would definitely improve. Inspectors were positive about the improvement plan and the authority’s ability to manage change.

Barking and Dagenham’s ‘Shape Up’ capital programme, started in 1996, includes:

- refurbishment of exteriors (roofs, windows, doors, external repairs) of 23,000 low-rise homes;
- installation of central heating to all homes without adequate facilities; and
- completion in 7 years, with a budget of £150 million.

Under Phase 1 of the programme, from 1996 to 1988, 7,000 homes were refurbished and 8,000 central heating installations made at a cost of £68 million. The three main contracts were schedule-of-rates based. More work was being done than anticipated and costs escalated. Financial control was such that managers were not aware of the increased costs until too late. The programme was suspended for 18 months while an inquiry took place.

**What Barking and Dagenham did to improve**

A budget of £71 million for work on the remaining 16,000 homes was set, with the original target completion date. Local managers concluded that additional skills and expertise were needed, in procurement and in project management, to deliver the programme and to save the council money. These skills were not readily available in-house, so managers set out to find an external company to provide them, and to work in an integrated team with council staff to deliver the council’s objectives.
The council invited expressions of interest, not specifying construction management experience as necessary. A long-list of nine contractors was selected: the contractors offered a range of approaches from partnering to consultancy. The council then provided these with a list of its objectives, including timing, cost, technical, and softer objectives:

- The rapid establishment of a comprehensive management team to run the programme, with fully developed and proven procedures and systems.
- Access to specialist expertise and skills.
- Flexibility to utilise council-employed staff within the team as and when required.
- Ability to vary the resources within the team quickly and economically.
- Minimising adversarial relationships with contractors.
- Effective communications between all team members and council departments.
- Accurate and timely monitoring and reporting of costs, progress and quality.
- Tenant satisfaction.
- Value for money.
- A safe working environment.
- Opportunities for training and employment for residents of the borough.

Following from responses, three contractors were selected, who were asked for priced submissions and interviewed. Schal International were selected as project management partners. Schal’s proposals predicted initial cost savings of up to 15 per cent, and subsequent savings of 4 to 5 per cent year on year. A flexible partnering arrangement with common objectives was set up. A contract (which included a three-month pilot period) underlies this, and enables the council to give one month’s notice of termination as sanction. The partnership had some difficulty defining objectives and outputs by which Schal’s contribution would be judged. It is currently measured in terms of overall success of the programme – which depends on council and Schal staff. Some of the softer objectives do not have output targets. It is an objective of the management partnership that council staff acquire skills from Schal staff over time. A structured programme for skills transfer is being set up. Benchmarking is carried out against Phase 1 costs, and strategic reviews were set up for six-monthly periods to assess the effects of procurement, review the ‘softer’ objectives and progress of on-site work.

Schal are paid based on the numbers of staff they supply. These numbers are flexible (and the flexibility is built into the contract) – Barking and Dagenham can ask for more or less input at any point. The programme management structure does not differentiate between external and internal staff. The mixed team consists of 11 Schal and 30 council staff. Schal provide management expertise, via a procurement manager, a programming manager, a commercial (contracts) manager, a senior project manager (responsible for operational management), and assistant project or ‘package’ managers, each of which manages a trade contract (liaison and financial control). They also produced a systems and procedures manual. The council provides the finance manager, and staff with knowledge of the stock. Site supervision is from three (soon to be two) area offices staffed entirely by council employees.

Contracts were set up with separate trade contractors and materials suppliers direct (before, there had been three main contractors who used several subcontractors). Contracts are lump sum contracts based on detailed up-front work specifications. A minority of work is via a schedule of rates.

Outcomes

Budgets for Phase 2 of the Shape-Up programme assumed a saving of 20 per cent over historical benchmark costs, and ongoing savings of 4 per cent per year. On the first round of contracts, totalling £16.2 million, this target was exceeded. The projected total saving above target is £2.1 million or 12.5 per cent. Total Phase 2 savings (with two years left to run) are now approaching £8 million, £4 million of which will be used for additional capital works.

Procurement of direct contracts with trades and suppliers brought cost savings, and enabled the remainder of the programme to be delivered in the compressed timespan. It also helped deliver the local employment opportunities (an
objective), as the smaller contract sizes encouraged small local suppliers. (Some contract packages were larger as contractors were successful in more than one area.)

The programme of skills transfer has been delayed as the council has had difficulties recruiting staff: however, staff are now in place. Increases in the capital programme alongside the Shape-Up programme (due to MRA funding) mean that the team and its workload can grow. The aim is to appoint council employees to shadow the roles of senior Schal staff (as, for example, assistant procurement managers) and learn from them. Council staff also attend Schal training courses in general and construction management. As workload decreases, there will be a structured reduction in Schal staffing. It is envisaged that the first Schal staff to be replaced by council staff will be the package managers.

Contact: Neville Brook, London Borough of Barking and Dagenham.

Source: Audit Commission Project fieldwork

CASE STUDY 23 Use of partnering to deliver planned maintenance services in Gosport

The services provided

Gosport has divided up planned maintenance services in order that a set of arrangements will be in operation. Their aim is to let all repairs and maintenance work through partnering arrangements, and they are setting up about one arrangement per year. In 2001/02 they have arrangements for: external improvements (windows, doors, roofs, fascias and brickwork) with Connaught Property Services – worth £3.5m; stock condition surveys with Property Tectonics – worth £100,000; controlled door entry systems with EPS Ltd – worth £100,000; and central heating with 1st Saxon Property Services – worth £700k (about to be let on a five-year arrangement). Certain specialist one-off works, for example communal heating or rewiring, will be established as partnering arrangements in future years. This case study will focus on the external improvements arrangement, as this is the longest-established.

Setting up the partnership

Gosport’s best value review of repairs and maintenance recommended that partnering be investigated as the way forward for planned maintenance in Gosport. Earlier tendering had delivered work at competitive costs, but had not performed as well as was hoped in terms of quality, service and defects. The first report proposing partnering to committee was discussed for 45 minutes. Elected members were uncertain that there were sufficient checks on contractors, and did not trust contractors not to abuse the agreement. However, the decision was made to proceed with a pilot based on the recognition that this was the future of maintenance contracts, and that Gosport could be a front-runner rather than waiting for others. Members were then involved in the selection of contractors and this changed their attitude. They were convinced that the contractors wanted to change, and could contribute. Subsequent reports on partnering were approved very quickly at committee, and now members expect most contracts to be let via partnering. Gosport now has a housing board (under its new political arrangements). The council is hung, but all political groups are in favour of partnering. It was agreed to set up a one-year pilot agreement. This was in tandem with a traditional tendered contract with an external supplier.

Selecting a partner

A questionnaire was sent out to potential partners, focusing on quality assurance and performance monitoring systems, personnel and communication policies, how they would approach partnering, and their experience of it. Responses were evaluated on a weighted matrix. Successful companies were invited in to a standardised interview, covering issues such as more detail of what they could bring to a partnership, their attitude to an open book accounting system, how they could maximise the use of local contractors, and how they see the partnership working in practice. The panel included members, tenants, officers from Housing Services, Legal Services and Finance; with Internal Audit taking an overview of the process. PIs were not used to select contractors as Gosport felt it unlikely that contractors would have the data required. Connaught Property Services was successful.

The agreement

A series of workshops was set up to formalise what would go into the agreement. A contract underlies the agreement. It
contains a standard list of contract terms (that could be applied to any service) and a detailed section on working arrangements and procedures – including information on how payment will be made, subcontractors will be managed, and how and by whom site inspections will be carried out. This working arrangements document drives the process. There is no provision for damages or retention of payment.

**After the pilot stage**

Evaluations showed that there had been improvements under the partnering arrangement, as compared to the traditional tenders. ‘Piloting’ was extended for 12 months (and to cover all properties), as setting up the arrangement took intensive effort, and the arrangement was performing well; and officers wanted to prepare for appointing contractors for a five-year period. For the five-year appointment, the arrangement was advertised on a national basis and contractors were invited to apply. Questionnaires, followed by contractor presentations and interviews led to the reappointment of Connaught Property Services. On this occasion, the interview panel included officers, elected members, tenants and an independent consultant. Reappointment had not been inevitable; another company had come very close to appointment, bringing new ideas. However they did not have experience of partnering.

**Subcontractors**

Connaught plc are managing agents on-site: most of the key activities are subcontracted. Gosport decided not to set up partnering direct with the subcontractors as they felt a larger contractor would have a better understanding of partnering, and more management capacity to introduce change and discuss processes. Subcontractors are now jointly appointed, but contracts are solely with Connaught plc. For the pilot year, Connaught made the appointments on a price basis; for the extension year, subcontractors were appointed jointly using Connaught’s process. This required subcontractors to fill out a detailed questionnaire; unfortunately this didn’t work well as some simply didn’t have the time to fill it in fully (or follow up on any questions they did not understand). As a result, there was a poor response and the best possible providers were not necessarily chosen. For the five-year arrangement, subcontractor companies were interviewed face-to-face by the Connaught contracts manager and Gosport’s building surveyor. Far better quality, depth and clarity of responses were achieved. Subcontractors, although not managed under the partnering agreement, were interested in taking part and putting in the extra effort required, because retentions would not be held, there was a payment target of 14 days, and because of the delivery- and improvement-focused teamworking environment. They took part in team workshops set up to build the partnership, and are aware of the aims of the agreement and what it is expected to deliver in terms of key performance indicators. Under their contracts, a possible sanction is that they lose the work; this happened with a window manufacturer, who was not delivering appropriate windows – or on appropriate dates.

**Specifying work**

A programme is determined by the housing board, but has some flexibility. A budget and a list of properties where money is to be spent is produced from it. Gosport and the contractor carry out joint surveys (to benefit from contractor knowledge of other authorities’ stock and materials), and produce a joint specification and schedule of works.

**Performance monitoring**

At fortnightly subcontractor meetings on-site, progress against a detailed work programme is monitored, and materials delivery times are planned. The site manager oversees quality of work and there is a joint (Gosport/Connaught) inspection of properties to check for defects at handover. The contractor collects the site-side information on performance (for KPIs). Gosport monitors resident complaints. They also work with representatives from Gosport’s Tenant and Leaseholder consultation framework to carry out door-to-door satisfaction surveys as soon as work is completed (so that problems can be addressed). Results are brought to site meetings by the residents.

The overall project team meets monthly. At these meetings the month’s key performance indicators (KPIs), processes and systems, and the functioning of the project team are discussed. An annual review also takes place; if KPIs are not achieved, there is an opportunity for the partnership to end. There is a second monthly meeting of key members of the project team with subcontractors, to talk through day-to-day delivery, in addition to the fortnightly meetings on-site.
Teamworking

Gosport views good teamworking to be central to the partnership. Before the monthly project team meetings a ‘team performance evaluation’ sheet is filled out by members; discussion of the results, openly at the meeting, is led by a senior member of client or contractor staff. Workshops were used at the start of the arrangement period, to look at team roles including personality profiles, develop KPIs, etc.

KPIs

KPIs were agreed at the start of the partnership. They are:

- defects per dwelling (target: less than 1 on average)
- customer satisfaction (target: 100 per cent rate service as good or above; less than one complaint per dwelling)
- customer communication (target: 100 per cent rate communication as good or above)
- costs (targets: average cost per property less than benchmark £4,960; no year-on-year increase in costs)
- promptness of payment (target: all payments made within 14 days)
- use of local labour (target: 50 per cent operatives from the Gosport area)
- teamworking (target: overall score of 4 or more in categories of team evaluation)
- health and safety (target: zero reportable accidents; H&S inspections to score 2 or less on every occasion)
- timing (target: all works for each individual house to be completed within 8 days)
- waste (target: reduce skips on site by 10 per cent)

Completion of the programme on time is not included as a KPI to reflect residents’ perspectives; they are interested in when the work will start and how long it will take. Overall completion of the programme is, in comparison, discussed at team meetings.

Payment

Connaught are paid on joint valuation; both partners agree the value of work that has been done and then payment is made, within a 14-day target time. Gosport have not yet handed over a lump sum budget to Connaught, considering this to be an option for the future.

Performance of the partnership

Gosport feels that although set-up workshops and pre-contract work takes more time than that for a traditional contract, time at the ‘other end’, for example, chasing defects, is significantly reduced. Customer relations are better.

There was a dip in performance in the pilot extension year. Gosport felt this was because people ‘took their eye off the ball’ as the partnership had performed well in Year 1, and because there were no senior staff following up on the partnership or the KPIs (partly as they had been distracted publicising their work). This resulted in people slipping back into their old roles and relationships; the focus on KPIs was lost. Furthermore, poorly performing subcontractors were not dealt with effectively and the building surveyor supporting the partnership left his job. Gosport held a workshop to work out why things had not gone so well, from which an action plan was developed. This year things have improved: the team is more focused; the emphasis on KPIs has improved (Gosport now feel these need to drive everything – not simply something you collect); two building surveyors have been recruited; there is a better subcontractor team; and senior staff are more involved.

Contact: Chris George, Gosport Borough Council.

Source: Analysis of Housing Inspectorate reports and project fieldwork

POSITIVE PRACTICE

Croydon has set up a 7-point risk management strategy, developed to help manage the transition to partnering. It has judged it needs to invest in thorough examination of the risks associated with adoption of new procurement methods.
SECTION 5 CHECKLIST

ENCOURAGING COMPETITION

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the authority discussed, with a wide range of contractors, what would make contracts more attractive (in terms of packaging, etc) to them?</td>
<td></td>
</tr>
<tr>
<td>Does the authority use packaging to increase the number of competitors?</td>
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<tr>
<td>Are clear, publicised criteria used to select contractors?</td>
<td></td>
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<tr>
<td>Do criteria ensure that local and non-local providers are assessed equivalently?</td>
<td></td>
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<tr>
<td>Do criteria include quality requirements?</td>
<td></td>
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<tr>
<td>Are tenants and leaseholders involved in setting quality standards?</td>
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<tr>
<td>Are residents involved in appraising contractors’ applications, and in interviewing them?</td>
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<tr>
<td>Does the responsive repair contract have a ‘threshold’ above which works are tendered out?</td>
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<tr>
<td>If there is an in-house provider, is the threshold above which works are contracted out less than £50,000?</td>
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</tr>
<tr>
<td>Has the value of work packaged above the threshold increased over the last three years?</td>
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<tr>
<td>Are prices evaluated regularly to take account of potential savings due to new materials and techniques?</td>
<td></td>
</tr>
</tbody>
</table>

IMPROVING PERFORMANCE MONITORING

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the key data needed to report on performance been identified?</td>
<td></td>
</tr>
<tr>
<td>Does it include financial, timing and quality information?</td>
<td></td>
</tr>
<tr>
<td>Does it include tenant feedback, including complaints?</td>
<td></td>
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<tr>
<td>Is it aggregated monthly to produce overall performance information?</td>
<td></td>
</tr>
<tr>
<td>Are major exceptions picked up automatically?</td>
<td></td>
</tr>
<tr>
<td>Are key elements, such as variations, analysed to compare different staff members?</td>
<td></td>
</tr>
<tr>
<td>Is performance compared across different areas?</td>
<td></td>
</tr>
<tr>
<td>Is it compared across different dwelling types?</td>
<td></td>
</tr>
<tr>
<td>Does housing have designated human resources to aggregate data and report on performance?</td>
<td></td>
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<tr>
<td>Do IT systems support collection and analysis of key performance information?</td>
<td></td>
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<tr>
<td>Does the housing client carry out its own independent checks of performance?</td>
<td></td>
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<tr>
<td>Are there standards set for how many checks should be carried out?</td>
<td></td>
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<tr>
<td>Is there a dedicated resource to carry out checks?</td>
<td></td>
</tr>
<tr>
<td>Does the housing client have full access to the contractor’s own performance information?</td>
<td></td>
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<tr>
<td>Is the contractor’s performance information audited by the client?</td>
<td></td>
</tr>
<tr>
<td>Has the collection of all PIs relating to repairs and maintenance been checked against PI definitions?</td>
<td></td>
</tr>
</tbody>
</table>
FOCUSING AND SUPPORTING PERFORMANCE MANAGEMENT

For each contract, is there an identified officer that leads performance management and all meetings with each contractor?

Do meetings occur to review performance, at least once a month, but no more than once a week?

Are key data (and performance indicators) used at these meetings?

Does discussion focus on aggregated information, and on major exceptions?

Do contractor and client discuss improvements that could be made to deliver services to a higher standard than set out in the contract?

Have improvements in standards been made in the last year?

Do contractor and client discuss potential cost savings?

Have savings been made in the last year?

WORKING TOWARDS PARTNERING

If an INTO provides services, did this follow an objective, competitive assessment?

If an INTO provides services, are there independent, regular checks of INTO performance by housing?

Is INTO performance benchmarked against external providers’ performance and costs?

Has partnering been considered for any contracting area?

Were partners selected based on clear quality and cost criteria?

Were key performance data used to select partners?

Do partners have previous experience of partnering?

Were key indicators for the partnership developed together?

Were tenants and leaseholders involved in developing key performance indicators?

Are key quality indicators used (for example, the results of post-inspections, customer care feedback)?

Do key indicators relate to outputs?

Do partners allow full checks on performance data they collect?

Does the housing client check the partner’s data regularly?

Does housing retain a strong client role, carrying out its own independent checks on performance?

Are there joint checks of performance (for example, joint post-inspections)?

Will there be (or has there been) a gradual reduction in client-side monitoring, as trust is built up, rather than a sudden reduction?

Does a contract underlie the agreement?

Is there recourse for poor performance?

Is there a partnering agreement with subcontractors?

If not, have special arrangements been made to allow subcontractors to participate?
<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do subcontractors contribute to development of the key PIs?</td>
</tr>
<tr>
<td>Are there frequent formal reviews of the agreement’s performance, focusing on the key performance indicators?</td>
</tr>
<tr>
<td>Do subcontractors take part in these meetings?</td>
</tr>
<tr>
<td>If not, is there a separate cascade meeting to discuss performance formally with subcontractors?</td>
</tr>
<tr>
<td>Are there incentives for improvement incorporated in the agreement?</td>
</tr>
<tr>
<td>Are benefits of improvement shared with all parties?</td>
</tr>
<tr>
<td>Are there formal reviews of teamworking, and the relationship between client and partner?</td>
</tr>
<tr>
<td>Is a senior member of both client and contractor staff overseeing performance?</td>
</tr>
</tbody>
</table>
EXHIBIT 33  Housing repairs and maintenance best value inspection outcomes

Relatively few services have been rated as ‘good’ but almost three-quarters were thought likely to improve.

Key
- Inspections reported before December 2001, all of which are analysed in this publication.
- Inspections reported after December, from which only positive practice is included in this publication.
- Further inspections reported after December, from which only positive practice is included in this publication. These authorities were judged on new criteria. For these authorities, capacity to achieve change was rated as poor, uncertain, promising, or excellent. They are shown on this graph to reflect the full body of relevant inspections.

Source: Analysis of Housing Inspectorate reports
APPENDIX 2: SOURCES OF FUNDING FOR DIFFERENT TYPES OF REPAIR

REVENUE FUNDING

Spending on repairs covered by the Housing Revenue Account includes:

- responsive repairs (when a tenant rings up to report a breakage or failure);
- void repairs (repairs carried out on empty property, prior to reletting);
- cyclical repairs and servicing (for example, external redecorations, gas appliance testing); and
- planned repairs (for example, planned replacement of electrical wiring, or replastering).

As part of Housing Subsidy calculations, the Government anticipates local authorities will spend a certain amount on repairs, included in the ‘management and maintenance allowance’. This is calculated based on detailed characteristics of the authority’s stock, adjusted by regional cost figures. As an allowance, it is a figure indicating what the Government estimates the authority will need to spend. What the authority actually has available to spend depends on the Government’s assessment of local housing subsidy, and actual local rents and rent rebates.

CAPITAL FUNDING

The Government allows authorities to borrow a limited amount to finance capital spending each year on ‘work that increases substantially the open market value’ of homes.\(^1\) Borrowing is limited in order to control the Public Sector Borrowing Requirement. Approvals to borrow (Basic Credit Approvals) are issued to all authorities on a partly needs-based, partly competitive basis, taking into account stock number and types, and the local housing strategy. The total amount available to authorities is determined by the Comprehensive Spending Review. Authorities can supplement this capital resource with transfers from their Housing Revenue Account (RCCO), and with capital receipts (after set-aside) from the sale of council homes and land. Investment on housing from authorities’ own resources is around £900 million per annum. Authorities can gain extra scope to borrow by setting up an Arms-Length Management Organisation (ALMO), or enter into partnerships under the Private Finance Initiative to increase investment in their stock.

Up to £460 million is being made available for authorities with ALMOs that have a proven record of excellence in housing management and a clear strategy for their stock. New PFI schemes in housing will be worth £300 million in 2002/03 and in 2003/04. Currently, eight local authorities are taking part in pathfinder PFI schemes worth £160 million.

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\(^1\) Local Government and Housing Act, 1989, Section 403(b).
There is, in practice, a range of interpretations of what the requirements of the definition of capital are. Replacement of windows could be categorised as a repair – however, if it extends the life of the asset, or is an improvement over the original window specification, for instance double glazing, then it could be categorised as an improvement.

THE MAJOR REPAIRS ALLOWANCE (MRA)

The MRA [Ref. 8] is a capital resource but is not passed to authorities as part of the credit approval process. It is instead given to authorities like a grant, which passes through the HRA to be held in a separate account. MRA is not apportioned to authorities in the same way as BCAs. MRA is based on a set of archetypes, and the standard lifetimes of building components relating to the archetypes. (There is some debate about whether the standard lifetimes used are appropriate: for example, to expect a kitchen to last 30 years is perhaps unrealistic). Funds are calculated based on the amount needed to keep stock in a reasonable state of repair – but funds do not allow for the current state of repair or current improvement backlog.

Basic Credit Approvals, by comparison, are issued to all authorities on a partly needs-based, partly competitive basis, taking into account stock number and types, other local needs indices and the local housing strategy.

The MRA acknowledges the need for ongoing support of capital resources, and emphasises the fact that authorities need to plan, long term, the resources required to maintain their homes. MRA can be carried forward to build up a reserve to pay for future works, and is intended to be calculated on a consistent basis, allowing authorities to plan expenditure in a more stable, long-term context. This encourages authorities to plan strategically for the future.
Access to data about the repairs and maintenance services of other service providers is essential if a local authority is going to judge its performance against that of others. This appendix sets out the key sources of data that are available for local authorities to access in order that they may compare and judge their performance against their peers.

The data sources identified are listed in order of relevance and accessibility. Where services have to be purchased we seek to make no recommendation or review, but only highlight availability.

BEST VALUE PERFORMANCE INDICATORS

Since 1993/94 the Audit Commission has collected and published performance information on council services in England and Wales. This means that authorities can see how their own performance has changed over time as well as comparing performance with others.

These performance indicators are freely available from the DTLR (www.dtlr.gov.uk) and Audit Commission (www.audit-commission.gov.uk) websites. Direct links to the data sets are as follows:

http://www.local-regions.dtlr.gov.uk/bestvalue/indicators/indicatorsindex.htm
or
http://www.audit-commission.gov.uk/pis/pi_data_01.shtml

There are 14 housing BVPIs collected for 2000/01 with 18 returns quoted (several BVPIs are split into more than one return) [TABLE 2]. Data is presented in groupings by authority type (London borough, metropolitan district, unitary, English district and Welsh).

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1 With the advent of best value, these indicators are now specified by Government as Best Value Performance Indicators (BVPIs). For the financial year 2000/01 both ACPIs and BVPIs have been specified; for 2001/02 only BVPIs have been specified.
<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>BVPIs relevant to repairs and maintenance (R&amp;M) services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BVPI 63</strong></td>
<td>Energy Efficiency – the average SAP rating of local authority owned dwellings</td>
</tr>
<tr>
<td></td>
<td>The standard assessment procedure (SAP) is an index of the annual cost of heating a dwelling to achieve a standard heating regime and is normally described as running from 1 (highly inefficient) to 100 (highly efficient). As such, it is a measure of its overall energy efficiency and is dependant on both the heat loss from the dwelling and the performance of the heating system.</td>
</tr>
<tr>
<td><strong>BVPI 65b</strong></td>
<td>The average weekly costs per local authority dwelling of repairs</td>
</tr>
<tr>
<td></td>
<td>This PI covers the cost to the local authority for repairs, measured by the Housing Revenue Account (HRA) actual expenditure on repairs in 2000/01 divided by the average number of dwellings in the HRA at the start and end of the year, divided by 52.</td>
</tr>
<tr>
<td><strong>BVPI 68</strong></td>
<td>Average relet times for local authority dwellings let in the financial year</td>
</tr>
<tr>
<td></td>
<td>This indicator is calculated from data on the total number of lettings made during the year (excluding those let after major repairs) and the total number of days these dwellings were vacant. The total number of lettings covers all lettings (excluding mutual exchanges) made during the financial year where there was no major repair work financed from the authority capital programme carried out in the period that the dwelling was vacant.</td>
</tr>
<tr>
<td><strong>BVPI 70</strong></td>
<td>Energy Efficiency – the average annual change in the average SAP rating of local authority-owned dwellings</td>
</tr>
<tr>
<td></td>
<td>The standard assessment procedure (SAP) is an index of the annual cost of heating a dwelling to achieve a standard heating regime and is normally described as running from 1 (highly inefficient) to 100 (highly efficient). As such, it is a measure of its overall energy efficiency and is dependant on both the heat loss from the dwelling and the performance of the heating system.</td>
</tr>
<tr>
<td><strong>BVPI 71a</strong></td>
<td>The number of local authority dwellings receiving renovation work during 2000/01 as a proportion of the number needing renovation work at 1 April 2000 (£5,000 and under)</td>
</tr>
<tr>
<td></td>
<td>This will match the information on dwellings on which work was done in the last financial year reported on the Housing Investment Programme Annual Plan expressed as a proportion of the number of dwellings requiring work at the beginning of the year reported on the previous year’s Annual Plan.</td>
</tr>
<tr>
<td><strong>BVPI 71b</strong></td>
<td>As above (over £5,000)</td>
</tr>
<tr>
<td></td>
<td>This will match the information on dwellings on which work was done in the last financial year reported on the Housing Investment Programme Annual Plan expressed as a proportion of the number of dwellings requiring work at the beginning of the year reported on the previous year’s Annual Plan.</td>
</tr>
<tr>
<td><strong>BVPI 72</strong></td>
<td>The percentage of urgent repairs completed within Government time limits</td>
</tr>
<tr>
<td></td>
<td>The total number of urgent repairs (as defined in the Right to Repair Regulations) completed within the prescribed time limit during 2000/01 expressed as a percentage of all urgent repairs requested during 2000/01. Repairs classed as urgent and their Government time limits are taken from the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994.</td>
</tr>
<tr>
<td><strong>BVPI 73</strong></td>
<td>The average time taken to complete non-urgent responsive repairs</td>
</tr>
<tr>
<td></td>
<td>For non-urgent responsive repairs completed during 2000/01, the average number of (calendar) days between the non-urgent responsive repair being requested and its satisfactory completion (where non-urgent repairs are those excluded from the Right to Repair Regulations).</td>
</tr>
</tbody>
</table>
AUDIT COMMISSION PERFORMANCE INDICATORS

Audit Commission Performance Indicators (ACPIs) have been collected for council services from 1993/94 to 2000/01 (the latter year saw collection in conjunction with BVPIs) [TABLE 2]. ACPIs will not be collected for 2001/02, but there are equivalents to several in the list of 2001/02 BVPIs, found at the following link:

http://www.local-regions.dtlr.gov.uk/bestvalue/indicators/pi2002-03/09.htm

### TABLE 3 ACPIs relevant to R&M services 2000/01, or 1999/2000 (with 2000/01 BVPI equivalents)

<table>
<thead>
<tr>
<th>ACPI</th>
<th>Description</th>
<th>Equivalent BVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACPI D2 (B6)</td>
<td>Repair jobs where an appointment was both made and kept</td>
<td>‘Appointment’ is an arrangement to carry out a repair on a specific date (for example, March 15th not ‘only Mondays’) expressed as a percentage of all responsive repairs for which access to the property was needed, but excluding from both the numerator and the denominator emergency repairs that are normally responded to within 24 hours.</td>
</tr>
<tr>
<td>ACPI B3</td>
<td>The average time taken to relet dwellings available for letting or awaiting minor repairs (in weeks)</td>
<td>2000/01 equivalent is BVPI 68.</td>
</tr>
<tr>
<td>ACPI B5</td>
<td>The % of relevant repairs completed within government time limits</td>
<td>Repairs covered by and completed within the first prescribed period for the repair in question as set out in the ‘Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 divided by all repairs covered by those regulations which were completed in 1999/00 regardless of whether or not the right to repair was exercised. 2000/01 equivalent is BVPI 72.</td>
</tr>
<tr>
<td>ACPI B6</td>
<td>% of repair jobs for which an appointment was both made and kept by the authority</td>
<td>‘Appointment’ is an arrangement to carry out a repair on a specific date (for example, March 15th not ‘only Mondays’) expressed as a percentage of all responsive repairs for which access to the property was needed, but excluding from both the numerator and the denominator emergency repairs which are normally responded to within 24 hours. 2000/01 equivalent is ACPI D2.</td>
</tr>
<tr>
<td>ACPI B9b</td>
<td>The average weekly costs per dwelling, itemised as follows: repairs</td>
<td>2000/01 equivalent is BVPI 65b.</td>
</tr>
</tbody>
</table>
HIP DATA

The Housing Investment Programme (HIP) Housing Strategy Statistical Appendix (HSSA) and the Business Plan Statistical Appendix (BPSA) are both collected annually from each local authority in England. The HSSA contains housing data on all tenures within each local authority’s own geographical area. The BPSA contains information on local authorities’ own stock. These appendices replace the Housing Investment Programme Operational Information (HIP OI) and the Annual Plan (HIP AP). [TABLE 4].

HIP data is freely available for the DTLR website (www.dtlr.gov.uk) using the following direct link:

www.housing.dtlr.gov.uk/local/hipoi/index.htm

TABLE 4: HIP data relevant to repairs and maintenance services

<table>
<thead>
<tr>
<th>The HSSA for 2001 contains the following data relevant to repairs and maintenance services:</th>
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<td>Section A</td>
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<td>Section J</td>
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<table>
<thead>
<tr>
<th>The BPSA for 2001 contains the following data relevant to repairs and maintenance services:</th>
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<tbody>
<tr>
<td>Section A</td>
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<td>Section B</td>
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</tbody>
</table>
### Section C
**Management and service delivery**

Includes data on void properties:
- By period void and
- Status of void (for example, available for letting, awaiting works or demolition, etc)

General management of local authority stock:
- Average weekly cost of maintenance per unit (BVPI 65b)
- Average relet time
- Percentage of urgent repairs completed within Government time limits (BVPI 72)
- Average time taken to complete non-urgent repairs (BVPI 73)
- Percentage of total expenditure on responsive works
- Percentage of total expenditure on planned works
- Satisfaction of tenants with overall landlord service (BVPI 74)
- Satisfaction of tenants with opportunity for participation (BVPI 75)

### Section D
**Programme of work on HRA stock during 2000/01**

Number of dwellings that received capital type work during 2000/01 and associated costs:
- Dwellings that received renovation investment by cost
- Demolition
- Conversion

Number of dwellings that received renovation investment during 2000/01 and associated costs:
- By type of work (for example, rewiring, roof structure, etc)

### Section E
**Planned work on HRA stock – to deal with works needed at 1st April 2001**

Number of dwellings with planned element installation, replacement or major repair to deal with works needed at 1st April 2001:
- By type of work, and
- Year of element replacement

Planned expenditure on planned element installation, replacement or major repair to deal with works needed at 1st April 2001:
- By type of work, and
- Year of element replacement

### Section F (i & ii)
**Planned work on HRA stock – future major repair works**

Number of dwellings with planned element replacement as part of future major repair works:
- By type of work, and
- Year of element replacement

Planned expenditure on element replacement as part of future major repair works:
- By type of work, and
- Year of element replacement
AUDIT COMMISSION AND IDeA LIBRARY OF LOCAL PIS

The Audit Commission and IDeA have developed a library of local PIs. The library is a free web-based service aimed at helping local authorities to measure how well they are meeting local objectives. A section on housing PIs is due to be added for consultation in March 2002. For further information please visit the library of local PIs web-site at www.local-pi-library.gov.uk.

CIPFA HOUSING STATISTICS (SUBSCRIPTION SERVICE)

The Chartered Institute of Public Finance and Accountancy (CIPFA) (www.cipfa.org.uk) offers a statistical information service for local authority data sets. This is a subscription service provided via the CIPFA statistical information service web-site http://www.ipf.co.uk/sis/. Four housing data sets are available, one of which is ‘housing revenue account’.

The housing revenue account (HRA) data set is available for all years through 1996 to 2001. A commentary is available free of charge (to download from the website). The HRA data set includes the following data relevant to R&M services (2001):

- Repairs and maintenance expenditure (items 29 (estimates for current year) and 56 (actuals for previous year) in data-set listing)
- Management and maintenance amount per dwelling (items 51 (estimates for current year) and 72 (actuals for previous year))

The CIPFA statistical information service also offers a nearest neighbour’s selection model. This uses a range of socio-economic indicators to produce a list of authorities in order of decreasing similarity. The model enables you to select comparator groups, by using indicators which are relevant to an authority’s particular circumstances.
GOOD PRACTICE AND BENCHMARKING SERVICES

CHARTERED INSTITUTE OF HOUSING (SUBSCRIPTION SERVICE)

The Chartered Institute of Housing (CIH) – www.cih.org – has established a Good Practice Unit (the GPU) which identifies, collates and disseminates information on good practice across all housing sectors in the UK. The GPU also offers an enquiry and reference service to encourage exchange of good practice information.

Details of the GPU can be found at the following web-link:


The GPU also publishes regular good practice briefings on key housing subject areas, including repairs and maintenance (Briefing 22, November 2001). See below under ‘Bibliography and Useful References’ for further information on GPU briefings relevant to repairs and maintenance services. Briefings are available to purchase individually from the CIH without a full subscription membership.

HOUSEMARK (SUBSCRIPTION SERVICE)

HouseMark (www.housemark.co.uk) is a performance improvement service, majority-owned by the Chartered Institute of Housing, which allows social housing organisations to benchmark cost, resource levels and performance on an activity basis, against user-defined comparator groups. It has 290 subscribing social landlords. A repairs and maintenance benchmarking ‘module’ has been developed by HouseMark and detailed comparative analysis of these services is possible through the subscription service. Good practice information for repairs and maintenance is also available online.

Key features of HouseMark include:

- housing management and repairs benchmarking
- cross-sector comparisons
- scenario modelling
- on-site support for benchmarking activity
- external validation of all data
- extensive digital library of good practice material, including externally validated examples of good practice and process maps
- internet-based service

CHECKMATE (SUBSCRIPTION SERVICE)

Checkmate is a national benchmarking club for repairs and maintenance service reviews (www.checkmateclub.co.uk/main.htm). Benchmarking data requested is based upon the 1999 HAMMAR (the national Housing Asset Management and Maintenance and Regeneration) South West benchmarking study questionnaire (there are client and contractor versions). The Checkmate benchmarking service provides the authority with a report drawing general conclusions on variations found in each of the performance indicators reported on in the benchmarking questionnaire. Further details of this are available for the National Housing Federation website (see below).
Checkmate is part of the National Housing Maintenance Forum (NHMF) – www.nhmf.co.uk. The NHMF manages the development of schedule of rates for the National Housing Federation (www.housing.org.uk).

SYNIAD AND THE LOCAL GOVERNMENT BENCHMARKING REFERENCE CENTRE

Syniad (www.syniad.gov.uk) is the improvement, development and employers’ agency for local government in Wales. Syniad was set up in 1999 to assist Welsh local government to invest in its own development, with its aim to help local government in Wales to improve performance and achieve high standards.

The Local Government Benchmarking Reference Centre (LGBRC) was established in 1996 and is located in Pembrokeshire County Council. The LGBRC provides benchmarking services, advice and training for local government in Wales, England and Scotland.

These two bodies are working together on benchmarking services for Wales and studies include one on ‘measuring maintenance’ (focussing on RSL’s in Wales) and one on ‘housing maintenance’ where 15 Welsh authorities and five RSL’s are undertaking a benchmarking study looking at the core areas of planned maintenance, responsive repairs, servicing and customer care. This is due for completion in 2001/02.

OTHER INFORMATION SOURCES

DTLR

As well as BVPI and HIP data the DTLR (www.dtlr.gov.uk) provides a wealth of data on housing issues to download from its website and to purchase in publication form. Of particular note for repairs and maintenance services is the English House Condition Survey 1996 (http://www.housing.dtlr.gov.uk/research/ehcs96/index.htm). The 2001 survey results are due for publication in late 2002.

THE HOUSING CORPORATION

The Housing Corporation (www.housingcorp.gov.uk) is the regulatory body for all RSL’s in England and Wales and publishes performance information for these organisations. Regional data on performance information returns, including for repairs and maintenance services, is available free of charge online, or by CD-ROM to purchase.

AUDIT SCOTLAND

Audit Scotland (www.audit-scotland.gov.uk) publishes performance indicator data for local authority services in Scotland. Housing service indicators for 2000/01 are available from their website. PIs are not the same as those for England and Wales.

http://www.audit-scotland.gov.uk/publications/pdf/02pi0910ac.pdf

Section 10 of the data compendium covers housing performance indicators.
USEFUL WEBSITES

Audit Commission www.audit-commission.gov.uk
Audit Scotland www.audit-scotland.gov.uk
Chartered Institute of Housing www.cih.org.uk
Checkmate www.checkmateclub.co.uk
CIPFA www.cipfa.org.uk
CIPFA Statistical Information Service www.ipf.co.uk/sis
DTLR www.dtlr.gov.uk
DTLR/CIH Decent Homes Community www.hsg.dtlr.uk/local/stratsandplans/index.html
HouseMark www.housemark.co.uk
Housing Corporation www.housingcorp.gov.uk
Housing Inspectorate www.housinginspectorate.gov.uk
IDeA www.idea.gov.uk
Library of Local PI's www.local-pi-library.gov.uk
National Housing Federation www.housing.org.uk
National Assembly for Wales www.naw.gov.uk
Syniad www.syniad.gov.uk

BIBLIOGRAPHY AND USEFUL REFERENCES


CIPFA, Housing Revenue Account Statistics 2001/02, CIPFA 2001

Steve Wilcox, Joseph Rowntree Association, Housing Finance Review 2000/02, Chartered Institute of Housing and the Council of Mortgage Lenders 2001

Chartered Institute of Housing, Day to Day Repairs – Good Practice Briefing, Issue 5, Chartered Institute of Housing 1996

Chartered Institute of Housing, Energy Efficiency – Good Practice Briefing, Issue 6, Chartered Institute of Housing 1996

Chartered Institute of Housing, Planned Maintenance – Good Practice Briefing, Issue 9, Chartered Institute of Housing 1997

Chartered Institute of Housing, Repairs and Maintenance – Good Practice Briefing, Issue 22, Chartered Institute of Housing 2001

DETR, English House Condition Survey 1996, DETR, 1996

(English House Condition Survey due 2002)
In order to effectively manage a repairs and maintenance service it is important to collect, monitor and review regular and accurate performance information. This will help ensure targets are met, that agreed service standards are being met, that budgets are not over or underspent and that performance is on course to meet set targets.

This list represents an idealised list of data items that a local authority could use to monitor and manage its repairs and maintenance service. It does not attempt to be exhaustive as it does not take account of local context issues. However, it represents a strong, generic starting point for an authority aiming to manage this service effectively.

Local authorities should take great care with maintaining the accuracy of the data collected in order for the exercise to be of any real positive benefit. Where appropriate, PI definitions should be used and clear guidelines set out for officers collecting and reporting on the data. Ideally, data collection and reporting should be integrated into the authority’s IT systems. Data collected can usefully be used for internal benchmarking exercises across neighbourhood or district offices.

<table>
<thead>
<tr>
<th>ACTIVITY DATA</th>
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<tbody>
<tr>
<td>Number of pre-inspections against target</td>
<td>Monthly</td>
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<tr>
<td>Number of post-inspections against target</td>
<td>Monthly</td>
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<tr>
<td>Number of post-inspections against target</td>
<td>Monthly</td>
</tr>
<tr>
<td>Number of repairs completed on first visit</td>
<td>Monthly</td>
</tr>
<tr>
<td>Number of repairs by repairs category</td>
<td>Monthly</td>
</tr>
<tr>
<td>Number of repairs by contractor</td>
<td>Monthly</td>
</tr>
<tr>
<td>Number of repairs by neighbourhood office</td>
<td>Monthly</td>
</tr>
<tr>
<td>Number of appointments made as a proportion of all that could have been made</td>
<td>Quarterly</td>
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<tr>
<td>Percentage of responsive repairs that are ‘emergencies’</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Percentage of emergency repairs by neighbourhood office/ordering route</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Percentage of responsive repairs that are ‘urgent’</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Percentage of urgent repairs by neighbourhood office/ordering route</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Number of repairs per dwelling</td>
<td>Annual</td>
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<tr>
<td>Number of properties that have received an annual gas service as a percentage of those requiring an annual gas service</td>
<td>Annual</td>
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</table>

<table>
<thead>
<tr>
<th>Financial Data</th>
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<tbody>
<tr>
<td>Spend to month-end against profiled budget</td>
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<tr>
<td>Commitments to month-end against profiled budget</td>
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<tr>
<td>Repairs spend by category of repair</td>
</tr>
<tr>
<td>Repairs spend by contractor</td>
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<tr>
<td><strong>ACTIVITY DATA</strong></td>
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<tr>
<td>---------------------------------------------------------------------------------</td>
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<tr>
<td>Repairs spend by area/district/ neighbourhood office</td>
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<tr>
<td>Variations issued by contractor, and job type</td>
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<tr>
<td>Income collected on repairs carried out which were the tenant’s responsibility (against invoiced amounts)</td>
</tr>
<tr>
<td>Ratio of planned/responsive spend (spend from revenue including RCCO)</td>
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<tr>
<td>Ratio of all planned and capital/responsive spend (from all capital and revenue sources)</td>
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<tr>
<td><strong>Quality and satisfaction data</strong></td>
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<tr>
<td>Post-inspections finding poor quality</td>
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<td>Proportion of repairs reported by telephone/in person/e-mail/etc</td>
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<td>Repairs satisfaction postal survey results</td>
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<td>Repairs satisfaction telephone survey results</td>
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<td>Repairs issues as part of STATUS survey</td>
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<td>Repairs complaints received</td>
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<td>Repairs complaints substantiated</td>
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<td>Compensation paid as a result</td>
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<td>Relevant ombudsman enquiries received</td>
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<td>Relevant ombudsman enquiries substantiated</td>
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<td>Compensation paid as a result</td>
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<td><strong>Equalities data</strong></td>
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<td>Repair orders raised as a consequence of acts of harassment</td>
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<td>Percentage of repairs provided by BME contractors (as individuals)</td>
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<td><strong>E-govt targets</strong></td>
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<td>Proportion of repairs reported via email/website</td>
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<td><strong>Environmental sustainability data</strong></td>
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<td>Change in SAP rating as a result of programmed works</td>
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<tr>
<td>Proportion of resources used in service provision, that were from renewable resources</td>
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</tbody>
</table>

Local authorities will need to consider the level of reporting for data collected, for example:

- Line managers should receive information on individual officer’s performance.
- A district/area/neighbourhood manager will want to receive performance data for the local area covered.
- The departmental management team will want to be informed on authority-wide performance, local area performance and on an exceptional basis, where targets are not being met.
- At member-level committee or scrutiny panel members should receive regular performance across the board.

Again, this is idealised, and local context issues and local PIIs and targets should be incorporated into an authority’s plans for reporting.
## Appendix 5: Authorities Covered by This Work

<table>
<thead>
<tr>
<th>Inspections of repairs and maintenance/housing capital programme</th>
<th>Broader housing inspections including repairs and maintenance</th>
<th>Information taken from value-for-money audits of responsive repairs services</th>
<th>Visits or follow-up interviews by the Audit Commission project team</th>
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<thead>
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**FURTHER RECENT INSPECTION REPORTS**

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<tr>
<th>Inspections of repairs and maintenance/ housing capital programme</th>
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