

## **Rotherham MBC – Housing Repairs and Maintenance Partnership**

### **Overview**

This submission, tells the story of how we have transformed the maintenance of our 21,000 properties from being a poorly perceived service to one that is hugely appreciated by our tenants and now delivering some of the best performance in the country.

Until late 2010 the Council delivered the repairs and maintenance service in house. These arrangements had been in place for many years and in a changing climate were struggling to meet the demands of “world class” service. Costs were high and did not demonstrate value for money for the Council or offer a good service to their customers which led to high levels of complaints and dissatisfaction. Accumulated debts were running into several millions. Staff morale was poor and levels of staff sickness and turnover were too high. As the Decent Homes Programme drew to a close and funding for work in other areas such as schools declined the financial performance of the in house service was becoming unsustainable.

We recognised that action was needed to transform this service into one we would be proud to offer our customers, and after considering all options we concluded that the service would benefit from entering into shared delivery with the private sector. This arrangement would provide the opportunity to share knowledge, working practices, resources and risk. In 2009 RMBC started a procurement exercise to establish a partnership for the delivery of its Housing Repairs and Maintenance Service. The key objectives at the outset were to establish:

- Excellent Value for Money
- Significantly Improved customer service
- Improved Service Innovation
- Higher levels of Customer Satisfaction
- To be seen as delivering a “World Class” service

The model developed sought to adopt best practice learning from others while seeking through partnership to share risk with the service providers in an equitable way.

The delivery model:

- To engage two partners to create commercial competition following contract award and to give certainty around service continuity over the contract term.
- Contract to include 7 work streams funded from both capital and revenue accounts, namely, Responsive Repairs, Voids (Revenue & Capital), Planned Works, Cyclical Works (including Gas Servicing and Repairs), Aids and Adaptations and Capital Works.
- Pricing based on a fixed Price per Property for all reactive services with defined exclusions to avoid risk pricing.
- All other work streams based on Schedule of Rates.

- Open Book Costing with shared savings
- Price Per Property (PPP) model is linked to savings so if the actual price of service delivery is lower than the contract value the Council will realise the long term savings for reinvestment
- Profit and contract extension at risk, based on meeting KPIs some of which measure partnership performance
- TPC2005 form of contract – initial term 5.5 years with possible 4 year extension.

The partnership has worked closely with tenants and residents to develop a set of Local Offers and Service Standards in relation to our repairs and maintenance service. Our customers support us to monitor performance against these standards and hold us to account where we fail to meet these standards through the Customer Quality and Standards Challenge Group.

### **The benefits**

After a rocky start to the contract caused primarily by the worst November weather in living memory, the partnership has now been in place for 2 years and has gone from strength to strength. It has produced excellent outcomes for customers and the Council during this period:

- Customer complaints have reduced by 43%
- Repairs completed on time had increased from 88.10% to 99.31%,
- Appointments made and kept from 89.53% to 99.11%
- Customer satisfaction has increased from 98.61% to 99.63%.
- Reduced void properties from over 300 to 145, significantly less than 1% of stock at any one time.
- At the end of March 2012, only 37 gas safety certificates were outstanding reduced from 473 at the end of the previous year
- Increased levels of front line staff
- 40 new craft based apprenticeships created to date and a further 20 to be created in 2013
- 84 young people not in education, employment or training have been trained to NVQ level 1
- 16 new jobs have been created
- £210,000.00 has been invested into the local community

The model adopted by Rotherham included both day to day revenue repairs and capital projects. This allowed labour efficiencies delivered through innovation and training in our responsive service to be reallocated to the capital work stream thus minimising the need for redundancies in the future. The use of fixed pricing using the price per property model also brings increased cost certainty for the council while providing the Contract Partners an assured level of income on which to plan their business.

### **Leadership and Culture**

Seeking to engage with private sector partners through the mechanisms in the contract and more importantly in the day to day operational approach to

delivery. In developing its own internal Client Team a mix of Public Sector and Private Sector staff have come together to manage the contract with a pro-active approach to maximising value. Moving forward the team are embarking on adopting new approaches to continuous improvement by taking some of the lessons learned in Japanese Manufacturing (lean manufacturing) and applying these to the Repairs and Maintenance environment to leverage the knowledge held by the front line staff to identify and implement changes that will improve the customer experience. The Council seek to empower their staff to deal with the job in hand effectively first time thus releasing resources for service enhancement.

The transfer of the operational staff to the private sector has brought about new ways of thinking and new approaches to service delivery with a far more commercial focus. The profitability of our contractors is important to the Council, while value for money is critical in managing the public purse unprofitable contractors will fall by the wayside and will be unwilling and even unable to provide an adequate service.

### **The Partnership:**

Rotherham MBC awarded the repairs and maintenance contract to two established market leaders; Morrison Facility Services (more recently part Mears Ltd) and Willmott Dixon Partnership.

The view has always been one of shared benefit in order to achieve maximum value for our tenants in Rotherham; an excellent service at a fair price. Rotherham has continued to make significant changes in the way we do things seeking to facilitate the needs of customers while taking into account the capabilities of the Contractors in meeting these needs.

The Partnership brings the following benefits:

- Improved control of budget
- Reduction in service management costs
- Greater visibility of client spend due to long range work stream planning
- More certain spending profiles enabling longer term decision making
- A more stable commercial model

### **What our key stakeholders think:**

Mark Waterhouse, Morrison Partnership Director

“The Partnership works exceptionally well in Rotherham due to the open 3 way communication that exists between client and contractors. This ensures that not only problems but opportunities to improve the service are identified early and strategies and actions are created jointly and deployed in true partnership.

It has taken a great deal of hard work and commitment from all parties over the first 24 months of the new externalised service to create a framework of

mutuality, which sits outside the formal contract conditions. We are all totally committed to meet the ever changing expectations and needs of tenants and yet at the same time ensure that best value is delivered for the council and a sufficient level of return for the contractors, to enable a continuing cycle of investment and sustainable employment over the full 10 year life of the contract. We want this to be a long term partnership; we will achieve this if we deliver what we currently think constitutes excellence and then improve upon it.”

David Coldwell, Willmot Dixon Branch Manager

“Willmott Dixon is proud to have played our part in improving the performance of the repairs and maintenance service during 2011/12. As performance has improved we have had the opportunity to go beyond the contract and focus more of our efforts back into the communities in which we are privileged to work.

We view our relationship with the council, and the contract which underpins it, as an example of best practice which it is keen to promote to other prospective clients. Key to the success of the arrangement is firstly, an understanding that any issues and problems associated with the service always affect both partners, and secondly, that solutions are quicker to implement and more effective when all parties collaborate and compromise. It is refreshing to work in an environment where the terms of the contract between the parties are routinely used as a guide map, rather than a rule book.

We look forward to improving this in future years with an increasing focus on value for money and service innovation to help make Rotherham a better, safer and more attractive place to live.”

John Brayshaw, Contract Service Development Manager

“The borough has truly seen service improvements in the last two years and some tangible outputs in respect of the Contractors Corporate Social Responsibility which is all too often missing. Examples include sponsorship of the local Football Team and Rugby Clubs, development of the Rotherham Academy for training apprentices and contributions to supporting the Children’s ward at Rotherham Hospital.

Financial controls are much improved and the mechanisms in the contract have returned value to the council for reinvestment increasing the value for money offer from the partnership.”

Cllr Rose McNeely, Cabinet Member holding the Housing Portfolio said:

“At first I was more than a bit anxious about transferring this council service to the private sector. But as councillors, we all knew from our bulging mailbags that we needed to do something radical. From my point of view there have been two major achievements; firstly the quality of the work has improved

enormously, and as a result tenants are happier; I know this because they ring me and my colleagues to complain far less than they did previously.

The second biggest improvement is that we now have the budget under control and with the savings we have made we are re-investing into even more home improvement works.”

### **Customer comments**

Each month we receive between 20 and 40 compliments from customers regarding the Repairs and Maintenance Service. Below are a selection we received in January 2013:

- “My wife had a massive heart attack while the workman was there and he saved her life!”
- “I have never had a repair completed so quickly ever! So once again thank you so much for your swift action.”
- “He did his best for us. There was no mess and everything was fully explained. A very good installer. They did a brilliant job, cleaned up after them selves and made sure everything was done. There should be more people like these two men. Thank you I am very happy with the service”
- “Thank you and your colleagues for an excellent job.”
- “The operative was a smashing lad. He turned up on time and repaired the door in no time. I’m highly delighted.”

### **Next steps**

The partnership has further plans to undertake an electric vehicle trial which aims to reduce CO2 emissions in 2013.

The Council is introducing a fully integrated housing management system and consolidating the existing first point of contact for all repairs and maintenance enquiries to provide a more robust and efficient service.

The Partnership will continually review the service specification to seek best value in line with continuous improvement principles.

### **Summary**

The Partnership created by Rotherham MBC and its partners Willmott Dixon and Morrison FS demonstrate that if set up within a flexible but defined framework, enormous benefits can be achieved for all, and particularly the most important stakeholder; the end customer.