

Delivery of Response and Voids Service



Report 2

Proposed Core Service Standards

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1.0 Executive Summary & Recommendations

- 1.1 Echelon have recently undertaken a high level review of Wiltshire Council's current delivery model for Repairs and Voids and undertaken a detailed options appraisal for three alternative delivery models for the Council to consider:
- Option A –Expand DLO
 - Option B – Create Wholly Owned Subsidiary with External Provider
 - Option C – Develop 'Managed Service' type model with External Provider support
- 1.2 The outcomes of the options appraisal were provided to Wiltshire Council in a detailed report.
- 1.3 This second report draws on the findings of the review and current best practice in repairs service delivery to make a series of core service delivery recommendations that should be considered by Wiltshire Council irrespective of which of the three options are selected. These are highlighted in Section 2 of the report.
- 1.4 Appendix A details the proposed procurement route and Appendix B highlights sector wide service drivers
- 1.5 Appendix C highlights the ICT considerations to support the service delivery model and Appendix D is a sample Property MOT form.
- 1.6 It is recommended that a Project Group is convened for the development of the core service delivery model and that all stakeholders are engaged in the design of the proposed new model.
- 1.7 Echelon have provide a separate proposal highlighting the procurement process and how we would propose to support Wiltshire Council through the procurement and implementation of the new model.

2.0 Proposed Core Service Model Considerations

2.1 Introduction and Best Practice

2.1.1 Having undertaken numerous options appraisals for repairs services and having developed several of the leading repairs models in the UK there are several high-level elements that we recommend are considered and/or built into the new delivery model to support a 'Wiltshire Council Core Repairs' offer, which is summarised as follows:

- Resident involvement in the development and scrutiny of services
- Extended access to the core service (delivering repairs to customers between 8am and 8pm Monday to Friday, and Saturdays from 9am to 1pm)
- Appointments for all repairs
- A right first time approach which drives customer satisfaction
- Emergency call out provision 365 days per year, 24 hours a day
- Commitment to training, skills and employment opportunities
- Flexible services that cater for vulnerable customers.

2.1.2 In addition, we have recommended that a stakeholder workshop is held that will help to identify specific drivers for the service.

2.2 Core Service Model

2.2.1 Form of Contract

The majority of the existing contracts have been procured using the TPC2001 or TPC2005 Forms of Contract and the review has identified that the this form of contract has been successful in driving the relationships between Wiltshire Council and their current Service Providers.

Therefore, we recommend that the TPC2005 Form of Contract is adopted for the contract.

2.2.2 Duration of Contract

In order to achieve the highest level of investment from Service Providers and to achieve maximum benefits from the principles of the proposed commercial model it is recommended that Wiltshire Council considers a 10-year contract duration.

In order to mitigate any risks attached to a long-term contract it is recommended that this be on the basis of an initial 5-year contract with an option to extend for a further 5 years.

In addition there would be clear break clauses for non-performance (linked to the KPIs) and also a 'no-fault' termination clause allowing either party to terminate the contract with a 12-month notice period.

2.2.3 Commercial Model

Wiltshire Council will need to consider the development of an alternative commercial model, such as a price per property or price per repair model that provides an annual fixed cost.

2.2.4 Incentivisation

As part of the commercial model the Service Providers profit is split 50/50 between fixed and variable profit, the variable profit is then linked directly to the performance indicators that the client identifies as being business critical (for example, right first time, completions on time, etc.).

2.2.5 Repairs Classifications

The work categories and response times for all repairs works (including communal repairs) are recommended as follows:

- **Priority 1** **Emergency** work to be attended to and made safe within 2 hours and rectified within 24 hours.
- **Priority 2** **At Resident's Convenience** work to be completed at the Resident's convenience but in any event within 28 calendar days. All works in this category will be appointed via the Contact Centre. Any exceptions to appointments that are more than 28 days will be considered on an individual basis. Repairs to communal areas may be appointed dependent upon the nature of the work but must always be completed within 28 days with a target of reducing the average end to end time to 10 days.

2.2.6 Appointments

We have identified appointments as a key issue from all stakeholders' perspectives and to deliver an improved service it is recommended that the following principles are considered in relation to appointments:

- Appointment slots –review appointment slots at the point the tenant phones the repair through to provide more flexibility to tenants (it is recommended that this is a discussion point at dialogue for Options B and C)

- Prompts – to reduce missed appointments the Service provider will send a reminder (text or phone call) the day before the appointment and the operative will phone or text ahead when they are in transit to confirm an arrival time
- Follow-up works – should a follow-up appointment required then operative will make the appointment with the tenant whilst on site

2.2.7 Right First Time

All stakeholders have clearly identified the delivery of a 'right first' time service as a key aspiration. In order to achieve this it is critical that there is a clearly understood definition of what 'right first time' means in the context of the contract, and we would recommend the following:

The number of repair works that are completed on the first visit without the requirement for further appointments, expressed as a percentage of the number of repairs completed.

First Time Fix includes:

- Attended at agreed appointment
- Finished job in one visit (including any visits to collect materials)
- Job work complete on same day as visit (including additional trades to attend as long as above criteria met)

First Time Fix excludes:

- Not attending at agreed appointment
- Not finished on same day (regardless of reason)

The measurement of right first time is one of the main KPIs we have recommended and we would suggest this is a measured that is incentivised.

2.2.8 Working Hours

It is recommended that Wiltshire Council considers the Service Provider's normal core working hours being 8.00am – 8:00pm Monday to Friday and 9:00am to 12:00pm on Saturdays. At all other times the Service Provider will provide office cover and operatives to carry out emergency works only.

The Service Provider will be required to provide an out of hours service for emergency repairs, covering the hours from 8.00pm to 8.00am each weekday, 5.00pm on Friday to 9.00am on Saturday and 12.00 pm on Saturday to 8.00am on Monday including all statutory holidays.

The demand for evening and weekend appointments will be reviewed regularly and the service adjusted as demand dictates.

2.2.9 Risk based Property MOTs

The purpose of the Property MOT is to for the Service Provider to undertake an annual physical check of all “working component parts” and the structure of the property for defects and carry out any required repairs to prevent the need for repairs to be reported by the Resident over the 12 month period following the MOT.

The objective of the MOT is to reduce the demand on responsive repairs, reducing the need for Residents to call the contact centre to report a repair which results in the Service Provider needing to dispatch someone to carry out an urgent or routine repair. There is no intent for the service to be seen as a ‘Home Improvement’ type service.

It is assumed that the MOT will be undertaken by a multi-skilled operative who will have the ability to complete the majority of repairs identified whilst on site. The full specification for the MOT will be developed during the procurement process (a working example is provided in **Appendix D**).

It is proposed that MOTs are initially undertaken on a pilot basis with a focus on stock in geographically dispersed areas and rolled out to the rest of the contracts based on the outcomes of the pilot.

2.2.10 KPIs

Taking into consideration the drivers identified by Wiltshire Council and aligning these with the various aspirations identified through this review we recommend the following measures are considered going forward:

Core Measures (potentially incentivised)

Repairs

- **Customer Satisfaction** – a measure of the number of customers satisfied with their repair (measured by a third party)
- **Right First Time** – the number of repairs completed in one visit
- **Appointments Kept** – the number of appointments that should be made and of those the number that are kept
- **End to End Time** – average end time of a repair
- **Completions** – number of emergency jobs complete in time and average end to end time of non-emergency jobs
- **Complaints** – a measure of repairs related complaints (including how effectively they are managed)
- **Recalls** – the number of repairs that have to be re-visited due to initial repair not resolving issue

Voids

- **Customer Satisfaction** – a measure of customer satisfaction with their new home
- **Completions** – number of voids complete in time and average end to end time of voids
- **Complaints** – a measure of voids related complaints (including how effectively they are managed)
- **Post Void Repairs** – the number of repairs complete on the void following letting

In addition, we would recommend additional measures:

- **360 appraisal** – monthly review of each party's satisfaction with each other
- **Productivity** – the productivity of operatives
- **Open jobs** – the number of 'open' jobs
- **Run Rate** – a measure of the number of repairs per property per year on a unit by unit basis to highlight any exceptions
- **Priority Ratio** – the ratio of emergency to non-emergency jobs
- **Health and Safety** – the number of accidents/incidents on the contract
- **Environmental** – environmental impact of contract (carbon footprint, recycling of waste etc.)
- **Social Value** - the added social value of the contract (e.g. apprentices, local labour, etc.)

These KPIs will be developed in the format of a KPI Handbook and each KPI will be defined under the following headings:

- **Purpose** – identifies why the KPI is being measured
- **Definition** – defines the measurement
- **Method** – clearly demonstrates how the KPI is measured
- **Example** - a worked example, using data, to demonstrate method of measurement
- **Measurement** – measurement intervals
- **Target** – the agreed target score(s) for the KPI
- **Target Source** – Where the target has been derived from
- **Scorer** – defines who is responsible for collecting score/data

For each KPI where a standard format for data collection is required these have been prepared and are given in the appendices to the Handbook. The appendices to be added will include a standard KPI Review Form and also a matrix detailing the targets for each KPI.

The Service Provider will provide reports on the Key Performance Indicators stated within the contract KPI Handbook. Performance against the KPIs will dictate whether the Service Provider is paid the variable profit as stated in the Price Framework.

A formal review meeting will take place on a monthly basis for the duration of the contract. A final assessment of the Key Performance Indicators will be made at the end of each year and any adjustments made in the final certified payment for the year. In addition the Service Provider will also provide the following operational reports:

- Weekly KPI Scorecard
- Monthly financial report
- Monthly priority for improvement (PFI) report, following the recommendations and weaknesses noted in the preceding month's report
- Weekly voids progress and monitoring report
- Weekly list of works outstanding beyond agreed appointment date
- Any other reports that may be agreed from time to time
- Weekly complaints monitoring report

Appendix A: Procurement Route

Legal Considerations

Fit with current contractual commitments

There is no conflict with current contractual obligations as the new contract commences as there is no formal contract with an external service provider.

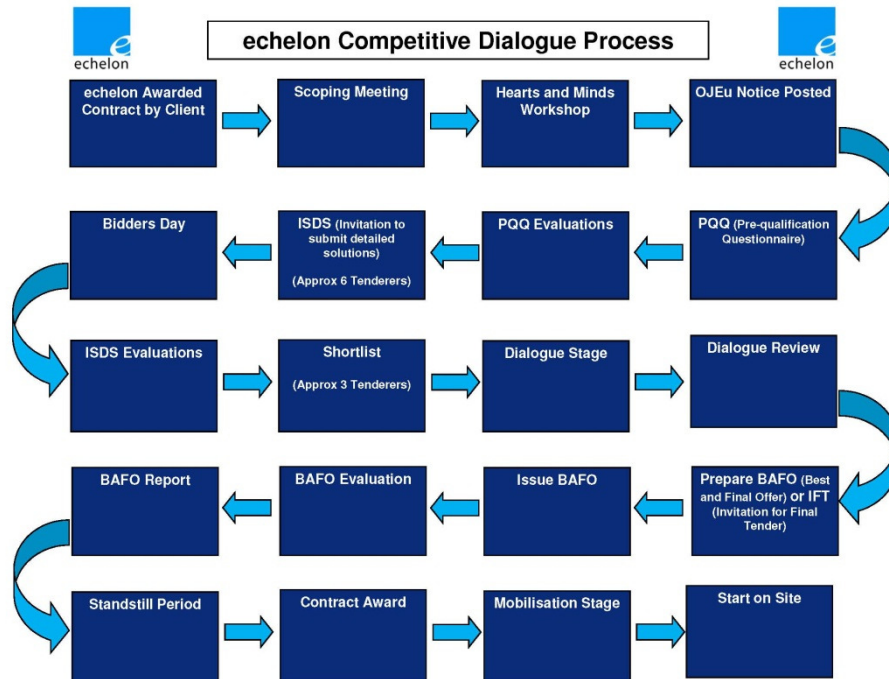
OJEU Compliance

All procurement in the public sector is subject to EC Treaty principles of non-discrimination, equal treatment and transparency. The EC Public Procurement Directives require contracting authorities such as Wiltshire Council to provide details of procurements in a prescribed format, which are then published in the Official Journal of the European Union (OJEU).

In accordance with European legislation, this contract is above the threshold for supply and 'service' procurements with an estimated value of £172,514 and 'works' contracts with an estimated value of £4,322,012 therefore it must be advertised in the OJEU. This is based on the thresholds from January 2014 and figures are net of VAT.

The develop of wither a WoS or a Managed Service will involve significant change management in both the client and contractor and as such it is recommended that the Competitive Dialogue (CD) procurement process is utilised by Wiltshire Council.

The CD process is summarised in the following table:



The advantage of the CD process is that it will enable Wiltshire Council to engage in dialogue with the bidders in relation to their initial submissions at ISDS stage. This enables us to understand how they have approached risk and how they have interpreted the data (e.g. repairs history, stock profile etc.) to inform their initial price.

The outcome of these discussions will be further refinement of the model to enable bidders to make a Best and Final Offer with the comfort of making a more informed decision following the dialogue.

echelon have extensive experience of CD and echelon have recently completed the procurement of a highly successful WoS model using the CD process.

A full timetable for the CD process is provided in our procurement proposal.

TUPE Implications

The view of echelon is that the TUPE implications are minimal as in both instances employment of the operatives is retained by Wiltshire Council. However, in the WOS model the staff will transfer into a new entity so TUPE will be a consideration (but for Wiltshire Council rather than an external Provider).

Leaseholder Considerations

It is recommended that should Wiltshire Council have any Leaseholders that they are one of the stakeholder groups represented at all stages of the process.

The legislation that needs to be considered when reviewing the impact on leaseholders and developing a process for consultation is as follows:

- s20 Landlord & Tenant Act 1985
- Amended by Commonhold and Leasehold Reform Act 2002
- Service Charge (Consultation Requirements) (England) Regulations 2003
- Public Contracts Regulations 2006
- Housing and Regeneration Act 2008

The following terminology will also apply to the leaseholder process:

- “Qualifying Long Term Agreement” (QLTA)
 - any agreement over 12 months long
 - excluding management agreements
- “Qualifying Works” (QW) – any works on a building
- “Relevant Costs” - £100 / £250
- “Incurred under”
- “Public Notice” – OJEU notice is required

The proposed procurement route within this report qualifies as a QLTA though a public notice and as such come under Schedule 2 of the consultation regime the process for which is as follows:

Stage 1 Consultation - Notice of Intention (to enter into QLTA)

This initial letter should be sent out at least 30 days before Wiltshire Council places the OJEU Notice for the works to demonstrate that leaseholder’s observations have been taken into consideration.

- describes works/services
- explains why agreement necessary
- explains why Qualifying Works are required (if relevant)
- invites observations
- explains why not inviting contractor nominations doing so (Schedule 2 - public notice)
- 30-day consultation period

Stage 2 Consultation - Notice of Landlord’s Proposals for QLTA

Following the evaluation of the tenders and the preparation of the Selection Report and prior to the formal Contract Award a letter will be sent to all Leaseholders and Associations setting out the reasons for entering into contract with the selected contractor(s) and any “connection” Landlord has with contractor.

This letter will set out the criteria for the recommendation and make the Leaseholder aware of where they can view the full tender submission (we would recommend this is held at Wiltshire Council’s Head Office).

We will also respond directly to any observations requiring a response from the initial letter under Stage 1. Leaseholders then have a 30-day period to respond to the notice.

This 30-day period is made between completion of the Selection Report and the formal Contract Award. This runs in parallel with the statutory OJEU Standstill period although initial pre-commencement works can be commenced at risk.

Stage 3 - Notice of Intention (to undertake Qualifying Works)

Any Qualifying Works under the QLTA require a third stage of consultation with the following elements:

- Same requirements as for Notice of Intention to enter into QLTA
- Emphasis on specific costs of Qualifying Works
- Duty to have regard to leaseholder observations
- Response to leaseholder on those observations

Consequences of not following procedure

Some of the potential consequences to Wiltshire Council if the correct consultation is not carried out are as follows:

- Service charges limited to £250 per leaseholder per year for QW and £100 for costs incurred under a QLTA
- Where Qualifying Works are done under a QLTA the amount is £100
- This applies unless LVT dispenses with consultation requirements

Appendix B – Sector Wide Service Drivers

Strengths & Weaknesses – Sector Wide

To provide an external perspective the following table provides the Top 25 Objectives captured by echelon across all the R&M contracts we have procured:

No.	Description
1	Better communication between Resident/Service Provider
2	Flexible appointments (to include evening / weekend appointments)
3	2 hour appointment timeslots
4	Empowering the Service Provider to make decisions
5	Get the Job Done right 1 st time
6	Service provider to be first point of contact for Resident
7	Better training for all Staff and supervision
8	Own workforce (i.e. branded as Client's own)
9	Provide a good, professional, consistent service
10	Different ways to be offered to report a repair
11	Employ people with repairs skills
12	Property Health Checks
13	Co-location – Housing Association and Service Provider working collaboratively
14	Listen to needs Residents and respond / act accordingly
15	Service Providers to ensure they protect property when undertaking repairs (e.g. overshoes)
16	A better and more efficient service
17	Diagnostic tool for Residents
18	Quality Checks to be done

19	Call Handlers to receive training on Resident / Landlord responsibilities
20	Contractor to be 1 st point of contact
21	Fix now fix at Residents convenience
22	Business cards to be left by operatives after repair complete
23	Residents to be compensated for missed appointments by Contractor
24	Freephone number for mobiles
25	Categorise repairs

Appendix C: ICT IMPLICATIONS

Experience of the sector is that the IT solution being offered by the various providers' is becoming a differentiator in their selection and ability to deliver the service.

With the outsource model it is proposed that the works order will be administered through the Service Provider's computerised Repairs Ordering and Management Systems and the works order will be raised & monitored through Wiltshire Council's computerised Housing Management & Asset Management Systems. Financial administration will be carried out via Wiltshire Council's Finance System. Formal application for payment will be made by the Service Provider on an agreed basis (e.g. monthly).

For the contract to be administered, the following will be required of the Service Provider's IT system:



- (a) **Works Orders** - Electronic processing and management of works order requests, exclusions and practical completions regarding voids and responsive repairs, from the following stakeholders:
 - I. Contact centre
 - II. Property Services
 - III. Other delegated authorities (OOH Service Providers)
- (b) **Job Scheduling** - Work scheduling and prioritisation, escalation and status updates.
- (c) **Appointments** - Electronic management of appointments with Customers. To include dynamic resource scheduling, of failed, missed, re-scheduled appointments and non-access monitoring.
- (d) **Job Cost Data** – Ability to record and provide work codes & descriptive details of actual work undertaken, including duration, SMV's, trades utilised and materials used.
- (e) **Invoice Data** - Ability to record and supply financial, costing and performance related information as necessary for invoicing, trend analysis and validation of payment requests.
- (f) **Monitoring** - All data as necessary for the generation of the KPI metrics as outlined in the KPI Handbook that will be developed for the contract.
- (g) **Event Updates** - Ability to record and provide works order processing information including key stages/events, notes recorded against works orders to the client in an agreed electronic format via an agreed interface mechanism

- (h) **Other Data Updates** – Ability to receive other relevant data, such as:
- Property Updates
 - SOR Updates
 - User defined Alerts (UDC's)
 - Asbestos information
 - Vulnerability indicators
- (i) Any other processes and information that is referred to or implied elsewhere in this Invitation to Tender (ITT) documentation.

Wiltshire Council will be responsible for the provision of the interface specification and security standards which must be adhered to by the Service Provider. The Service Provider will be responsible for all costs relating to developing, installing and maintaining all interfaces required between their IT Systems and the Clients Systems.

Should the call centre be retained by Wiltshire Council it is imperative that the Service Provider provides the necessary support to the Contact Centre to ensure full integration of systems and to allow the Contact Centre to have full access to the Service Provider's resource scheduling at point of first call to enable maximum flexibility for appointments at the Resident's convenience.

Appendix D – Sample Property MOT Form (Grainger PLC)

		PROPERTY CONDITION ASSESSMENT (PCA)						
Address:								
Residents Names (details off all occupants)					Contact Nos:		e-Mail	
Property Type		House	Bungalow	Flat (GF, 1stF, 2ndF)	End Terrace	Mid Terrace	Maisonette	Elevation Photos (Y/N)
External Visual Inspection		Checked	Work Carried Out				✓	Check & Report
Chimney stack, pot, flashing.								
Roof covering, soffits, fascias.								
Guttering, downpipes, SVPs, gulleys.								
External lights (flats only).								
Walls.								
External doors / windows; frames, furniture.								
Internal Visual Inspection		Checked	Work Carried Out				✓	Check & Report
Internal Doors; frames, furniture								
Windows; furniture, glazing								
Taps, ball valves, stopcocks, waste pipes, sanitaryware, bathroom extract fan								
Plaster, tiling								
Electrics								
Skirting, architraves, flooring								
Kitchen units, doors, drawers, shelves, worktops, hinges, extract fans.								
Mould								
Cylinders								
Loft / roof space: tanks, overflows, valves, insulation								
Hazard	Risk Assessment (H / M / L / NA)	Control / Notes					Photo (Y/N)	
Access (visual inspection of paths and steps)								
Communal areas (visual inspection for access purposes)								
Asbestos								
Infestation								
DIY - Electrical								
DIY - Gas								
DIY - Other								
Rubbish removal								
Notes and Comments:								
Property Access Details								
Does Resident have right of access through any neighbouring homes, buildings or land? (Yes/No)			If 'yes' provide details					
Does any other person have a right of access through the property? (Yes/No)			If 'yes' provide details					
Inspected by:	Date:	Time arrived on site:	Time left site:	Weather				

Operative Checklist

Checks to be complete	Tick
Show ID card and discuss the scope of the PCA with Resident	
Lubricate all locks and hinges	
Tighten all handles, locks and catches	
Test & clean out extractor fans	
Test all taps for operation & shut off	
Check External door locks for operation	
Test all WC flush for operation	
Check for running overflows	
Protect tenants furniture and belongings	
Clear dust and debris on completion of the work	
Record all works carried out and complete form fully	

Component Condition

Component	Condition (1-5)	Photo (Y/N)
Electrical Rewires		
Heating New and upgrades		
Kitchen Replacement (more than 1/3rd of units)		
Bathroom Replacement (More than 1 item)		
External Door Replacement		
Garage Door replacement		
Roof Replacement		
Window Replacement (more than 25%)		
Fencing (more than 2 linear metres)		
Loft Insulation		
Improvements to Environmental Works		
Plastering to Whole Room		
Resident Improvements/Extensions		

Referrals	Yes/No	Photo (Y/N)
Structural Repairs		
Rising / Penetrating Damp		
Asbestos		

Aids and Adaptations	Yes/No	Photo (Y/N)

Tenant Recharge	Yes/No	Photo (Y/N)

Comments for referrals

COMPONENT CONDITION SCORE RATING				
1	2	3	4	5
EXCELLENT Modern facilities, no works required	VERY GOOD Fixtures and fittings dated but in good condition and do not require renewal	AVERAGE Some fixtures and fittings would benefit from a degree of modernisation	POOR Require minimal repair / modernisation	VERY POOR Require renewal