

Report to: Housing Review Board
Date of Meeting: 17 September 2020
Public Document: Yes
Exemption: None

Review date for release None



Subject: **Update on Integrated Asset Management Contract**

Purpose of report: Our Integrated Asset Management Contract commenced on the 1 July 2019, we have now had the contract in place for over a year.

This report will update Members on progress made over the last year, during Covid-19 and our annual review of our partnership with Ian Williams Ltd.

Recommendation: **To note the progress being made with the Integrated Asset Management Contract that commenced in July 2019.**

Reason for recommendation: To ensure Members are up to date with ongoing contracting arrangements covering the reactive repairs and void management of our housing stock

Officer: Graham Baker, Interim Property and Asset Manager

Financial implications: As mentioned within the body of the report, consistent and quality monitoring of the contract is required to ensure the financial benefits that are expected from the Integrated Asset Management Contract (IAMC) through the Price per Property (PPP) and Price per Void (PPV) models are achieved.

Legal implications: There are no issues raised in the report on which Legal Services need to comment at this time, but if performance continues to fall below that which is set out within the contract then there needs to be consideration of penalty clauses. Early legal advice needs to be sought.

Equalities impact: Medium Impact

We have involved tenants throughout the process through the Housing Review Board, tenants groups and as part of the evaluation process. We have continued to involve tenants throughout mobilisation of the contract and through tenant groups and through direct representation on a number of working groups.

Climate change: Medium Impact

We have engaged with Ian Williams as one of our key Partners in relation to their Carbon Footprint and this work is ongoing.

Risk: High Risk

Not having sufficient contracting arrangements in place presents risks to management and maintenance of tenant's homes.

Links to background information: [HRB Agenda 24 January 2019](#) (Item 10)

[HRB 20 September 2018](#) (Item 11)

[HRB 21 June 2018](#) (Item 13)

[HRB 11 January 2018](#) (item 11)

[HRB 12 January 2017](#) (item 14 and 15)

[HRB 9 March 2017](#) (item 11)

[HRB 15 June 2017](#) (item 9)

[HRB 7 September 2017](#) (item 10)

[HRB 28 March 2019](#)

[HRB 20 June 2019](#) (item 11)

[HRB Agenda and Draft Minutes January 2020](#)

Link to Council Plan: Outstanding Homes and Communities

Outstanding Council and Council Services

1. Background

- 1.1 Following an intense mobilisation process over a period of several months, our new Integrated Asset Management Contract with Ian Williams commenced on the 1st July 2019. This has been an extensive project where the Board have played an important role in setting the direction and overseeing governance matters as we moved towards putting in place our new contracting arrangements.
- 1.2 At the January meeting an update was provided to the Board identifying a number of areas that are being monitored very closely in order to work towards improved performance. Since that time, intense work has been carried out and is continuing with a number of Officers focusing on all elements of the contract to continually seek improvements with both the day to day management and performance of the Contract.
- 1.3 On the 20th February, a meeting was convened between representatives of East Devon District Council and Ian Williams; those in attendance were the Strategic Lead for Housing, Health and Environment and the Housing Service Lead from EDDC and the National Operations Director and the General Manager who covers the South West from IW.

The purpose of the Meeting was to review the performance of the Contract to date and provide a platform for both parties to escalate concerns. Everyone benefitted from the opportunity to have an open, honest discussion around where current challenges are and practical resolutions for moving forward.

A series of issues were identified and recorded in a shared Action Plan which was used as a basis of recording the areas that need to be continually monitored, improved and ultimately signed off.

We also re-commissioned our specialist consultants, Echelon, who guided us through the procurement process, to carry out a review of the current position of the Contract, identify the issues on both sides, assist in the development the abovementioned Action Plan and in addressing the issues identified.

The Consultant remained in place until early August 2020 and provided valuable support with the management of the IAMC Contract throughout the Covid 19 pandemic

2. Staffing

Ian Williams EDDC

- 2.1 As highlighted in January, Ian William's have been continuing to increase labour and as it stands we still remain under-resourced in relation to the number of Operatives that should be working on the contract. Recruitment is underway across both work streams (responsive repairs and voids).

The recruitment of multi-skilled operatives in East Devon proved difficult which in turn impacted on their ability to complete a range of jobs on one visit.

We are continually reviewing the labour structure with Ian Williams to ensure that the required skillset is in place to ensure that the requirements of the Contract can be delivered.

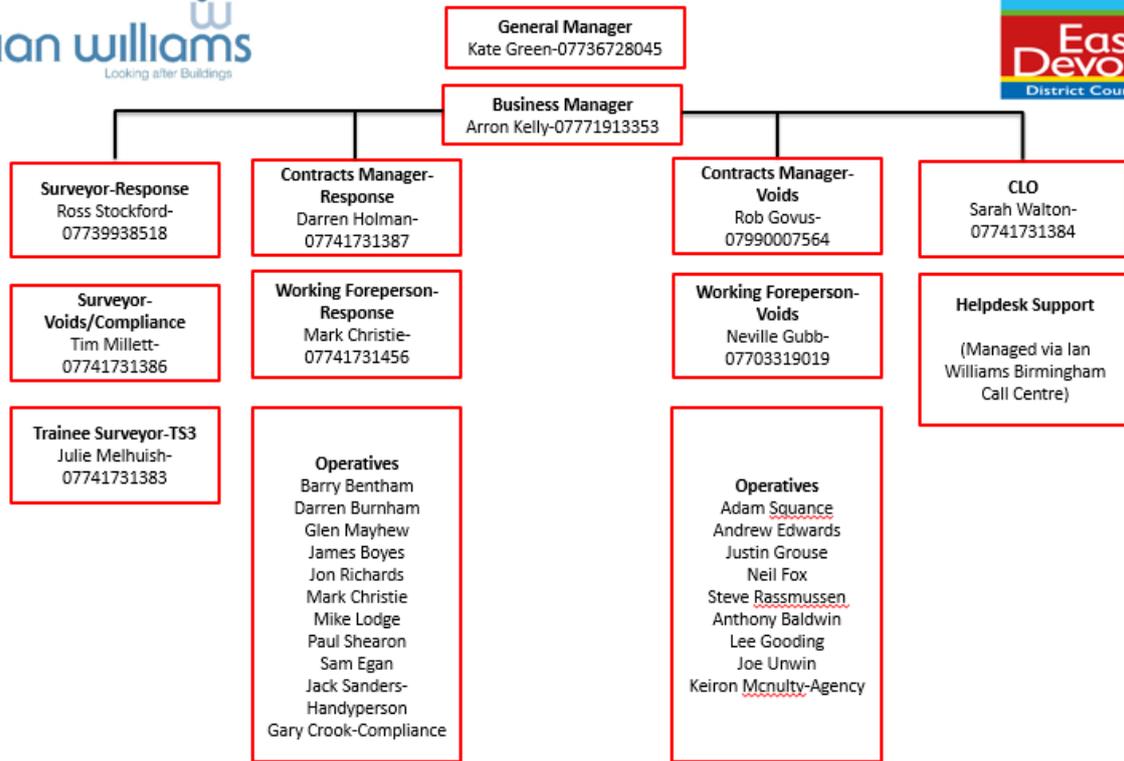
In addition we are continuing to monitor their sub-contract base to ensure that they have the required resource in place to both carry out specialist work as required and to provide additional support to the direct delivery teams as required.

As part of our continual review we also monitor Ian Williams training matrix and plans for their directly employed resource to check both skillset and to ensure that all relevant training etc. required is current and in date.

During the Covid-19 lockdown period, Ian Williams furloughed both office management and operatives engaged on the contract leaving sufficient in place to maintain a service to deliver emergency/urgent repair work and a limited Void service. All Ian Williams staff have now returned to work.

In addition Ian Williams have created a 'Customer Liaison Officer' role to work closely with EDDC's Business Development & Customer Improvement Manager to manage complaints and tenant issues/queries relating to repairs/voids.

Below is the current Ian Williams structure:



Under the Contract there is a requirement for two schedulers from Ian Williams to be co-located in Exmouth Town Hall but this very quickly reduced to one due to resignation. This arrangement has always proved a challenge and was under review prior to the Covid 19 lockdown; further discussion on this arrangement is required as the co-location has not been reinstated since the lifting of the Covid restrictions.

The absence of these schedulers has resulted in all scheduling being carried out by the central Hub/Call-Centre located in Birmingham. This arrangement throws up many operational challenges which all take time to address.

The Contract will be reviewed to decide if we return to co-location or continue with the present arrangement that is contrary to that set out in the Contract.

Since Covid pandemic lockdown and at present Ian Williams do not have any Handypersons currently employed on the contract, they are using an operative to complete all handyperson order requests however this cannot continue long term

We are aware of the significant importance of the Handyperson service to our tenants and have advised Ian Williams that this role must be reinstated as required by the Contract, coupled with this EDDC will also be carrying out a review and re-branding/advertising of the service.

2.2 EDDC

We are continuing to stabilise our own staffing arrangements and have been working closely with human resources to ensure that the Property & Asset team is back up to full capacity at the earliest opportunity.

Vicki Farrow, the Property & Asset Manager left the organisation in July of this year and has been replaced on an interim basis by Graham Baker, this arrangement is in place until the end of September 2020; recruitment is currently underway for a permanent replacement.

We have recruited a Contracts Manager, Kerry Spittle who started with us in July 2020, we ensured that she had a full induction to the IAMC Contract including full training on the detail from our external Consultant Echelon.

We have enhanced our Senior Repair Officer role to the new position of Business and Customer Improvement Manager to help coordinate, triage and manage communications between tenant's, contractors and council staff.

We have identified that these roles will have great benefit with management of the IAMC Contract. We have also identified the need to refresh training for our own Officers in a number of areas.

In addition to the vacant Property & Asset Manager role we also have vacancies for:

- 2no. Reactive/Void Surveyors
- 1no. Planned Works Officer

Recruitment is currently under way to fill these roles.

Two of the Planned Works Officers were seconded over to the Reactive Team to cover the shortage of Reactive/Void Surveyors with particular focus on the delivery of Voids, this arrangement has now ended.

3.0 **Covid 19 Pandemic**

3.1 The Covid 19 global pandemic that has struck this year impacted on Property & Asset, specifically the delivery of repairs and voids under the IAMC Contract particularly when the Country went into lockdown on 16th March 2020.

As soon as the lockdown was imposed our managers within Property & Asset Team worked closely with Ian Williams to change the way of working, specifically the services that could be delivered; it was very quickly decided that we could continue to provide:

- Emergency cover/repairs
- Urgent repairs that if not carried out would adversely affect the fabric of a property or present a Health & Safety/Compliance risk.

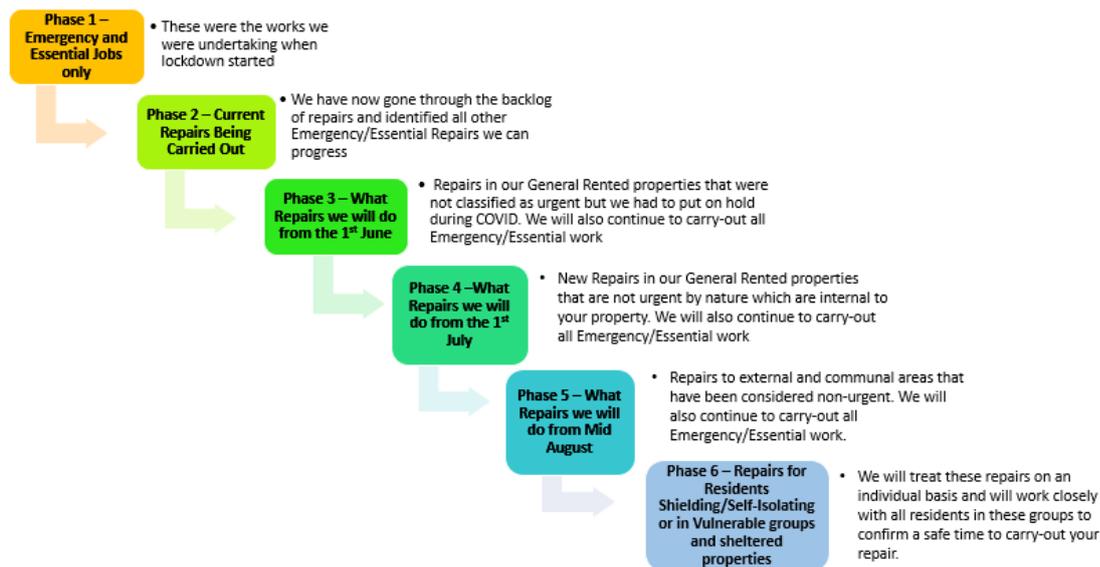
As well as providing the above cover we also managed to continue delivering voids albeit on a much reduced level. Communication through this period was excellent with daily update calls between EDDC and IW in order to ensure constant contact and an understanding of pressures and challenges that both organisations were facing.

The Contractor had to continually review and amend their risk assessments/method statements to ensure that they were compliant with safety guidance legislation issued by the Government, Health & Safety Executive and Public Health England.

Once the initial impact of the Covid lockdown had been addressed focus turned to re-mobilising the IAMC Contract once restrictions were lifted, after much consultation with all parties we produced a six stage re-mobilisation which once restrictions were lifted was very quickly implemented.

The six phase re-mobilisation plan:

REPAIRS SERVICE RE-MOBILISATION PLAN



As part of the re-mobilisation plan both Ian Williams and EDDC recognised the importance to portray a consistent approach with communications.

Residents were advised of the process from initially reporting the repair to their property to advice of what to do when an operative is working on the emergency.

We used a range of communication methods; from a letter drop to every tenanted property, updating social media regularly, changing our phone line message, our website and placing an article in our 'housing matters' magazine; this ensured we had reached everyone, so tenants were aware of how we are keeping both them, our staff and our contractor's safe.

We created a communications plan to reflect how we managed this. We regularly monitored the guidance and information streams that we were receiving to be able to advise teams across housing and importantly update our own information that we were relaying to all.

Our Business and Customer Improvement manager joined team meetings across the housing team to update all officers on the re-mobilisation plan and help answer any questions this may present. In addition the Communications Plan was regularly reviewed and updated.

The following guidance was published to help residents both understand the types of work that was being carried out and the measures that the Contractor would be following when working in their properties.

RESIDENT GUIDANCE

- Emergency repairs are as stated in your residents handbook and on our website
- Essential repairs are repairs that are not emergencies but if we left them too long they may cause further damage to the property such as small leaks, or damp
- This plan is subject to change if changes in lockdown affect the demand on the repairs service, but we will keep you informed
- When your repair can be carried out as identified in the repairs service plan enclosed, we will give you an agreed appointment slot in line with the commitment in our repairs contract

WORKING IN YOUR PROPERTY

- We will at all times be using appropriate PPE equipment before, during, and after any repair in your property, in line with government and PHE guidance
- No operative showing signs or symptoms of Covid-19 will be allowed to work and will be required to self-isolate
- We will check if you are self-isolating for any reason before the operative attends
- We will chemically clean before and after we undertake any works in that particular area of the property
- We will keep our distance from you at all times when we are in your property to keep you and our operative safe
- We will expect you and your family members to keep a safe distance from our operative when they are in your property, maybe in another room if possible
- If you have any concerns about a repair please let us know, as always safety is our main priority

The re-mobilisation plan was successfully implemented so much so that each phase was completed either on schedule or very often ahead of schedule so that by early August the reactive repair element of the Contract has now returned to 'business as usual' (with the exception of work to properties where residents may still be shielding/self-isolating) but with the caveat that Health & Safety working restrictions for operatives still apply.

The void side of the service has still to return to normal and as set out in the Contract as at present Health & Safety restrictions prevent the pre-inspection process being carried out while a property remains occupied.

4 Current position

4.1 Following challenges thrown up by the Covid 19 as already stated the IAMC Contract has now returned to a relative state of normality.

We have now entered the second year of the Contract, as part of this milestone our external Consultants, Echelon have been commissioned to carry out the annual review all as set out in the terms of the Contract. We are looking forward to the results of this review and are expecting it will lead to some minor changes in the delivery of the Contract.

Whilst focus will remain on the core elements of the Contract we are looking forwarding to working with Ian Williams to:

- Enhance and develop the compliance and cyclical servicing work streams that have been introduced into the Contract.
- Review and re-launch the handyperson service.
- Introduce a programme of property MOT's.
- Introduce scheme service days.

- Develop the Social Value delivery side of the Contract.

4.2 We regularly review and monitor complaints resulting from both reactive repair and void works, the intention is always to address and complaints in a timely manner to avoid them escalating.

As well as addressing complaints we are now adopting a 'lessons learnt' discipline as part of any review to identify what has gone wrong and why, then hopefully put measures in place to prevent re-occurrence.

Complaints are an Agenda item at all monthly Operational Group meetings.

We are looking into remobilising our Tenant repair Group, as this was on hold due to Covid-19, complaints will be discussed in this group.

4.3 We have recognised the need to ensure we are collecting customer satisfaction data, Covid has placed some restrictions on this. We have now re-focused our efforts in gathering data in this area as we fully understand the importance of such feedback, indeed is one of the reportable key performance indicators (KPI's).

It has come to light that the satisfaction questions we are asking may appear somewhat similar and repetitive, we are therefore reviewing this area and will carrying out consultation to explore the possibility of changing the questions, format and delivery method to more suit the whole target audience.

4.4 KPI monitoring has proved challenging during the Covid period, as restrictions are lifted KPI reporting has returned to a semblance of normality.

A single KPI Report is produced discussed in detail at the monthly Operational Meetings and signed off as agreed; the KPI's are then presented quarterly to the Core Group for final agreement/acceptance.

To reach this stage we have had to overcome numerous challenges in relation to the collection and recording of data, this resulted in the need to do a substantial data cleanse to ensure we are reporting on accurate information.

5. Cost Analysis

5.1 We are working closely with finance to carefully monitor costs. We hold a monthly financial meeting to discuss payments, trends and budgets to ensure we remain on target.

5.2 Voids

Voids are monitored on a property by property basis and highlighted as to whether they are above or below the PPV threshold. In our July KPI report, this highlighted our average PPV cost is at £6,088 which is high, this is due to the constant exclusions being added onto most voids, this is being closely monitored by our Contract Manager.

KPI	Title	MLAP	Target	Apr-20	May-20	Jun-20	Jul-20
	MSP						
VKPI 7	Average Job Cost	£3,000	£2,500	£4,565	£5,157	£6,539	£6,088

5.3 Price Per Property (PPP) Analysis

All PPP costs incurred are separately reviewed on a month by month basis with the Price Per Property monthly payment of £118k.

5.4 PPP Exclusions

All works that are excluded from PPP are separately monitored on a property by property and job by job basis. Each one is flagged as to being above or below the 1k agreed job limit. Where a job is below the £1k limit this will be reviewed to ensure we are comfortable that the reason for the exclusion that was made at the confirmation stage was correct. The current annual statistics with regards to the exclusions is in the below table.

	Job Count	£ Value
Total Orders	1689	552,736.19
Above £1k Limit	121	295,959.00
Below £1k Limit	1568	256,777.19

Responsive Maintenance Value for Money Review

Additional reviews are undertaken each month of the expenditure under the new Price Per contract versus the expenditure under the previous cost plus contract.

5.5 A summary of KPIs has been included as appendix 1

6. **Conclusion**

6.1 The first year of the IAMC contract threw up many challenges not just those related to Covid but also understanding the new delivery model for reactive repairs/voids, the new working practices that need to be followed, establishment of new working relationships and a number of personnel changes

Over the past couple of months and particularly since EDDC have engaged a permanent Contracts Manager there seems to be a much more harmonious working relationship between all parties so much so that everyone is excited to see how the Contract develops over the second year of this long term relationship.

Intense focus will remain on driving forward KPI improvements as we continue to work on managing performance but there will also be considerable focus on driving forward all other areas.