

Report to: Housing Review Board



Date of Meeting 24th March 2022

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Exemption applied: None

Review date for release N/A

The Integrated Asset Management Contract

Report summary:

To provide the Housing Review Board an update on the delivery of Integrated Asset Management Contract as part of our regular update on this area of the service but also as a direct response to ongoing concerns raised regarding the delivery of some key functions of the contract.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Housing Review Board note the update on the delivery of the Integrated Asset Management Contract and support and endorse the Action plan as set out in this report to address ongoing performance concerns that relate to the Integrated Asset Management Contract.

Reason for recommendation:

To update and confirm that the Contract is managed in the most efficient compliant manner possible to ensure the daily operational delivery of the Integrated Asset Management Contract is maintained. To reassure Members we are focusing on improvements that need to be made.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Medium Impact

As a Social Landlord we carry a Statutory Requirement to maintain our Housing Stock in accordance with our Tenancy Agreements.

Climate change Medium Impact

Risk: Medium Risk; In the coming years the use of gas components will be gradually phased out, other fuel options will need to be considered, in relation to gas there is likely to be switch to Hydrogen, the

procurement will be carried out to reflect this and the impact of Climate Change; in addition we also need to consider fabric upgrades to our Housing Stock to improve their Energy performance in order to achieve the maximum possible gain from the new technologies that will be installed.

Links to background information [HRB Agenda 21 January 2021](#) (Item 13) [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 29 April 2021](#) (items 16 & 17) [HRB 16 September 2021](#) (Item 14)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Report in full

1. Introduction:

2. The Integrated Asset Management Contract (IAMC), delivered by Ian Williams comes to the end of its third year on March 31st 2022; since its commencement many challenges were encountered, the main ones being:
 - Continuing to build and maintain a professional working relationship between East Devon District Council (EDDC) and Ian Williams (IW); this is an ongoing process due to staff changes on both sides.
 - Implementing Price Per Property (PPP) and Price Per Void (PPV) Contract delivery model.
 - The impact on delivery of the service of the Covid Pandemic.
 - The impact on delivery of the service of Brexit
 - Expanding the Contract to deliver additional compliance/cyclical servicing work streams.
 - Expanding the Contract to deliver bespoke larger repair/upgrade projects and Planned Works.

3. Covid:

4. Delivery of the Repairs, Voids and Compliance/Cyclical Servicing work streams continued throughout all the periods of lockdown/disruption with efforts made to keep disruption to the absolute minimum.

In line with Health & Safety and Government Guidance we continued to deliver a full reactive repair and void service whilst adhering to all restrictions/guidance imposed by the Government with only minor disruption e.g. Tenants self-isolating.

5. We continue to monitor Government guidance but have not had to implement any significant changes to service delivery since the restrictions of the first lockdown were lifted.
6. All the normal communication platforms e.g. corporate website, social media, Housing Matters magazine etc. continue to be used to keep our Tenants and other interested parties updated regarding the delivery of the IAMC Contract in relation to Covid.

7. Whilst Reactive Repairs, Voids and Cyclical Servicing works streams have been delivered with minimal disruption Covid has impacted in other areas:
- Delays in the delivery of some Planned Works work streams e.g. Kitchen and Bathroom upgrade programmes.
 - Delivery of the majority of Social Value commitments
8. As part of the IAMC Contract we have managed to deliver some Planned Work/single bespoke projects have been and continue to be delivered e.g.:
- External decoration programme
 - Window replacement programme
 - Re-roofing programme
 - Green Energy/Climate change work ranging from fabric upgrades to technology installs e.g. air source heat pumps/heating upgrades, solar.
9. Nationally and even internationally Covid has impacted on manufacturers/suppliers, in some cases shutting factories and production lines, this has led to delays in the supply of some products/materials which has in turn impacted on the timescales to complete some reactive repairs/Voids.

This situation is closely monitored and wherever possible the impact on service is relayed to all interested parties both directly and via the numerous communication channels referred to above.

10. Brexit:

11. Brexit continues to have an impact on the service although efforts are being made to keep such disruption to a minimum; areas where impacted are:
- Increase in the cost of materials.
 - Labour resource
 - Availability of some materials/components e.g.:
 - Plaster and plaster products
 - Timber/Manmade boards.
 - Kitchen units
 - Boilers
 - Plumbing/boiler components
 - Storage heaters
 - Composite doors/Fire doorsets

to name a few.

12. As with Covid, all the normal communication platforms e.g. corporate website, social media, Housing Matters magazine etc. continue to be used to keep our Tenants and other interested parties updated regarding the delivery of the IAMC Contract in relation to supply chain issues.

13. The war in Ukraine:

14. Although there is no direct impact at present we need to be mindful there is a potential for some issues particularly in relation to fuel availability and costs. Fuel availability is probably the most serious as without fuel or with limited fuel supplies for their vans the Contractor and their sub-contractors will be unable to deliver/fully deliver the repairs service.

Our own surveying team could also be similarly impacted as is could hamper their ability to carry out necessary site visits to diagnose building defects/faults and progress/post inspections.

15. The situation in Ukraine and its impact will be closely monitored; should any issues arise that impact on the service delivery, such as fuel shortages then measures will be put in place to ensure that a level of service is maintained.

Any changes to service delivery will be fully publicised using all the normal communication channels referred to in item 6 above.

16. Reactive Repairs:

17. The number of repairs reported for year 3 of the Contract is at the expected levels and is directly comparable to the numbers recorded for Year 1 of the Contract.

The number of repairs reported did drop during Year 2 but this was directly attributable to the Covid pandemic and the lockdowns/restrictions imposed by Central Government. Once restrictions begun to be lifted demand returned to the expected levels.

18. For information we set out below the number of repair orders raised on a month by month basis for Year 3 of the Contract to date:

Month (Year 3)	Repair jobs/orders raised
April	963
May	1203
June	1453
July	1329
August	1163
September	1236
October	1154
November	1548
December	986
January	1554
TOTAL	12,589

As can be seen the number of repairs over a 10-month period is quite high and equates to an average of 1,259 repairs per month.

We continue to expand our data analysis to enable us to monitor service performance and demand in detail. One of the areas we look at is the number of repairs orders raised per day.

For Quarter 3 (July to September 2021) we looked at the number of repair orders raised and were able to establish that demand is consistent across the week, see table below. There were of course fluctuations during the period but this is typical of the number of orders raised. The numbers for Q4 are very similar even though we were entering the winter period.

Day	Average no. of repair orders raised per day
Monday	58
Tuesday	58
Wednesday	55
Thursday	58
Friday	52
Saturday (OOH)	3

These are average numbers, there will always be days when service demand increases and the number of repair orders raised can be well over 100; the aftermath of the most recent storms (Dudley, Eunice and Franklyn) is a typical example, on one day alone almost 50 roof repair orders were raised in addition to the expected normal repair numbers.

Another example of demand on the service is the number of telephone calls received on a monthly basis; they regularly top 2000 calls per month and in some months, the figure increases to over 2500.

19. The current level of Work in Progress (WIP) and overdue jobs is above that expected and desired and this is an urgent area that we have asked IW to focus on. We are seeing the direct impact of this with an increase of calls from tenants chasing jobs as well as an increase in complaints on the basis that tenants are waiting too long for jobs to be completed.
20. In order to understand the problems in this area, we have and are continuing to carry out detailed data analysis to identify the reasons and trends for the current high level of WIP and overdue jobs, among the issues identified as causes are:
 - Incorrect application of operational processes on the part of IW and EDDC, particularly the Variation Process, Extension of Time process.
 - Jobs still being incorrectly marked as “work completed” rather than stage completions being applied when follow on works are required.
 - Jobs that have been completed but not closed down correctly meaning they remain on both the WIP and Overdue jobs list
 - The delivery of larger scale and complex repair jobs that extend beyond the contractual 28 day period for completion.
 - The sourcing of resource/sub-contract support to deliver some repair jobs which delays the completion of jobs directly contributing to the WIP and overdue jobs.
 - The sourcing of components/materials to carry out specific repairs, this directly contributes to the WIP and overdue jobs.

The levels of WIP and overdue jobs is of particular concern and we are now working closely with Ian Williams to undertake a detailed review of the delivery of Reactive Repairs to ensure that meet the headline aim of ‘Right Repair, Right Time, Fixed and Stay Fixed’. The areas that will be subject of this review will include but not be restricted to:

- Diagnosis:
- Appointment:
- Right First Time:
- Stay Fixed:

Initial findings suggest that a number of problems exist that need to be addressed ranging from:

- Too many chasers required in relation to repair orders and in some cases recalls,
- Missed appointments with no communication with the Tenant
- Insufficient time allowed to carry out specific repairs
- Material availability
- Resource availability for some key trades
- Sub-contractor support is not sufficient.
- Sub-contractors not adhering to the Contractual protocols and timescales.
- Management of sub-contractors

- Systems and contract resources not being used correctly to deliver the contractual requirements for repairs.
- Poor communication across all areas.

We believe that the processes to address the above issues are already embedded in the Contract, the review is primarily to identify areas where they are falling down and to implement the necessary measures to address the same

The above areas of concern were escalated to the IAMC Core Group on the 2nd February and were discussed in some detail. Members of the Core Group agreed to the creation of a specific action plan as a tool to identify areas of concern and also manage how they will be addressed and resolved moving forward. The issue of WIP and overdue jobs will form part of this action plan.

21. Some repairs are of such size and in some cases complexity that they are proving challenging to deliver. This can be partly attributed to our ageing stock which is recognised as an additional challenge.

This has been recognised and Ian Williams have set up what they classify as a 'Minor Works Team' to manage and deliver such repairs. This Team is already proving beneficial as they are already working through the list of overdue larger repairs. Further this team also frees up the main workforce to concentrate on routine reactive repairs that in itself will reduce the WIP and overdue jobs. Early signs are positive but this is needs to be closely monitored.

EDDC have re-introduced the Duty Surveyor role. This provides a useful daily operational point of contact for any reactive queries or any escalated cases that may require immediate action or resolution. This can often prevent complaints being raised if the Duty Surveyor is able to intervene quickly and instruct IW accordingly. The Duty Surveyor will support the Repairs Advisors with more complex matters and be a regular point of contact for IW team through-out the day, in the event of them needing immediate support or guidance on a job, this hopefully will enable repairs to be continued without the need to wait for decision/instruction.

22. Voids:

23. Generally the delivery of Voids is working well with good communication and a collaborative working ethos between the teams.

24. The changes to the delivery of Voids, as approved at the last Housing Review Board has now been fully embedded and is working well.

The changes now implemented enable greater management and control of the delivery of voids.

25. At present pre-inspections are not being carried out while the property is still occupied, pre-inspections continue to be carried out once the keys have been returned/the property has been vacated, this was a change implemented due to covid restrictions. With the lifting of covid restrictions it is hoped a return to carrying out pre-inspections while the property is still occupied will be re-introduced in the not too distant future. Once embedded this will hopefully see a reduction on Void times.

26. Void costs continue to be higher than expected and above the PPV cost, this is generally due to the condition of the properties when they are vacated, typical areas that that contribute to the high cost are:

- Environmental/deep clean required before work can commence.

- Remedial work required to repair damage caused by Tenants.
- Removal and disposal of rubbish (both internally and externally) left by Tenants.
- Garden clearance/tidy.

We are seeing an increasing number of properties being returned to us in poor condition and requiring almost all of the above work, such work is not only costly to carry out but also time consuming, sometimes adding several weeks to the Void delivery/turnaround time.

Wherever possible the re-charge process is implemented to recover costs that are incurred for such additional (exclusion) work.

27. For information we have set out below the number of Void orders raised on a month by month basis for Year 3 of the Contract to date:

Month (Year 3)	Void orders raised
April	15
May	22
June	20
July	20
August	12
September	25
October	20
November	21
December	23
January	28
TOTAL	206

28. **Compliance/Cyclical Servicing:**

29. Compliance meetings are held monthly between both parties and are going well.

30. Ian Williams update and send the compliance tracker monthly, orders are work completed and updated once the job has been completed. Moving forward we'd like jobs to be completed and updated in real time to reflect our current position, this is something we are reviewing with our Housing Systems Team, it is hoped the new Open Assets (Compliance Manager) module on Capita Open Housing will assist in this area.

31. No access continues to be an issue in the delivery of compliance/cyclical servicing work, we endeavour to use all communication/social media platforms to highlight the importance of this work and the need to allow access to carry out the same.

32. Work continues with our Housing Systems team to finalise a suite of Reports for Compliance, once complete they will enable us to report with accuracy on the various compliance/cyclical servicing work streams, this is currently done manually which proves time consuming. We are also looking forward to the implementation of our Compliance Manager portal which will improve the general management of Compliance across the Contract.

33. **Planned Works:**

34. The IAMC Contract is set up in such a way to allow Planned Works to be added to the work streams already being delivered by Ian Williams.

To date work has already commenced on the following work streams:

- External Decoration including remedial render repairs and eaves replacement
- Window replacement
- Re-roofing

These work streams are all progressing well and have been very well received by the Tenants who have felt the impact of us having to delay some planned works mainly due to the pandemic.

We will be looking to publicise these works on our various communication platforms and also carry out site visits to showcase some of the work. This area needs to be closely managed in order to ensure the delivery of planned works is not further impacting on the delivery of responsive repairs. The work stream is managed separately by us and is overseen by our Senior Technical Officer (Asset Management and Climate Change).

Among the work streams that we are intending to deliver in the next financial year include:

- Kitchen & Bathroom Modernisation
- Green energy/climate change work which will include:
 - Fabric upgrades to improve energy performance
 - Window replacements
 - Installation of Air Source Heat Pump heating/hot water installations
 - Installation of solar panels

The green energy/climate change work will be partly delivered using the funds awarded by BEIS (Department of Business, Energy & Industrial Strategy) as part Wave 1 of the Social Housing De-carbonisation funding Government initiative following our successful bid.

35. **Handyperson Service:**

36. The Covid pandemic significantly reduced demand for the Handyperson Service; although restrictions have been lifted demand remains very low.

37. The Handyperson Service continues to be publicised in the latest edition of the Housing Matters Publication but we have not seen increase in demand. The service will continue to be publicised and we are considering creative ways to push the scheme and hopefully encourage take up.

38. **Social Value:**

39. Covid has severely limited the opportunities for Ian Williams to deliver on their Social Value commitments included in the IAMC Contract; those that they have/are delivering include:

- Sponsorship of several Tenant initiatives.
- Engagement of apprentices; 2 new apprentices are due to start in September 2021.
- Delivery of 500 property MOT's (recently commenced)

40. A Meeting took place with Ian Williams in September 2021 after which an updated Social Value commitments and Action Plan was produced.

We intend to deliver on the Social Value commitments in the next financial year with some exciting and innovative plans currently be drawn up. Details will be publicised on the normal communication platforms.

41. **Complaints, Compliments, Customer Satisfaction:**

42. Ian Williams satisfaction carried out by EDDC is as below; whilst customer feedback provides a valuable insight into how Ian Williams are and have been performing, complaints and compliments figures do not reflect the full picture. This report should therefore, be understood within the context of the number of customers interacting with our repairs service, averaging all repairs to 4200+ properties.

Customer Satisfaction KPI - Are you happy with your repair overall?		
Month	Happy	Unhappy
October 21'	106	6
November 21'	171	15
December 21'	132	16

43. To look at this in further detail against directly raised issues with Ian Williams; complaints, compliments for Quarter 3 are as below:

Ian Williams KPI			
Month	Direct Complaints	Compliments	Repairs Raised
October 21'	4	0	1154
November 21'	6	2	1548
December 21'	4	1	986

44. Our Quarter 3 reporting statistics are:

- 88% Informal Complaints responded to within 3 days.
- 311 'Issue/Queries' emails escalated to Business and Customer Improvement Manager attention, up by 25 from Quarter 2
- 32 Home visits made by our Business and Customer Improvement Manager to help stop the escalation of issues and to resolve

45. We consider the above statistics to point directly to waste in our system. As an example potentially the 32 home visits undertaken are areas that have gone wrong and have therefore required intervention through a home visit by a Manager to resolve. We consider this to be waste as these issues should not have arisen in the first place. We also consider the figure of 311 'issues/queries' to be high and we are looking closely at what these issues and queries are and how they can be prevented in arising in the first place. The review we are undertaking on this is part of a Systems Thinking approach we are taking to identify where the waste in the system is and why it exists.

46. Disappointingly, we have also had 2 recent Ombudsman maladministration judgements served against us. We are reviewing both cases carefully and are reflecting on the findings in order to understand exactly what and why things have gone wrong. A report detailing the findings and outlining learning points will be presented to a future Housing Review Board meeting.

47. Although hard to capture fully, we are aware of a general feeling of dissatisfaction from our tenants mainly around the responsive repairs element of the contract. This has been picked up through a few avenues recently;

- Preventable complaints. As an example of a preventable complaint, this could be where we and/or IW have failed to communicate with tenants around when a repair will be undertaken/completed. This is unacceptable and entirely preventable if all the processes and procedures are being followed accordingly.
- We have been made aware of negative feedback from Members representing tenants, Members are having to get involved to chase individual cases. We have also seen a number of complaints escalated to our MPs.
- On a recent site visit by Members of the Housing Leadership Team, tenants were asked in general (face to face) for views on the service, 100% of the feedback was negative.
- At the previous Housing Review Board Meeting, we acknowledged the negative feedback given by one of our Tenant Representatives that directly related to our contractor Ian Williams and to the overall service we offer.

48. In order to give us more evidence of areas of concern and also to give all residents the opportunity to feedback to us their own experiences, the Information and Analysis Officer has been tasked with undertaking a survey that will give every tenant the opportunity to tell us how they feel. The Information and Analysis Officer is also requesting the assistance of tenants to help formulate the survey and the questions in order to hopefully appeal to all and to encourage the feedback we require. This action and area in general also features highly in our improvement action plan (as referred to in point 20.)

49. In order to publicise some of our compliments and occasions where tenants have given us positive feedback, we are working closely with our communications team to increase our online presence. Some examples of this in the last few weeks have been positive feedback to Property MOTs as well as a focus on some individual households who have been really pleased with the results of planned works such as kitchen upgrades. We are attempting to balance some of the negative feedback we are have received by ensuring we are still celebrating where tenants have told us they are satisfied and happy with the service.

50. We have become increasingly aware of the lack of clarity, from a tenants perspective, on:

- Tenant responsibility
- Tenant expectations – beyond specification of work and beyond void specification, both within sheltered and general housing leading to a lot of complaints about the service

We are working alongside our Allocations team to look into the initial handover documents, to ensure this captures responsibilities of tenants and landlords and that responsibilities are clearly understood, we are also looking to engage our Tenant Repairs Review Group with this area to help support us understand better how we can ensure these areas are clearer for tenants to understand.

We are also working with the Allocations team to review our internal Mutual Exchange process and ensure that this is up to date and working as it should be

We have been aware of a lack of clarity on the contractual timescales across the wider housing team, residents and councillors, resulting sometimes in hearsay. We are considering ways we can address this, perhaps with some general reminders by way of a specific publication. We are also considering whether some specific workshops could be useful to target certain areas of the District where tenants can pop in, meet us and learn more about how the repairs service is delivered. We undertook these roadshows back when the Contract commenced and now as covid restrictions ease we are considering whether it is time for the exercise to be repeated as a way of capturing some meaningful engagement. We are also

considering the feasibility of a Member workshop that could also help Members understand how the service is delivered.

51. One of our key areas that we have previously targeted for service improvement has included training of internal staff to fully understand the requirements of the contract from our first point of contact. We have completed a training day, with in depth discussion referencing coding elements of the jobs, contract requirements down to training on elements of the contract, this seems to have been beneficial but with turnover of Officers there is still work to do on this.

A meeting was held between our Business and Customer Improvement Manager and the Ian Williams Business Manager at the hub to advise expectations and understand frustrations from both sides to fully address any communication issues both in house and with our tenants. It has been agreed this will carry on quarterly to ensure that our communication requirements are met and improved. From this quarter, Ian Williams primary focus is to ensure that they are rebooking any works required as a follow on order, on site, with the resident, this is a requirement as set out in our contract.

52. Currently, this quarter, we are experiencing a higher level of reoccurring residents complaining directly to Council Members and Senior Managers as opposed to following the process. A proportion of these complaints have not been raised at advisor level for work to be carried out, so we were unaware until they get passed onto the department. This may be as a result of tenants not being aware of the main channels of communication, we are therefore looking at this with the Communications team to see what improvements can be made to make this clearer. It is also another area that would benefit directly from input from our Repairs Review Group with tenants being able to guide and help us understand what could work better.

53. Our Business and Customer improvement Manager has visited a number of residents, both active members and those who are not involved to discuss ways that we could better collate resident satisfaction.

Currently EDDC collate satisfaction by

- Paper Surveys, our Business and Customer Improvement Manager has recently requested that Ian Williams photograph the survey that is left behind following a repair, so this is evidenced. There have been ongoing concerns that this is not being done, hence why we are now seeking the evidence.
- New Home Survey – left behind by Ian Williams following the completion of a void property
- Post inspections on voids and reactive repairs, undertaken by our Surveyors.
- Customer Satisfaction via telephone call – the team are now targeted at completing 20%

Ian Williams carry out

- Telephone surveys at 20% of repairs
- Electronic PDA surveys

54. Next Steps

55. The report has highlighted a number of areas of concern, one of our main areas of focus currently is improving customer satisfaction. The meeting of the Core Group on the 2nd February was focused on many of the areas highlighted in this report and Members spoke openly and honestly about where improvements are required. We remain encouraged by the approach taken by our Contractors, Ian Williams with a clear commitment and recognition of the areas that need to be focused on. The formulation of the Action Plan is our starting point in agreeing between us what the issues are and how both parties will

commit to resolving them. The Action Plan is being monitored by the Core Group with the need for extraordinary meetings to focus only on this.

56. A follow up report to the issues raised will be provided to the next meeting of the Housing Review Board.

Financial implications:

Expenditure with Ian Williams represents over 40% of the total Premises related costs within the HRA. A good working relationship and sound management of the IAMC Contract is therefore vital to ensure value for money for residents.

Legal implications:

There are no legal implications on which to comment. Legal Services will advise on contractual breaches and remedies if service delivery does not improve.

