

Report to: Housing Review Board
Date of Meeting: 26 March 2020
Public Document: Yes
Exemption: None

Review date for release None



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

Purpose of report: Our new Integrated Asset Management Contract commenced on the 1 July 2019.

This report will update Members on progress as we approach the end of the 9th month of our new contracting arrangement with Ian Williams Ltd.

Recommendation: **For information only**

Reason for recommendation: To ensure Members are up to date with new contracting arrangements covering the maintenance of our housing stock
Officer: Victoria Farrow, 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 PPP and PPV contracts 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 through tenant groups and through direct representation on a number of working groups.

Climate change: Medium Impact

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 contracting arrangements 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 we updated the Board on a number of areas that we are continuing to monitor very closely in order to work towards improved performance. Intense work has been underway over the past couple of months and is continuing with a number of Officers re-focused on certain elements of the contract in order to continue to seek improvements.
- 1.3 On the 20th February, a meeting was held with the National Operations Director of Ian Williams and the General Manager who covers the South West. The meeting was attended by the Strategic Lead for Housing, Health and Environment and the Housing Service Lead. The meeting was a good opportunity to escalate concerns and both parties benefited from an open, honest discussion around where current challenges are and practical resolutions for moving forward. We have agreed a series of actions through the production of a shared Action Plan and will use this as a basis of agreeing where improvements need to be continually monitored. We have also re-commissioned our specialist consultants who supported us through the procurement of the contract to support us with a number of actions deriving from the Action Plan and to work closely alongside our Property and Asset Manager.

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 is proving difficult which is linking to the inability of our intention to complete a range of jobs on one visit. We are continuing to raise this as a concern and where such labour skills may not already exist we expect comprehensive training plans to be put in place in order to achieve this.

- 2.2 We have highlighted the need to review our co-location arrangements. The placement of two Ian Williams Schedulers within Exmouth Town Hall was part of our original set-up, again due to staffing issues this has not been in place for some time. The absence of these schedulers has meant we are now regularly in contact with the Ian Williams Birmingham Hub Call-Centre in order to track and follow up information in relation to jobs. This is causing us operational challenges and we are seeking assurances around the need to return to our original set-up. We are still benefiting from one Ian William's Officer being based in the Town Hall on 4 days out of 5, the role of this officer currently is trouble-shooting as opposed to scheduling.
- 2.3 We are continuing to stabilise our own staffing arrangements and have been working closely with human resources to ensure these vacancies are prioritised. We have refreshed the role of Senior Technical Officer- Responsive Repairs and Voids and are now in the process of actively recruiting our own Contracts Manager. We have identified that the focus on our Integrated Asset Management function will benefit from this skill-set with a sharper focus on performance management of the contract. We have identified the need to refresh training for our own Officers in a number of areas.

3 Current position

- 3.1 Following our decision to second two Officers from another area of Property and Asset, we have continued to see steady progress being made in relation to void management. This is being further enhanced by the focus on recruitment in this area by Ian Williams. More robust inspections of properties from both sides have seen an immediate reduction in complaints around the standard of voids being handed over. A weekly void meeting is also informing better communication which is helping our Allocations team with providing realistic move in dates to incoming tenants. The backlog of void properties has been significantly reduced although there are still a number of more substantial voids requiring more intense works that remain vacant and that we are working intensely to programme these works in with realistic return dates.
- 3.2 We are continuing to monitor complaints and most importantly we are applying a 'lessons learnt' discipline to identifying with each complaint what has gone wrong and why. We are implementing changes alongside Ian William's and have recognised a number of simple communication failures that we are addressing internally. We are continuing to keep our Resident Repairs Involvement group updated with feedback coming directly from tenants (through our own questionnaire's) and took the opportunity at the last meeting to review feedback that has been received.
- 3.3 KPI monitoring is currently being aligned. EDDC and IW produce separate KPI reports however we are now working on streamlining and joining up the data for future publication and scrutiny. We have experienced some challenges in this area and this has resulted in a substantial data cleanse to ensure we are reporting on accurate information. Although this work is being prioritised, it has taken us longer to complete this than is ideal and work remains ongoing in this area.

4. Cost Analysis

4.1 As outlined above, we are working closely with finance to carefully monitor costs, this will become more straightforward as we enter the new financial year with no over-hang of previous contracting arrangements. We have begun to compare costs below across voids and responsive repairs.

4.2 Voids

Voids are monitored on a property by property basis and highlighted as to whether they are above or below the PPV threshold. Comparatives have been made throughout the year versus the costs incurred on the cost plus contract with the below table showing the averages per void in year by contractor.

| | IAN WILLIAMS LTD | MD BUILDING SRV. | SKINNER CONST. |
|------------------------|------------------|------------------|------------------|
| Average Value £ | 4,897 | £ 7,002 | £ 7,668 |
| Number of Voids | 143 | 63 | 55 |
| Total Value £ | 700,301 | £ 441,144 | £ 421,758 |

4.3 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 compared to the costs of each of the jobs raised in the month under a schedule of rates basis. Due to the aforementioned issues with regards to data and delays in invoicing upon going live monitoring of this measure will be of greater benefit in the next financial year.

4.4 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 statistics with regards to the exclusions is in the below table.

| | Job Count | £ Value |
|------------------------|------------|----------------|
| Total Orders | 398 | 192,988 |
| Above £1k Limit | 53 | 112,688 |
| Below £1k Limit | 345 | 80,300 |

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. These will be presented in future finance reports once more consistent data sets are available.

5. Conclusion

5.1 After a good mobilisation phase where energy and focus is normally high, performance has struggled to be consistently high. It has been clear that establishing a working norm on both sides has been challenging. Intense focus needs to remain on driving forward improvements as we continue to work through settling and stabilising our partnership arrangement. Our partners are

demonstrating a strong commitment to working closely with us to seek the improvement's we have identified and have ensured roles and responsibilities are clearly defined within their structure to prioritise this.

From an internal perspective, it is absolutely critical that we stabilise our staffing structure accordingly. Recruitment of a Contracts Manager is of particular importance in order to influence and drive day to day service delivery. The cleansing of our data is also critical to ensure we can publish our own performance data with confidence that in turn will better inform our position moving forward.

As set out within the report, this area of our work remains high priority and we will continue to report to the Board on this basis.