

DAY TO DAY REPAIRS PRESSURES

Report of the Director of Property

1. SUMMARY

- 1.1 This report provides a further update on the pressures currently being managed within the day-to-day repairs service. It provides a further insight into the changing demands on the service which need to be managed and the associated cost pressures.
- 1.2 On 30 March 2023 the Board received a report which detailed the levels of outstanding work at year end and the consequential financial pressure created by the accruals. This report provides further insight into how the type of repairs being undertaken by the service, have changed significantly over time, and are impacting on overall performance.

2. RECOMMENDATIONS

- 2.1 The Board to note the changes in types of repairs over time and the proposed actions being put in place to address overall performance.

The Board to acknowledge the increasing financial pressures in delivering the existing service standards.

- 2.2 Consideration be given to reviewing existing service standards in order to manage cost pressures within the service.
- 2.3 That the Board receive further updates on the progress made.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Board have sufficient oversight on management actions.

4. MATTERS FOR CONSIDERATION

- 4.1 The performance of the day-to-day service continues to be maintained at a high level for all emergency and urgent works. These are works that require an immediate response or within a 5-working day period. In September 99.9% of "very urgent" jobs were completed in time and 97.4% of those requiring 5-working days were completed on time. This is slightly above the Housemark median performance levels (98%).

It is the performance on non-urgent work that has become an ongoing concern, compared to performance a few years ago. In September, 85.6% of jobs planned for 25 working days were completed on time and 70.92% of jobs planned for 60 working days were completed on time. This is consistent with the Housemark median levels of around 81% overall.

In order to understand this ongoing service pressure further detailed analysis is identifying changes over time which indicate that the nature and type of jobs which are non-urgent are having a significant impact. Data has been scrutinised over a 5-year period, from 2018/19 to 2022/23.

The day-to-day service deals with over 44,000 repair requests each year. This high volume of jobs has remained relatively consistent over the 5-year period, excluding the 2020/21 covid pandemic year, when the volume of jobs requested fell to just over 30,000.

Over the same period the core costs of providing the service (excluding the out-of-hours) have risen from £3.548m to £5.459m. This is a 53.9% increase in annual costs. Appendix 1 provides a breakdown of expenditure over the 5-year period. Table 1 below shows the increases for the main costs.

Table 1 Day to day repairs – increase in costs over 5 years.

Expenditure type	2018/19 £'000	2022/23 £'000	5-year increase £'000	% increase
Employees	1,641	2,088	447	27
Agency	204	328	124	61
Materials	742	1,079	337	45
Transport	239	297	58	24
Contractors	656	1,312	656	100
Other	77	190	113	147
Recharged works	(293)	(613)	(320)	109
Outstanding jobs accrual	123	388	265	215
Total	3,389	5,069	1,680	50

As can be seen from the above table, Derby Homes has had to find the additional funding each year to maintain the service being delivered. Costs pressures exist across all expenditure types. The additional use of agency staff reflects the difficulties in recruitment and the demands on the service. The increase in costs of materials is market driven, despite many items having cost increases limited through a contractual arrangement. The use of contractors has increased in part reflecting the desire to maintain service performance, adding in capacity, and covering gaps in recruitment. Additionally, contractors have been taken on to undertake a significant number of shower replacements which are subsequently recharged back to the HRA Capital programme.

During these five financial years, CPI inflation rose by 21%. It can be seen that operational costs rose by more than double the amount of inflation.

4.2 Types of repairs and changes over time

Analysis has been undertaken of the most frequently requested repairs, with the objective of determining if the volumes and types of repairs are changing over time. The following tables provide typical examples and counts the number of times the particular specific repair type has been actioned each year.

Table 2 - Kitchens (renew and overhauls)

	2018/19	2019/20	2020/21	2021/22	2022/23	Inc/decrease 2018/19 to 2022/23
No. of repairs	1098	1500	940	1590	1687	589 (54%)

Table 3 - Baths (renew to repair)

	2018/19	2019/20	2020/21	2021/22	2022/23	Inc/decrease 2018/19 to 2022/23
No. of repairs	96	129	105	174	170	74 (77%)

Table 4 - Internal doors (renew, rehang, adjust)

	2018/19	2019/20	2020/21	2021/22	2022/23	Inc/decrease 2018/19 to 2022/23
No. of repairs	4626	4440	3880	4107	3660	-966 (-21%)

Table 5 - Taps (overhaul, renew)

	2018/19	2019/20	2020/21	2021/22	2022/23	Inc/decrease 2018/19 to 2022/23
No. of repairs	3630	3649	3198	3691	3349	-281 (-8%)
Overhauls	3247	2495	2278	1712	1348	-1899 (-58%)
Renews	383	1154	920	1979	2001	1618 (422%)

Note the shift from overhauls to complete tap renews over time.

Table 6 - Showers (overhauls, renews)

	2018/19	2019/20	2020/21	2021/22	2022/23	Inc/decrease 2018/19 to 2022/23
No. of repairs	2355	2156	1696	2106	2053	-302 (-13%)
Overhauls	1763	1386	1050	1358	1214	-549 (-31%)
Renews	592	770	646	748	839	247 (42%)

The above examples whilst not fully representative, do provide evidence that repair types have changed over time and will probably continue changing. This will impact on the size of jobs and the times required to undertake the repairs and the materials required.

4.3 Material changes overtime

The volumes of repairs involved, and the wide range of different part types make this a challenging exercise. Therefore, the following tables provide an initial assessment for some typical examples, on the total spends and units purchased for the 2018/19 year compared to the 2022/23 year.

Table 7 - Taps

	2018/19	2022/23	Increase	% increase
Annual spend £	4,869	12,162	7,293	150
Units purchased	315	687	372	118
Unit price £	15.46	17.70	2.24	14

Table 8 – Doors

	2018/19	2022/23	Increase	% increase
Annual spend £	8,153	16,035	7,882	97
Units purchased	384	646	262	68
Unit price £	21.23	24.82	3.59	17

Table 9 - Cable accessories (fans, breakers, shower parts etc)

	2018/19	2022/23	Increase	% increase
Annual spend £	44,047	129,869	85,822	194
Units purchased	4,680	9,382	4,702	100
Unit price £	9.41	13.84	4.43	47

Table 10 - Kitchen units (all parts)

	2018/19	2022/23	Increase	% increase
Annual spend £	14,063	29,720	15,657	111
Units purchased	761	1270	509	67
Unit price £	18.48	23.40	4.92	27

Table 11 – Ironmongery

	2018/19	2022/23	Increase	% increase
Annual spend £	3,132	17,863	14,731	470
Units purchased	206	763	557	270
Unit price £	15.20	23.41	8.21	54

The above examples do not reflect a complete picture but a simple “snapshot” of certain items. It does indicate that the volumes of units on some common category examples have increased considerably, indicating again that the make-up of jobs is changing over time.

The investment in the Business and Intelligence Analyst has enabled these types of insights into the service in order to assist management in fully understanding the changing nature of the service.

4.4 Outstanding repairs

The following graph shows the position in respect of jobs outstanding at the start of each month since April 2023. There will always be a large number of jobs which will be scheduled with their acceptable time period for completion (in-target) and a number that are now beyond their acceptable time period (out-of-target).

Graph 1 Outstanding repairs April to November 2023

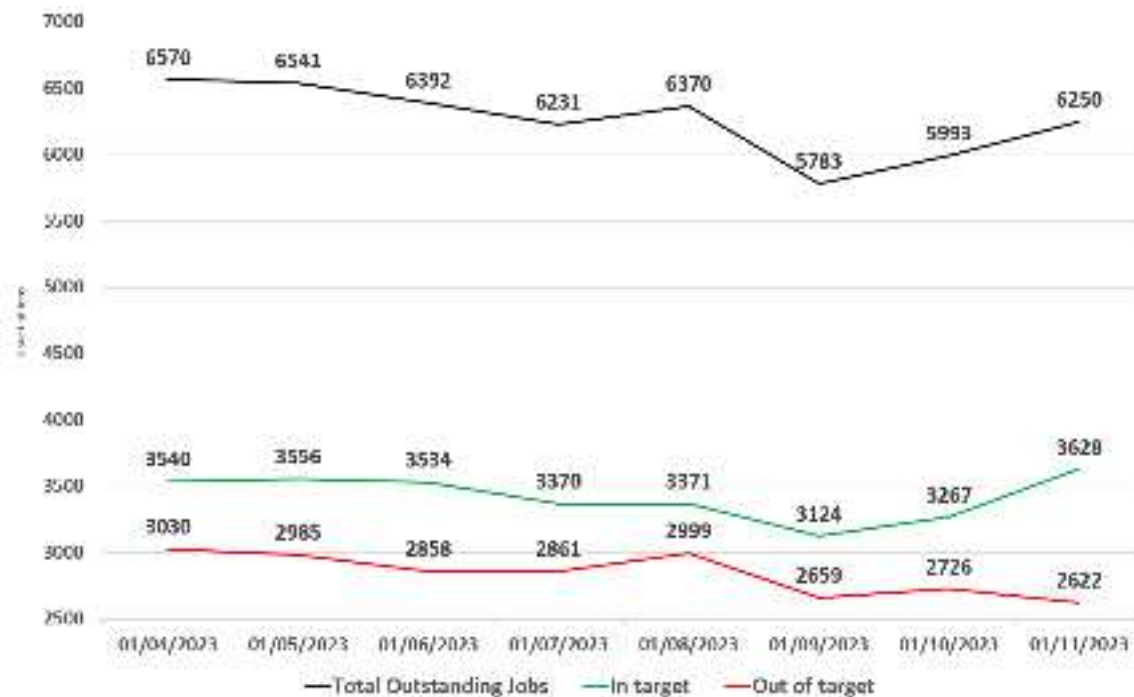


Table 12 – outstanding jobs by trade

Trades	No. outstanding April 23	% outstanding April 23	No. Outstanding Nov. 23	% outstanding Nov. 23
Plumbers	1,330	20.2	1,148	18.4
Electricians	559	8.5	624	10.0
Joiners	2,239	34.1	2,175	34.8
Roofers	394	6.0	378	6.0
Plasterers	551	8.4	655	10.5
Bricklayers	484	7.4	428	6.8
Floorers	199	3.0	148	2.4
Fencers	411	6.3	368	5.9
Painters	62	0.9	26	0.4
Glazier	341	5.2	300	4.8
Total	6570	100	6,250	100

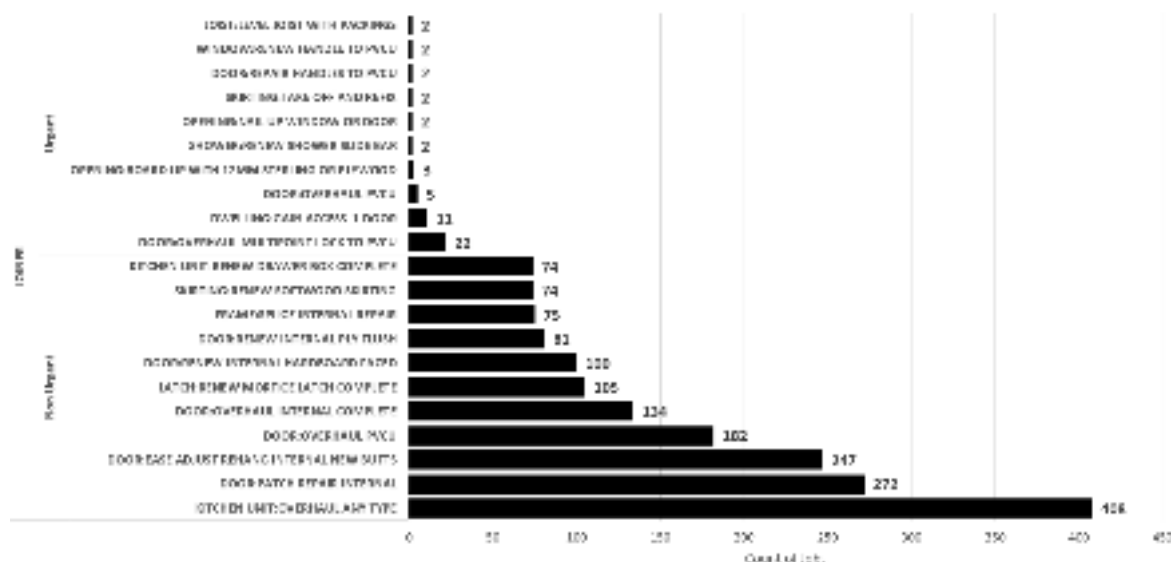
With the high standard of performance on urgent jobs, the number of outstanding jobs, in the main, are the longer period non-urgent repairs, both in the time allowed to be scheduled i.e., 60 days, and in terms of the length of time for each to be completed. It is these jobs that remain higher than the historical norm, despite all the efforts to reduce them.

The volume of urgent high priority jobs will always have an impact on the actual capacity required to complete the non-urgent outstanding work.

In order to better understand the nature of the jobs outstanding the following graphs provide an indicative snapshot, as at the start of November 2023, as to what make up the outstanding repairs (with appointments) for each of the core trades.

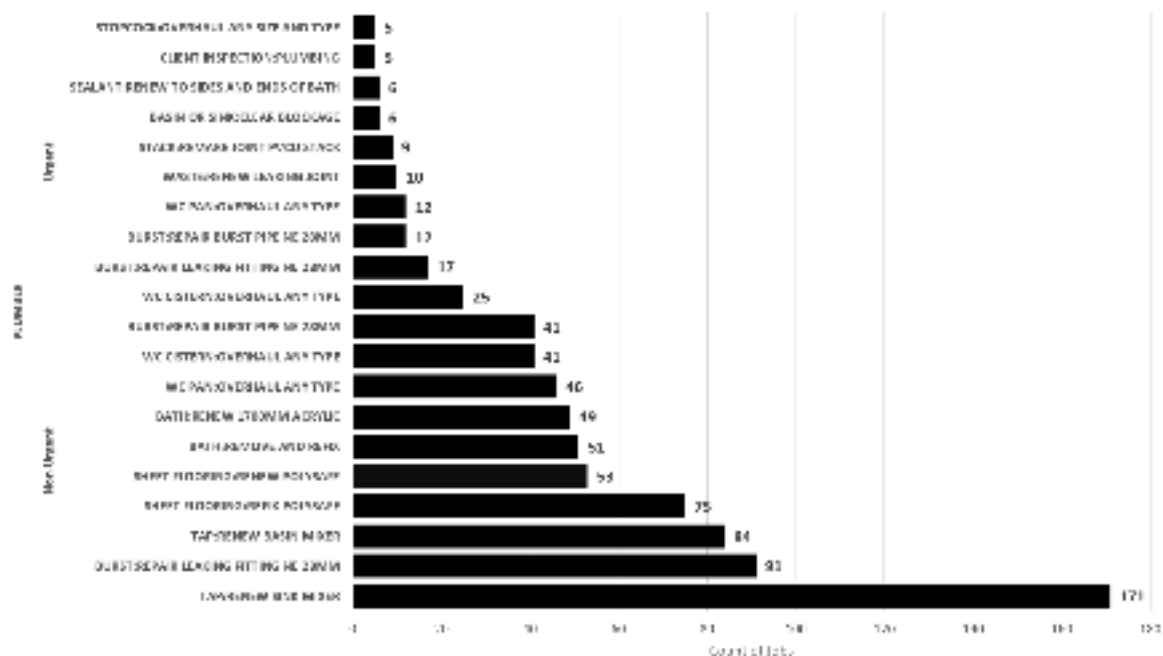
Graph 2 Joinery – outstanding repairs by type

Joinery - Top 10 of Outstanding Repairs by Original Raised SOR (Schedule Of Rates) as at 7/11/23

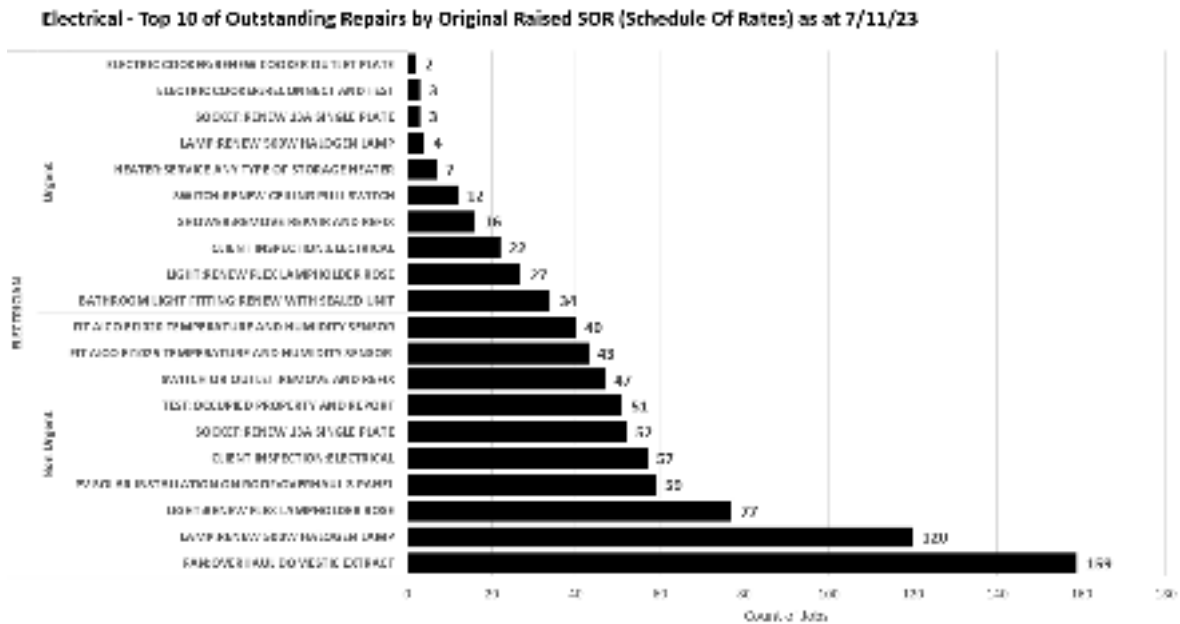


Graph 3 Plumbing – outstanding repairs by type

Plumbing - Top 10 of Outstanding Repairs by Original Raised SOR (Schedule Of Rates) as at 7/11/23



Graph 4 Electrical – outstanding repairs by type



The above data provides more evidence to support the previous theory that the day-to-day services work requests are no longer just small jobs, leaks and minor joinery and electrical repairs etc. In addition, the times taken to undertake these larger jobs is not reflected in just comparing job numbers. For example, in Graph 2 above for plumbing, there are 128 (53 and 75) bathroom wet floors that need repairs. These 128 jobs actually require 894 hours for a plumber and a floor layer.

4.5 It is apparent that much of the work is delivering service improvements, over and above day to day repairs, which should be managed outside the normal day to day repairs set up. Separate teams and funding arrangements need to be considered and implemented where possible. This could include: -

- The dedicated team for repairs and refurbishments for kitchens. There are currently 408 repairs for this category in the joinery Graph 1.
- A dedicated team to deliver the amount of door replacements and repairs. There are currently 1,223 door associated repairs in the joinery Graph 1.
- A separate team to undertake “wet room floor” repairs as highlighted previously, due to the significant amount of time required.
- A separate arrangement for undertaking PV solar panel repairs. Graph 4 shows there are 59 outstanding repairs which will take approximately 105 hours. This demonstrates the additional repair burden that is inevitable from undertaking service improvements.
- A separate arrangement for the significant impact of installing domestic extractor fans which are not repairs but direct service improvement works.

4.6 A number of actions were proposed in the last Board update, the main changes are as follows:

- To improve the levels of no access, communications have been undertaken to try and encourage tenants to commit to their pre booked appointments. A key article in the Derby Homes news publication explained the situation to tenants and what changes were to be put in place. Jobs are now cancelled after 1 failed appointment due to no access. Tenants then receive a letter informing them that the repair has been cancelled and they will need to rearrange. This should help change behaviours. Between August and October this year 1,076 jobs were cancelled due to no access on non-urgent work.
- The Systems Analyst position has been filled and has been integral in providing the new insights into the service.
- A number of groundworks and general repair works have been outsourced in order to cope with demands.
- Toolbox talks with the repair operatives have been undertaken, focusing on improving productivity.
- A supplier for kitchen cupboard fronts has been sourced and supplies are now in place. There were issues matching kitchen door sizes, the new supplier will allow associated repairs to be undertaken.
- A dedicated team to concentrate solely on mini kitchen refurbishments is now in place and will undertake the work that had been allocated to the day-to-day repairs. As these works extend the life of the kitchens their cost can be capitalised.

5. COUNCIL IMPLICATIONS

5.1 The Council have been made aware of the current issues in this service area.

6. RISK IMPLICATIONS

6.1 There is a risk that customer satisfaction with the service will decline if performance is not addressed.

7. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

7.1 The Board have previously been notified that the Day-to-Day repairs team had a £1.3m budget pressure in 2022/23. Projections for 2023/24 are showing a £1.2m pressure as detailed in the Finance Update report.

This includes for at least £0.5m in additional resources (agency and contractors) being taken on to tackle the backlog of non-urgent works.

Latest forecasts are that the outstanding number of jobs will drop from just over 6,000 at March 23 to 5,000 at March 2024.

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Background information: Finance Update – Derby Homes Board 30.3.23
List of appendices

This report has been approved by the following:

Finance Director & Company Secretary	Michael Kirk	13/11/2023
Governance (checked)	Chloe Gaskell	13/11/2023