

DAY TO DAY REPAIRS PRESSURES

Report of the Director of Property

1. SUMMARY

- 1.1 This report was requested to provide further information and insight into the pressures currently being addressed in the day-to-day repairs service.
- 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.

2. RECOMMENDATIONS

- 2.1 The Board to note the current situation and actions in place to address this pressure.
- 2.2 That the Board receive further updates on the progress made on this issue.
- 2.3 To note and approve the use of reserves as required, to fund the actions currently being taken in relation to the backlog of jobs and any cost pressures arising on the service in 2023/24.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Board have sufficient oversight on management actions.
- 3.2 To comply with Derby Homes Financial Regulations in relation to approvals for use of reserves.

4. MATTERS FOR CONSIDERATION

- 4.1 During 2023/23 the levels of work outstanding in the day-to-day service became a concern. Whilst performance has been maintained on emergency and urgent work, and this remains very good, there has been a decrease in performance on non-urgent work.
- 4.2 A number of reasons have already been reported to the Board for this performance issue. These include an increase in non-urgent jobs being reported when COVID restrictions were relaxed, the inevitable knock-on issues in the supply chain and availability of certain materials and a marked reduction in performance of our in-house team. This report sets out some of the main actions that are being taken to improve performance of non-urgent jobs.

- 4.3 Initial actions taken to improve non urgent work completed within target have been to increase our resources through agency staff (17) and greater use of sub-contractors.
- 4.4 More in depth management intervention has identified that levels of no access have increased, this causes disruption to the planning system in jobs having to be rescheduled, these jobs clog up the system and make it difficult to get the most out of a dynamic job planning system. Jobs are now closed after two pre-arranged attempts and Housing Management are intervening to understand if there is a tenancy related problem.

We closed 159 jobs in January, 76 in February and 106 in March, our experience has shown that the majority of the cancelled jobs have been reordered by the tenant and we need to do more work to ensure that appointments are respected.

- 4.5 In 2022 a Health Check was carried out on the work scheduling system; this has been reviewed and a number of areas identified for change. It has been agreed that a new temporary Systems Analyst position will be created to concentrate on implementing improvements to how the system is used, this post will work alongside the service and receive support from the IT project team. This position is currently advertised, and we hope to appoint someone to this position by the end of May.

- 4.6 Day to day repairs should be a service that concentrates on small jobs, leaks, minor joinery, and electrical repairs etc. The current workload within the scheduling system shows us that the team are being expected to take on larger work. The obvious impact of this is that one, often two operatives are tied up for a full day (or longer), hence the low level of productivity in terms of jobs completed. To address this, we are investigating how planned maintenance, specialist teams or sub-contractors can pick up the larger work. Much of this work can be costed back to capital due to its nature.

We have:

- Sourced a supplier for kitchen cupboard fronts, our previous kitchen manufacture is no longer in business, so replacement doors have been an issue. We will use a dedicated resource to repair/refurbish our kitchens ensuring all fronts match.
- Put in place arrangements for larger plastering and ground working jobs to be outsourced, providing a value for money solution for this work and freeing up our workforce for the high quantity smaller jobs.

- 4.7 The overriding priority is to improve productivity (jobs completed), maintain quality and reduce costs. The continued use of agency workers cannot be viewed as a long-term solution.

We have held comprehensive toolbox talks with all operatives focusing on performance, levels of sickness and the need to make improvements, we are also fine tuning the van stocks to avoid unnecessary trips to the merchant. Ideas from the workforce include completing plumbing repairs (as opposed to making safe) at the first visit on call out to avoid follow on orders.

- 4.8 The initial actions have already started to show an upturn in the numbers of completions during February and March 2023. We have completed more jobs than we received and are making good inroads into the backlog, sickness is down, productivity is improving across all trades. Overall performance for non-urgent repairs is now improving. This position is monitored closely with the Executive Team involved in monthly meetings with the Head of Service.
- 4.9 We have also reported to Board and Operational Board that we had had a steady and sustained increase in the levels of disrepair cases being filed. Defending such cases is resource intensive but necessary to mitigate costs.
- 4.8 We have also recognised that the increased focus on damp, mould and condensation has led to an increase in requests for service. To manage the increased demands a second Contract Manager is now working in this area to ensure we can maintain adequate control over the operational service aspects alongside the disrepair and performance management side of the service. This resource will remain in place for the next six months and will then be reviewed.

We have now recruited a dedicated resource to attend all damp, mould, and condensation issues within agreed priorities. Our policy for this area of work has been approved by the operational board and following further feedback from our customers will be presented to the board at the next meeting.

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 been notified in the Finance Update report, earlier on the agenda that the Day-to-Day repairs team had a £1.3m budget pressure in 2022/23.

This included a £388,000 budget pressure from the increase in the year end accrual relating to the additional outstanding jobs. In March 2023 there were 6,083 jobs outstanding, compared to 4,251 at March 2022. The overall March 23 accrual (for the 6,083 jobs) is £848,000, the March 2022 accrual was £460,000, hence the £388,000 budget pressure in 2022/23.

It does mean however that a £848,000 budget has been brought forward into 2023/24 in anticipation of the costs associated in completing the 6,083 jobs – an average job cost of just under £140.

As has been noted within this report, additional resources have been put into the team (Contract Manager, Systems Analyst post, 17 agency placements are planned until at least June and contractors are being used to catch up on works also). At this stage it is not known if the £848,000 will be sufficient budget to cover the costs of the 6,083 jobs.

Therefore, it is prudent to notify the Board that it is possible that the actions being undertaken to address the backlog, may necessitate use of Derby Homes reserves to cover any costs over and above the £848,000 budget allowed for. Approval for use of reserves is requested per Recommendation 2.3.

For more information please contact: Shaun Bennett

Shaun Bennett / Director of Property / 01332 888524 / shaun.bennett@derbyhomes.org

Background information: Finance Update – Derby Homes Board 30.3.23

List of appendices

This report has been approved by the following:

Managing Director	Maria Murphy	09.09.23
Finance Director & Company Secretary	Michael Kirk	05.05.23
Governance (checked)	Chloe Gaskell	05.05.23