



Building maintenance trend analysis

This briefing provides details of the latest APSE Performance Networks trend analysis of local authority performance on cost, quality and productivity within the building maintenance sector. It is provided to local authority chief executives, councils leaders and all APSE building maintenance contacts

Key issues

1. The issue of the maintenance of local civic buildings and the housing stock retains a high profile due to the need to manage council assets effectively and Decent Homes Standard requirements.
2. APSE performance networks for building maintenance is now in year 9 of data collection examining cost, quality and productivity issues relating to the service.
3. Analysis referred to in this briefing is based on first batch data returns. Summary reports will be published in March 2008.

1. Introduction

Buildings, in the form of housing stock and civic buildings, are some of the most important assets councils own. Managing these assets effectively impacts upon service, financial and operational outcomes for councils as well as having an impact on the environment, community cohesion and some wider elements of the local neighbourhood. This briefing aims to provide participating authorities with a picture of what the service trends are, what this infers, and what further activity and analysis individual authorities and their benchmarking groups could consider. The analysis in this executive summary is based on service wide averages across all family groups for the past 7 years (from 2000/01 to 2006/07).

2. Overview of trend information

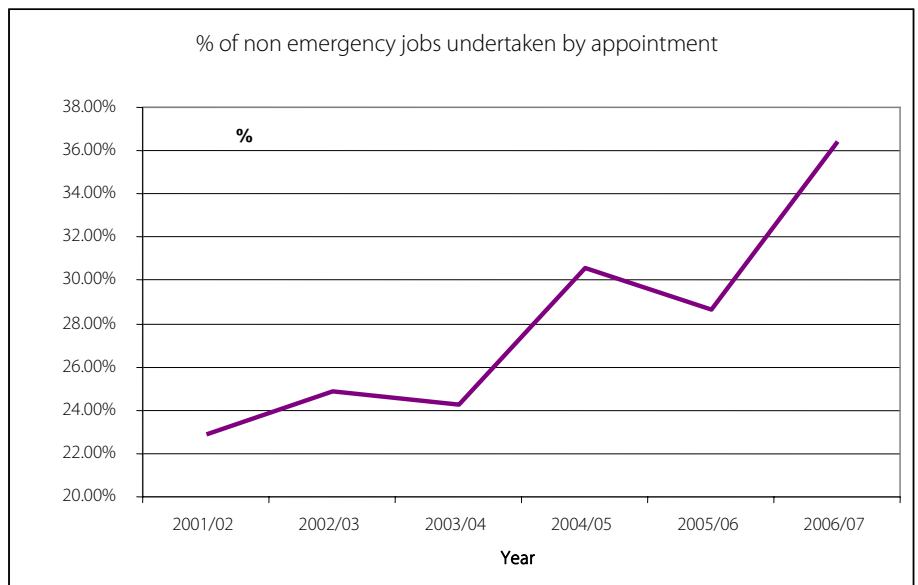
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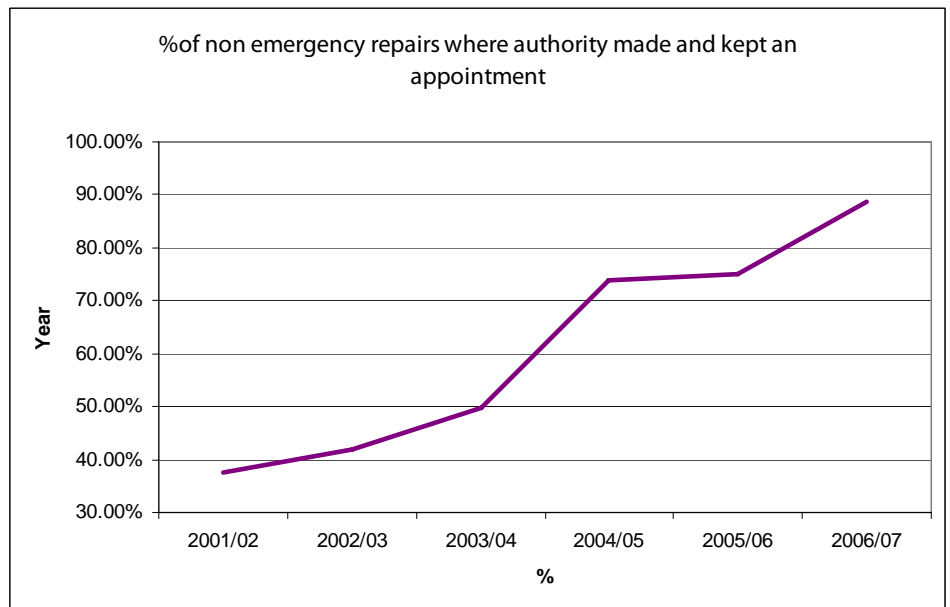
The information set out below has been split into two groups – the former reflecting those local authorities who have both housing and non-housing responsibilities and the latter reflecting those local authorities with only non-housing responsibilities.

Analysis for those authorities with housing responsibilities (including those with housing and non-housing responsibilities)

Operational activities

There have been increases in both the % of non-emergency jobs undertaken by appointment (PI 01a) over the past year from 28.65% to 36.41% and in the % of non-emergency jobs where the authority made and kept an appointment (PI 01c) from 75.05% to 88.73%. Both of these measures show overall improvements in performance with appointments growing from 23% in 2000-01 to over 36% last year. In terms of appointments made and kept, the level has improved from under 38% in 2000-01 to nearly 90% in 2006-07.





Clearly there are operational benefits in an appointment based system in terms of staff resources, ordering materials, meeting cyclical highs and lows and customer satisfaction. Tenants are far happier when they have an appointment and satisfaction returns also reflect this. The trend towards appointments reflects a greater focus on the tenant in recent years. It also requires an investment of time and money into appointments software and mobile ICT equipment for staff and vehicles as well as associated training. The trend to employ more ICT equipment in order to improve services will increase as e-solutions emerge and the pressure for services to make savings remains.

The rate at which jobs are completed on time has improved for both day-to-day jobs and voids. Over the past year, the % of day-to-day jobs completed on time (PI 14a) has increased from 82.18% to 86.01%. The increase over the period 2001-02 is from 84.06% to 86.01% in 2006-07. There has also been a substantial increase from 80.08% to 88.87% for % of voids completed on time (PI 14c). This data was first collected in 2003-04 when the figure was 79%.

There has been an improvement in performance with regard to average re-let time for local authority dwellings (PI 20a) with the average figure dropping from 67 to 49 days between 2005-06 to 2006-07, an improvement of 27%. This PI was first collected in 2001-02 when it was at 62 days. Over the 6 year period since then it has gone up to 67 days before dropping substantially 49 days. This indicator includes all elements of the re-let process including marketing and promotion and allocations as well as the maintenance element. There was an increase of about 12 days on average between 2003-04 and 2005-06 which was put down to the introduction of choice-based lettings and the time it took for these arrangements to settle in. In most cases they are operating effectively now and the results are to a degree reflected in the reduction in this PI.

Voids turnaround (average total number of days keys held by contractor) (PI 20b) has also improved from 24 to 21 days, an improvement of 12.5%. Since 2001-02 this has reduced from over 33 days to 21 days a significant improvement of 36%.

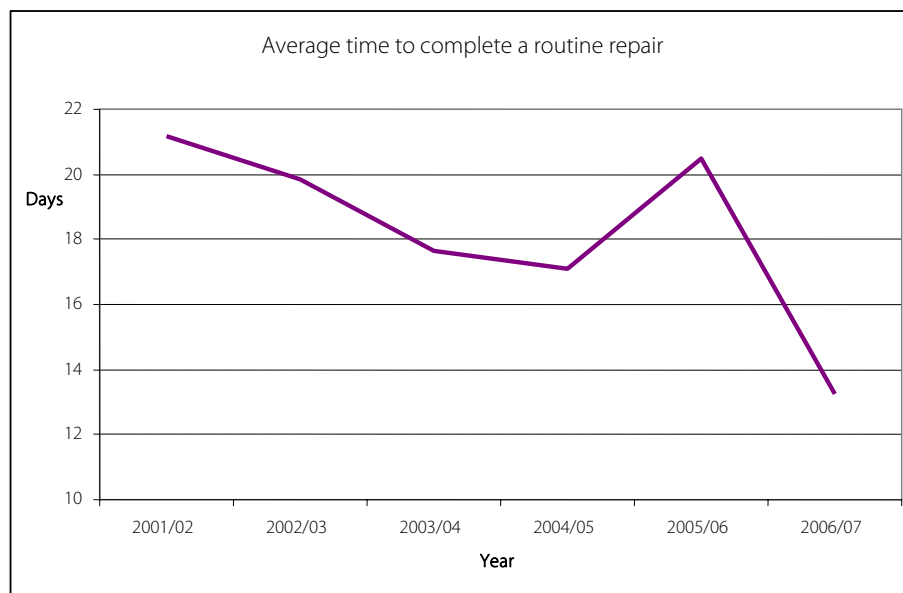
These improvements have emerged from a multi-skilled workforce and better organisational arrangements within councils around key management, fewer inspections, better communication between different departments and contractors regarding when tenants leave and when works have been completed and as well as the introduction of choice-based lettings. These

improvements are backed up by evidence from customer returns. The average figure for the 4 questions asked as part of the customer satisfaction PI (PI 37) has improved from 94.34% to 95.07% between 2001-02 and 2006-07.

Staff issues

The % of staff absence for both operational staff (PI 16a) and for all staff (PI 29a) has dropped to the lowest levels since 2001-02. The level for operation staff has reduced to 5.6% days and for all staff it is at 5.52%. Both of these indicators have shown gradual reductions over the 6 year period. Many councils have introduced absence management plans incorporating an number of new initiatives to cut absence levels , as well as more flexible working and access to medical staff in order to cut absence levels. A corporate focus on absence management has also had an impact on these indicators.

The average time taken to complete a routine repair (PI 24) has substantially reduced from 20 days to 13 days over the past year. During the year prior to this the time had increased from 17 to just over 21 days. There are a number of factors which may have led to this situation but one such maybe the amount of capital improvement work going on to ensure the Decent Homes standard is met. This can divert resources and attention away from reactive maintenance and cause response times to lengthen. The table below illustrates the significant improvement in 2006-07.



Gas servicing within 365 days (PI 35) has dropped from 95.49% in 2004-05 to 93.74% in 2005-06 and then to 93.20% in 2006-07. Although pre appointment contact with tenants has improved through use of ICT and mobile technology, this remains an area of concern due to the legal responsibilities placed upon councils as landlords. Although some organisations claim that 100% rates are achievable others feel that they can not be met as the council is dependant upon the tenant for access. Gas servicing within the financial year (PI 04) has hovered between 92% and 96% from 2001-02 to 2006-07.

The average value of work per operational full time employee (PI 10) dropped from £62,600 in 2004-05 to £60,200 in 2005-06 and then to £59,900 in 2006-07, which is a reduction of 4.3% over 3 years. Since 2000-01 the value has increased from £52,000 to £59,900 an increase of 15%. This could be due to operatives working on fewer but larger jobs (especially Decent Homes Standard

work) rather than on more repair based jobs. This is backed up by figures for the number of day to day jobs completed per operational employee (PI 12a) and all housing jobs completed per operational employee (PI 12c) both of which have reduced since 2001-02, the former by 8.1 and the latter by 15%.

The indicator tracking the % of all jobs which were appointed was introduced this year and the average figure returned is 56.41%.

Stores

Questions about the stores function were introduced for 2006-07. The average number of lines held in stores is 2,182 and 614,630 items of stock were issued over the year with a value of £1,333,240. The total value of stock held in stores as at the end of the financial year was £253,498 and just over 22% of the stock value is imprest.

Analysis for those authorities who have only non-housing responsibilities (i.e. those responsible for maintaining public buildings, schools, community centres, etc.)

Customer satisfaction returns show an increase from 89.06% satisfied in 2002-03 to 99.35% satisfied in 2006-07, a substantial increase.

The % of staff absence for operational staff (PI 16a) increased from 4.66% in 2005-06 to 5.85% in 2006-07 whilst there has been a reduction from 6.98% in 2001-02. The figure for all staff (PI 29a) increased from 4.85% to 5.42% in 2006-07 although there has been an improvement from 6.14% in 2001-02. The factors relating to absence management noted above are relevant here.

The average value of work per operational full time employee (PI 10) for non-housing authorities decreased from £64,600 to £57,200. The 2001-02 figure was £54,500 so the current figure shows a marked improvement over the long term even though there is room for further improvement. The total number of day to day jobs completed per operational employee (PI 22a) has gone down from 160.78 in 2001-02 to 109.08 in 2006-07 whilst the total number of jobs (PI 22b) has reduced from 153.79 in 2002-03 to 129.26 in 2006-07. These are reductions of 32% and 16% respectively. There are therefore fewer jobs being carried out with an increasing value.

The % of non-emergency jobs not subject to call-back or complaint (PI 36) improved from 97.79% in 2004-05 to 99.49% in 2006-07. Although this level of performance is commendable it may be difficult to sustain in future years due to the fact that call backs and complaints are sometimes beyond the influence of the provider and not related to the quality of work.

Productive labour costs as a percentage of total labour costs (PI 08a) have fluctuated from 78.53% in 2001-02 up to 82.04% in 2004-05 to 79.05% and declined further to 78.05% in 2006-07. Clearly the higher this figure the better with non-productive costs being as low as possible.

3. Interpretation of Data

Performance over the past year has varied with 14 (66%) of the 21 Key Performance Indicators showing improvement and the remaining 7KPIs (33%) showing a decline in improvement. The long term trend shows continued improvement based on performance from the period 2001-02 to 2006-07. Out of 21 key PIs, 17 have improved between 2000-01 and 2006-07 with 4 declining in

performance. Over the longer term these figures show an improving sector with some fluctuation for a small number of indicators.

The Quality Assurance and Consultation performance indicator (PI 17) (tracking quality processes, service standards and consultation) and the Human Resources and People Management performance indicator (PI 19) tracking investment in training, qualifications and health/safety issues) have both remained static - the former moved from 83.28 to 84.99, although this is a drop from 91.52 in 2005-06, and the latter from 54.28% to 55.40%. This reflects an overall slight improvement in these areas but masks a decline amongst those local authorities with housing and non housing responsibilities and an improvement within those authorities with non-housing responsibilities only. These PIs reflect improvement in some more strategic areas and mirror organisational approaches to customers and staff rather than some of the more operational issues covered elsewhere in the template.

The issue of a lack of supply of trained operatives remains a major concern for those involved in managing building stock in all sectors. There is potential to link the need for more affordable homes to the skills shortage by building in training and apprentice schemes into affordable housing construction schemes benefiting the local economy and addressing skills gaps. Local authorities are an excellent source of trained staff and there has been a move to increase the number of apprentice schemes over recent years. The number of female apprentices has also increased as has the number from an ethnic minority and APSE will be tracking the number of apprentices from these two groups from next year.

4 Future focus of performance management in the building maintenance sector

Government considers that performance management arrangements have in the main been successfully embedded into local government. As part of the Best Value agenda, it was considered a vital tool to help improve the quality of public services. One implication over recent years has been a general move to lessen the amount of performance measurement which has to be reported back to Government as well as a reduction in terms of audit and inspection of the better performing local authorities. This focus has been consistent across England, Scotland, Wales and Northern Ireland.

The focus on accurate and robust data is important but is seen as only the first stage in a performance management framework. Data must be used to track performance, inform priorities and highlight particular issues and direct resources. There is also a responsibility on local authorities to inform people about the level of performance so they are aware of changes and can make the link between how the council is managing and providing services and what they are experiencing as service users. It must also be used by councillors as part of their scrutiny role.

The ability of building maintenance managers to measure and compare their performance with others provides valuable data to inform both internal and external clients that they are conscious of both cost and quality in the delivery of the service.

Asset management addressing a wider context than purely building maintenance is an area of development for Performance Networks. A review of appropriate templates and performance indicators will take place over the coming year.

5. APSE comment

Building maintenance is a vital element of asset management for councils if the full benefit is to be gained from the buildings owned by local authorities. Buildings are one of the most significant council assets and ensuring they are properly maintained makes economic sense. Councils are attempting to get greater and greater value from this asset and are now more likely to sell off assets which are not appropriate for the needs of today and invest in purpose built accommodation with all the organisational upheaval that such a change represents. There may also be pressure to realise a cash windfall from the sale of council buildings and appropriate thought needs to go into replacement arrangements. Council staff are now more likely to work from home or operate from hot desks in a smaller facility whilst public sector partners are increasingly seeing the benefits of working together and building facilities which can accommodate such joined up services. As such the context within which the maintenance of civic buildings takes place is changing.

The same is true of housing maintenance. Requirements to reduce emissions, use environmentally friendly materials and ensure the Decent Homes Standard is met all impact upon the provision of the service. In many cases, long term investment in the fabric of public sector homes has been inadequate, whether currently provided by local authorities, ALMOs or housing associations. As well as trying to compensate for this under-investment, housing providers find themselves under pressure to implement local decency standards and contribute to area-based regeneration projects – in other words resources are stretched for a fundamental service.

APSE has been a long standing supporter of providing a level playing field for all types of housing management – council owned, ALMOs or housing associations. All types of management arrangements have their own specific problems to add to the regional differences apparent across the UK and all have examples of good and poor performance. Building maintenance services continue to face pressures from Government through the funding mechanism which provides access to extra resources for those councils who decide to set up an ALMO or transfer their stock.

However in spite of the issues noted above, most councils continue to show good performance either through good financial management, new business processes, innovative use of buildings and new technology, long term asset management, looking for opportunities for alternative sources of work and a focus on continuous improvement within their service.

Housing currently has a higher public profile than for many years and an effective social housing sector is fundamental to a solution to the housing crisis which has emerged over recent years.

Housing remains the centre of family life and the crisis in the housing market will be significantly impacted by decisions made in the social housing sector. Councils still manage and maintain nearly 1 million homes with other providers managing many more and there are about 1.6 million people on social housing waiting lists. This reflects the scale of the issue and the potential knock on affects mean it is an area in which local councils, ALMOs and housing associations cannot afford to fail. There is abundant evidence that poor housing conditions lead to ill health, poor educational attainment, marriage and relationship break up and poor community cohesion and all of the associated costs that accompany such problems.

There is a need to invest in new stock but concentrating on the 'yet to be built' environment at the expense of the existing built environment is a mistake. Ensuring appropriate resources to maintain the current housing and civic building stock will remain an issue for providers.

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