



membership resources

State of the Market Survey 2008

Housing, Building Maintenance and Construction



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Housing, Building Maintenance and Construction

State of the Market 2008

APSE conducted an on-line survey during September and October 2008. A series of questions were asked covering a range of issues of interest to those officers and councillors responsible for housing, building maintenance and repairs, capital projects, Decent Homes programmes, construction and challenges for the future. 105 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey.

Results from the survey

1) How do you expect the level of workload of the building repair and maintenance service (housing and non-housing) to change over the next 12 months?

Answer Options	Housing % (number)	Non-housing % (number)	Total % (number)
Increase significantly	9.2% (7)	3.2% (2)	6.5% (9)
Increase	32.9%(25)	12.9% (8)	23.9% (33)
Stay the same	38.2%(29)	46.8% (29)	42% (58)
Decrease	15.8(12)	23.6% (18)	21.7% (30)
Decrease significantly	4% (3)	6.6% (5)	5.8% (8)
	76	62	138

Although the biggest single response to this question was that the level of workload would stay about the same, significant numbers envisaged change. Those in the housing sector expected a level of increase whilst a decrease in workload was expected from those dealing with non-housing buildings. Even though the percentage of responses who answered that they expect significant increase or decrease was relatively low, there are still 17 organisations expecting a substantial change in the level of work over the next 12 months.

The main reasons given for an increase in workload were as follows:

Measures are in place to market an improved response repairs procedure for non-housing clients intended to attract additional work from clients normally reliant on external contractors; housing workload to increase with Scottish Housing Quality Standard work; levels of call out and repairs may increase due to a rise in dampness complaints due to more people falling into fuel poverty; partnership to be formed to meet Welsh Housing Quality Standard

The main reasons given for a drop in workload were as follows:

Clients are cherry picking work and going back to lowest tender, so taking advantage of the current market conditions; there is a loss of work due to new high schools going to PFI and a

reduction in the number of schools overall; stock transfer of housing stock; end of Decent Homes work; major refurbishment contract nearing completion.

b) How do you expect your personal workload to change over the next 12 months?

Over 57% of respondents expected their personal workload to increase in the next 12 months with a further 15% expecting significant increase. Nearly 25% expected the level of work to remain the same as the previous 12 months and only 3% expected a decline or significant decline in worthier personal workload.

Reasons for changes in workload included new contract mobilisation; Decent Homes work has led to increased tenant aspirations with a knock on effect on the number of repairs called for; restructuring resulting in fewer managers undertaking the same amount of work; implementation of action plan resulting from current inspection.

c) How do you expect the budget for the repairs and maintenance service to change over the next 12 months?

Answer Options	Housing Number (%)	Non-housing % (number)	Total number (%)
Increase	19 (25.7%)	7 (12.3%)	26 (19.9%)
Stay the same	39 (52.7%)	25 (43.9%)	64 (48.9%)
Decrease	16 (21.6%)	25 (43.9%)	41 (31.3%)
Total	74	57	131

Out of 131 responses, nearly half (48.9%) thought budgets would remain the same over the forthcoming year, whilst nearly 20% thought they would increase with the remainder (31.3%) expecting smaller budgets.

This information appears at odds with the information coming from question a) about workload for the service. Although an increase in workload does not automatically mean an increase in budget there is a relationship between the two. However, although over 30% of respondents expect the workload within services to increase (based on question a), only 19.9% of respondents expect a budgetary increase.

d) Do you expect the service to remain in-house over the next 12 months?

Out of 63 responses with regard to housing, 51 (81%) expected the service to remain in house over the next year whilst 12 (19%) expected it to move to another provider. In terms of non-housing services, of 46 respondents, 35 (76.1%) expected the service to remain in house with the remaining 11 (23.9%) respondents expecting a change of provider. Although the service as a whole may not be provided by an organisation outside the council in future (with parts of the service being broken up), the results of this question reflects a period of uncertainty for those delivering and receiving the service.

Comments from respondents include the following; more planned work to be tendered to take advantage of downward trend in prices; currently looking at a contract to deal with peaks and troughs rather than offering overtime; transfer to an RSL ongoing; external partnering contractors to be engaged to work alongside the DLO; over the past three years the volume of design and QS services which we have put out to the private sector has increased from an average of 25% each year to over 50% because of the volume of work and the level of construction related budgets.

e) Has your organisation completed Job Evaluation? Has Job Evaluation affected wage costs?

There were 100 responses to the first question and a 50% split between those which have and have not completed job evaluation.

Of those which have completed, 58.5% answered that there had been an increase in wage costs as a result of job evaluation with 5.6% claiming a significant increase. 22.6% noted that the wage bill had stayed virtually the same whilst 13.2% noted a decrease in the overall wage bill.

f) Do you still retain a bonus scheme?

Out of 64 responses to this question 36 (56.3%) do not retain a bonus scheme with the remainder 28 (43.8%) keeping one.

g) What is the basic current hourly rate for the following operatives (before tax) in £?

Trade	Average hourly rate	Number of responses	Highest	Lowest
Electrician	£10.58	22	£16.25	£7.60
Plumber	£10.16	22	£14.16	£7.36
Gas Plumber	£11.04	16	£16.25	£7.60
Joiner	£9.85	22	£14.16	£6.87
Plasterer	£9.48	21	£14.16	£6.87
Bricklayer	£9.90	21	£14.16	£6.87
Heating engineer	£10.89	13	£16.25	£7.60
Painter/decorator	£9.79	21	£14.16	£6.87
Roofer	£9.72	21	£14.16	£6.35

The table above provides basic hourly rates of pay (before tax). These figures are averages and although the intention is to gather an accurate picture of pay rates, the question may be

interpreted in different ways. There will also be issues such as London weighting to consider. As such the responses may not be directly compared. The table does however give indicative information about pay rates for a number of trades and reflects the range of pay and so the range of circumstances different councils find themselves in.

h) Are you having trouble recruiting or retaining operatives?

Answer Options	
Yes, trouble recruiting operatives	23% (14)
Yes, trouble retaining operatives	1.6% (1)
Yes, trouble recruiting and retaining operatives	13.1% (8)
No	62.3% (38)

There is a general feeling across the public that finding skilled craft workers to carry out private work is difficult. The answers to this question show that there are a number of councils experiencing difficulty with recruitment and retention but that it is not a problem with all councils. It could be that those councils with internal apprenticeship schemes are not having difficulty as they are able to grow their own. Retaining staff does not appear to be a significant problem for councils either probably reflective of good terms and conditions for staff. It is unlikely that this will develop into a major problem within the current economic climate in light of the impact on the construction sector.

Comments received noted that the economic downturn has resulted in a large number of skilled craft workers being available, either via agencies or responding to job advertisements.

i) Are staff absence levels at an acceptable level?

30 (45.5%) of the 66 respondees to this question said their absence levels were acceptable. The remainder 36 (54.5%) said they were not.

There were a variety of comments received but sickness remains a major issues for all services within councils. A number of councils considered less than 5% was an acceptable figure with some noting a recent rise in sickness levels.

j) Do you run an apprenticeship scheme?

55 respondees answered 'yes' to this question. Of the 37 that gave details of the number of apprentices on schemes, 15 schemes had 10 or less apprentices and 16 schemes had between 11 and 25 apprentices. The remaining schemes had between 38 and 150 apprentices. There are a total of 796 apprentices currently on these 37 schemes.

k) If the powers and funding were available, does your organisation have the capacity and skills to build council houses?

Answer Options	
Yes with current internal staff	15.2% (10)
Yes but would want to work in partnership	40.9% (27)
No	43.9% (29)

There are a small group of councils who are currently building council houses and who have built them over recent years. The responses to this question reflect the fact that a number of councils are interested in building council homes. This is not surprising given the current demand for homes and the shortage in all tenures. It appears that a small number of councils (10) have the skills to build homes and a further group (27) have some of the skills and are willing to work in partnership with other organisations to build more council homes. Clearly there are other issues to take into consideration such as the availability of land and finance which in the current economic climate will be difficult to access.

l) Do you currently sell your services outside of the Local Authority?

Answer Options	
No and not considering it for the near future	31.7% (20)
No but considering it as an option in the near future	17.5% (11)
No but likely to start doing it in the near future	4.8% (3)
Yes and expecting to continue	42.9% (27)
Yes but not expecting it to continue long term	3.2% (2)

Councils selling their services outside of their own organisation is not new and the fact that 27 respondees note that this is happening and expect it to continue is not surprising. A further 14 councils are actively considering taking it forward in the near future. Out of 63 responses more than 68% are working for other organisations or considering doing so.

Some of the comments received included the provision of out of hours services to other public bodies; working with publicly funded bodies only; work for insurance companies could prove beneficial ; and the need to review their own activities / resources / workload prior to making a decision.

m) Where do you see growth areas for the service and areas where work may reduce over the next 12 months?

Responses to this question highlighted a number of areas of future growth for maintenance and repairs services included some recently emerging issues such as energy efficiency and energy

performance certificates, new build and renewable energy. Clearly areas of growing and falling workload will depend on many local factors. The responses to these questions reflect differing local contexts and the pressures on services.

Growth areas identified were as follows:

Major repairs; Sorting out partnering arrangements; Site development; New build housing and non-housing (4); Non housing work; private domestic markets (4); capital schemes (3); Decent Homes/Scottish and Welsh Housing Quality Standards work (8); Social work adaptations (2); asbestos removal; dampness problems; consolidation on planned works after decency standards achieved (5); fire precaution upgrades; work with private sector partner; renewable energy (2); highways maintenance; non housing repairs (2); roof works; energy efficiency; performance certificates; TV aerial installation

Areas where work is expected to reduce were as follows:

Responsive repairs to schools (5); Reactive maintenance (9); Capital project works – kitchen bathrooms and windows (4); Carpentry; Window and door renewal (3); Decent Homes; Prior to painting

The Association for Public Service Excellence

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authorities membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include:-

- Efficiencies, procurement and service transformation
- Building cleaning
- Citizen engagement
- Local authority, police and fire authority partnerships
- Community safety and security

- Housing, building maintenance and construction
- Parks, horticultural and ground maintenance
- Roads, highways and street lighting
- Social care
- Leisure management and community venues
- Vehicle maintenance and transport operations
- Waste management, refuse collection and street cleansing
- Workforce strategy and employee relations