



news update

Welcome to a special building maintenance and housing edition of the best value consultancy news update. This newsletter specifically deals with projects the consultancy has undertaken in these areas

Efficiency Public Building Maintenance Service Overview

APSE has identified substantial savings in a ten service review at a member authority. APSE has been engaged by the Council to examine a range of services including Building Maintenance with a view to assessing current competitiveness and potential for reducing expenditure, or maximising trading surplus in response to government imposed cuts in funding. Public Buildings Maintenance is the Council's in-house repairs, maintenance, and refurbishment and construction provider.

A range of tools and techniques has been used to produce a short diagnostic report commenting on the key issues and headline opportunities for service improvement and efficiencies within Public Building Maintenance and related areas of impact.

From this initial work APSE has noted the need to modernise how the Council keeps and controls stock. A further proposal has now be submitted to examine the potential for sharing stores services with the area's housing association, and to use 'Just in time'



supplier materials.

Services Thinking - Using lean the APSE way

APSE has been working on a range of lean consultancy tools to identify efficiencies and to create better processes within authorities. Lean methodology exposes process flaws and lean principles eliminate unnecessary cost. APSE utilises these to ensure that officers are able to identify opportunities for service redesign without compromising service standards.

APSE's knowledge and experience help councils to see that public services are each an element of an overall social policy which itself must be seen as a system. Lean approaches stress the need to study end to end processes but often fail to take account of the interrelatedness of public services within and across sectors. This interrelatedness introduces complexities that must be understood if the true value of services is to be differentiated from their cost.

APSE's long experience of data benchmarking helps in establishing a baseline understanding of current performance. APSE's extensive practitioner network helps in establishing a vision of what an excellent service looks like.

In applying lean to service redesign in councils APSE seeks to foster an understanding that the adoption of efficient processes is one facet of a cultural change that will also embrace innovation and the development of an

entrepreneurial spirit. This means building internal capacity to ensure that learning cascades through the organisation. The aim is to leave a can do approach at all levels of the organisation.

Future of housing repairs and maintenance

69 local housing authorities established so called Arms Length Management Organisation (ALMO) as the preferred mechanism for delivering the Decent Homes Standard. Each of these authorities is now faced with making a decision about future arrangements for housing management now that there is no ongoing financial incentive for retaining an ALMO. Many authorities have already decided to bring housing management back in house whilst a small number have opted to support a stock transfer. Some others are considering continuing with the ALMO arrangement.

One Council's building maintenance service, which previously created an ALMO, asked APSE to carry out an analysis of the market for local authority housing repairs and maintenance. The aim of the exercise is to assist the Council to make the right decision about how to maintain its housing stock in the future. APSE identified cost savings which could result from bringing the service back in-house. For example, the possibility of identifying and eliminating costs associated with contract management. A well designed service should avoid duplication of effort and costs involved in invoicing and inspection.



Health check report - Repairs and Maintenance Service- Housing Services

The Council's Housing Service was considering its approach to the procurement of maintenance services. As part of this process, Housing Services asked APSE to carry out a 'health check' on the current methods of procurement. APSE used our extensive network to ensure 'best practise' service delivery models have been explored. Contact points have been established for future reference.

The resultant report considers how the current Building Maintenance service should be subjected to competitive tender and how the lessons learnt from the management of the current contract can be incorporated into the future contract documentation to ensure a continuous programme of improvement can be maintained and built upon in a sustainable and financially viable manner. Further to this, the report also considers the current client management procedures and processes to assess their suitability for the proposed form of contract which may revolve around a strategic partnership arrangement with the successful bidder.

Options for building repairs and maintenance

This City Council is one of the local authorities affected by the collapse of the social housing arm of Connaught. The company was contracted to provide a range of services including property repair and maintenance. As the building repair and maintenance contract does not currently have a long term provider, APSE was asked to conduct a workshop and write a report exploring and evaluating future service delivery options.

APSE Principal Consultant Andy Mudd gave a presentation setting out an approach to service design and improvement based on establishing and then meeting an identified need. The approach emphasises the importance of building a service that seeks to provide for predictable demand whilst working to eliminate unpredictable demand, for example by ensuring an adequate maintenance regime to minimise responsive repairs. Andy also talked about the role that local authorities play in delivering wider social and economic policy objectives and how there must be a 'golden thread' linking operational activity with the ultimate outcomes required of public services i.e. public health protection, alleviation of poverty, economic prosperity, combating homelessness etc.

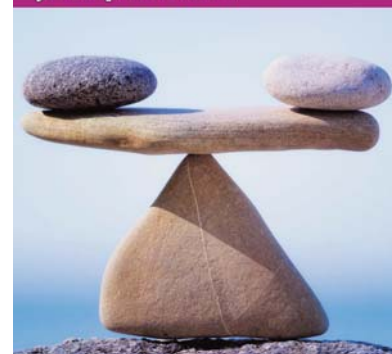
At a time of financial uncertainty it is vital that councils maximise value for money but also that they maintain an ability to respond to the demands and challenges of the future as they unfold. To this end Andy urged the authority to consider the benefits of recreating at least an element of in-house capacity which would also be able to take full advantage of opportunities to create revenue streams through external trading.

One area of particular interest to many building DLOs is sustainable electricity generation. The government has recently created a feeder tariff and extended the powers of local government to allow it to sell electricity into the national grid with a guaranteed return on investment. Although there are a number of private companies offering to install the appropriate equipment e.g. photo voltaic cells on south facing roofs and wind turbines where appropriate, councils will only realise the full benefit from the initiative if they do this for themselves.

In the workshop sessions that followed, the team carried out some analysis around service requirements with a view to establishing some key deliverables that would help with options appraisal, specification and contract management.

Advice and expertise for councils through change

**Service transformation:
helping you balance
your priorities**



APSE has created a booklet which gives information about how we have helped councils achieve efficiencies and transform their services. We always aim to be as open and transparent as possible and, with this in mind, have detailed all the costs associated with undertaking this work.

If you would like a free copy please contact Alex Gardiner on agardiner@apse.org.uk

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