



## Building Maintenance: Trend analysis 2017/18

This briefing provides details on the performance information available from APSE's performance networks service looking at performance indicators and current policy issues for councils who deliver Building Maintenance services.

### Key points:

- Over the duration of data collection (from 2001-02 to date) the trend shows continued improvement in almost all measures.
- The percentage of void jobs completed on time (PI 14c) in 2017/18 has seen a slight increase of 2.33% from last year. The overall trend shows a consistency in the average of jobs completed on time at broadly 80%. Correspondingly, PI 20b, Voids turnaround (average total number of days keys held by contractor) saw a slight decrease to 22.88 days. However, the number of days remains stable at around 23 days.
- The non-housing average value of work per operational full-time employee (PI10) has moved from £86,444 in 2016/17 to £69,827 in 2016/17 which represents a decrease from the high reported in 2015/16 of £87,384.
- The percentage of staff absence for operational staff (PI 16a) is 4.63%, a slight increase from 4.45% in 2016/17 and the figure for all staff (PI 29a) has also seen an increase to 4.61% from the 4.31% reported in the previous year.
- Overall, the proportion of spending on staff costs (both operational and non-operational employees) has decreased slightly from 49.57% to 47.34% when compared with last year.

### Overview

The APSE performance networks performance indicators for building maintenance services cover a number of dimensions of performance, such as cost, productivity and quality. This executive summary provides participating authorities with information regarding trends covering a number of elements of the service.

In conjunction with the more detailed section of this report, this analysis can be used to inform individual authorities about the standing of parts of their service, identify areas for action and for future activity for the APSE benchmarking groups. The analysis is based on averages across all family groups and is therefore service-wide, for the last 5 years.

## Trend analysis

A summary of the observations and particular points of interest are outlined below and in subsequent reports:-

## Cost

Percentage breakdown of building maintenance costs

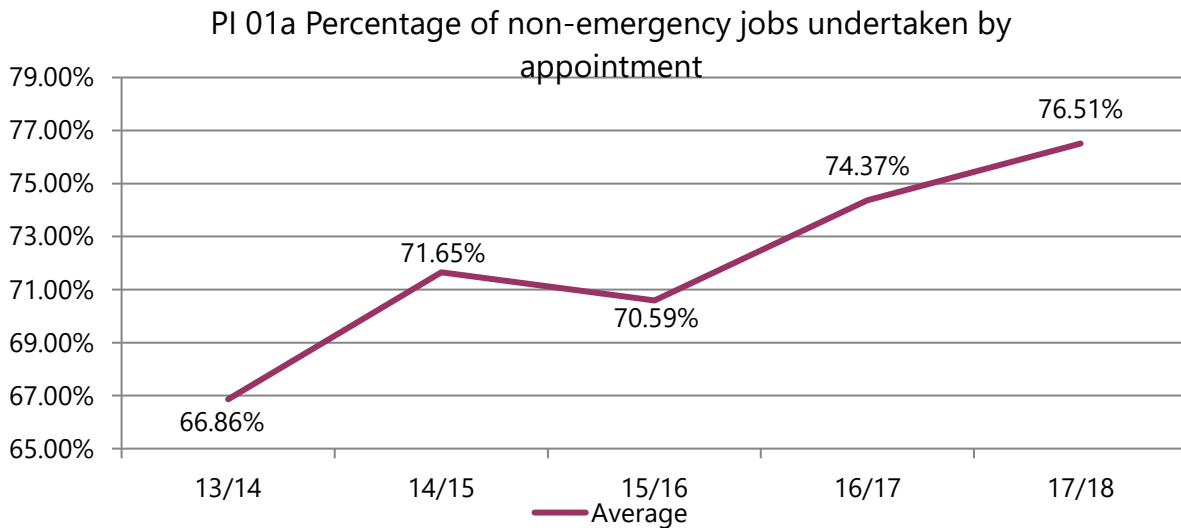
Area of operation	2013/14 % of total	2014/15 % of total	2015/16 % of total	2016/17 % of total	2017/18 % of total
Operational employees	34.21%	33.93%	29.60%	34.32%	33.22%
External/sub -contracting	22.55%	27.51%	27.25%	24.05%	24.73%
Non -operational employees	11.40%	9.01%	14.43%	15.25%	14.12%
Material	17.79%	15.63%	15.34%	11.48%	15.11%
Other direct expenditure	1.90%	2.58%	2.78%	6.28%	2.66%
CEC's	5.05%	4.81%	4.09%	3.72%	3.37%
Vehicles	5.10%	4.74%	4.53%	3.50%	4.84%
Property portfolio	1.22%	0.91%	1.11%	0.73%	0.83%
Tools and equipment	0.62%	0.72%	0.71%	0.55%	0.80%
Training	0.15%	0.15%	0.18%	0.12%	0.21%

The table above shows the percentage breakdown of the costs of providing the service (both housing and non-housing) for the last five years. Within the overall context of shrinking budgets, the proportion of total expenditure allocated to individual categories is remaining fairly static. However, we can see that the proportion of overall spending on materials has increased by 3.63% when compared with 2016/17, which is consistent with the expenditure in 2014/15 and 2015/16.

The total expenditure on training has increased to a 5 year high of 0.21% from the low of 0.12% reported last year. With the increasing number of councils building housing stock though local authority housing companies the increase in training may indicate that the existing workforce are being upskilled to be ready to meet future demand.

## Productivity

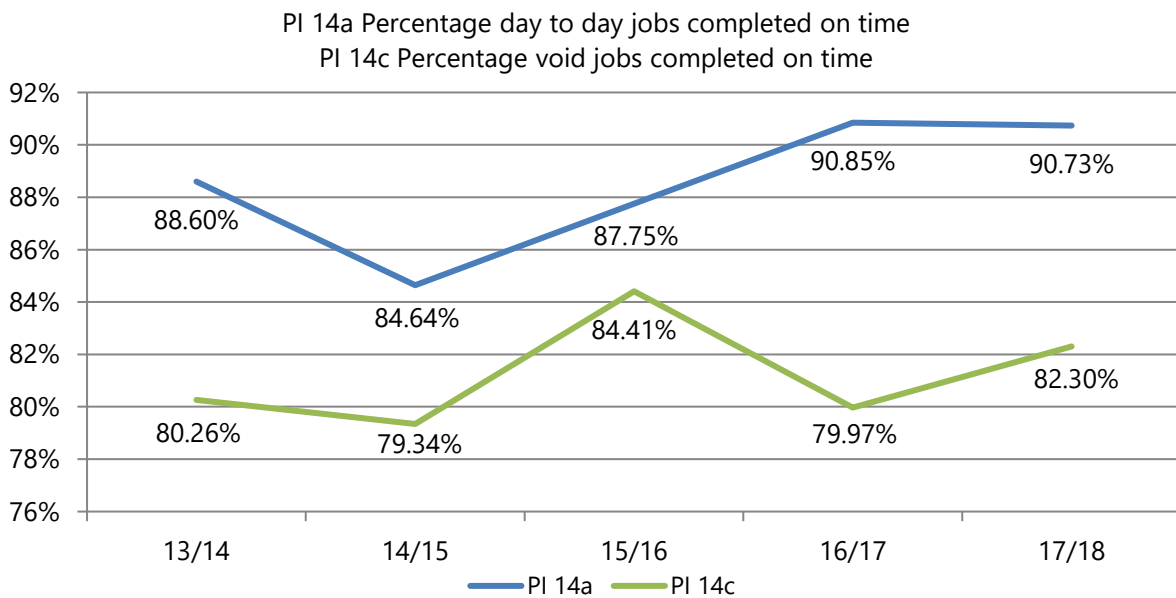
The percentage of non-emergency jobs undertaken by appointment is seen as an important measure for tenants because it reflects a more tenant centred approach. The trend for PI 01a has seen consistent improvement with the exception of a slight decrease in 2015/16 to 70.59%. For 2017/18 the data shows that there has been a circa 10% increase from 2013/14.



There is a variation between the proportions of non-emergency jobs between organisations but there is a trend for most to try and increase the amount of work that is appointed and as such councils have invested in call centres and technologies that support this aim. It appears that investment in this type of system is bearing fruits and as a result is benefiting both landlords and tenants.

## Quality

The percentage of day-to-day jobs completed on time (PI 14a) also remain a key measure of quality reflecting customer care, planning and operational arrangements. The trend has seen a gradual increase from the low in 2014/15 of 84.64% to circa 90% in 2016/17 and 2017/18.

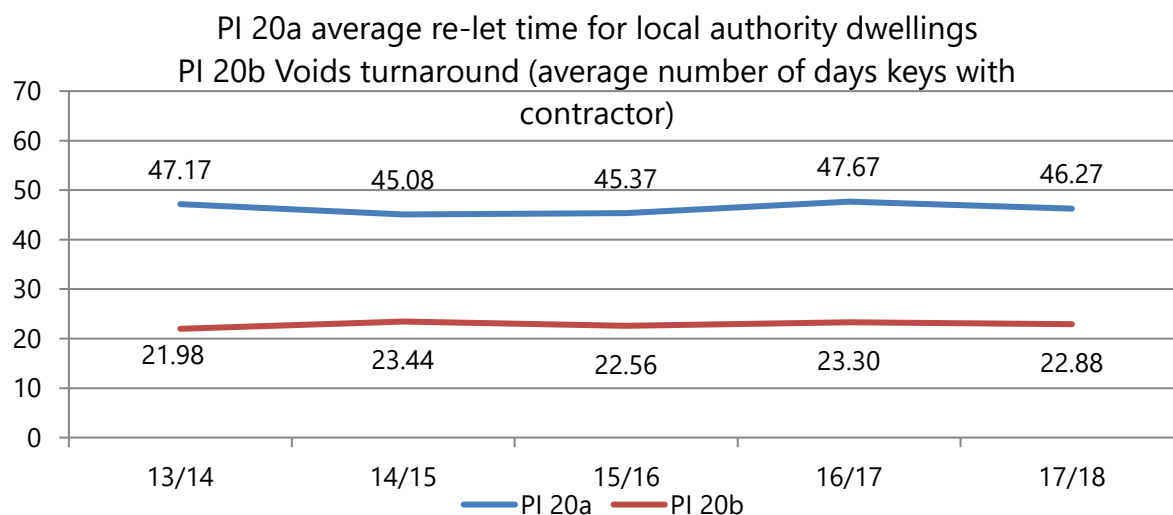


The high scores reflect an overall improvement to the completion rates of all day to day jobs. Although, there was a decrease in PI 14c of 4.44% in 2015/16, the percentage for 2017/18 has shown an increase of 2.33% which highlights a consistency in the average of percentage jobs completed on time at broadly 80% across the 5 years.

The high percentage may be due to an increasing emphasis on improving void turnarounds to rental income further to the Welfare Reform and Work Act 2016, and the increasing pressure Local Authorities are facing in relation to their statutory duties under the Homelessness Act 2002. It should be noted that the data will not

reflect the additional statutory requirements placed on Local Authorities under the Homeless Reduction Act 2017 due to the legislation not coming into force until 3 April 2018.

The average re-let time for local authority dwellings (PI 20a) has seen a significant improvement in performance over the whole service benchmarking life. The figure has remained stable for the past five years, although this is an average figure and there has been some fluctuation over recent years, this is an area of the service where landlords have focussed attention to improve the level of service.



The number of days for void turnaround is remaining stable with the lowest average number of days being reported as 21.98 days in 2013/14 and the highest average of 23.44 days in 2014/15. Although the figures for individual councils range from 12 days to 46 days in 2017/18, the average is consistently circa 23 days.

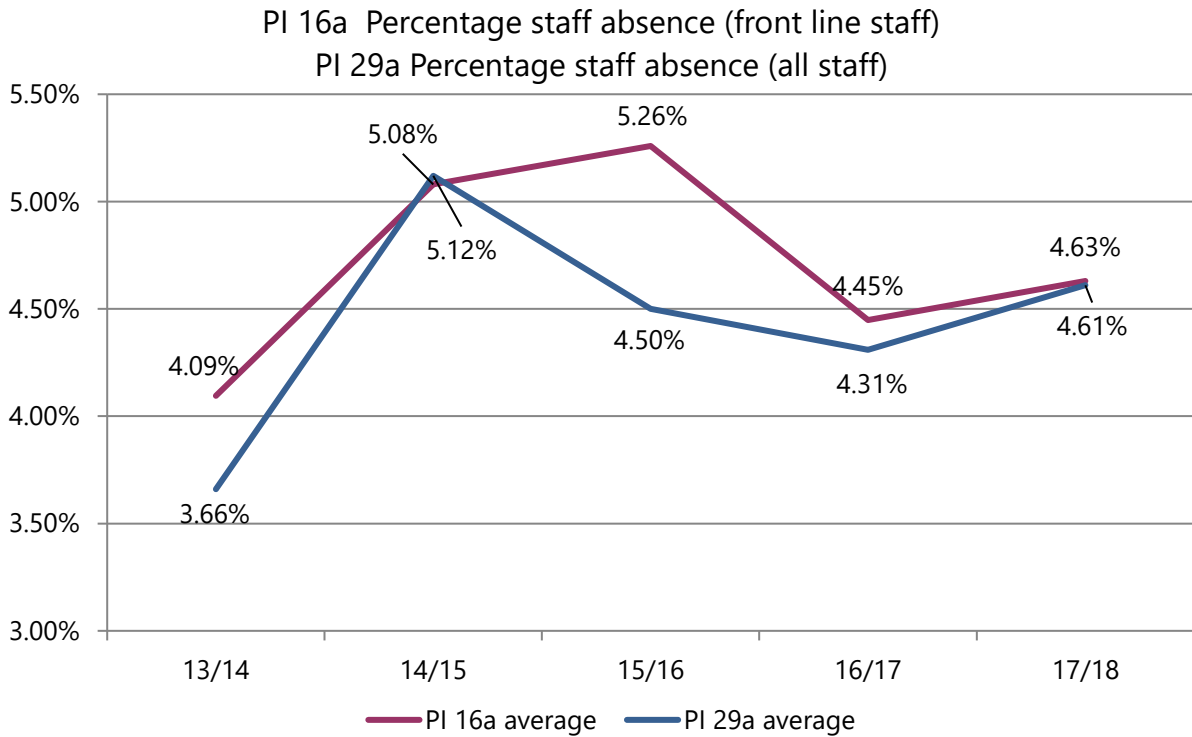
There is a range of different approaches to voids work with some completing a significant proportion of work post occupation. Equally lettable standards differ between councils and this will impact on the amount of work completed in void properties.

There is of course a cost to concentrating on void work to the detriment of all other work. It is vital that the cost of allocating those resources to void properties is understood. This may be a greater cost than the extra income gained from having the property let quicker at which point a decision has to be taken about the best period to have void properties empty. The issue of long-term voids and how the significant investment in these properties are managed is a further consideration.

Some organisations have specific void teams to address this category of property whilst others are more flexible with their operatives moving them as emergencies and other priorities arise. Clearly the stability helps when planning work and allocating resources.

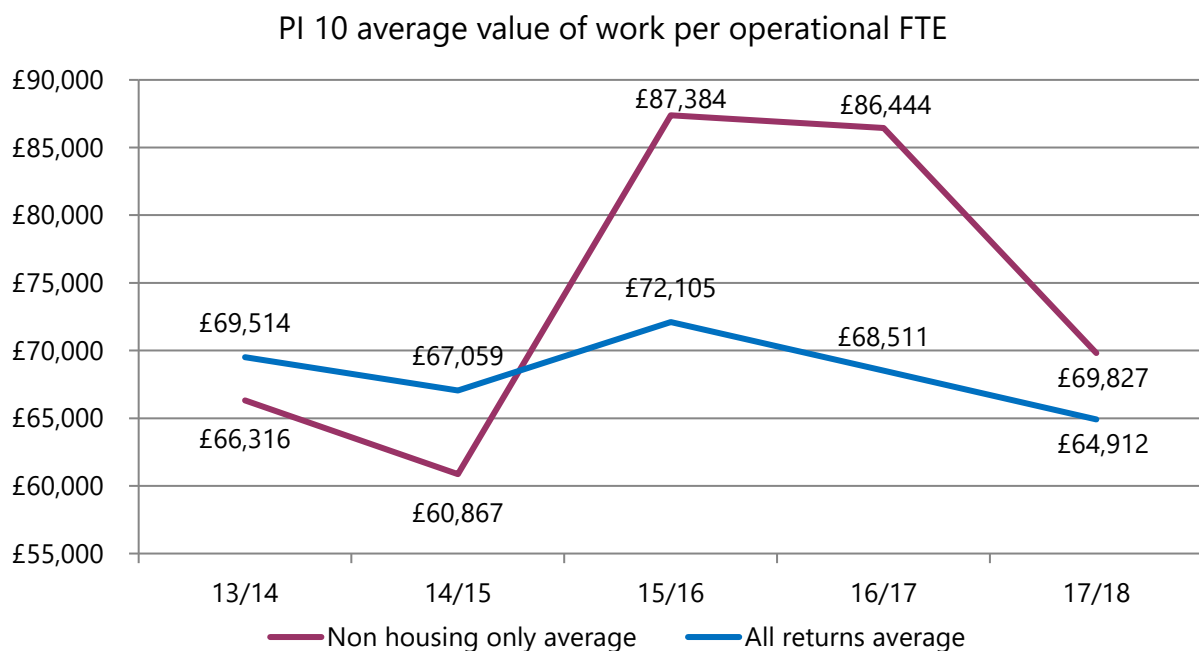
## Staffing

The percentage of staff absence for operational staff (PI 16a) has seen a slight increase from last year's 4.45% to 4.63%, which remains below the highs reported in 2014/15 of 5.08% and the 5.26% in 2016/17.



The figure for all staff (PI 29a) is at 4.61% which is a slight increase on last year.

The non-housing average value of work per operational full-time employee (PI 10) has seen a reduction from the highs reported in 2015/16 of £87,384 and £86,444 in 2016/17. However, the value of work remains higher than the 2013/14 at £66,316 and £60,867 in 2014/15 and future data will be required to ascertain if this a trend or a spike in the data. One possible reason for this could be due to reduction in property portfolios due to on-going estate rationalisation of public buildings.



## Interpretation of data

Over the duration of data collection (from 2001-02 to date) the trend shows continued improvement and the figures provide reassurance that the investment and steps local authorities have taken improve efficiency is being reflected in the figures. It is difficult to identify specific reasons for particular changes but developments in efficiency in general including investments in ICT, mobile working, shift patterns, multiskilling, diagnostic software and others will all have had an impact on many areas of performance.

By concentrating on the steps in a process many organisations have reduced the stages around a job and so benefit from quicker, cheaper work with fewer steps. The introduction of multiskilling, reducing the number of operatives involved in completing a job allied to a reduction in the number of pre-and post-inspections is one example.

There are a range of factors that are set to impact local authority building maintenance services which include:

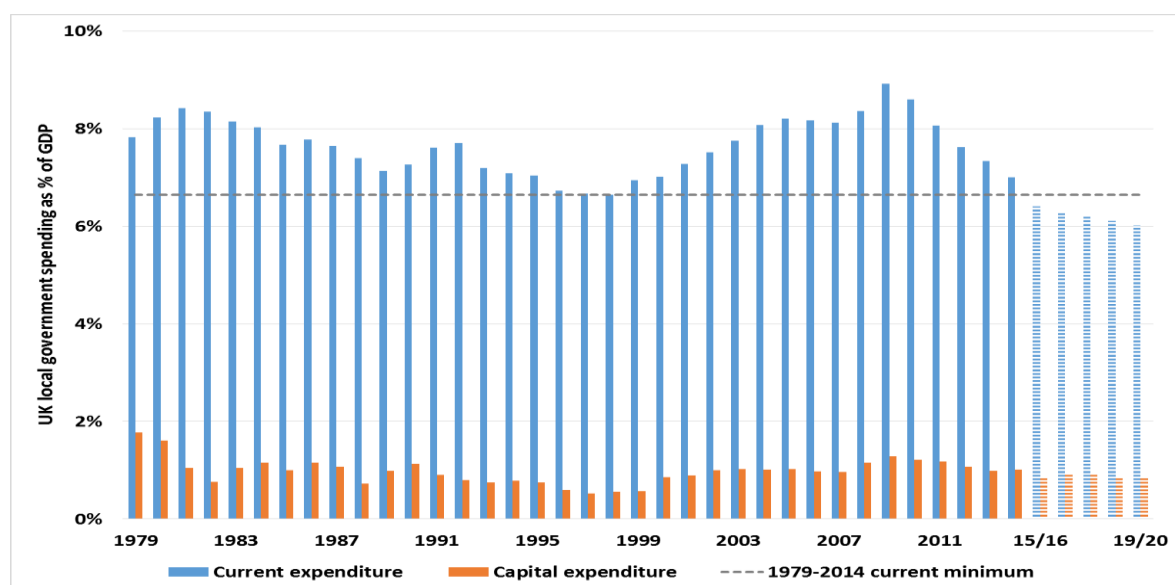
- The tragic events of Grenfell Tower.
- The establishment of Local Authority Housing Companies resulting in more councils building homes.
- An increased emphasis on social housing
- Homelessness Reduction Act 2017
- Brexit

Performance Network trend analysis data will allow the impact of these factors to be mapped and councils to measure their ongoing performance, identify areas for continued improvement.

## Future focus

Local government is facing uncharted waters in terms of Local Government Finance. By 2020 overall UK spend on Local Government will be 30% less than in 2010 and will be smaller than at any point in over 70 years, since 1948.

**UK local government spending as a share of GDP: current spending, already below the 1979-2014 minimum, is projected to go on falling to 2020.**



Sources: Office for National Statistics to 2014. ; Office for Budget Responsibility *Economy and Fiscal Supplementary Tables* (tables 1.2 and 2.35)

Performance management is increasingly being used by public service providers as a mechanism to withstand austerity and demonstrate value for money to a range of internal and external stakeholders. As W. Edwards Deming stated:

***“Without data, you’re just another person with an opinion.”***

Despite measuring and improving performance being critical to managing services effectively and for accountability purposes, the need for this has never been greater in order to know your own service and to be able to identify achievable cost savings and innovative approaches to service delivery. Otherwise, how do you know you are delivering what you want to deliver?

Information and data provides intelligence on how effective any service change is, to establish a starting point and to identify future targets. Performance measurement is also a mechanism to learn how other local authorities are meeting the challenges and the impact that their service changes is making in terms of cost, quality, productivity and customer satisfaction levels.

Data is also increasingly in demand at a national level as well and as a result, APSE performance networks’ influence at a national level is growing. APSE has been working with a range of government bodies and professional associations at a national level. This includes Defra (Waste Dataflow and the National Litter Strategy), Scottish Government and Zero Waste Scotland (Litter Strategy), Department for Transport, DMG, SCOTS, CSS Wales and the Improvement Service (Roads, highways and street lighting), the Society of Chief Officers of Environmental Health in Scotland, SCOTSS (Trading Standards), NABMA (Markets), LACA and the Department for Education (Catering), Ministry of Housing, Communities and Local Government (Parks Action Group) and Department for Communities (Northern Ireland project).

In England, there is a focus on a more decentralised approach to performance improvement following the abolition of the previous national performance framework. This means that local authorities are responsible for their own performance and improvement and are accountable to local communities (rather than government or inspectorates). There is an increased emphasis on value for money, with a focus on data transparency and the use of data to hold public authorities to account. It is clear that the drive for performance improvement and publishing meaningful data on performance has not gone away, but is being designed around greater data transparency and public accountability at a local level.

In Scotland, there is a requirement to report the Local Government Benchmarking Framework indicators, which are a set of high-level indicators covering major service areas. APSE and SCOTS have been working with the Improvement Service in relation to collecting and providing data required for the national Local Government Benchmarking Framework, in particular on roads financial data. The purpose of this is to reduce the burden on councils of providing data to multiple national bodies and using existing reliable, established benchmarking models where possible.

In Wales, councils themselves remain responsible for identifying their own improvement priorities, identifying and mitigating improvement challenges and risks and managing service performance. Local authorities openly and transparently report performance publicly on an annual basis. In addition, there is a small set of nationally co-ordinated performance indicators called Public Accountability Measures which are co-ordinated for benchmarking purposes by Data Cymru. External assurance and challenge is provided mainly through the audit, inspection and regulatory regime coordinated by the Auditor General for Wales. This voluntary, decentralised approach is similar to the approach taken in England which has created a greater need for information at a local level to measure value for money and to ensure accountability. In addition, benchmarking through national organisations like APSE provides the national comparisons for continuous improvement purposes and a mechanism to measure your own performance against changing standards.

In Northern Ireland, under the Local Government Act (Northern Ireland) 2014, there is a duty on each council to secure continuous improvement in the exercise of its functions, to collect information relating to performance and to assess performance in previous financial years and as far as practicable, against the performance of other councils. APSE have been working with local councils in Northern Ireland to ensure that performance networks can meet the responsibilities councils have under the Act. As such, existing,

relevant modules have been refined and new performance modules have been created in conjunction with the Northern Ireland councils for planning, community development, economic development, arts and heritage, building control and corporate services. APSE continue to liaise with the Department for Communities over this development work. Three sets of reports for the Northern Ireland project have now been successfully produced; for 2015-16 to 2017-18.

Good performance information supports the decisions that lead to good directions, instructions and targets. APSE performance networks can assist local authorities by:

- Helping to set a clear baseline on which competitiveness, efficiency and value for money can be measured in a systematic manner.
- Identifying the impact of service changes and interventions for your own local authorities and for others.
- Assessing the quality, cost and competitiveness of the services that councils provide on a regular basis.
- Helping to report data in meaningful ways to both elected members and the public.
- Identifying direction of travel and pace of change with regard to service delivery.
- Identifying inefficiencies such as poor productivity and high cost.
- Supporting service improvement through process benchmarking and sharing best practice examples.

## **Conclusions**

The Housing and Building Maintenance sector remains a critical service for local authorities. The ongoing improved performance of building maintenance services is a positive message at a time when local authority social housing faces unprecedented pressures on council house waiting lists. Local authorities are rapidly developing innovative solutions to housing shortages notably with the development of local authority housing companies. These new models of housing delivery provide opportunities for building maintenance and repairs teams to develop a service to these new companies; potentially creating new income streams and providing a joined-up approach to the delivery of new social housing and effective, quality assured, maintenance and repairs services.

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