

State of the Market Survey 2018

Local Authority Building Maintenance Service



**Briefing 18/30
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**LOCAL SERVICES
LOCAL SOLUTIONS**

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Building Repairs and Maintenance - State of the Market 2018

The APSE State of the Market survey is conducted online and contains a series of questions covering a range of issues of interest to those officers and councillors responsible for housing, building maintenance and repairs, capital projects, construction and related challenges for the future. There was a total of 48 responses received from housing and building maintenance providers throughout the UK. This report identifies the key findings of the survey.

This is the sixth time APSE has undertaken this state of the market survey so a comparison with previous surveys is available. This comparison will be highlighted where appropriate.

The surveys are an attempt to understand perceptions of the market amongst people directly involved in delivering services rather than a survey of the same individuals from year to year.

Context

Housing and building maintenance remain a significant issue nationally. There is a strong political focus on building more homes across the UK. The Government has announced a raft of policies to support development and in the 2017 Budget set a target to build 300,000 homes a year to alleviate the crisis in the housing market.

A high degree of scrutiny has been focused on the building maintenance and repairs sector following the tragic events at Grenfell Tower and as a result, local authorities across the UK have reviewed their processes and procedures.

Welfare changes are well underway with the roll out of Universal Credit being accelerated and this continues to have an impact on the demand for affordable social housing. The issues of skills remain of concern with a lack of available skills across the sector likely to hinder the sector's growth, and the uncertainty around Brexit could further exasperate this shortage. This has led to an increase in the cost of construction materials along with an increase in wages as the demand for skilled workers rises. The living wage has also impacted on the cost of labour in support services.

In a recent report published by the Construction Industry Training Board regarding the Construction skills network forecast 2017 -2021 it was reported that in 2016 the number of people working in the construction industry was expected to rise above 2.6 million for the first time since 2009 and represented an overall rise of 5% over a three-year period which is equivalent to 121,000 jobs. It is reported that 35,740 new recruits will be required annually in the industry up to 2021. There is a strong likelihood of operatives moving between employers as demand increases for their skills.

Most local authority internal construction and building maintenance teams have an older workforce coupled with recruitment and retention issues which means that it is in the interests of all that they become more balanced in terms of age and gender with investments made in younger workers, workforce planning, training and support.

Scope of the service

1) Do you provide a service for any of the following?

There are various aspects to the local authority building maintenance and repairs service and in response to this question, 48.84% reported that they provided a service for housing properties and other civic properties, 30.23% provided a service for housing properties only, and 27.91% provided a service for civic properties only.

In addition, respondents commented that they provided services for educational facilities, neighbouring local authorities and for non-housing properties in emergency situations.

Staff and skill set of the service.

2) How has the services staffing compliment changed over the past 2 years?

In a bid to understand how budget cuts and other external pressures have impacted on the staffing compliment of the service, the survey asked what changes had taken place over the last two years. The table below details the responses received and provides a comparison with the responses received in 2016: -

Answer Options	Management/ Technical/ Admin Staff		Operational Staff		Agency Staff	
	2018	2016	2018	2016	2018	2016
Increased significantly (over 20%)	0%	5.88%	0%	3.13%	5.56%	
Increased (up to 20%)	6.98%	17.65%	9.76%	18.75%	16.67%	
Stayed the same	41.86%	35.29%	36.59%	43.75%	36.11%	
Decreased (up to 20%)	32.56%	32.35%	41.46%	33.3%	25.00%	
Decreased significantly (over 20%)	18.60%	8.82%	12.20%	9.38%	16.67%	

It is common knowledge that local authorities have reduced their staffing numbers and the responses to the survey and the comparison with responses in 2016 confirm this.

For 2018, a proportion of authorities reported that the staffing complement across the three areas has stayed the same. There were 41.61% of respondents reporting a decrease or significant decrease in management, technical or administration staff. It was reported by 56.66% that there was a decrease or significant decrease in operational staff, 41.67% reported a decrease or significant decrease in agency staff.

The largest percentage increase reported for 2018 has been in agency staff, with 22.23% reporting an increase or significant increase. This could be an indication that services are using agency staff to meet short term short falls in skills or capacity.

3) Is the skill set in your organisation adequate for your needs?

The perception from respondents regarding the adequacy of the skill sets to meet the needs of the service highlighted that over half of respondents, 60 % believed that there were adequate skills in the management / technical staff and 64.54% believed that the skill set was adequate in the operational staff. However, 40% of respondents reported that their skill set was not adequate in the management / technical staff and 38.46% thought the skills set in the operational staff was inadequate.

4) Does the service have adequate plans in place to ensure your organisation will maintain the level of skills it currently has, or increase them if necessary, over the next 10 years?

With the uncertainty brought about by Brexit, the reported ageing workforce and local authorities increasingly building housing units the need to plan and ensure that the level of skills is maintained is more important than ever. In response to the survey just over half of respondents, 55.81% thought that their organisation had a ten-year plan in place. However, 44.19% stated that they believed that their organisation did not have a plan in place.

In responding to the question there were various additional comments which indicated that local authorities had an apprenticeship programme in place to help develop skills. However, respondents raised concern regarding the ageing workforce and the difficulties they had experienced in recruiting and retaining skilled staff which is impacting on the skills and capacity of the workforce.

5) Do you have any plans to upskill your workforce to deal with issues relating to green energy?

The drive for green energy has intensified over the last few years and there is an increase in the need to install and maintain the associated green energy equipment. In response to the question, just under half of respondents, 44.19% indicated that they had plans in place with 55.81% reporting that they did not.

There are councils that report that they contract the work out, some are considering upskilling in the future and other authorities report that they have undertaken training with the staff. The survey responses show that it is a mixed picture regarding the skills required for green energy. However, the need for these skills will increase and training teams in house could not only negate the need to contract the work out but also represent an opportunity in respect of providing the service commercially to generate an income for the authority.

6) Do you have a bonus scheme (or similar) in place?

Over the previous surveys, the number offering a bonus scheme or similar has seen a decrease with only 13.95% reporting having a bonus scheme in the 2018 survey. These figures reflect the fact that most are moving away from bonus schemes in favour of other approaches.

Apprenticeships

The comments submitted in response to question 6 outline the role that apprenticeship schemes are contributing to mitigate some of the issue relating to the skill shortages in the service.

APSE was keen to gain an understanding of the apprentices working in the building maintenance and repairs service.

7) Do you run and apprenticeship scheme?

There was a significant number of respondents, 79.07% reporting that they currently had a scheme in place, with a further 9.30% stating that they were planning on establishing one in the next 2 or 3 years. There was only 11.63% of respondents who did not have one and had no plans to have one.

The percentage of authorities reporting having a scheme in place has increased from 75.76% in 2016. The increase can be attributed in part to the need to maintain capacity and skills in the workforce. However, it could also be in response to the introduction of the Apprentice Levy in April 2017.

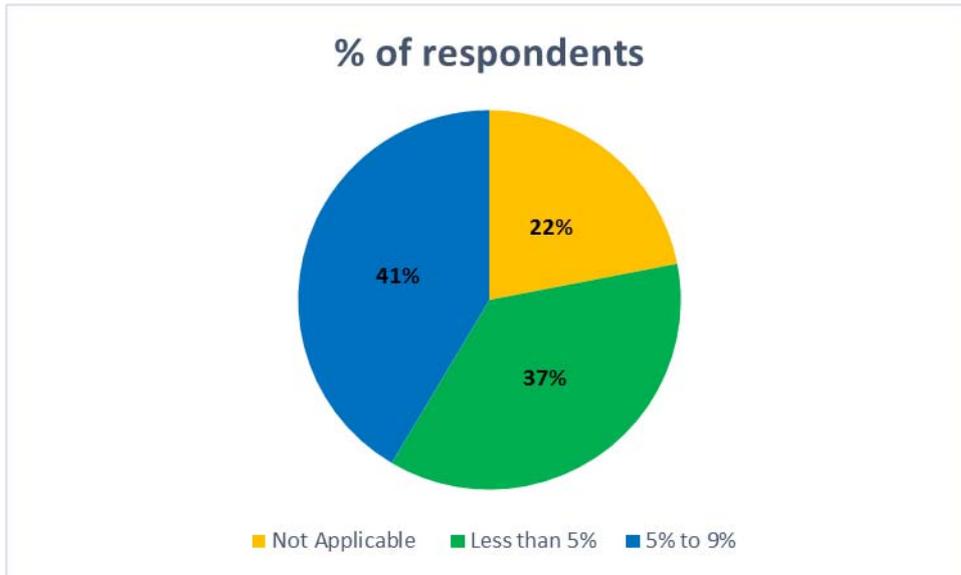
8) How many apprentices do you have on your scheme?

The table below outlines the responses received to the question: -

Answer options	Responses
Less than 5	21.95%
5 to 9	17.07%
10 to 14	17.07%
15 to 19	12.20%
20 or more	17.07%
Not applicable	14.63%

9) What percentage of the workforce is made up of apprentices?

The number of employees in the workforce can vary substantially from one organisation to another. Therefore, in asking for the percentage of the workforce made up of apprentices there is the opportunity to map the trend over future years.



In addition, there were three authorities reporting that more than 10 % of their workforce was made up of apprentices.

New Build

As the number of Local Authority Housing Companies increases APSE wanted to gain an insight into the authorities that had plans in place to build new properties.

10) Is your authority intending to build new properties in the next 12 months, if yes, please specify the proposed number of units?

The responses to the question ranged from none to over 1000. The largest portion (30%), advised that their authority intended on building less than 50 units.

11) Do you feel your organisation has the capacity and skills to build new properties?

Just over half of the respondents 51.16%, thought that their authority had the required skills to construct the planned units and 48.84% felt that their authority did not. It is evident from the additional comments received to this question that the project management of new build development is being managed inhouse, with the on-site construction being contracted out and this could explain why local authorities do not have the required skills inhouse.

Workload

12) How do you expect your personal workload to change over the next 2 or 3 years?

A total of 85.71% of respondents expected their personal workload to increase or significantly increase, 11.90% thought it would stay the same and only 4.76% predicted that it would decrease or decrease significantly. The impact of the budget cuts is evident in the comments made regarding this question with the view being expressed that the workload had not diminished, the

number of staff had reduced and as a result the staff in the service were required to take on a greater workload and more responsibility to meet the demand.

13) How do you expect the level of the workload of the building repair and maintenance service to change over the next 2 or 3 years?

The tables below provide an outline of how respondents expected workload for the building maintenance and repairs service to change for housing and non-housing and details the responses received since 2012.

Housing

Answer Options	2018 Housing %	2016 Housing %	2015 Housing %	2012 Housing %
Increase significantly	19.35%	14.81%	8.3%	0%
Increase	35.48%	40.74%	30.5%	20.6%
Stay the same	29.03%	33.33%	52.8%	50%
Decrease	12.90%	11.11%	8.3%	26.5%
Decrease Significantly	3.23%	0%	29%	4%

Non-housing

Answer Options	2018 Non-housing %	2016 Non-housing %	2015 Non-housing %	2012 Non-housing %
Increase significantly	3.23%	7.69%	5.90%	0%
Increase	41.94%	42.31%	47.10%	30.80%

Stay the same	19.35%	34.62%	29.40%	50.0%
Decrease	35.48%	15.38%	17.60%	26.50%
Decrease Significantly	0%	0%	2.90%	2.90%

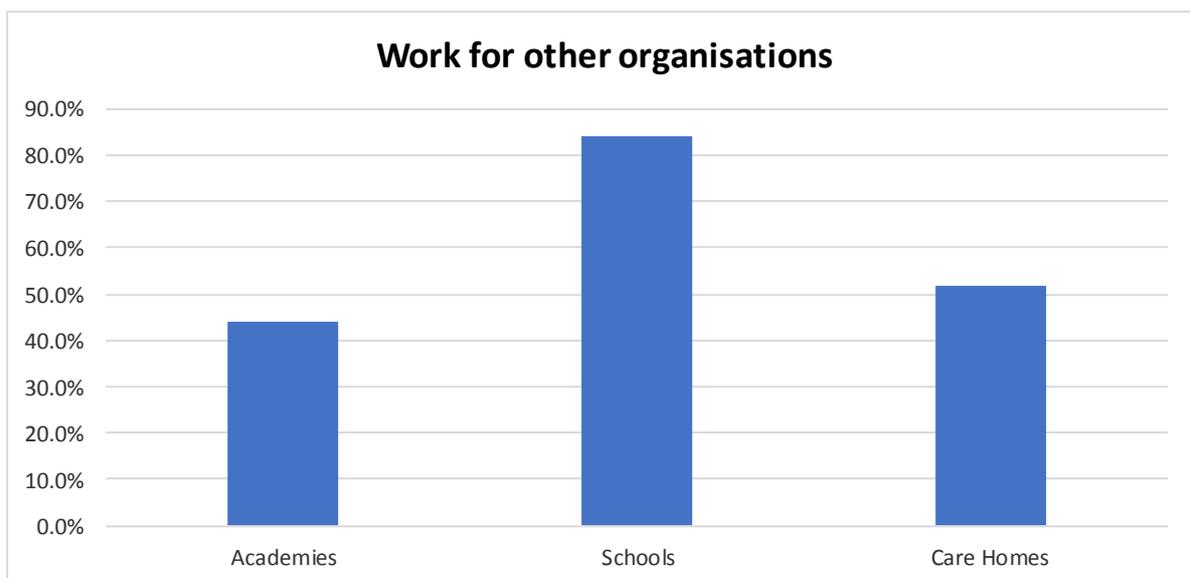
The greatest number of respondents felt that the workload would increase or significantly increase for both housing and non-housing work which is a trend that continues from the 2016 State of the Market survey.

For housing, there were 29.03% of respondents that expected the workload to stay the same, which is a significant change from the 52.8% that had this expectation in 2015. This could reflect the extent of the changes that are taking place in the sector.

It is also noted that for 2018 and 2016 there is not an expectation that the workload would decrease significantly in non-housing. However, a higher percentage of respondents to the 2018 survey (35.48%), predicted that the workload will decrease and the main reason stated in the comments cited that the expected decrease was due to the rationalisation of civic buildings.

14) Does your service provide work for other organisations?

With the reduction in funding from Government, local authorities are seeking opportunities to increase income and selling services to external organisations is one of the approaches being taken. Therefore, this question seeks to establish which organisations councils are providing building and maintenance services for.



The respondents also commented that they provided services for the following: -

- i) Social housing providers

- ii) Other types of civic buildings
- iii) Other local authorities
- iv) Housing providers
- v) Community groups
- vi) Arm's length companies

15) How do you envisage the amount of work your organisation does for external organisations changing over the next 2 to 3 years?

There were 55.88% of respondents reporting that they expected external work to increase, 32.35% expect that it would stay the same and 11.76% predicted that the work would decrease. These figures come as no surprise with the need for councils to seek opportunities to generate income and there is an expectation that as authorities actively tender and market their services external work will become an increasing part of the building repairs and maintenance service.

Productivity

16) Changes in the method of repairs and maintenance service delivery.

	Emergency Repairs		Urgent Repairs		Day to day repairs		M&E / Gas work		Voids	
	2018	2016	2018	2016	2018	2016	2018	2016	2018	2016
In-house; likely to continue	70.70%	66.67%	75.60%	75.760%	75.60%	78.79%	55.00%	43.75%	74.30%	63.33%
In-house; likely to be outsourced within 2-3 yrs.	2.40% ²	9.09%	0%	6.06%	0%	6.06%	0%	6.25%	0%	16.67%

External; likely to continue in house in 2-3 yrs.	24.40%	24.24%	22.00%	18.18%	22.00%	15.15%	42.50%	37.50%	25.70%	13.33%
External; likely to be brought in house in 2-3 yrs.	4.90%	6.06%	4.90%	6.06%	4.90%	6.06%	2.50%	18.75%	5.70%	6.67%
Has been brought in house in 2-3 yrs.	0%	3.03%	0%	3.03%	0%	3.03%	2.50%	46.25%	2.90%	3.33%

	Aids and adaptations		New build		Housing capital works		Civic building repairs		Civic building capital works	
	2018	2016	2018	2016	2018	2016	2018	2016	2018	2016
In-house; likely to continue	55.30%	60.00%	20.60%	23.08%	45.50%	42.86%	39.40%	50.00%	27.30%	36.67%
In-house; likely to be outsourced within 2-3 yrs.	0%	6.67%	0%	11.54%	3.00%	3.57%	3.00%	6.67%	3.00%	6.67%

External; likely to continue for the next 2-3 yrs.	42.10%	30.00%	64.70%	57.69%	48.50%	50.00%	48.50%	30.00%	60.60%	53.33%
External; likely to be brought in house in 2-3 yrs.	5.30%	6.67%	8.80%	11.54%	6.10%	10.71%	9.10%	20.00%	9.10%	10.00%
Has been brought in house in 2-3 yrs.	2.60%	6.67%	11.80%	0%	6.10%	0%	0%	3.33%	0%	0%

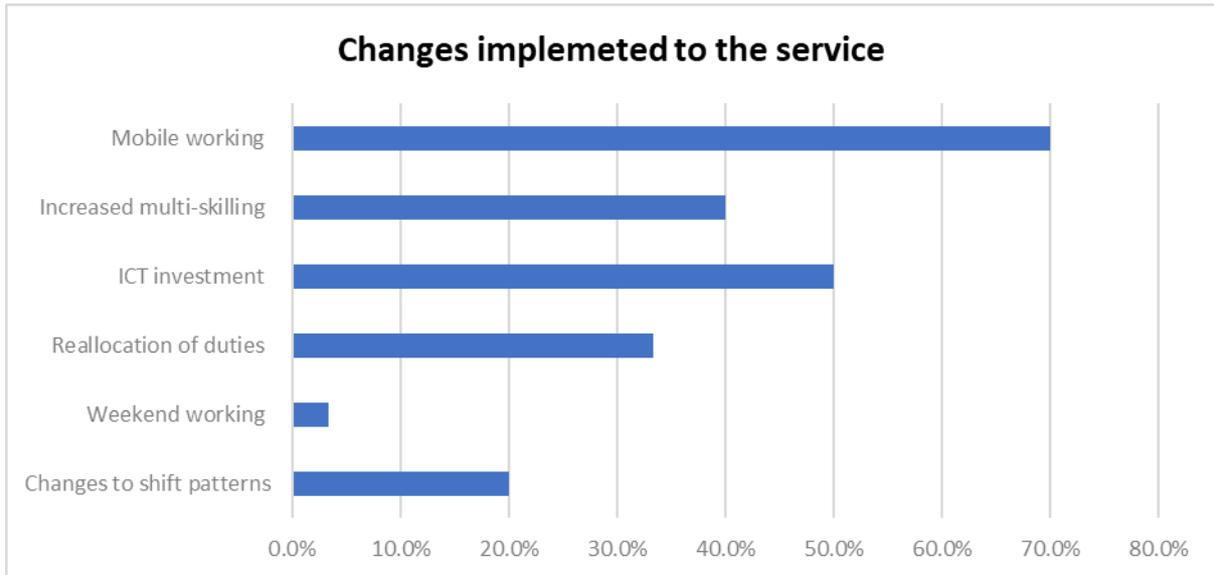
The majority of those responding to the survey represent councils delivering all types of repairs and voids in-house services and the expectation in 2016 was that this would continue and the survey shows that the expectation remains the same in 2018.

Only a very small percentage expect their service to be outsourced in the foreseeable future. With a relatively small number reporting that they have brought services back in-house over the past 2-3 years. However, new build is an exception because 13.3% of respondents expected this to increase and this reflects the growth in Local Authority Housing Companies and the fact that authorities are building properties for the first time in a long time and utilising their inhouse skills and expertise.

Efficiencies

17) Has the service implemented any changes in the last 12 month which have resulted in efficiencies?

The reduction in budgets have required services to innovate and seek more efficient ways of working. The graph below provides and outline of efficiencies that services have implemented during the last 12 months.

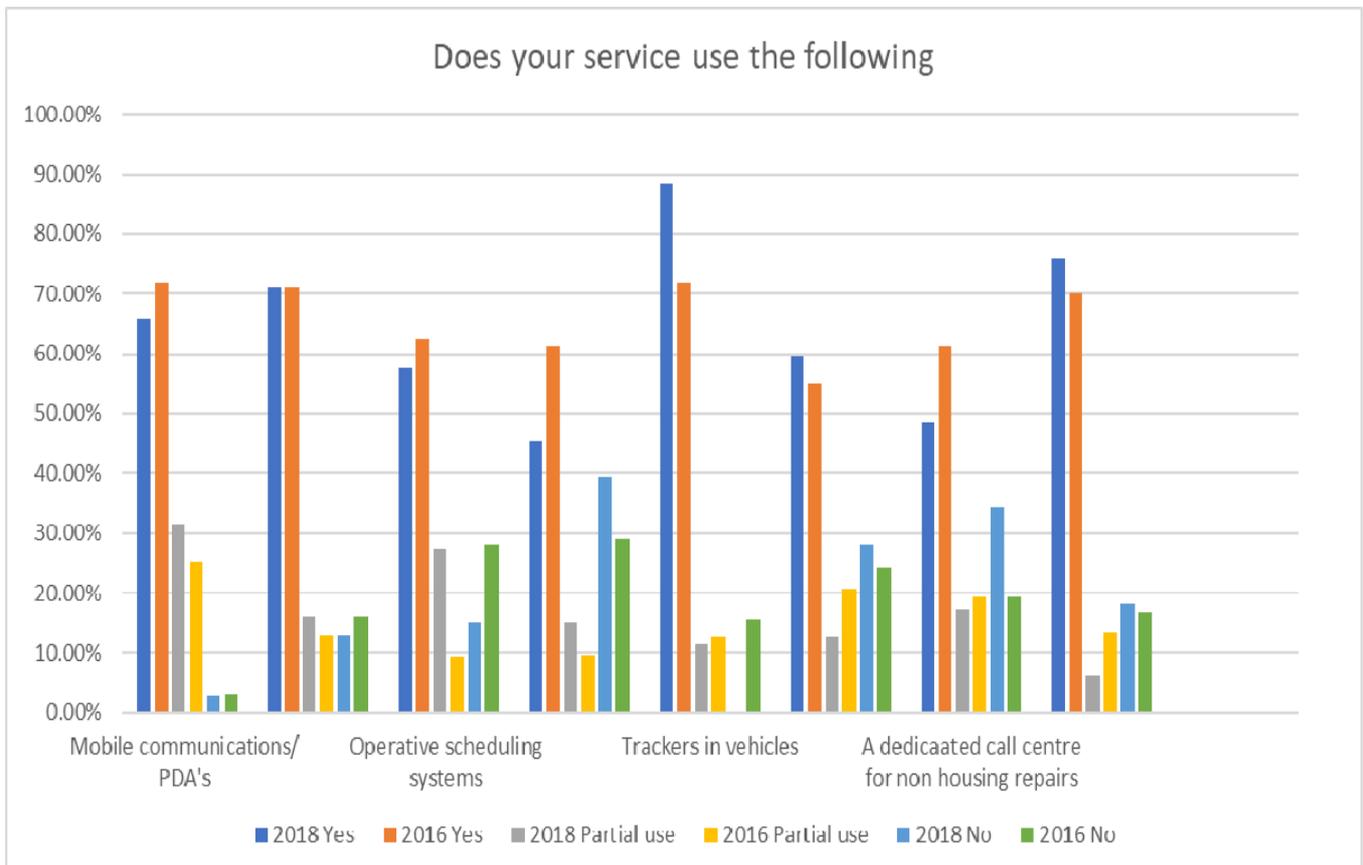


There were 70% of respondents that have reported that they have introduced mobile working, with 50% stating that they had invested in ICT and 40% have increased multi-skilling.

18) Does your service use the following?

Many councils have invested in software and support services to meet the demands of the service. APSE was keen to understand what packages and support authorities were using in the building maintenance and repairs service.

The graph below outlines the details and provides a comparison to the 2016 survey: -



It is clear that the systems taken up by some organisations are not used universally. There has been substantial investment in systems such as mobile communications, appointment systems or vehicle trackers and the comparison with 2016 shows that this is a continuing trend.

The introduction of the kind of systems noted in the graph have undoubtedly led to more efficient working arrangements, financial savings and satisfaction and the appetite across the sector for further innovation does not appear to be reducing.

19) What kind of stores arrangement does the service have.

Over half of respondents, 57.58% reported having a single store arrangement, 42.42% have a delivery service arrangement and 30.30% use multiple stores.

The differences in organisation such as the geographical nature will influence the type of arrangements that a service has in place for its stores. However, it is evident from the comments received that councils are working with external suppliers to meet their requirements.

20) Where do you see growth areas for the service over the next 2 or 3 years?

Responses to this question highlighted a number of areas for future growth in the building maintenance and repairs service. There were 44.83% of responses predicting that the growth would be to repairs on new housing units through a Local Authority Housing Company, 37.93% thought that there would be growth in working for the private rented sector, 31.03% saw growth in contracts with housing providers and 27.59% expected that there would be growth of insourced stock management.

In addition, respondents expected there to be growth in the following areas: -

- i) Ad hoc tenders
- ii) Commercial buildings
- iii) Maintenance of renewable technology
- iv) Tenants paying for repairs

21) Where do you see areas where work may decrease over the next 2 or 3 years?

A significant percentage of respondents, 69.44% expected that work would decrease as a result of reducing budgets, and 66.67% expected there would be a reduction in civic assets. Both of which are a result of the need for councils to find efficiencies. There were 25% who thought there would be a reduction in stock and 13.89% predicted that there would be less repairs required as a result of tenant behaviour.

There is some uncertainty expressed by authorities as to other areas for reductions in work and this is supported by the comments received to this question. This reflects the picture in the sector as a whole and could be due to the uncertainty around Brexit, outcomes of the Grenfell Inquiries and the concerns already expressed regarding future skill and capacity shortages.

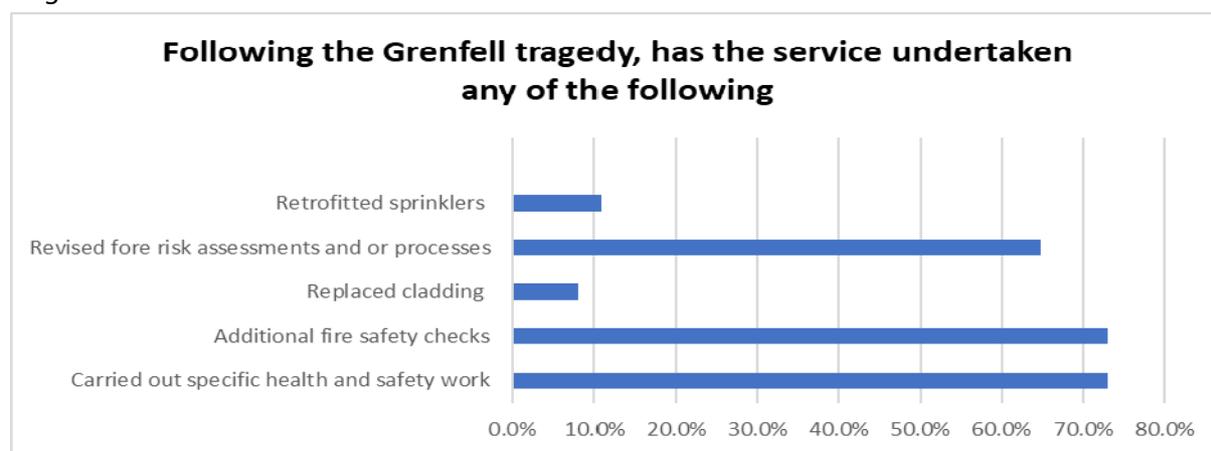
Compliance

22) Are you retrofitting properties to ensure compliance with minimum energy performance certificate level E?

The majority of respondents, 57.14% answered yes, 22.86% indicated that they were not retrofitting and a further 20% did not know if they were.

23) Following the Grenfell tragedy, has the service undertaken any of the following?

The following graph outlines the work that has been carried out by authorities in the wake of the tragic events at Grenfell.



Following the tragedy, it is evident from the survey responses that councils have acted to ensure that buildings meet the required safety standards. It is also noted that some authorities have plans in place to retrofit sprinklers and cladding over the next 1 to 3 years.

APSE Comment

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specially 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 APSE membership and further details including future dates, and past presentations can be viewed on the APSE website via the following link: -

[APSE Housing, construction and building maintenance advisory group](#)

APSE Building maintenance and repairs seminar

The seminar is scheduled on the 4 October 2018 and will showcase industry experts, case studies of innovation and is an opportunity to network and share ideas with colleagues across the UK.

The event will also feature the Annual Dinner and Apprenticeship Awards that will recognise individuals displaying excellence in local authority apprenticeship programmes.

[For more details and to book, please click here](#)

If you require further information regarding the State of the Market briefing, advisory groups or the building and repairs seminar, please contact Vickie Hacking at vhacking@apse.org.uk