membership resources

State of the Market Survey 2012

Housing, Building Maintenance and Construction

Briefing 12/60
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Housing, Building Maintenance and Construction

State of the Market 2012

The APSE State of the Market survey was conducted on-line and contained 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, Decent Homes programmes, construction and challenges for the future.   41 responses were received from local authorities throughout the UK. This report identifies the key findings of the survey. 19 responses were from organisations carrying out work on both housing and non-housing stock, 17 on housing only and 7 carry out work on non-housing only.

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

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?

Housing

Answer Options	2012 Housing %	2010 Housing % (number)	2008 Housing %	% change 2008-2012
Increase significantly	8.3% (3)	0% (0)	9.2%	-0.9%
Increase	30.5% (11)	20.6%(7)	32.9%	-2.4%
Stay the same	52.8% (19)	50%(17)	38.2%	+14.6%
Decrease	8.3% (3)	26.5% (9)	15.8	-7.5%
Decrease significantly	0% (0)	2.9% (1)	4%	-4%
Total	36	34		

Non-housing

Answer Options	2012 Non housing % (number)	2010 Non housing % (number)	2008 Non housing %	% change 2008-2012
Increase significantly	0 (0)	0% (0)	9.2%	-9.2%
Increase	30.8% (8)	20.6%(7)	32.9%	-2.1%
Stay the same	42.3% (11)	50%(17)	38.2%	+4.1%
Decrease	23.1% (6)	26.5% (9)	15.8	+7.3%
Decrease significantly	3.8% (1)	2.9% (1)	4%	-0.2%
Total	26	34		

In terms of the level of workload of the building repair and maintenance service, more responses fell into the 'Stay the same' category than in any other, although the proportion in this category fell slightly. For those working in housing, a small number expect a significant increase in workload with more expecting an overall increase (compared to the previous survey).

Those responses detailing non-housing work pointed to fewer with a workload staying the same but those expecting an increase in work balanced those expecting a decrease with fewer expecting a decrease than was the case last year.

Clearly the reductions in public sector budgets will have an impact across all public services and no local government services will escape some spending reductions. Such questions regarding future workload are difficult to answer accurately when the financial environment is changing rapidly.

One response notes that the move to academy schools will result in less work and another noting that bidding for non-housing work may result in less work

Others referred to the start of the Welsh and Scottish Housing Quality Standard resulting in extra work as are out of hours and fire safety work.

However some facts are clear. As Decent Homes work comes to an end in many councils there will be an inevitable drop off in capital works. Although experience shows that requests for responsive repairs tend to increase following major capital projects, funding availability will probably mean there will be no increase in the number of repairs addressed. This is referred to specifically in a number of survey comments. The reduction in the 'Building Schools for the Future' programme will mean a large number of backed up repairs in existing buildings will have to be addressed but again this will depend on funds being made available.

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

Nearly three quarters (73.8%) of respondents expected their workload to increase over the next 12 months with the rest expecting it to remain as is. Only 1 thought it would reduce. This is a greater number expecting an increase than in previous years.

Reasons for changes in workload included reductions in managers and staff, re-structures, an increase in voids work and more new build were reasons given for expected increases in workload. Anecdotal comments points to the loss of many managers and experienced staff across the sector and it is unlikely they will be replaced in the foreseeable future due to recruitment freezes or redeployment within the organisation. Such policies inevitably lead to loss of expertise within the organisation which forces extra pressure on to remaining staff.

3) How has your overall budget for the repairs and maintenance service changed over the past year?

There was variety in the responses to this question with the majority claiming no change over the past year and others noting increases in line with inflation. There were 6 increases of between 6% and 10% with one noting a 70% increase in capital budgets. A number described reductions of between 3 and 20% with another noting a 30% decrease.

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

Housing

Answer Options	**2012 Housing % (number)**	**2010 Housing % (number)**	**2008 Housing %**	**% change 2008-2012**
Increase	16.7% (6)	6.1% (2)	25.7%	-9%
Stay the same	61.1% (22)	54.5% (18)	52.7%	+8.4%
Decrease	22.2% (8)	39.4% (13)	21.6%	+0.6%
Total	36	33		

Non-housing

Answer Options	**2012 Non-housing** % (number)	**2010 Non-housing % (number)**	**2008 Non-housing %**	**% change 2008-2012**
Increase	16.7% (4)	11.1% (3)	12.3%	+4.4%
Stay the same	41.6% (10)	25.9% (7)	43.9%	-2.3%
Decrease	41.6% (10)	63% (17)	43.9%	-2.3%
Total	24	27		

A large majority of housing managers thought budgets would remain the same over the coming 12 months with similar numbers expecting increases and decreases. Amongst non-housing managers there was a far lower expectation of growth in budgets with the same number expecting similar sized budgets or reductions.

It will be interesting to see whether the 'more for less' mantra bears fruit or whether smaller budgets result in lower standards of work and less overall work.

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

Of those responding with housing responsibilities there are no changes to delivery arrangements expected for emergency, urgent or day-to day repairs. Approximately 83% are currently delivered via an in-house team with the remainder outsourced. A far greater proportion of capital works are outsourced (approximately 50%).

Nearly 25 % of voids work is currently outsourced but no changes are expected in this work stream either.

A far greater percentage of aids and adaptations, new build and gas servicing work is outsourced but again there is little in the way of plans to change arrangements over the coming year with only 1 or 2 in each category having changed in the previous 12 months or likely to change in the next 12 months.

There is more change in the provision of the elements of the non-housing property maintenance services with examples of services coming back in house and being outsourced.

There is a mixed bag of provision with a minority providing all or most elements of either housing or non-housing work but most showing mixed provision. This fits with the notion of a core of service provision being in house and some outsourced.

6) Do you still retain a bonus scheme?

Out of 40 responses, only 5(12.5%) have retained a bonus scheme. In the last survey, the equivalent was 34%. The figure in 2008 was 44% without a bonus scheme in place. The general trend amongst those completing this survey and in the sector in general is away from bonuses yet some providers still see some benefit in retaining them.

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

Trade	Average hourly rate			Number of responses 2012	Highest	Lowest
	2012	2010	2008			
Electrician	£12.86	£11.68	£10.58	16	£16.60	£10.70
Plumber	£12.45	£11.66	£10.16	16	£15.00	£10.70
Gas Plumber	£13.05	£11.99	£11.04	12	£16.60	£10.70
Joiner	£11.90	£10.83	£9.85	16	£14.50	£10.16
Plasterer	£11.90	£10.90	£9.48	14	£14.50	£10.16
Bricklayer	£11.86	£10.65	£9.90	15	£14.50	£10.16
Heating engineer	£13.34	£12.74	£10.89	9	£16.60	£10.70
Painter/decorator	£11.64	£10.63	£9.79	16	£13.50	£10.16
Roofer	£11.84	£10.83	£9.72	14	£13.50	£10.70

The table above provides basic hourly rates of pay (before tax). These figures are averages with the intention being to look at the averages as well as the trends over the 3 surveys. There will be a number of factors to be taken into consideration including London weighting. Although direct comparison is not appropriate the table does reflect the range of pay rates across the UK. The table does however give indicative information about pay rates for a number of trades and reflects the range of pay and the range of circumstances different councils find themselves in.

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

Position	Increased	Stayed the same	Decreased
Management	0%	32.4%	67.6%
Technical staff	13.5%	27%	59.5%
Operatives	11.4%	40%	48.6%
Administrative staff	10.8%	40.5%	48.6%

It is common knowledge that local authorities are reducing their staffing numbers and the responses to this survey confirm it. The average figures show some a small percentage of councils experiencing increases in technical, operative and administrative staff but none have seen an increase in managerial staff. Over 48% of all councils responding experienced a reduction for administrative and operational staff whilst nearly 60% saw a reduction in technical staff and 67% saw a reduction in the number of managers.

9) Are staff absence levels at an acceptable level?

20 (54%) of the 37 respondents to this question said their absence levels were acceptable. The remainder 17 (46%) said they were not.

Responses to the previous survey were 56% in 2010 (45% in 2008) answering 'yes' and 55% in 2010 (55% in 2008) answering 'no'.

There were a variety of comments received but sickness remains a major issue for all services within councils with comments referring to the fact that it remains an area of potential savings, significant progress having been made over recent years, craft operatives having high levels of sickness and levels being higher than other areas of the council.

10) Do you run an apprenticeship scheme?

33 respondents answered 'yes' to this question and 4 answered 'no'. 24 councils gave the number of apprentices employed and this ranged from 2 up to 102. 10 councils had less than 10 apprentices; 6 had between 10 and 20; with 8 councils having between 28 and 100 apprentices. There are a total of 482 apprentices currently on these 24 schemes with an average of 21 across those who responded.

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

Answer Options	2012 % (number)	2010 % (number)	2008
Yes with current internal staff	25.7% (9)	24.2% (8)	15.2%
Yes but would want to work in partnership	48.6 (17)	39.4% (13)	40.9%
No	25.7% (9)	36.4% (12)	43.9%

As councils gain more freedoms to build council houses, albeit in rather restricted numbers, it appears more believe that they have the skills to build within their own workforce. Some councils have retained these skills having continued to build houses over recent years.

Housing has steadily climbed up the list of political priorities as demand has increased in times of reducing supply and funding and planning powers have been altered to give councils more freedom. This is an obvious area of work for DLOs if they are able to deliver them either alone or in partnership. It appears from those responding to this survey that a lower percentage feel they have no role to play in the building of council properties, with only about a quarter saying they do not have the skills or capacity to build.

Comments noted that some had completed houses with internal resources and with the help of specialist trades.

12) Use of mobile communications/PDAs, scheduling software, tenant appointments, dedicated call centres

Approximately two thirds of respondents use mobile communications/PDAs, scheduling software and diagnostic software. About the same proportion have dedicated call centres accepting repairs calls. About half of the remainder have partial use of these approaches with the remainder not using them although some are currently piloting them or about to implement.

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

Answer Options	2012 % (number)	2010 % (number)	2008
No and not considering it for the near future	40% (14)	36.7% (11)	31.7%
No but considering it as an option in the near future	20% (7)	13.3% (4)	17.5%
No but likely to start doing it in the near future	11.4% (4)	6.7% (2)	4.8%
Yes and expecting to continue	25.7% (9)	40% (12)	42.9%
Yes but not expecting it to continue long term	2.9% (1)	3.3% (1)	3.2%

Councils selling their services outside of their own organisation is not new and is a real source of income in austere times. This survey notes that 25% of respondents are currently trading externally and expect it to continue whilst a further 11% are considering it in the short term and another 20% considering it in the long term. However 40% are not considering this in the future having presumably decided they need to concentrate on internal customers with the intention of ensuring an efficient and effective service is provided internally without the distraction of external work.

14) 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, renewable technology and renewable energy sources and affordable homes. 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:

Asset management with Capital funding
Developing existing contracts with external clients
Energy efficiency measures (Solar heating, Air / Ground Source heating
external elemental replacements/cladding following conclusion of decent homes
Factoring. Possibly neighbouring Council's. 'Buy backs'
Fire Safety and possibly Green Deal
Gas boiler repairs
Handyperson scheme for vulnerable customers, Aids and adaptations, new build (Client) and responsive repairs to local HAs
More internalisation of services investment in new equipment to stop the use of sub contractors.
Needs based asset management. Area based housing regeneration, whole house approaches, annual property services new build BIM,
New build, conservation/heritage work and gas.
Non Housing repairs for other parts of Authority
Planned Programmes
Planned works due to the SHQS surveys on housing stock
Raising standards of empty properties/more works
Schools, regeneration schemes, sustainable development
SHQS work
Take on more Capital Works
Working for private owner occupiers

Areas where work is expected to reduce were as follows:

Access to Capital Works aligned with current skill sets
All budget headings
Boiler installations, painting
Capital works, roofing, slating
Decent homes
External painting, aids and adaptations
Fencing Repairs
In-house due to cuts.
In-house programme repairs, short term until the service improvements are realised
Insulation works of cavity and lofts - current programme coming to a conclusion
Internal capital programme works
Internal improvement works
Larger repair work
Maintenance of properties will drop with the introduction of the planned works programmes
Major construction

New capital projects
Non Housing
Painting, repairs and change of tenancy.
Planned improvement programme.
Reactive maintenance
The external RSL housing market is progressively providing less opportunity to the in-house DLO.

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 authority's membership of APSE. 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:-

- Building cleaning
- Catering
- Housing, building maintenance and construction
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Service delivery models
- Service improvement and performance management
- Sports and leisure management
- Vehicle maintenance and transport operations
- Waste management, refuse collection and street cleansing