

State of the Market Survey 2016

Local Authority Building Maintenance Services



**Briefing 16/46
November 2016**

The state of the market survey was conducted and written by Garry Lee, Research & Coordination Officer.

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State of the Market 2016

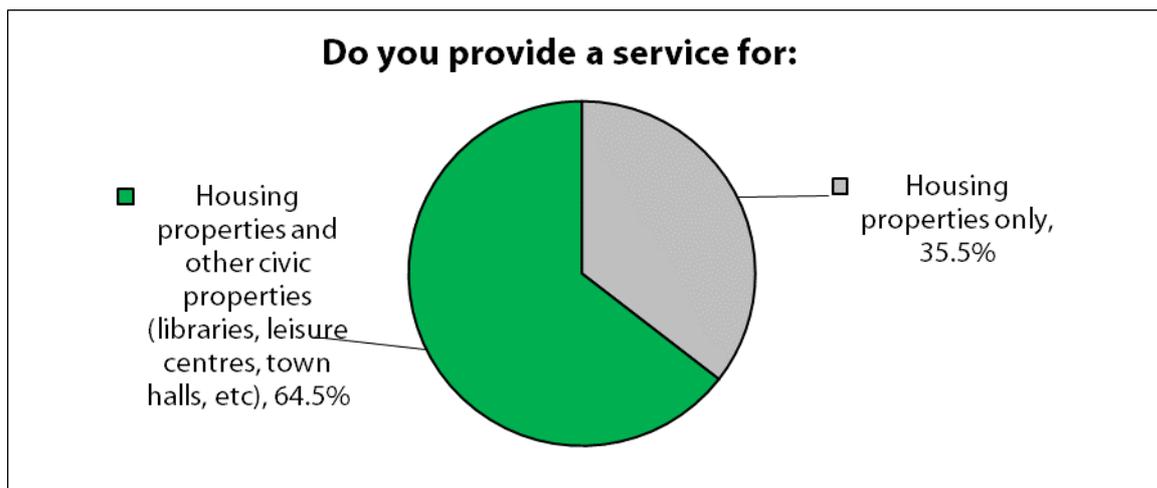
The APSE State of the Market survey is conducted online and contains a series of questions covering a range of issues of interest to those officers and councillors responsible for building maintenance services. 34 responses were received from throughout the UK. This report identifies the key findings of the survey.

This is the fifth time APSE has undertaken this State of the Market survey.

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.

Results from the survey

64.5% of respondents provide a service for housing properties and other civic properties, whereas 35.5% provide a service for housing properties only.



Repairs and maintenance

	Provided in-house (likely to continue for next 2-3 years)	Provided in-house (likely to be outsourced within 2-3 years)	Provided externally (likely to continue for next 2-3 years)	Provided externally (likely to be brought in-house within 2-3 years)	Has been brought in-house within the past 2-3 years
Emergency repairs	66.7%	9.1%	24.2%	6.1%	3.0%
Urgent repairs	75.8%	6.1%	18.2%	6.1%	3.0%
Day to day repairs	78.8%	6.1%	15.2%	6.1%	3.0%

Comments to this question highlighted that several authorities use a mixture of in-house service delivery and external contractors:

- Whilst we are the in-house provider, we do work with partners in a number of areas which provides us with a mixed economy approach
- All repairs and servicing are delivered by a mix of in-house and specialist contractors

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M&E / Gas work	43.8%	6.3%	37.5%	18.8%	6.3%
Voids	63.3%	16.7%	13.3%	6.7%	3.3%
Aids and adaptations	60.0%	6.7%	30.0%	6.7%	6.7%
New build	23.1%	11.5%	57.7%	11.5%	0.0%
Housing Capital works	42.9%	3.6%	50.0%	10.7%	0.0%

Comments included:

- We currently combine internal and external provision and are likely to continue this going forward but may pull back all gas works internally
- Voids and adaptations are both in-house and externally provided
- Aids and adaptations are also completed by external contractors
- Housing Capital works is carried out under a mixed economy banner with the service managing 100% of the works and delivering 50% of the projects using our own trades
- We are looking to implement a combination of externally provided off-site manufactured shells, with in-house fit-out for new build housing
- We do outsource some capital works

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Civic buildings repairs	50.0%	6.7%	30.0%	20.0%	3.3%
Civic buildings capital works	36.7%	6.7%	53.3%	10.0%	0.0%

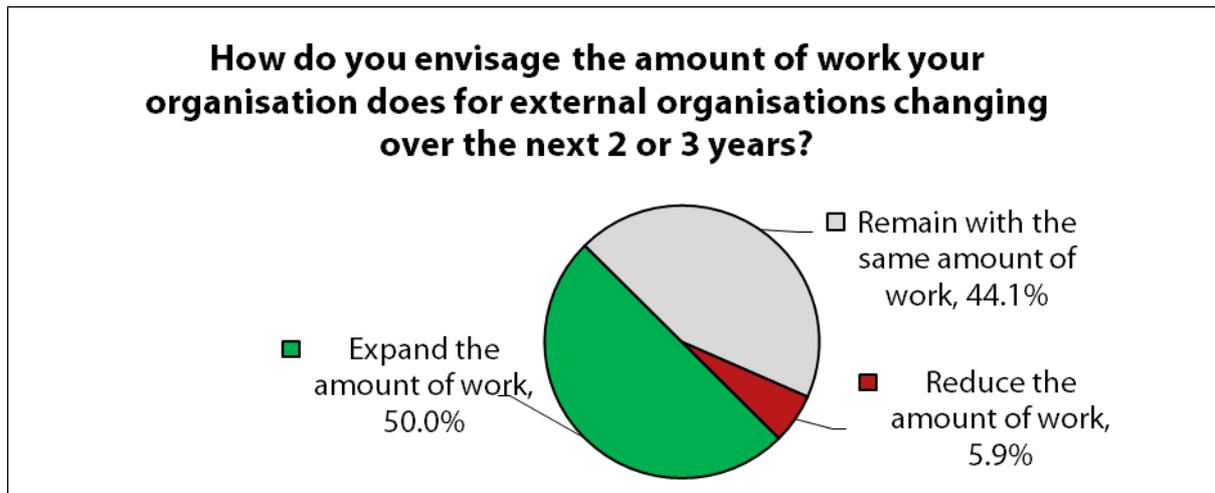
Comments included:

- No firm decisions on corporate property repairs being brought back in-house, but ongoing discussions are likely
- Over the next few years we expect to bring more-work in-house and move away (although not completely) from external contractors

Stores

When asked about what kind of stores arrangement their local authorities have, some respondents had a single/main store (sometimes with smaller satellite stores) and others had multiple stores. It varied whether this was provided in-house or outsourced. The provision of delivery services varied from authority to authority (e.g. for all works or some works only, out-of-hours delivery, etc), as did the use of purchase cards and barcoding of stock.

Work for external organisations

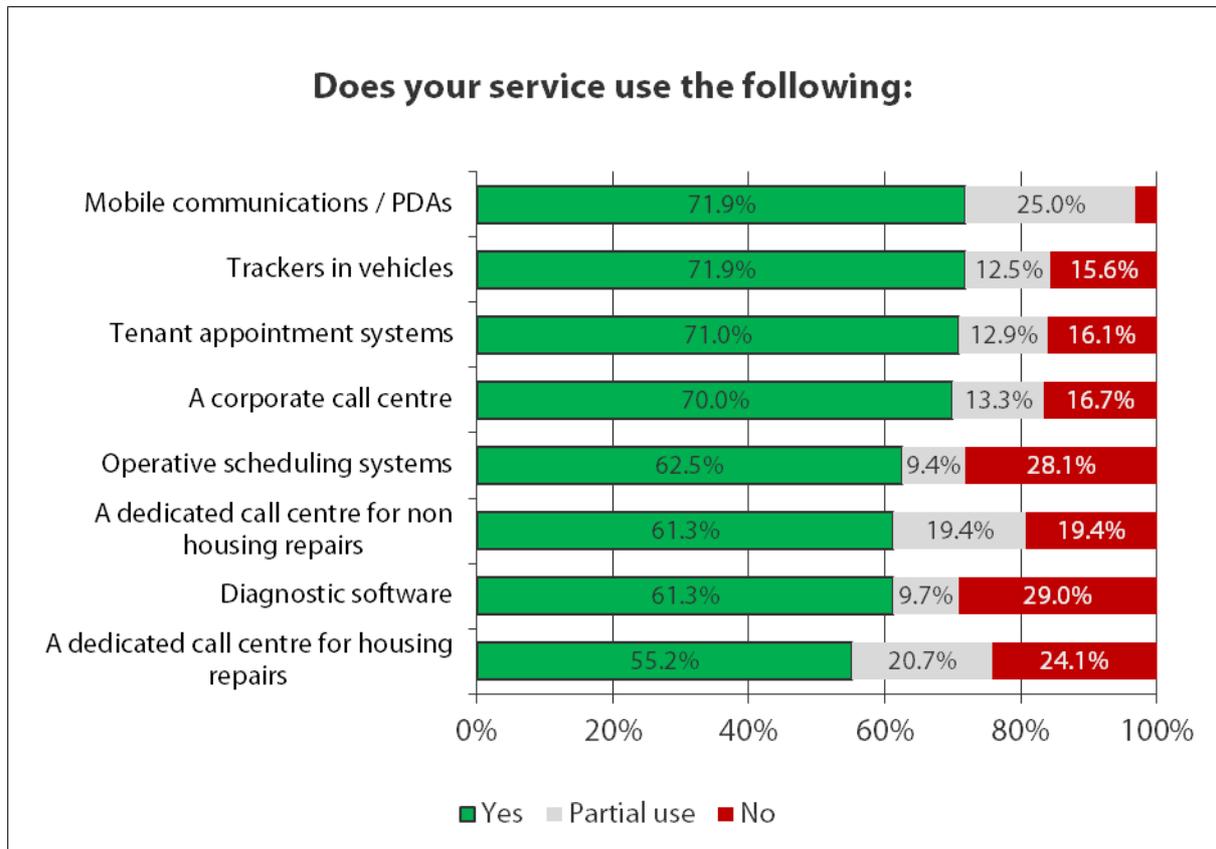


50.0% of respondents are looking to expand the amount of work for external organisations over the next 2 or 3 years, and 44.1% envisage remaining with the same amount of work.

One respondent suggested that “commercialisation is an area we are currently looking at with a view to expanding” and another said they are looking to expand “because there is an appetite to increase our income”. Another said “we have a robust business development plan and are seeking to expand our client base”. An example of the kind of service local authorities are considering is “externalising a gas safety solution to rival other local external providers.”

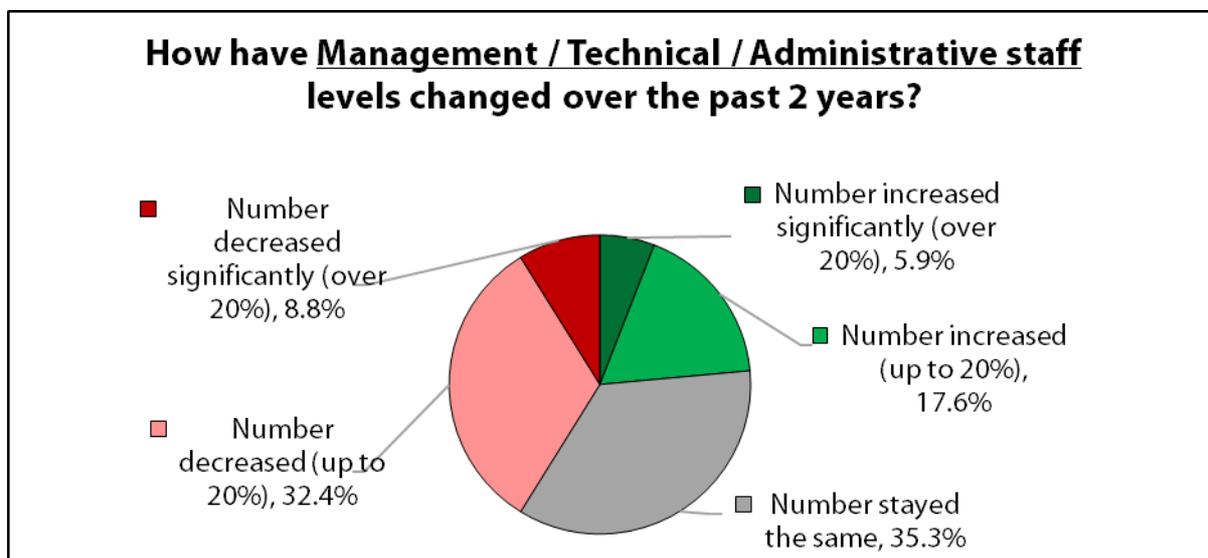
Of the 5.9% that were either reducing the amount of work or do not carry out work for external organisations, this was due to a lack of capacity and due to budget pressures making the Council “unsure of plans”.

Technology and service delivery

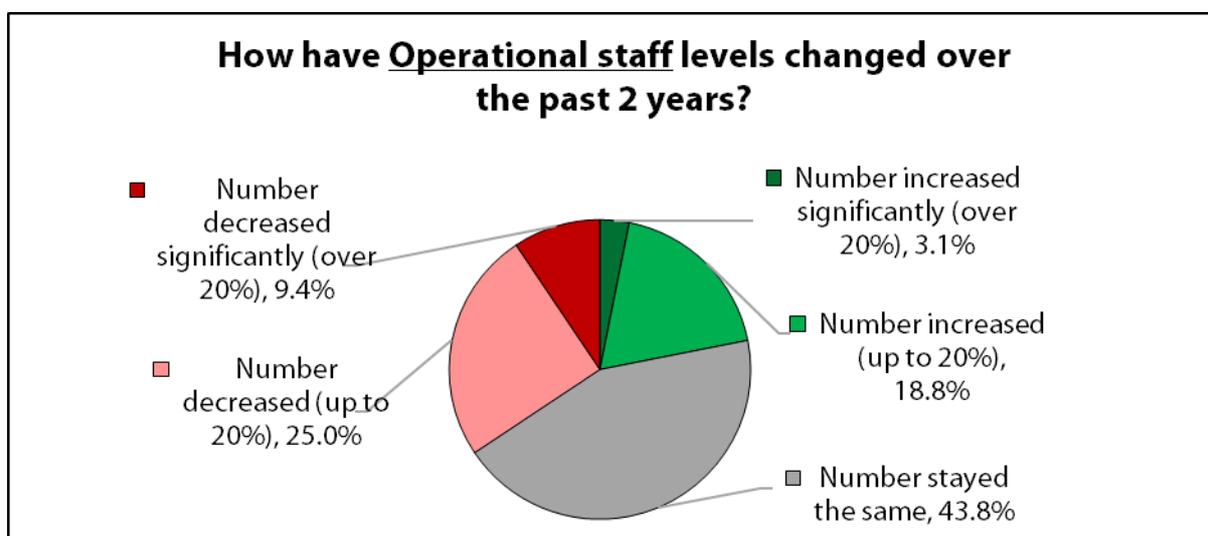


The majority of respondents reported using all of the above, with the least used being: diagnostic software (29.0%), operative scheduling systems (28.1%) and a dedicated call centre for housing repairs (24.1%).

Staff and skills

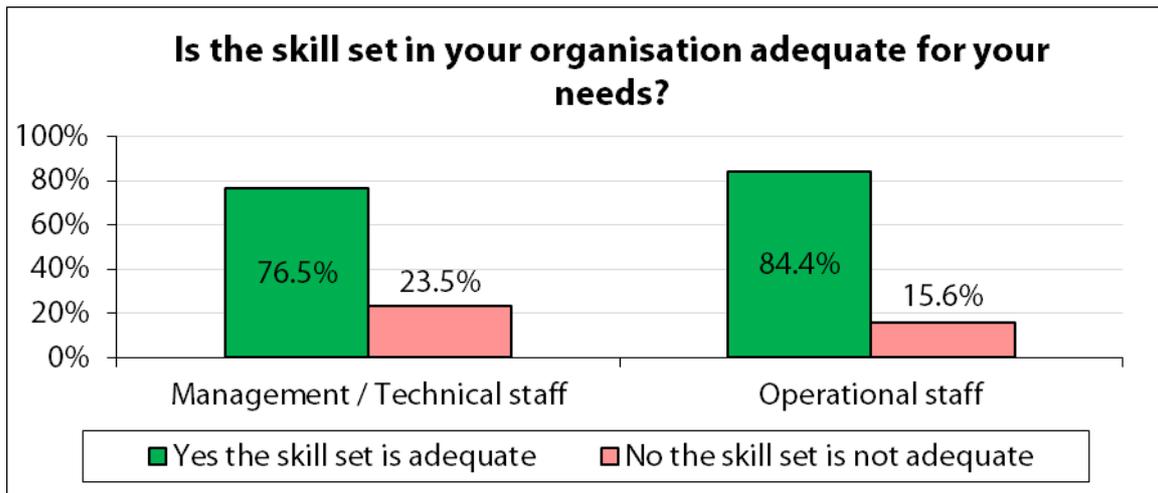


Over the past 2 years, 41.2% of respondents answered that levels of Management / Technical / Administrative staff have decreased, 35.3% said numbers have stayed the same and 23.5% said numbers have increased.

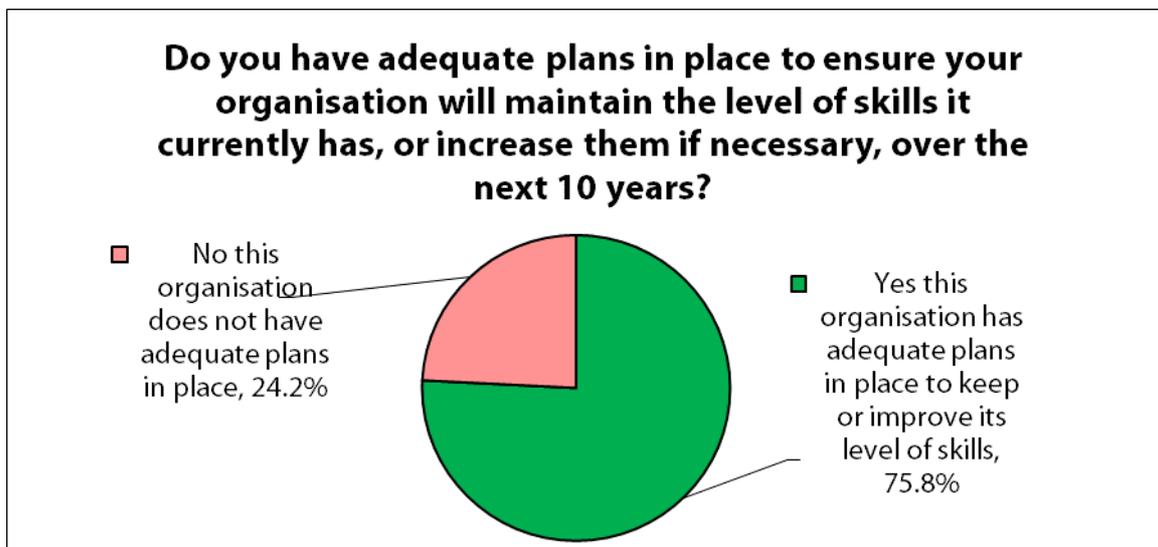


34.4% of respondents answered that levels of Operational staff have decreased, 43.8% said numbers have stayed the same and 21.9% said numbers have increased.

By comparison, 6.8% more respondents said that Management / Technical / Administrative staff levels have decreased. Reasons for decreases in staff levels included voluntary redundancies and posts not being filled. Reasons for staff increases included meeting the Welsh Housing Quality Standard and bringing the delivery of works back in-house.



76.5% believe that the skill set amongst managerial/technical staff in their organisation is adequate for their needs. 84.4% believe that the skill set amongst operational staff is adequate for their needs.



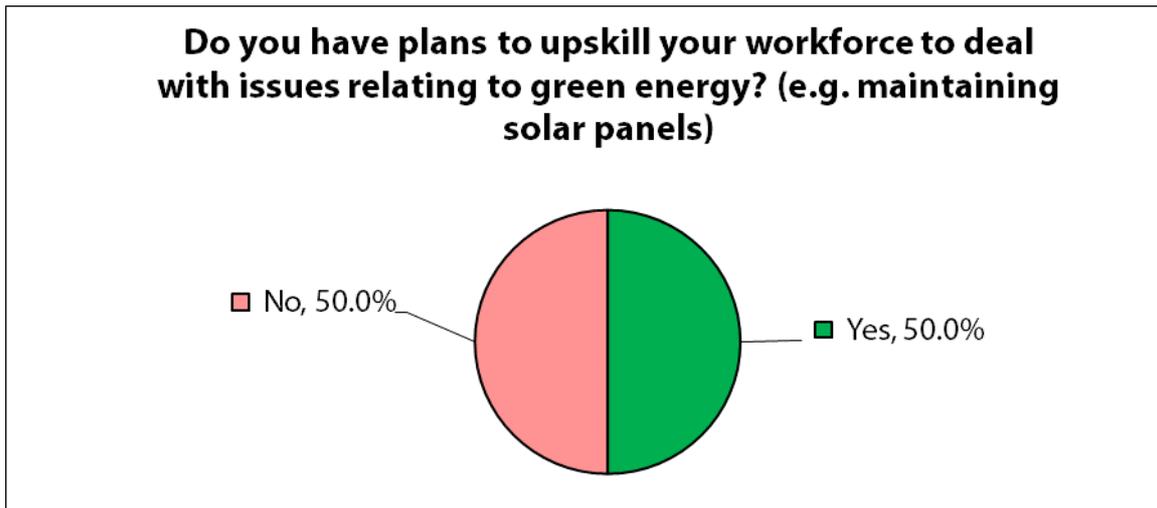
75.8% believe that they have adequate plans in place to maintain the level of skills it currently has or increase them if necessary over the next 10 years.

Do you feel your organisation has the capacity and skills to build new properties?	
Yes	41.2%
No	58.8%

41.2% of respondents believe that their organisation has the skills and capacity to build new properties. Comments to this question included:

- We have the skills but not the capacity

- Our physical capacity limitations have meant cutting back to our competencies of reactive and planned maintenance only
- We [have the skills and capacity] to manage and oversee but not to actually build in-house
- We [have the skills and capacity] but we do not build new properties / we [have the skills and capacity] but the local authority does not have plans to build
- I'm unsure that even with the skills and capacity we'd be allowed as it seems to be a corporate decision to externalise this new build process



50% of respondents have plans to upskill their workforce to deal with issues relating to green energy. Comments included:

- We fit our own solar PV and have trained staff accordingly
- In-house team are fully trained to install and maintain
- We are currently investigating training

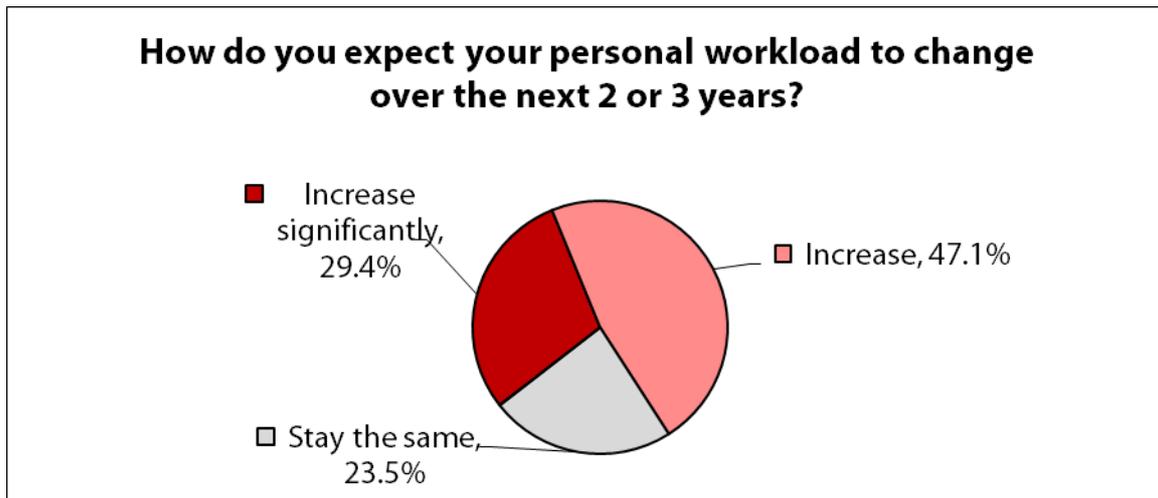
Of those that do not, some of the reasons for this were:

- Our operatives do not currently maintain solar energy but they do multi-skill in other areas / We do upskill our workforce for most elements of work door entry systems but not solar panels
- Reliant on contractors at present / Reliance on supply chain
- All solar installations are in partnership and the supplier is responsible for all maintenance
- Funding availability will determine how we can progress with this

Do you still retain a bonus (or similar) scheme?	
Yes	5.9%
No	94.1%

Only 2 respondents (5.9%) reported having a bonus scheme (or similar) in place.

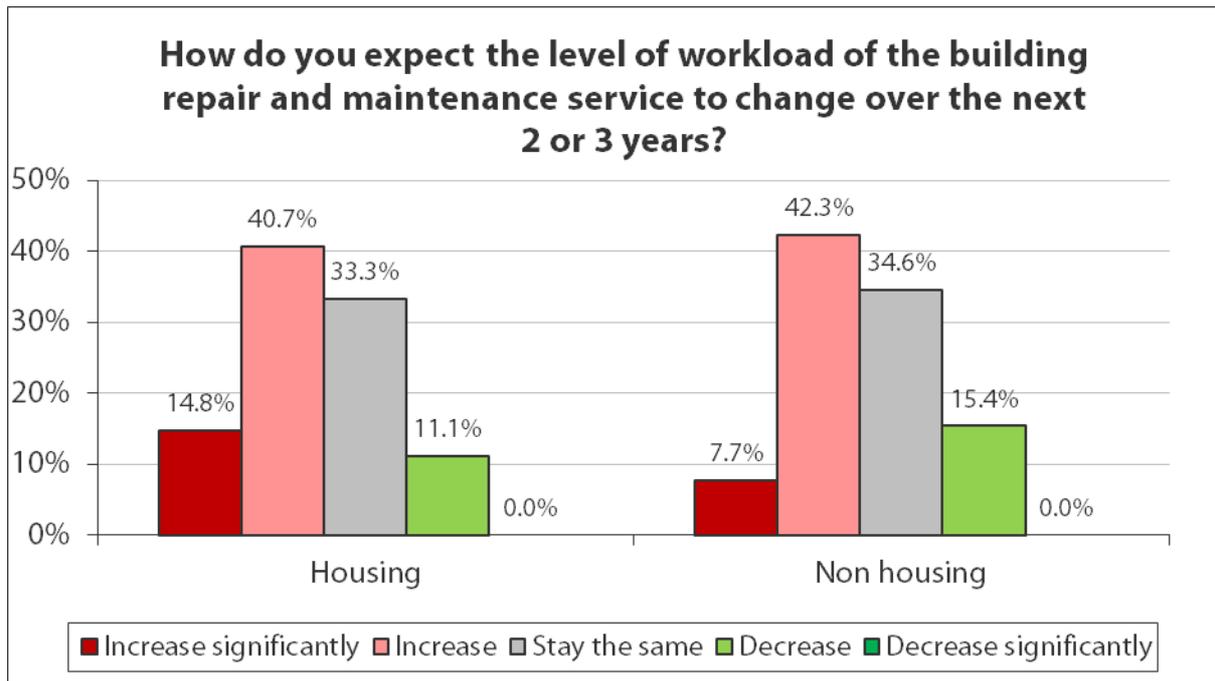
Personal workload



76.5% of respondents expect their personal workload to either increase or increase significantly, and the remaining 23.5% expect this to stay the same; none of the respondents expected their workload to decrease. Many identified budget cuts and outgoing staff not being replaced as the reason for this:

- As more cuts of people take place and no cuts to current services, more onus is being placed on the remaining managers
- The need to reduce cost will always mean the load is shared over a reducing workforce
- Staff leaving are not being replaced
- The Council has to make significant savings over the next 5 years, hence many posts are not being filled
- The demands placed upon senior managers within the Council continue to increase with an expectancy that we take on not only additional responsibilities within our sphere of operations but that we support corporate Council initiatives also
- Systems and procedural changes will increase the workload of me and my section

Service workload



55.5% of respondents expect the level of workload for housing to increase or increase significantly, with only 11.1% expecting workloads to decrease.

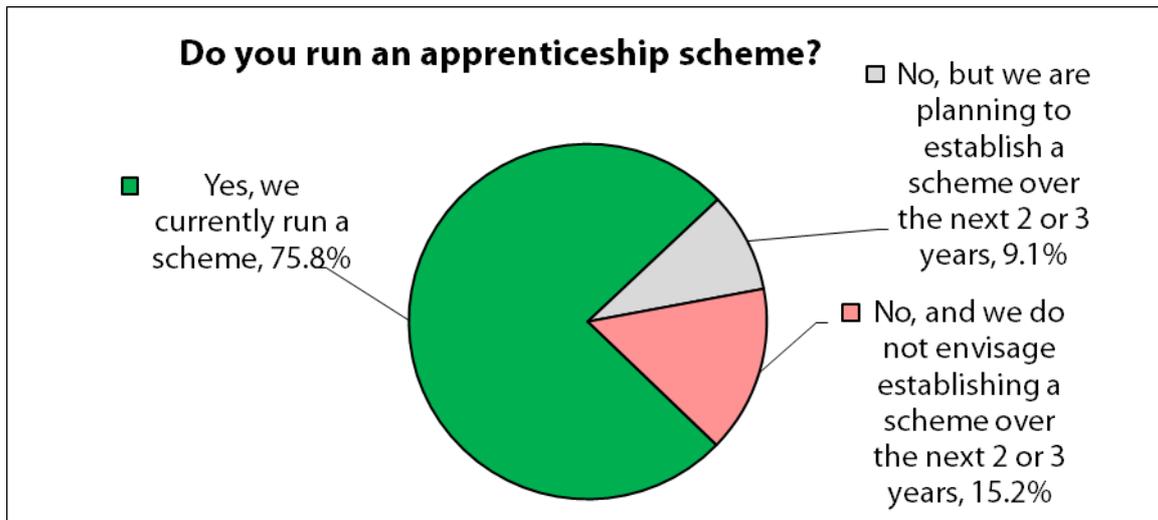
50.0% of respondents expect the level of workload for non-housing to increase or increase significantly, with only 15.4% expecting workloads to increase.

While an increasing workload is not necessarily cause for concern, within the context of local authorities making significant savings and not filling vacant posts, this could be detrimental to a building maintenance service.

Comments to this question highlighted a mixture of expectations. This included:

- Non-housing is no longer a core competency
- Seeing a decline in financial resource which results in fewer repairs being undertaken
- Lack of funding means that only those works required to keep functioning are currently being funded
- Despite reducing the portfolio of buildings, the work content has not reduced
- We are currently adding over 1,000 new builds to the housing portfolio, 10 new schools and a number of very large projects
- Dependent upon the implementation of plans for demolition/re-purchase of properties may change things, but generally we will continue as we are in Housing. We are, however, looking at other commercial opportunities
- As we look at opportunities under the banner of commercialisation, we will look to expand our service

Apprenticeships



75.8% of respondents to this survey currently run an apprenticeship scheme, with another 9.1% planning to establish a scheme over the next 2 or 3 years.

Of those who already run apprenticeship schemes, the majority had 20 or more apprentices (26.7%).

If yes, how many apprentices do you have on your scheme?	
Less than 5	20.0%
5 to 9	16.7%
10 to 14	16.7%
15 to 19	6.7%
20 or more	26.7%
Not applicable	13.3%

One respondent had concerns about their apprenticeship scheme, with concerns about recruiting at the wages on offer due to “the buoyancy of the outside market”. Another reported having difficulties with the availability of funding.

Efficiencies

Respondents to the survey highlighted the efficiencies they were currently working towards. These have been grouped by theme and reproduced below:

- **Mobile working / investment in handheld technology** – We have invested approximately £800,000 in mobile working technology to optimise our operative productivity / We use handheld computers for tradesmen / Implementation of appointment based systems including mobile working / The use of IT systems for mobile working has provided key savings and improved performance / We are currently investing in an improvements programme aimed at delivering improved ways of working including the introduction of handheld technology / Corporate look at further digitisation of services to improve customer experience going forward.
- **Shift patterns** – We work shift patterns to save so much work going to the call out service
- **Recharging process** – Having moved away from being a DLO to becoming part of the Housing Service meant that all works carried out are at cost and the budget for all repairs and improvements is managed through the Service which resulted in the whole recharge process being amended which provided a range of savings
- **Service review** – The balance of internal staffing to sub-contractor support has been reviewed to provide better resource and response to work demand
- **Work scheduling** – Work scheduling has been updated to provide improved response rates and reduce non-productive time
- **Trade-based supervision** – Changed our structure from one of generic geographical maintenance officers to one of trade-based supervision
- **Other efficiencies include** – reduction in staff, vehicle tracking systems, direct purchasing to site, radicalisation of Council property portfolio and the removal of staff bonuses (although this has had a serious negative impact on productivity and sickness)

Growth areas

Clearly there will be differing opinions in relation to this question, with some respondents reported that they did not foresee any opportunities for growth for their service in the next 12 months. Areas of growth that were noted included:

- New build
- Gas servicing, maintenance and installations
- Responsive repairs and out of hours repairs
- Services provided to the private sector (e.g. emergency call outs, gas and electrical servicing and repairs, small building projects, new-build fit-outs)
- Housing capital improvement works currently undertaken by contractors – mainly re-roofing/rendering
- Private roofing and scaffolding works

- Commercial work (working for private landlords, schools, academies and other providers)
- Further development of mobile working

Areas where work may decrease

Again, this question had many differing responses and opinions with many claiming that there would be no reductions in work for their services over the next year. Areas of expected decrease included:

- Repairs and maintenance
- Responsive repairs
- Stores
- Any areas that do not provide the required return
- Work with corporate clients and schools

APSE Comment

It appears that local authority respondents are at different stages in their response to austerity. Budgetary and workload concerns seem to be the common thread amongst them, but a variety of approaches to this have emerged. Some authorities are doubling down on efficiency savings through investment in mobile working technology, while others are opting for operating reduced services or beginning their journey into acting more commercially in new markets.

The loss of management / technical / administrative staff and their skill sets is more marked than with operatives, a continuing trend from previous surveys (with between 48% and 68% reporting decreased levels of staff in 2012, 28.6% in 2015 and now 41.2% in 2016). Several have reported difficulties attracting staff at the wages local authorities can offer; if Councils need to compete with the private sector to keep their service viable, then this remains an issue.

Judging by some of the suggestions for topics at future APSE advisory group meetings (how to motivate your workforce, sickness management, difficulties in attracting and retaining suitable operatives, competing in the private sector), it seems that APSE members are starting to feel the negative effects of reduced budget and workforce / service downsizing in a variety of ways. Dealing with these issues will be key in providing a high quality service.

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 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:-

- Building cleaning
- Catering
- Housing, construction and building maintenance
- Local authorities commercialisation, income and trading network
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Service delivery models
- Service transformation and performance management
- Sports and leisure management
- Vehicle maintenance and transport
- Waste management, refuse collection and street cleansing