

Briefing 17- 02

January 2017

Building Maintenance: Trend analysis 2015/16

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 fourteen years of data collection, performance in 2015/16 is better than at the outset fourteen years ago, across all Performance Indicators within the below analysis with the exception of the percentage of post inspections carried out over all jobs.
- We have seen a particularly marked improvement in the percentage of void jobs completed on time (PI 14c) in 2015/16. This year sees a completion rate of 84.41%, an improvement of 6% on last year and an improvement of 2% on the average completion rate over the previous 12 years. Correspondingly, PI 20b, Voids turnaround (average total number of days keys held by contractor) has declined this year.
- Within non-housing building maintenance we have seen a 43% increase in PI 10, Average value of work per operational FTE of 43% from £60 866.52 in 2014/15 to £87, 838, in 2015/16.
- The percentage of staff absence for operational staff (PI 16a) is 5.26%, a small increase on last year's figure of 5.08% and the figure for all staff (PI 29a) is 4.6%, a slight improvement on last year but a worse figure than in 2013/14.
- Overall, the proportion of overall spending on staff costs (both operational and non-operational employees) is reducing and has lowered from 47% to 40% over the last six years.

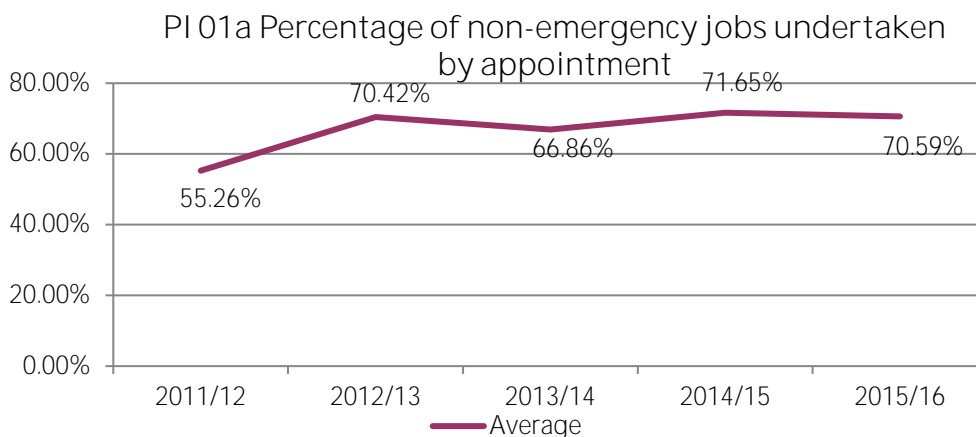
Overview

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. It is a summary of some of the information submitted this year for 2015-16 and, in conjunction with the more detailed section of this report, 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 in this executive summary is based on averages across all family groups and is therefore service-wide, for the last 5 years (2011-12 to 2015-16). The report has been split into four sections - the first section includes those authorities with responsibility for housing, the second includes non-housing authorities, the third covers unit costs and the last section covers stores.

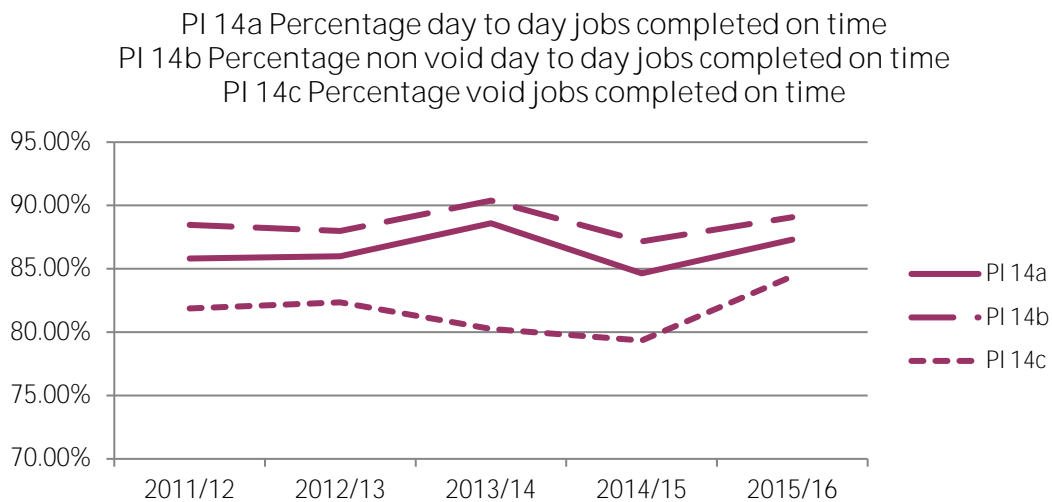
Trend analysis

Analysis for those authorities with both housing and non-housing or solely housing responsibilities:



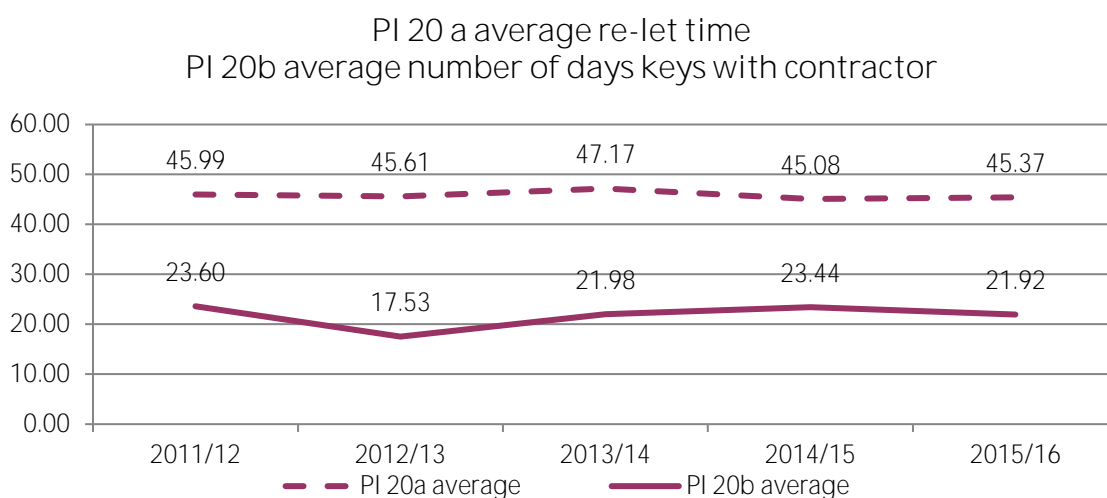
The percentage of non-emergency jobs undertaken by appointment (PI 01A) is seen as an important measure for tenants because it reflects a more tenant centred approach. The value of this PI has shown a gradual level of improvement throughout the period of collection. However it has shown a dramatic rise from 55.26% on average in 2011-12 to 71.65% in 2014-15 and similarly, 70.59% in 2015-16. The change from 2012-13 to 2013-14 was a decrease in performance from 70.4% to 66.9% but it has bounced back over the last two years. The overall trend with this measure is upwards.

The gradual introduction of call centre technology, diagnostic software, scheduling systems and mobile working equipment alongside a general change in culture have all taken place over a number of years mirroring the increase. The use of appointment based software has been widened from non-emergency repairs to include other types of work including gas servicing, other M&E work and some external work whilst it has become more reliable and integrated to other systems so increasing its attractiveness for investment. The proportion of non-emergency jobs varies between organisations but most are trying to increase the amount of work which is appointed. As such it appears that investment in this type of system is consistently bearing fruit with benefits for landlords and tenants.



The percentage of day-to-day jobs completed on time (PI 14a) also remains a key measure of quality reflecting customer care, planning and operational arrangements. It has increased from 85.81% in 2011-12 to 88.6% in 2013-14 which is the highest figure over the collection period. After a lower figure last year (84.64%), scores are now averaging at 87.31%, just below the levels seen in 2013-14.

This high score reflects an overall improvement of the completion rates of all day to day jobs but within that, we can see in PI 14C a particularly marked improvement in the percentage of void jobs completed on time. This year sees a completion rate of 84.41%, which is an improvement of 6% on last year and an improvement of 2% on the average completion rate over the previous 12 years. It is the highest percentage rate recorded since APSE began collating this data in 2003/4. The marked improvement may be due to an increasing emphasis on improving void turnaround rates to reduce lost rental income further to the Welfare Reform and Work Act 2016, introducing an annual 1% rent reduction for all socially rented properties until 2019-2020.



The average re-let time for local authority dwellings (PI 20a) has seen a significant improvement in performance over the data collection period (from a high of 67 days in 2005-06) but has remained stable

for the past 5 years at about 45 days. 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 range of results for 2015-16 is 23 - 94 days.

Voids turnaround (average total number of days keys held by contractor) (PI 20b) remained stable between 2005-06 and 2011-12 at 22 days. There was a big improvement to only 17 days for 2012-13 but it rose again to 22 days in 2013-14 and then to 23.4 days in 2014-15 but has dropped again a little in 2015-16, in line with the improvement in the rate of void jobs completed on time identified above.

Over the course of the period of data collection, we have observed the contractor holding the keys for approximately 50% of the re-let process. Multi-skilling, changes in inspection routines and key management have all had an impact on the turnaround time of properties as has increased recognition of the need for housing maintenance and housing management teams to work together. There are a range of different approaches to voids work with some completing a significant proportion of work post-occupation. Equally standards for letting 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 although little attention is paid to this. 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 is managed is a further consideration.

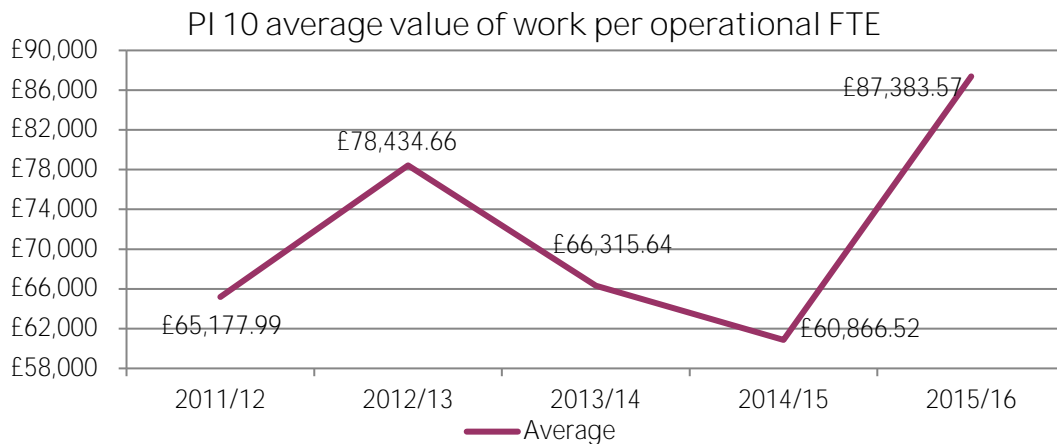
Some organisations have specific voids teams to address this category of property whilst others are more flexible with their operatives moving them as emergencies and other priorities arise. Clearly the stability helps when planning work and allocating resources.

The percentage of staff absence for operational staff (PI 16a) is 5.26%, **a little worse than the previous year's** figure of 5.08%. The figure for all staff (PI 29a) is at 4.6%, a slight improvement on last year but a worse figure than 2013-14. Over the period of data collection, these 2 measures have improved from 6.8% and 6.3% respectively. This is a welcome trend of course but worsening figures over the past two years may reflect issues related to reductions in the overall budgetary position for local government. Stress, extra pressure to take on further work, lower levels of management and the loss of staff without replacement might all have unwanted consequences on staff and sickness levels.

The average value of work per operational full time employee (PI 10) has moved from £75,151 (2012-13), to £71,307 (2013-14), £68,828 in 2014-15 and £70,901 in 2015-16. Investing in the operational staff is an ongoing priority and should lead to extra productivity. Multiskilling, reducing pre inspections, putting faith in the operatives to complete work without interference will support a trend to greater value of work completion per operative as time goes on.

PI 26 tracks subcontracting as a percentage of contract value. This has moved between a high of 22% and a low of 13% over the past 15 years with the figure being 20% in 2015-16. The trend over the collection period is fairly flat. Those councils with a core capacity to deliver internal services will always contract out some specialist work or an element of routine work to fill in some of the highs and lows of overall demand.

Analysis for those authorities who have only non-housing responsibilities



The average value of work per operational full time employee (PI 10) has changed from £65,177 to £78,434 in 2012-13 then from £66,315 and £60,866 in 2014-15. A sharp increase of 43% to £87, 838 over the last year may indicate a significant increase in productivity. However, variation in this performance measure is inevitable due to the nature and scale of work and the absence of the type of standard repairs jobs which are common in housing properties and so future years will confirm whether or not this higher rate of productivity will be sustained.

Subcontracting as a percentage of contract value (PI 26) has increased to 44%, sustaining the marked increase last year from 25% in 2013-14 to 43% in 2014-15. This figure has varied between 10% and 35% over the data collection period of 13 years. Some local authorities have reduced capacity in some specialist areas such as lift maintenance or legionella work as a result of budget cuts and a reduction in property assets meaning they are now maintaining a smaller number of properties, so making maintenance of such areas of work very expensive. Others have turned to training their staff in specialist work.

Unit Costs

Percentage breakdown of building maintenance costs

Area of operation	15-16 % of total	14-15 % of total	13-14 % of total	12-13 % of total	11-12 % of total
Operational employees	31.9	33.9	34.3	35.8	35.6
External / sub-contracting	28.7	27.5	23.5	18.6	17.1
Materials	16.6	15.6	17.4	19.2	19.4
Non-operational employees	8.7	9.01	11.0	10.1	11.5
Other costs (including portfolio mgmt)	2.93	2.6	3.18	4.9	5.1
CECs	4.26	4.8	4.8	5.3	4.7

Vehicles	4.5	4.7	5.1	5.4	5.2
Tools and equipment	0.7	0.7	0.6	0.6	1.2
Training	0.17	0.15	0.15	0.2	0.2
Total	100	100	100	100	100

The table above shows the percentage breakdown of the costs of providing the service (both housing and non-housing) for the last 5 years. Within the overall context of shrinking budgets, the proportion of total expenditure allocated to the individual categories is remaining fairly static. However, we can see that the proportion of overall spending on staff costs (both operational and non-operational employees) has reduced from 47% to 40% over the last six years. A particular area of note in the table is the costs of materials with potential savings coming from the supply chain.

Equally the operational staff are a substantial asset for the organisation and may provide a potential increased source of income from other public providers e.g. through the maintenance of other providers facilities or working with housing associations.

Stores

Questions about the stores function were introduced for 2006-07. The average number of lines held in stores (PI 74) has reduced from 2602 in 2014-15 to 2200 in 2015-16. However, the overall trend for the number of lines held over the period of data collection is an upwards trend. The percentage of store items returned to over the year, PI 80, is 2.52% on average, an increase on 1.07% from 2013-14.

Stores remains an area of regular review as a potential source of savings. The importance of stores to the repair and maintenance process is clear for obvious reasons and operatives and managers need to have faith that the stores are able to meet their needs. The financial value of the stores is significant so ensuring adequate stock is available whilst avoiding over stocking and managing returns well are issues which managers need to be on top of.

Interpretation of data

The table below shows the trend in some of the measures used in this briefing. These are average figures and although it is relevant to compare the trends over time the averages do mask variations in some measures. Some changes are open to interpretation for example PI 18, training days per employee, is considered to have improved if more training is provided and PI 02 percentage of post inspections carried is also considered to have improved if the rate has decreased.

Over the duration of data collection (from 2001-02 to date) the trend shows continued improvement in all but one measure. This would be expected but it is good to see the re-assurance 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, multi-skilling, 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 benefitted from quicker, cheaper work with fewer steps. The introduction of multi-skilling, 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. The impact of budget reductions will take a number of years to filter through to these averages.

Measure	12 month trend	Trend since original figure	Original figure (first collected)	2015-16 figure
01a No. of appointments	declined	improved	24.56%	70.59%
01b Appointments kept	declined	improved	93.60%	94.14%
01c Responsive repairs - appointments made and kept	declined	improved	36.35%	94.94%
02 Percentage of post inspections	improved	declined	18.34%	10.72%
08a Productive labour costs	improved	improved	80.51%	80.72%
10 Average value of work	improved	improved	£52,167	£70,909
14a Day to day completed on time	improved	improved	84.06%	87.31%
14b Day to day completed on time (exc. voids)	improved	improved	79.0%	89.09%
14c Voids jobs completed on time	improved	improved	76.86%	84.84%
16a Staff absence	declined	improved	6.64%	5.26%
18 Training for operatives	improved	improved	1.96	3.02
20a Re-let times for voids	declined	improved	62.25	45.37
20b Keys with contractor	Improved	improved	33.81	21.92

The above table reflects improving performance over the period of data collection with all measures (except one) better than the original level. Clearly we are more interested in the long term picture as significant change in big organisations most often takes a long time to emerge and settle. Over the past 12 months a number of measures have declined when compared to the figure from 2013-14. It is difficult to put a finger on the reason for this but the effects of austerity over the past 4 years may be taking their toll.

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