



## Building Maintenance: Trend analysis 2018/19

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:

- The average percentage of non-emergency jobs undertaken by appointment has reduced to a five-year low of 67.89%.
- The percentage of day to day jobs completed on time continues to increase and is at a five-year high of 92.61%.
- The percentage of void jobs completed on time has increased by circa 5% from 2014/15 to 84.41%.
- The percentage of staff absence (all staff) has seen an increase to a five-year high of 5.47%.
- The average value of work per operational FTE has seen a further decrease for 2018/19 to £67,696. However, the value of work still remains £6,829 higher than the low reported in 2014/15.

### 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	2014/15 % of total	2015/16 % of total	2016/17 % of total	2017/18 % of total	2018/19 % of total
Operational employees	33.93%	29.60%	31.48%	32.64%	28.54%
External/sub -contracting	27.51%	27.25%	26.80%	26.36%	26.64%
Non -operational employees	9.01%	14.43%	15.39%	13.73%	19.22%
Material	15.63%	15.34%	13.77%	14.85%	13.61%
Vehicles	4.74%	4.53%	4.20%	4.81%	4.35%
CECs	4.81%	4.09%	3.75%	3.25%	3.98%
Other direct expenditure	2.58%	2.78%	2.92%	2.56%	1.83%
Tools and equipment	0.72%	0.71%	0.66%	0.79%	0.81%
Property portfolio	0.91%	1.11%	0.88%	0.80%	0.79%
Training	0.15%	0.18%	0.15%	0.21%	0.23%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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, the greatest percentage increase in costs when compared to 2017/18 is in non-operational employees, with the data showing an increase of 5.49%. This could in part be due to councils undertaking more complex building projects, requiring specialist expertise such as project managers and quantity surveyors.

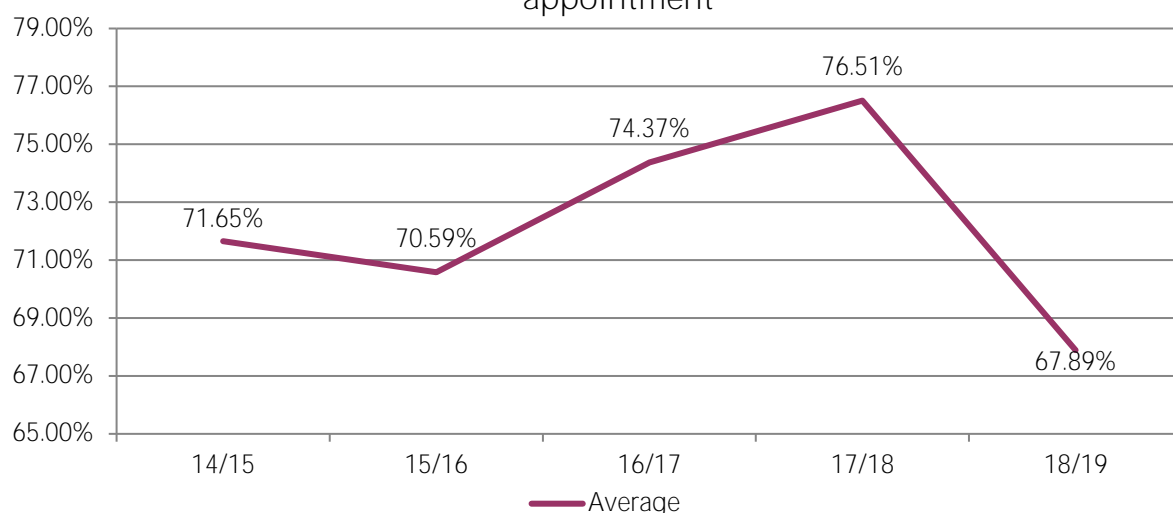
The greatest percentage decrease in costs is reported in operational employees with a 4.1% decrease from 2017/18, which could be a direct result of new technology being implemented, assisting in operational employees working more efficiently.

The trend for increasing expenditure on training continues with a further increase to 0.23%. With councils building housing stock through local authority housing companies and the introduction of new technologies the increase in training costs may indicate that the existing workforce are being upskilled both to meet demand and respond to new technologies.

## 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 showed that there had been a circa 5% increase from 2014/15. However, the 2018/19 data shows that this percentage has reduced by 8.62% to a five-year low of 67.89%.

PI 01a Percentage of non-emergency jobs undertaken by appointment

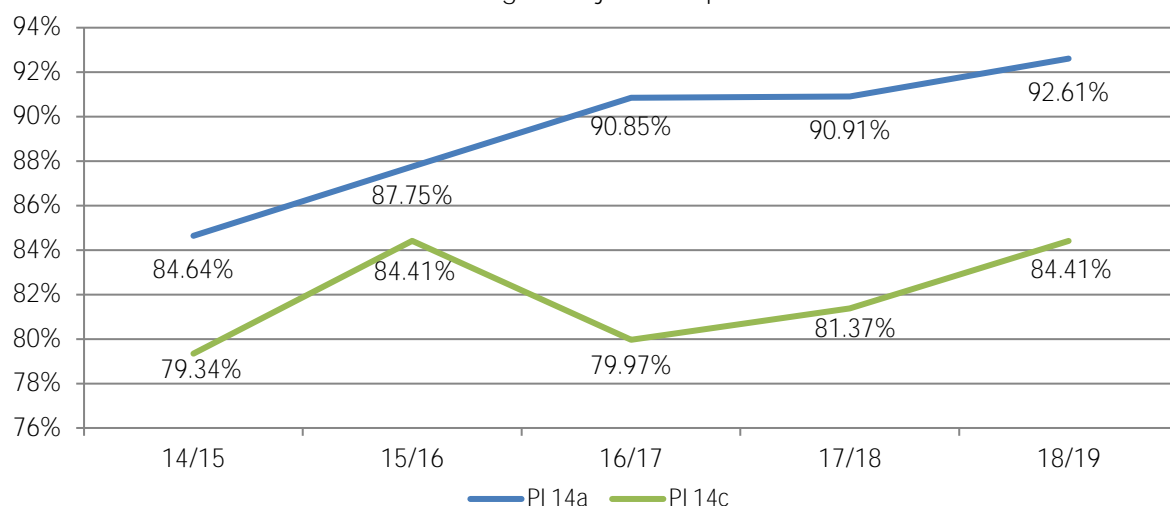


There is a variation between the proportions of non-emergency jobs between organisations but there has been a trend for most to try and increase the amount of work that by appointment and as such councils have invested in call centres and technologies that support this aim. Future data is required to determine if the decrease reported in 2018/19 is temporary or if it represents a longer-term trend.

## Quality

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. The trend has seen a gradual increase from the low in 2014/15 of 84.64% to circa 92.61% in 2018/19.

PI 14a Percentage day to day jobs completed on time  
PI 14c Percentage void jobs completed on time

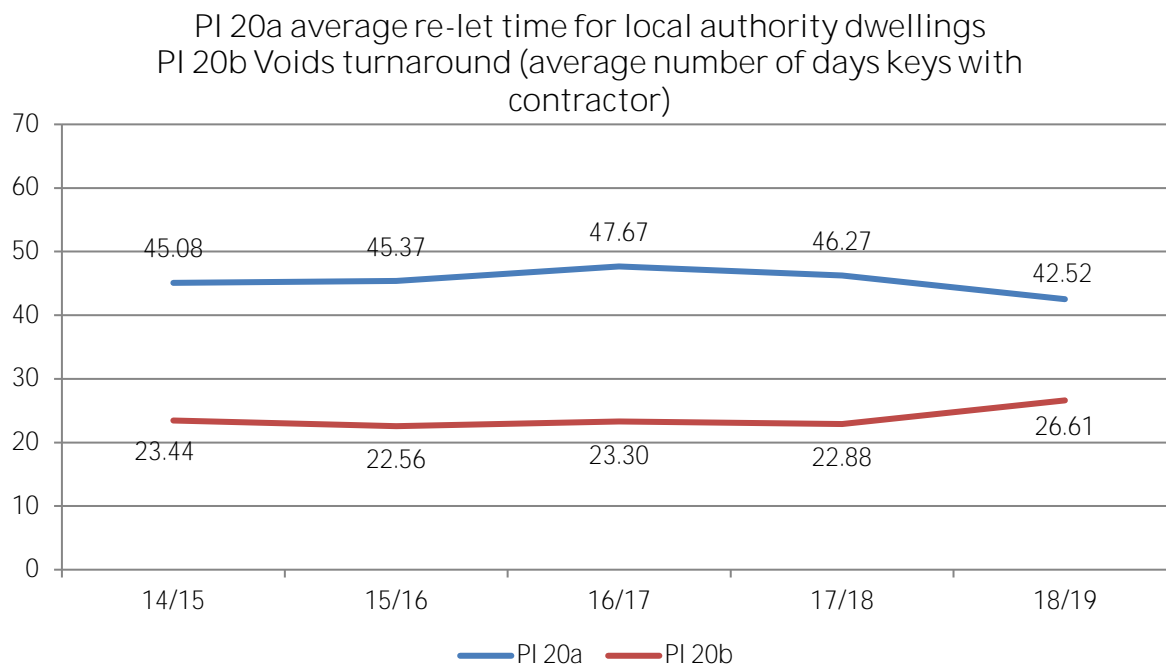


The high scores reflect an overall improvement to the completion rates of all day to day jobs. Although there was a decrease in PI 14c of 4.44% in 2016/17, the percentage for 2018/19 has shown an increase to 84.41% and there is a consistency in the average of percentage jobs completed on time at broadly 82% 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 (England), and the increasing pressure Local Authorities are facing in relation to their statutory duties under the Homelessness Reduction Act 2017 that came into force on 3 April 2018 (applying to England and Wales only).

The average re-let time for local authority dwellings (PI 20a) has reduced to a five-year low in 2018/19 with the average re-let time being report as 42.52 day which represents a 5.15 decrease from the 47.67 days

reported in 2016/17. 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 average number of days for the last five years being reported as 23.76 days. The highest average of 26.61 days has been reported in 2018/19 and the lowest average being reported in 2015/16 of 23.44 days. Although the figures for individual councils range from 15 days to 54 days in 2018/19, which is a reflection on the different priorities and policies councils have in place for void turnarounds.

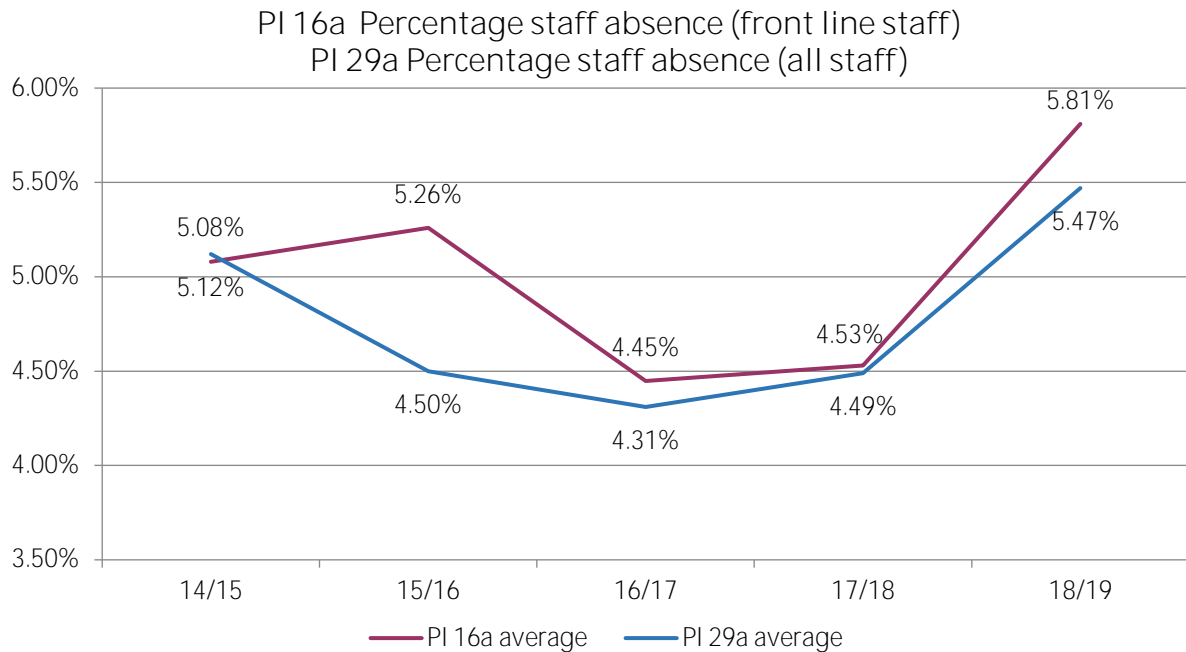
Some councils opt for completing a significant proportion of work pre occupation while others will complete non-emergency works post occupation. Equally lettable standards differ between councils and this will impact on the amount of work completed in void properties.

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 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 operatives moving to void work in response to priorities. Clearly a degree of stability helps when planning work and allocating resources.

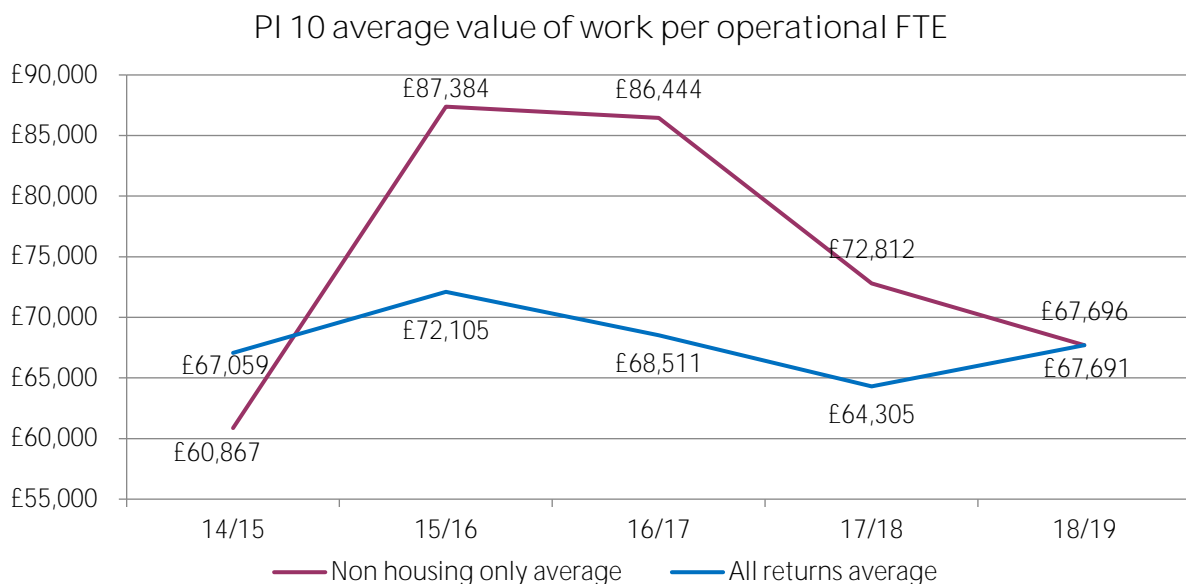
## Staffing

The percentage of staff absence for operational staff absence (frontline staff) (PI 16a) has seen a further increase from last year's 4.53% to 5.81%, which is the highest percentage recorded over the five-year period.



The figure for all staff absence (all staff) (PI 29a) is reported at 5.47% in 2018/19 which is the highest percentage reported over the five years of trend analysis.

The non-housing average value of work per operational full-time employee (PI 10) has seen a further 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 £60,867 reported in 2014/15. 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 to 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
- **Decreases in ALMO's/Insourcing**
- Climate Emergency Declarations

On the latter two points above it is worthy of some further consideration in terms of how these matters will impact upon the future of the service.

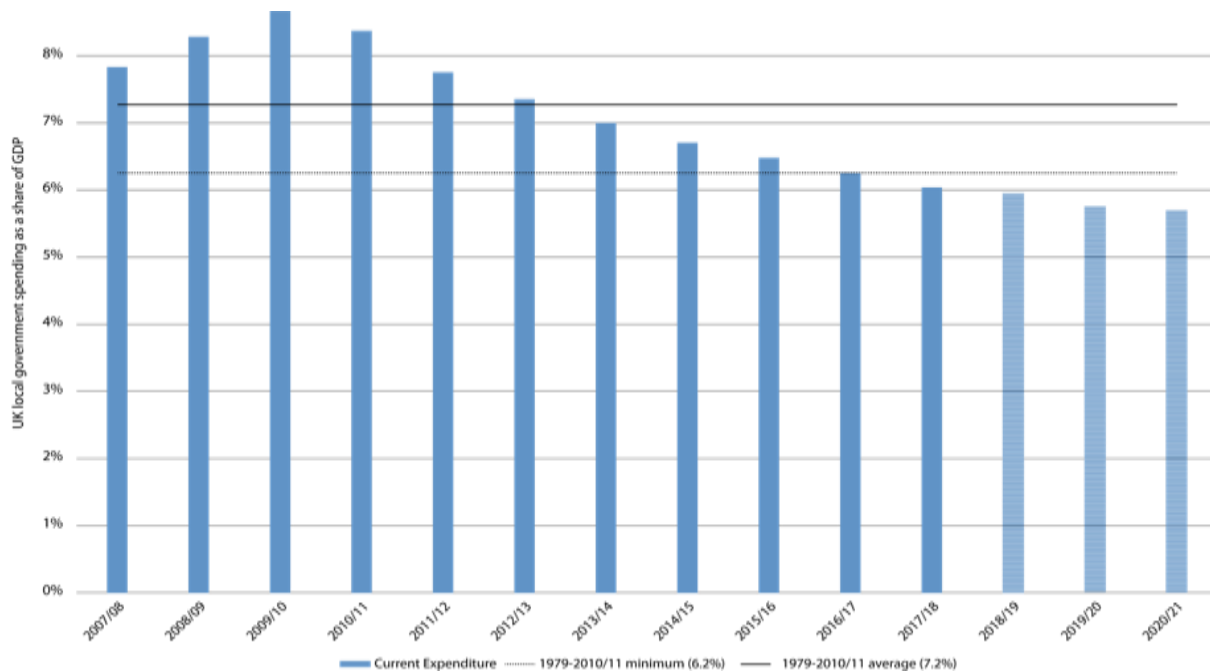
The number of ALMOs in England has steeply declined in the last decade and many have returned to inhouse provision with building maintenance services being successfully insourced alongside housing management arrangements. This provides opportunities for further innovation and skills developments within the sector, enabling a growth in skills and future capacity within the sector.

**Another pressing issue for the sector is the number of councils who have now made a 'Climate Emergency Declaration'. Whilst progress so far has been made on issues such as renewable energy sources, and improvements to new build housing schemes, the need to decarbonise existing housing stock and reduce greenhouse gas emissions will become all the more important as the declarations move into action plans at a local level. Whilst these changes will require large scale investment, they also present an opportunity for investment in green construction skills to be ready for the large-scale retrofitting programmes which will inevitably become part of the response to tackling the Climate Emergency at a local level.**

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

## Future focus

In 2009/10, local government spending as a share of all spending in the economy reached 8.6 per cent, a high for the post-1979 period and only just below the all-time high (1975). In 2017/18, it fell below the previous post-1979 low of 6.2 per cent (1997/98). Since then, it has continued to head down. Including capital spending, total spending by local government as a share of GDP is now at a record low for the post 1948 period.



Source: *Neighbourhood services and sustainable local government, APSE 2019*

In addition, over the nine years from 2009/10 to 2017/18, the resources devoted to neighbourhood services across England, Wales and Scotland fell 27 per cent, equal to £8.9bn at 2017/18 prices. (*Grouped under the broad headings of highways and transportation, environment and regulation, culture, and planning, neighbourhood services are roughly speaking what councils do that is neither education, housing nor social care*). This is against the background of a real fall in total UK local government spending over the same period of 19 per cent.

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, SCOTTS (Trading Standards), NABMA (Markets), Ministry of Housing, Communities and Local Government (Parks Action Group), SOLACE (corporate services) and the 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. APSE have also been working with Zero Waste Scotland and Keep Scotland Beautiful on the monitoring system for the revised Code of Practice on Litter and Refuse 2018.

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 meets 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. Four sets of reports for the Northern Ireland project have now been successfully produced; for 2015-16 to 2018-19.



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.

**Vickie Hacking**

APSE Principal Advisor