

# Rebuilding Capacity: The case for insourcing public contacts

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- Where the journey began
- Making the case for Unitas
- The risks & benefits of Unitas
- Future opportunities for insourcing



# Where the journey began

The Council's vision:

**“To provide a high quality repairs and maintenance service at a reasonable cost, that meets the needs of tenants and public building users”**



# Where the journey began

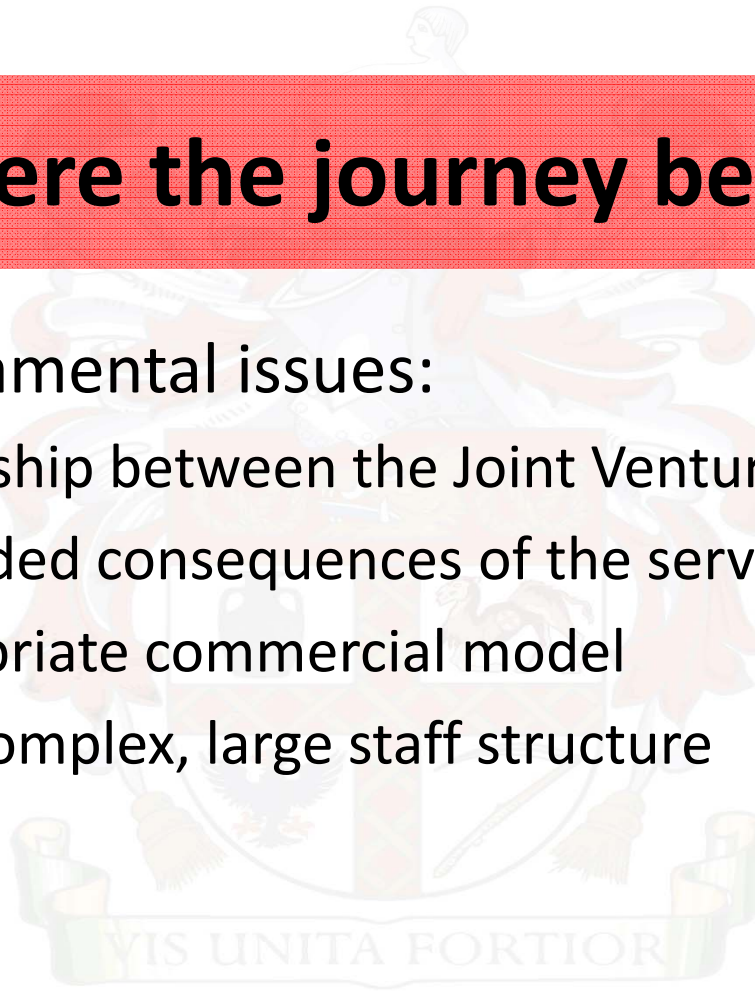
2015

- February – 3 years remaining of Joint Venture Partnership
- Political and Senior Officer desire to consider alternative delivery options
- July – Cabinet approval to undertake Options Appraisal



# Where the journey began

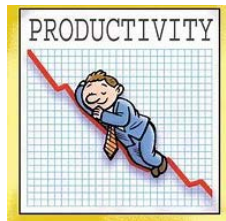
- Four fundamental issues:
  - Relationship between the Joint Venture partners
  - Unintended consequences of the service offer
  - Inappropriate commercial model
  - Overly complex, large staff structure



# Where the journey began

## Consequences

- Cost per property high
  - £1,171 compared to £708 for peer group lower quartile
- Repairs per property almost twice the industry standard
  - 5.7 per property compared to Industry Standard of 3 per property

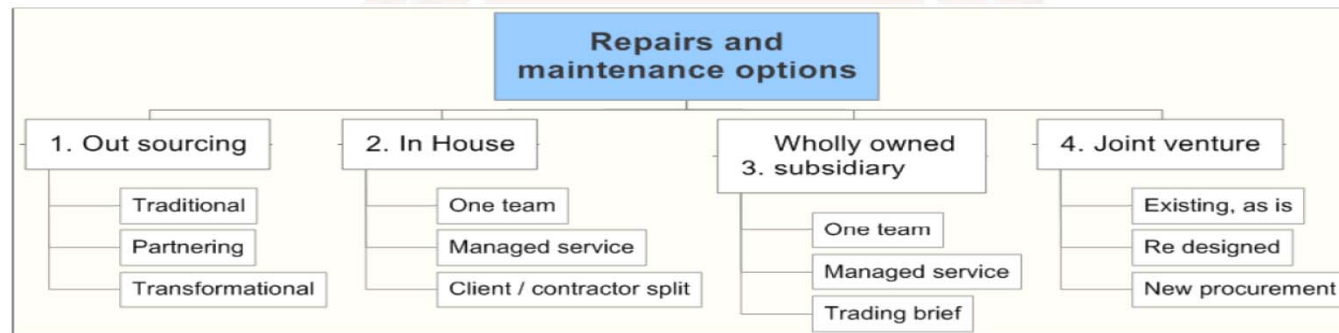


- Staff productivity low
- Inadequate systems and IT

# Where the journey began

2016

- Options Appraisal
- Four options considered



# Where the journey began

2016:

- Options appraisal conclusion – Establish a wholly owned subsidiary
- August – Cabinet approval to establish Unitas

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# Making the Case for Unitas

- Council takes control of future delivery of the service
- Opportunity for the council to reduce costs and deliver an improved, more cost effective service
- Profit generated will return to the council – circa £5 million in year 1
- Provides the opportunity for the council to engage with small and medium sized companies and the local supply chain
- Potential for trade with non-public bodies and potential for profits to be returned to the council
- Opportunity to create a different culture and style focussed around different organisational objectives



# Risks

- Not having a plan
- Not engaging Members, Staff, Unions, Partners and Customers
- Over promising and under delivering
- Not obtaining the right skill set to lead the change and manage the organisation



# The Benefits of Unitas

Ability to challenge and change.



For example...

# The Benefits of Unitas

Ability to challenge and change. For example...

## Voids – the Challenge

- Process challenged from “cradle to grave”
- Removal of bureaucracy
- Improved understanding of roles
- Identification of various types of voids
- Fast Track, Routine, Major and Difficult to let
- A new approach required



# The Benefits of Unitas

Voids – the Change:

- Kier - Stoke – 389 voids
- Unitas – 192 voids ( 49% reduction)
- Kier – Stoke – average re-let time of 54 days
- Unitas – average re-let time of 25 days (46% reduction)
- Savings in void rent loss of £700k per year



# The Benefits of Unitas

Operating costs of repairs per property:

- Kier - Stoke – £1,171
- Unitas – £870 (25% reduction)

• Average Number of days to undertake repairs:

- Kier – Stoke – 5.7 days
- Unitas – 5 days (10% reduction)

• Customer Satisfaction running at 96% with less than 1% complaints



# The Benefits of Unitas

- Improvement of appointments kept from 66% to 96%
- 15% improvement in productivity of our workforce, which will further improve when the dynamic scheduling system is introduced
- Additional external contracts won
- Increase in using local contractors from 28% to 76% with Unitas – keeping the Stoke Pound in Stoke!
- Increase in Dividend from £127,000 to £5 million per year



# The Benefits of Unitas

## IT Systems – the challenge

- Unitas inherited a multitude of IT systems from the Council and the Joint Venture Partnership
- The IT systems:
  - Don't communicate well with each other
  - Don't support effective and efficient ways of working
  - Don't enable service improvement



# The Benefits of Unitas

## IT Systems – the change

- Unitas implementing three new IT systems
  - Asprey – Asset Management system
  - Servitor – Repairs Management system
  - Kirona – Dynamic Resource Scheduling system



- The IT systems:
  - Will be fully integrated
  - Will support effective and efficient ways of working
  - Will enable service improvement

# The Benefits of Unitas



VIS UNITA FORTIOR



# The Benefits of Unitas

Excellent Safety record – Over 700,000 hours of work on site accident free!

We purchased KIER Groups Heath & Safety Management System to ensure a smooth transition at go live.



# The Benefits of Unitas

Improved terms and conditions for all staff

- All employees given LGPS Pension
- Longer term, big picture view – protecting the future for city residents, reducing future reliance on council services
- Alignment of terms and conditions with council employees, flexible working, alignment of working hours, expenses etc.
- Resulting in a highly motivated and more productive workforce



# The Benefits of Unitas

A focus on staff well-being

- Sickness improvement from 6% to 3%
- With a £16.8m wage bill this equates to a saving of £504k!
- Wellbeing sessions included; Tai Chi, head massage, mindfulness sessions, lunchtime walks, stop smoking, blood pressure testing, group dieting, charity fundraising and more....



# Future Opportunities for Insourcing

- Parent growth first – Delivery of the councils capital programme, Civic Building refurbishment (£800k) Local Neighbourhood Centre refurbishment (£900k) + More....
- 3<sup>rd</sup> Party R & M works for major local organisations, could consider local University (Our vans drive past it several time a day), hospital maintenance, other large local businesses
- Private Landlords – Gas Safety, Electrical testing, Void works
- Tendering for R & M contracts with other local social housing providers
- The opportunities are endless!





# Questions Please?

