

Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	Tuesday 10 November 2009
Subject:	Lean Review of Repairs
Responsible Officer:	Lynne Pennington, Interim Divisional Director - Housing Services
Portfolio Holder:	Councillor Barry Macleod-Cullinane - Portfolio Holder for Adults and Housing
Exempt:	No
Enclosures:	None

## Section 1 – Summary and Recommendations

This report sets out the current position with regard to the Lean review process of the responsive repairs service.

### **Recommendations:**

The forum is asked to note the contents of the report and presentation and to comment upon the proposals that in future:

- there should be a smaller number of priority categories that repair requests are allocated to, and
- the proposal to develop a predictive tool that forecasts the demand for repairs and their costs with increasing accuracy .

### **Reason: (For recommendation)**

This is proposed to make service delivery more efficient and to give tenants an improved appointment service.

## Section 2 – Report

2.1 A Lean review of responsive repairs was undertaken involving staff from Housing Services, Access Harrow, Property Services and Kier. A Lean review looks at the whole process and aims to remove waste and redundant activities from the process. The result should be more effective use of resources with fewer links in the chain.

The review set out to improve the service and in the early analysis phase identified that the financial control process was the main cause of delay in delivering an efficient, effective and responsive repairs service. A key issue here was that costs are intended to be controlled by imposing a low threshold on the value of the work that the contractor can undertake without specific authorisation. This leads to wasted visits when the contractor has to request guidance and permissions before completing works. Such abortive calls are charged for and are wasteful in terms of time and money.

2.2 The latter part of the review sought to reduce response times, reduce waste in the administrative systems and reduce costs.

2.3 A presentation outlining the methods involved in the review and the recommendations produced will be given at the meeting. There are two specific areas that the forum is asked to consider and these are set out below.

2.4 Proposal to remove the categories K2, 3, & 4:

The review found that by having multiple categories for repair works with different target times for completion was in itself an inefficient way to manage the process and drove in waste to the system. It is recommended that repairs are organised and prioritised in the following manner

- KE – out of hour's emergency [no change]
- K1 – Daytime emergency [no change]
- K2 – All other repair jobs to be undertaken by first available appointment that is convenient to tenant.

The logic behind this is that:

- a) Customer satisfaction is maintained as tenants are given an appointment and this is set to their reasonable convenience,
- b) Kier no longer have to monitor and manage multiple queues,
- c) The work flow is more even, passing to Kier with peaks and troughs smoothed so planning of labour and materials is more effective

2.5 The second main proposal is:

To develop a predictive tool that forecasts the demand for repairs and their costs with increasing accuracy as each month the figures become more refined. The objective of this is two fold; it helps to manage the budget as the year progresses, and it can be used before the new financial year starts to compare the predicted demand with the proposed budget. If the projected demand is greater than the budget provided there should be an opportunity to discuss with TLCF how the current repairs policy can be adapted to fit within the budget, or the impact that increasing the budget would have on other

service delivery areas. The tool identifies trade by trade the number of repairs, the average cost and the maximum expected cost of repairs. This information is critical in identifying variation from expected expenditure.

2.6 It is proposed that the projected costs for 2010 / 11 be the subject of a TLCF report in January.

### **Section 3 - Financial Implications**

3.1 The reduction in abortive calls by Kier, who will be empowered to get on and do work without the need to check back for authorisation is projected to save approx. £60k per annum. This saving can be used to support the ongoing repairs process and could contribute to meeting additional needs being identified this year.

### **Section 4 - Risk Management Implications**

4.1 The risks involved in making changes to the repairs process are being managed by a project team, which draws members from Housing, Property Services, Kier and Access Harrow. The Project Manager will report to a board of senior managers to ensure that the project is given sufficient focus and resources.

4.2 The estimated cost of the consultancy involved in supporting the Lean project was £100,000 this will be met from the contingency fund.

### **Section 5 - Statutory Officer Clearance**

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 21 October 2009		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 22 October 2009		

\*Delete the words "on behalf of the" if the report is cleared directly by Myfanwy or Hugh.

### **Section 6 - Contact Details and Background Papers**

Contact: Paul Mullins, Interim Head of Asset Management Ext 8049

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	NO