


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>ECONOMIC REGENERATION HOUSING AND THE ARTS POLICY &amp; ACCOUNTABILITY COMMITTEE</b></p> <p style="text-align: center;"><b>6 SEPTEMBER 2016</b></p>	
<p><b>Delivering improvements in our repairs service – reviewing Key Performance Indicators</b></p>	
<p><b>Report of the Director of Housing Services: Nilavra Mukerji</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For PAC Review and Comment</b>  <b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director:</b> Nilavra Mukerji, Director of Housing Services</p>	
<p><b>Report Author:</b> Stan Grant, Principal Manager – Operational and Engineering</p>	<p><b>Contact Details:</b>  Tel: 020 753 6694  E-mail: stan.grant@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report sets out the approach being taken to review the Key Performance Indicators for our repairs contract, to help drive service improvement and increase resident satisfaction.

## 2. BACKGROUND

- 2.1 The current contract with Mitie was let in November 2013. The contract structure is what is known as a 'Term Partnering Contract', which means that the Council has procured and awarded a contract to Mitie for 10 years on a partnering basis.
- 2.2 Partnering is a term used to describe a collaborative management approach to encourage openness and trust between parties to a contract, with the ability to develop long term objectives.
- 2.3 A lot of work was undertaken before this contract was procured to try and capture the lessons learnt from previous contracts and pick up best practice across the industry. A number of key tasks are undertaken as part of preparing for such a tender process, including revisiting specifications and methodologies.

This form of contract marked a difference from previous arrangements, and the decision to move to a long term partnering arrangement was driven by the need to:

- Achieve savings as part of the Medium Term Financial Strategy
- Deliver improvements in performance and satisfaction

2.4 A potential benefit of long-term partnering contracts is that there is scope for the Council to work with the contractor and plan long term objectives, rather than a traditional arrangement which is invariably more short-term focused and can be transactional.

2.5 A Repairs Working Group with residents was set up to help develop Key Performance Indicators and an approach to measuring and monitoring performance. The aim was to try and achieve a leaner set of KPIs that would really get to the nub of what drives satisfaction and key performance.

2.6 There are two sets of KPIs: (i) for responsive maintenance and gas safety services, and (ii) for capital and planned maintenance. An incentive / deduction scheme was developed to support these indicators. The indicators and current performance are set out at Appendix 1.

## **CURRENT POSITION**

3.1 Whilst the new contract arrangements have delivered ongoing savings, feedback on satisfaction is mixed.

3.2 Based on the KPI for satisfaction, performance has improved since the start of the contract, which is clearly positive, but the results are based on a traditional survey methodology, with a sample response rate of approximately 10%.

Using these figures, Mitie's performance for repairs and maintenance (95% in May 2016, and in the high 80% region since April 2015) is in the top quartile when compared to 56 Social Landlords with similar stock<sup>1</sup>.

3.3 However, anecdotal evidence, and evidence through complaints and Member casework suggests that the survey data may not be a complete picture. Following numerous and ongoing complaints from residents (tenants and leaseholders) about Mitie's performance, the new administration elected in May 2014 determined to work much more closely with residents in resolving the problems. They made it clear that they wanted to review both the KPIs themselves and how they were being measured.

3.4 In partnership with Mitie, and with the Residents Working Group driving the process, we have begun a review of the KPIs and how they currently work. An early priority has been to look at how we measure satisfaction, and use feedback to drive improvements.

---

<sup>1</sup> HouseMark STAR benchmarking service: analysis of findings 2013/14

- 3.5 Mitie, with our agreement, has commissioned customer engagement specialists Rant and Rave initially for one year to provide a radically different approach to measuring and capturing feedback. A major difference between this approach and the previous Kwest survey is that Mitie now has access to real-time management information to address problem areas.
- 3.6 The survey model uses key words from an SMS survey to help identify positive and negative experiences, with a real time dashboard being maintained. The survey has three 'touch points' – Call Centre, Visit Completion and Order Completion – with a third of residents being contacted by SMS at each stage.
- 3.7 Over time, the data will provide a much clearer picture of where the repairs service most needs to improve. A sample dashboard is provided at Appendix 2.
- 3.8 The new approach went live in June and we will review the initial data in September. Work is also underway through the RWG to look at how we can extend this beyond September to residents without mobile phones. Early indications suggest that this new approach will really help us and Mitie drive improvements to the service. Our shared ambition is for our repairs service to be the best in the country.

To support the initial 12-month implementation, we have suspended the current satisfaction target for 12 months.

### **3. NEXT STEPS**

- 4.1 Over the coming months, we will work with Mitie and the RWG to review the current KPIs to drive improvements. Some early priorities identified are:
  - Gas safety certificates - the current methodology for measuring performance excludes properties where legal action is required, as this is not a responsibility that lies with Mitie.
  - Capital and planned maintenance KPIs - these need to be reviewed and we will work with RWG to look at these.
  - Develop long-term partnering objectives with clear priorities for the remaining 7 years.

### **4. RECOMMENDATION**

- 5.1 That the PAC note the contents of this report, the approach being taken and makes comments as appropriate.

## Appendix 1 - Key Performance Indicators

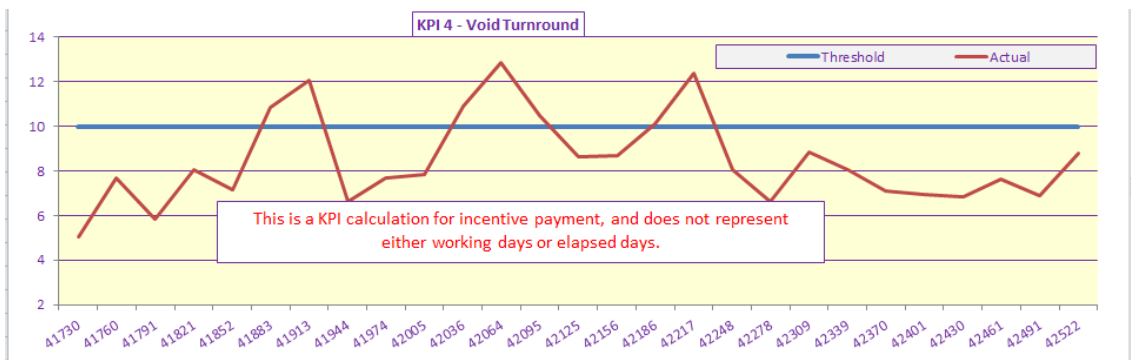
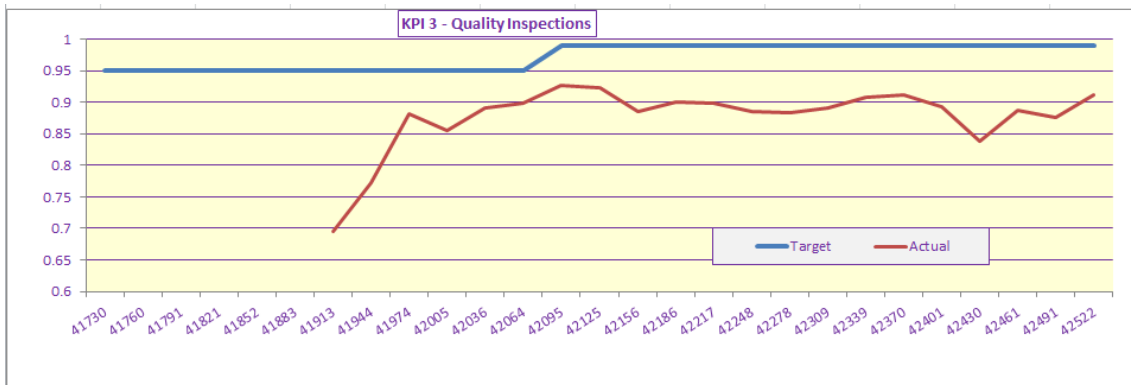
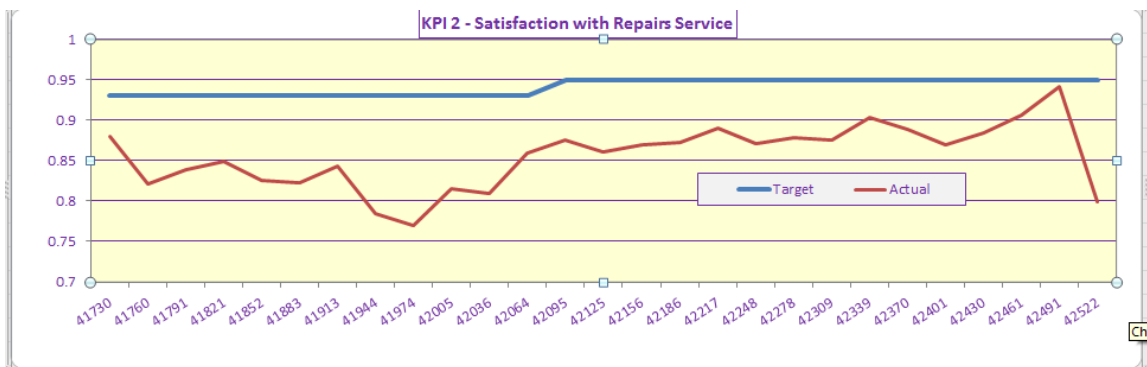
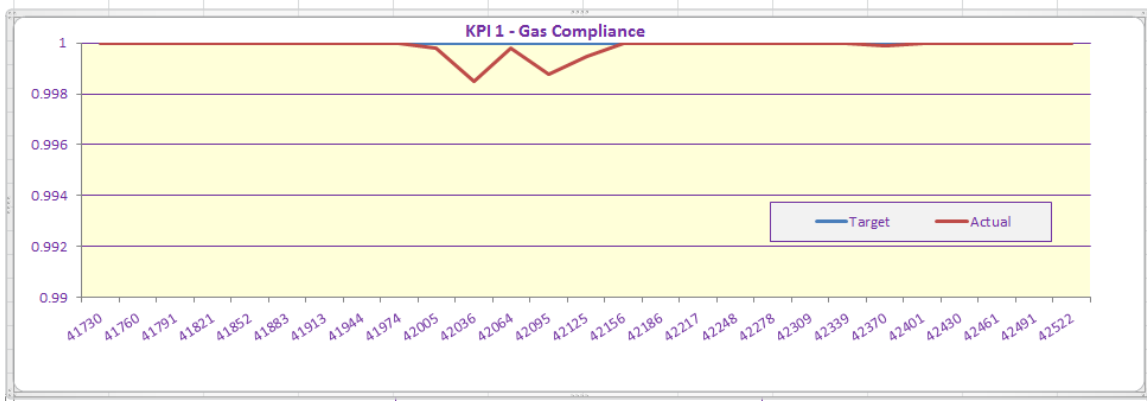
Further work will be undertaken to review how the current KPIs can be used to deliver ongoing service improvement

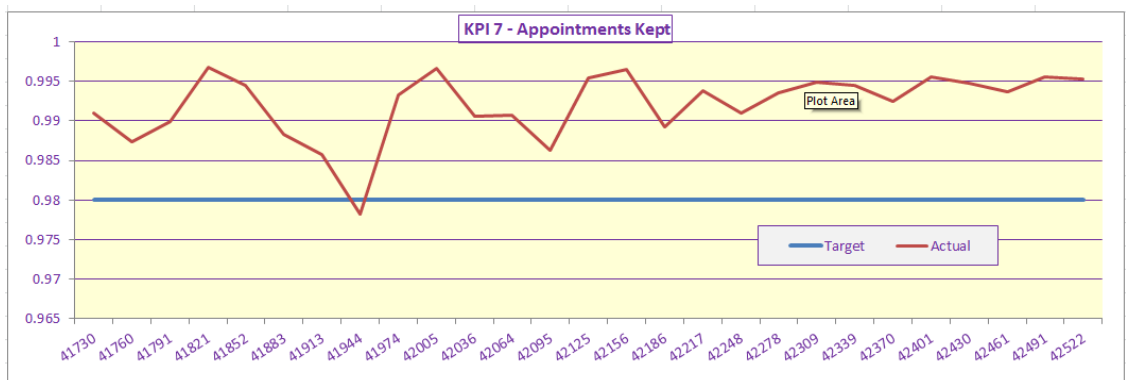
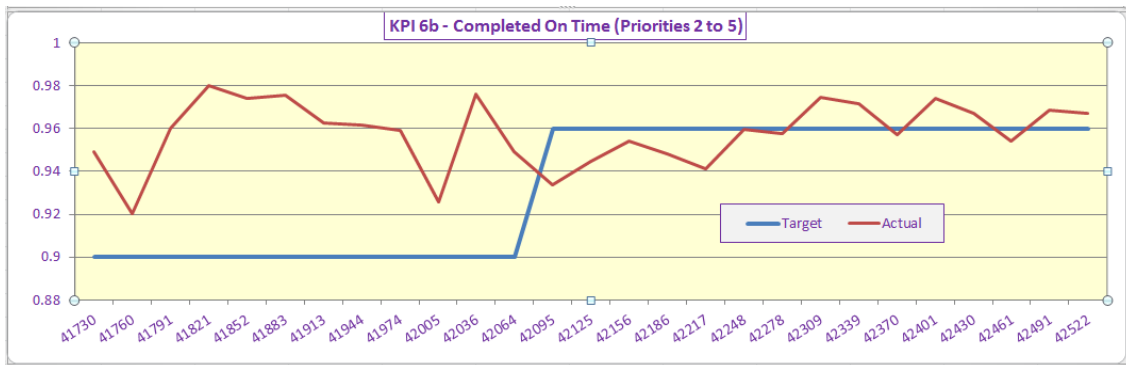
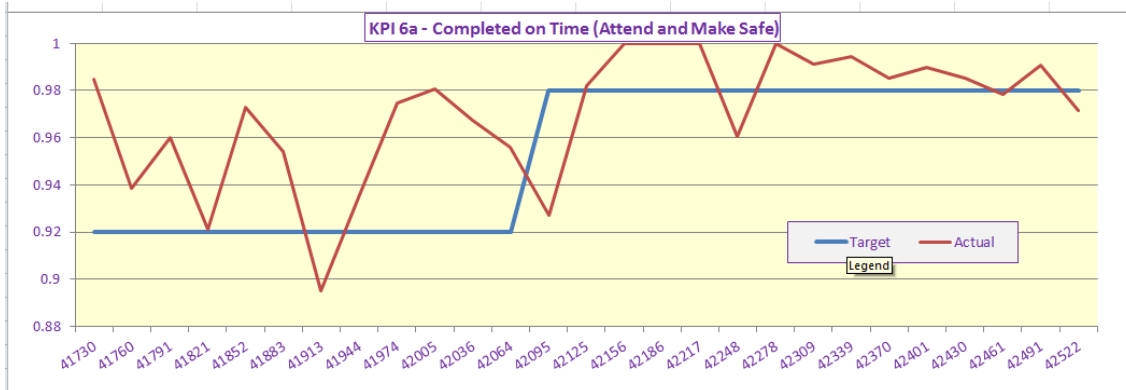
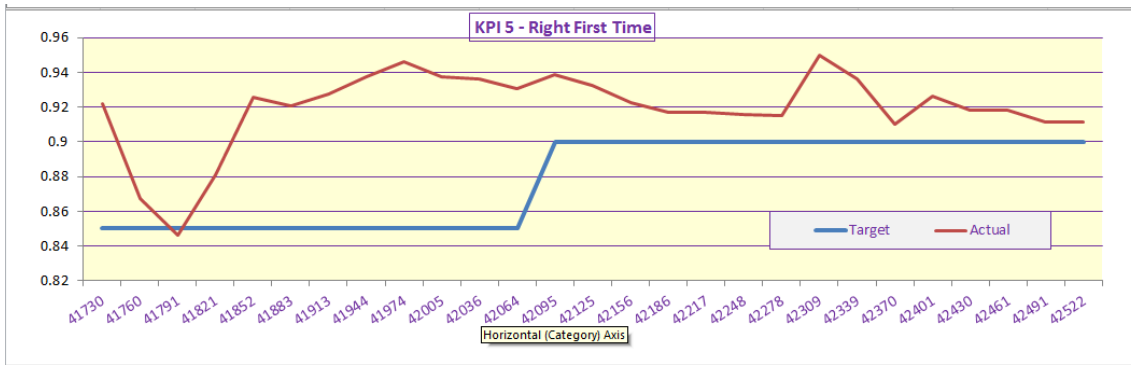
### *Repairs and Maintenance*

KPI no.	Key Performance Indicator
1	Percentage of properties with a valid Landlord Gas Safety Certificate
2	Percentage of tenants satisfied with the repairs service
3	Quality inspection pass rate
4	Average number of calendar days to complete standard voids
5	Right First Time
6	Repairs completed on time <input type="checkbox"/> Priority 1 repairs <input type="checkbox"/> Priority 2 – 5 repairs (both targets to be met to meet the KPI and receive incentive)
7	Percentage of appointments kept

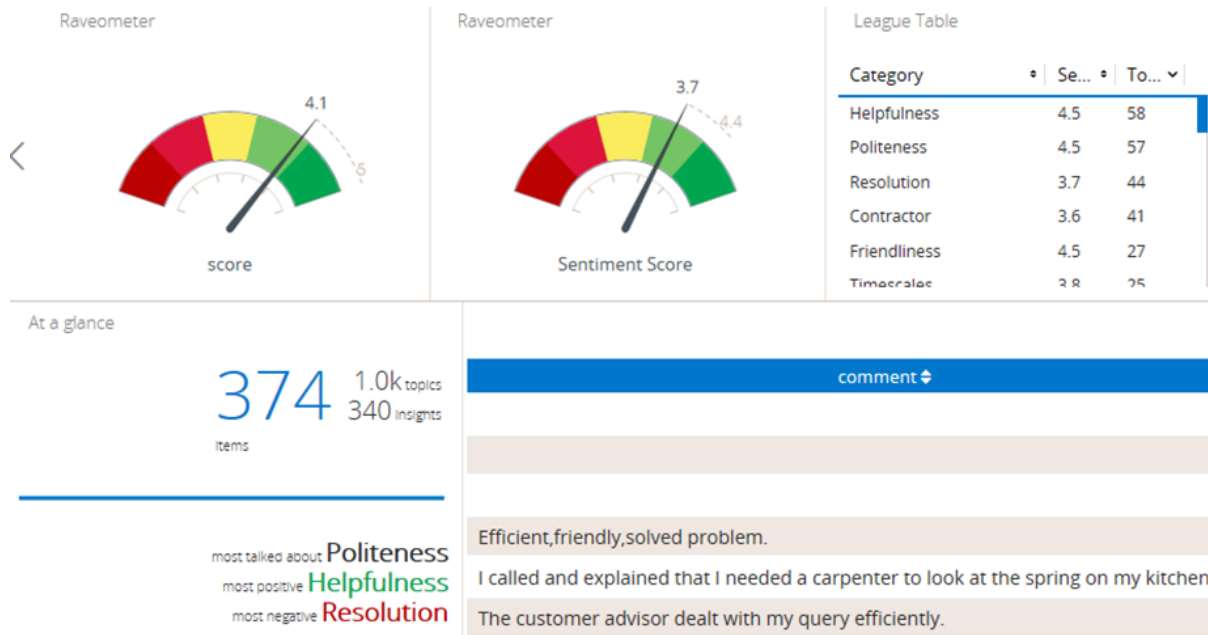
### *Capital, planned and cyclical*

	KPI
1	Residents' Satisfaction
2	Defects
3	Construction Time
4	Pricing accuracy





## Appendix 2 – Rant and Rave Sample Dashboard



## Appendix 3 – HouseMark STAR benchmarking Service Analysis

STAR benchmarking service: analysis of findings 2013/14

---

### 3 Overall satisfaction

**STAR Question Cor1: Taking everything into account, how satisfied or dissatisfied are you with the service provided by [social housing provider]?**

This question is aimed at assessing overall satisfaction with the landlord. As it is so wide ranging, it is largely based on perception and is perhaps difficult to influence over a short period of time. In spite of this, it is a very useful measure to gauge residents' reactions to large organisational changes such as rebranding or stock transfer over the medium term.

#### Overall satisfaction - combined positive rating

Combined positive<sup>11</sup> is the most commonly used satisfaction metric in social housing performance measurement. When comparing survey types, tenants are more satisfied than home owners on this metric; the median satisfaction ratings are 62% for leaseholders and 70% for shared owners. General needs tenants are less satisfied (median 86%) than those living in housing for older people and supported housing (median 92% and 90% respectively). This pattern is mirrored throughout the rest of this report.

The inter-quartile<sup>12</sup> and overall ranges are much smaller for tenants than for home owners. This suggests that leaseholder and shared owner opinions are more polarised.

Combined positive	Upper quartile %	Median %	Lower quartile %	Highest %	Lowest %	No. of orgs <sup>13</sup>
General needs	89	86	82	97	58	93
Housing for older people	94	92	88	99	72	75
Supported housing	93	90	84	100	69	24
Leasehold	72	62	48	89	29	22
Shared ownership	74	70	59	87	40	8

#### Overall satisfaction - net satisfaction rating

The net satisfaction measure takes into account dissatisfied and neutral responses by subtracting the former and excluding the latter from the equation.

The net satisfaction rating further highlights the wide range of opinions held by home owners – especially leaseholders. At the extreme, some organisations had very few dissatisfied leaseholder respondents, whereas others had more dissatisfied than satisfied leaseholders, giving a negative score.

---

<sup>11</sup> The combined positive score is the proportions of fairly and very satisfied added together

<sup>12</sup> This is the range between upper quartile and lower quartile points

<sup>13</sup> This and subsequent breakdowns by customer type does not include organisations that submit combined GN and HfOP satisfaction data to STAR