



## **South Cambridgeshire District Council**

### **Responsive Repair Service Procurement & Delivery Review**

### **EXECUTIVE SUMMARY**

**November 2005**

## 1.0 Executive Summary

- 1.01 The Report provides a review of the four options highlighted in a previous document presented to the Council (January 2005) for the future delivery of Responsive Repairs by SCDC in light of the operating deficit of the DLO:
- Maintain an in house DLO and build its business base
  - Establish a long term public private partnership
  - Transfer DLO operations to City Services
  - Undertake a new tendering exercise
- 1.02 Each option has been reviewed in detail against the criteria set by SCDC in the brief with a focus on affordability and effectiveness. The cost implications of each option have been reviewed in detail.
- 1.03 Responsive repairs are currently delivered through three area based contracts which were awarded in September 2004 to the Council's Direct Labour Organisation (DLO) (East and West areas) and City Services (South area) During 2004/05 14,130 responsive repairs were ordered at a total cost of £2,523,370.67, with the average cost of an order being £178.58.
- 1.04 The contents of the Report have been developed by a Core Group of key stakeholders that have worked with echelon consultancy to mutually develop the recommendations contained within this report.

The Core Group comprised the following members:

- Mathew Baxter – echelon consultancy
- Steve Hampson – Director SCDC
- Cllr Mrs. Liz Heazell - Councillor (portfolio holder) SCDC
- Cllr Mrs. Daphne Spink – Councillor SCDC
- Graham Smith – Management Accountant SCDC
- Clive Rumbelow – DLO Operative SCDC
- Gareth Minns – BGS Electrical
- Stuart Harwood-Clark – DSO Manager SCDC
- Martin Williams – Technician SCDC
- Mr. & Mrs. Buxton – Tenants
- Steve Annetts – Asset Manager SCDC

- 1.05 As part of the review the Report considers the internal and external drivers for the service with particular reference to the Audit Commissions Key Lines of Enquiry for Repairs (KLOE 3) and the recommendations within this report are provided to ensure that SCDC develops a service that achieves an '*excellent*' rating from the Audit Commission.
- 1.06 The Report recommends that SCDC retains its DLO with a focus on building the business base and also applying a series of recommendations that will make the organisation more cost effective whilst improving the level of service provided.

In summary, the rationale for this recommendation is as follows:

Option 1: Retain DLO and Build Business Base

- Cost of retaining the DLO is the most cost effective solution due to additional costs incurred with other options
- DLO capable of moving to positive trading position if recommendations are implemented
- Customer Satisfaction levels are currently high (94%)
- DLO uplift rates are highly competitive and as such tendering for work externally to generate additional income is viable
- Existing Recovery Plan is delivering its targets and DLO is improving its trading position

Option 2: Public Private Partnership.

- Not felt to be viable option to the low volume/value of work and substantial lead-in time

Option 3: Transfer DLO to City Services

- There will be a significant increase in costs on existing Schedule of Rates (SOR) estimated to be between £219k and £574k.

Option 4: Retender

- Market appraisal indicated substantially higher rates against SOR if re-tendered with additional cost to SCDC estimated at 40% higher than current rates

This recommendation is endorsed by the Core Group engaged during the review process.

1.07 In addition, during the course of the review it became clear that there are many issues that are adversely affecting the current delivery of the service and particularly affecting the DLOs capability to deliver an optimum service.

1.08 Consequently, this Report makes **22** key recommendations in how the service can be improved with an Action Plan provided for each:

1. Review Repairs Ordering Process
2. Externalise Stores
3. Develop Key Performance Indicators (KPIs)
4. Develop Multi-skilled workforce
5. Develop Partnering Culture
6. Develop Appointment System
7. Increase Resident Input
8. Develop Business Base
9. Review Schedule of Rates
10. Develop 'Right First Time' Approach
11. Develop use of 'Hand-held' computers
12. Review Payment Process
13. Integrated IT System
14. Incentivisation
15. Training
16. Improve morale
17. Inspection Process
18. Workflow
19. Review Support Costs
20. Empowerment/ 'Attend Defect'
21. City Services Average Order Values
22. Produce DLO Business Plan

1.09 It is recommended that the Core Group convened for the delivery of this review is tasked in the delivery of the Service Improvements. A detailed implementation plan for the delivery of the Service Improvement Plan will be developed with the Core Group.