

APPENDIX A



South Cambridgeshire District Council

**Responsive Repairs Service
Implementation of Improvement Plan**

Update Report – June 2006

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1.0 Executive Summary

- 1.01 The SCDC Cabinet approved a report on the future of the Council's DLO in December 2005.
- 1.02 The Report provided 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
- 1.03 Each option was reviewed in detail against the criteria set by SCDC in the brief with a focus on affordability and effectiveness.
- 1.04 The contents of the Report were developed by a Core Group of key stakeholders that worked with echelon consultancy to mutually develop the recommendations within the original 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 The Report considered 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 the report were provided to ensure that SCDC develops a service that achieves an 'excellent' rating from the Audit Commission.
- 1.06 The Report recommended 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 was 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

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

1.08 Consequently, the Report made **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 was also recommended that the Core Group convened for the delivery of the review be tasked with the delivery of the Service Improvements.
- 1.10 The recommendations within the Report were fully endorsed by Cabinet with a request that an update report be provided back to Cabinet 6 months after commencement of the Improvement Plan to provide evidence that the Plan is being implemented and also to report on its effectiveness.
- 1.11 Consequently, this update report has been provided to give an overview of the process adopted in the delivery of the Improvement Plan and to provide a detailed update against each of the 22 points within the Plan.

2.0 Implementation Process

- 2.01 Following approval of the Report by Cabinet an initial **implementation workshop** was held on the 25th January 2006.
- 2.02 The workshop was the start-up event for delivering the Responsive Repairs Improvement Plan approved by Cabinet in December 2005.
- 2.03 The workshop focused on a point-by-point review of the outline Action Plan (provided in the original report) in order to mutually develop a detailed Action Plan to ensure each Action is delivered. In all, **61 actions** were identified against the Action Plan.
- 2.04 In addition, the workshop agreed the role and membership of the implementation Core Group that acted as the delivery team for the Action Plan.
- 2.05 Membership of the Core Group was agreed as follows:

Implementation Core Group

- Steve Annetts – SCDC Asset Manager
 - Steve Ball – SCDC DLO
 - Mathew Baxter – echelon
 - Andy Booth – Resident Representative
 - Mitch Fitzjohn – City Service
 - Stephen Friend – SCDC Surveyor
 - Stuart Harwood-Clark – DSO Manager
 - Councillor Liz Heazell – SCDC Portfolio Holder
 - Jo Oldham – Contact Centre
 - Clive Rumbelow – DLO Operative
 - Graham Smith – Management Account SCDC
 - Councillor Daphne Spink – SCDC
 - Sid Webb – SCDC Surveyor
- 2.06 The Core Group has held 6 meetings to date and on each occasion the **Improvement Plan** has been updated to reflect the progress since the last meeting. The meetings were held on the following dates:
- Meeting 1 - 7/2/06
 - Meeting 2 – 2/3/06
 - Meeting 3 – 6/4/06
 - Meeting 4 – 25/4/06
 - Meeting 5 – 26/5/06
 - Meeting 6 – 21/6/06

2.07 In addition to the main Core Group, two sub-groups were developed with a specific brief to review IT and the Schedule of Rates respectively. Membership of these two groups is as follows:

IT Sub-Group

- Tony Herbert - echelon
- Kelvin Belcher - SCDC
- Jeffrey Huckle – SCDC
- Jo Oldham – Contact Centre
- Steve Ball – SCDC DLO

Schedule of Rates Sub-Group

- Steve Ball – SCDC DLO
- Mitch Fitzjohn – City Services
- Sid Webb – SCDC

3.0 Improvement Plan Update

- 3.01 As previously stated, there are 22 points in total within the Improvement Plan.
- 3.02 The following section provides more details on the progress of the 22 points within the plan, highlighting those that have been completed and providing indicative completion dates for all outstanding actions.

3.1 Point 1 – Review Repairs Ordering Process

The majority of the tasks within this output have been complete, with a successful series of visits having taken place to the Contact Centre to build a closer working relationship between SCDC/DLO and Contact Centre.

The outstanding tasks are the development of a Service Level Agreement between the DLO and the Contact Centre, which will be complete by the end of June 2006 and the introduction of a process to allow the issuing of multiple task orders by the Contact Centre, which is still being worked on by the IT Group with an anticipated completion in July 2006.

3.2 Point 2 – Externalisation of Stores Function

After a detailed review and options appraisal, it has been agreed that the provision of a single source volume supply agreement with one builders merchant will have to go through a full procurement process under current OJEU legislation.

The contract documents are currently being finalised by echelon, with input from the Council's Procurement Officer, and will be out to tender by the end of June, with an anticipated start date of the new service of October 2006.

3.3 Point 3 - Develop Key Performance Indicators (KPIs)

A KPI Handbook has been developed by the Core Group and signed off.

The KPI process is currently being rolled-out to all staff involved and two workshops have been held with DLO operatives and supervisors to ensure knowledge of the process is shared across all stakeholders.

Further meetings are to be held with staff in June and July and it is scheduled that the KPIs will 'go live' in October 2006 at the start of the third quarter of the financial year.

3.4 Points 4 & 15 - Develop Multi-Skilled Workforce & Training

Action Points 4 & 15 were merged as they are intrinsically linked.

Both points have been complete and this has included the following key outputs:

- New staff recruited at labourer level to develop from within
- CSCS accreditation process in place, including 96% pass rate on Health and Safety
- Individual Training Plan developed for ALL operatives with focus on development of multi-skilled operatives
- Workforce now includes 8 multi-skilled operatives; this will develop to 12 next year and 20 the year after through delivery of the training plan.

3.5 Point 5 – Develop Partnering Culture

This objective has been achieved through the development of a Partnering Core Group, with clearly defined objectives to develop the Partnering ethos in the delivery of the Contract. This group has now met three times (facilitated by echelon) and will now meet monthly without the need for external facilitation.

Membership of the group is as follows:

- Steve Annetts – SCDC
- Sid Webb – SCDC DLO
- Mitch Fitzjohn – City Services
- Jo Oldham – Contact Centre
- Andy Booth – SCDC Resident
- Cllr Liz Heazell - SCDC

3.6 Point 6 – Develop Appointments System

This process is ongoing. A detailed proposal has been provided by echelon to Steve Hampson in relation to delivery of an appointments system within Orchard and the process is currently on hold until such time as the proposal has been reviewed.

3.7 Point 7 – Increase Resident Input

The process of review has highlighted the need to undertake a fundamental review of the current Tenant's Handbook and a working group (working outside the auspices of this group) are currently developing a new Handbook with input from representatives from this Core Group.

In the interim a draft checklist has been prepared to ensure that the right repairs responsibilities are being defined to Tenant's when they report repairs.

3.8 Point 8 – Develop Business Base

This point is largely complete, with £840k of planned works being allocated to the DLO for this financial year.

In addition, the development of the 'chargeable repairs' service is well underway and several meetings have been held with Resident's groups who have indicated there is buy-in to the service from Residents. A standard list of repairs has been developed and is currently being costed by the DLO. The scheme will be launched as a pilot by the end of July 2006.

3.9 Point 9 – Review SCDC Schedule of Rates

A sub-group has been developed to review and develop the existing Schedule of Rates, with the emphasis on streamlining the document. The group continues to meet and the process of continual review will continue ad infinitum.

3.10 Point 10 – Develop 'Right First Time Approach'

The ability to deliver this aspiration is dependant on the implementation of many other aspects of the plan rather than a specific item. However, a specific KPI has been developed to measure the number of jobs that are completed 'right first time' to assess how well this is being delivered.

3.11 Point 11 – Develop use of Hand-Held Computers

This task is nearing completion and the software has been purchased by SCDC. A procurement process is currently underway for the purchased of the hardware with a trial of 6 units scheduled by the end of June 2006.

3.12 Point 12 - Review Payments Process

This item is dependant on the outcome of the new 'e-biz' system being developed by SCDC, Extensive work has been undertaken with the DLO's supply chain to develop a system of bulk invoicing and this had a significant positive impact through a reduction in the number of invoices the DLO is now processing.

3.13 Point 13 - Develop Integrated IT System

This process has been passed to SCDC's IT Department for ongoing development and implementation.

3.14 Point 14 – Explore Options for Incentivisation

This point has proved difficult due to the Council's adoption of 'single status' with its workforce. The Core Group has explored several options which other DLOs have introduced and are currently waiting feedback from a Best Practice group, PS Net, to inform the preferred Option. A final recommendation will be made by the end of June 20096.

3.15 Point 15 – Training

Complete (See Para 3.4 above)

3.16 Point 16 – Improve Morale within DLO

This has been one of the major successes of the process and morale within the workforce is tangibly better that at the start of the process. This has been achieved through a process of regular, open, forums to discuss and deal with the issues of the workforce, including issues relating to training and the move to the new blue uniforms which has been very well received.

The re-launch event for the DLO at the end of April was very successful and has acted as a catalyst for the change management process introduced through the delivery of the Plan.

It is imperative that this process of dialogue continues after completion of this process.

3.17 Point 17 - Improve Pre and Post Inspection Process

This task has been complete and a new process for pre and post inspections, by both SCDC Property Services staff and DLO Supervisors is now in place and being monitored.

3.18 Point 18 – Improve Workflow to DLO

This task has largely been dealt with through the commitment from SCDC to commit £840k of allocated planned works to the DLO. In addition, the development of the hand-held technology will deliver further efficiencies in profiling the work to maximise the output of the workforce.

3.19 Point 19 – Review Support Costs

The review of support costs has been completed and identified that the on-costs paid by the DLO centrally to SCDC are high (£340k in total). Issues around the long-term potential relocation of the depot link to the ongoing negotiations with Dunarbon.

3.20 Point 20 – Empowerment of Operatives

This task is complete. The introduction of the 'LE' and 'LN' codes to allow self-specification of orders where a full scope cannot be provided has proved highly effective and has reduced the administrative element of variations on such orders.

3.21 Point 21 – Review City Services Average Order Value

This task is complete and the average order value is now comparable to that of the DLO. An ongoing process of monitoring has been introduced through the new KPIs.

3.22 Point 22 - Develop DLO Business Plan

The 5-year Business Plan (2006-11) has been drafted by echelon. The Plan is highly detailed and provides the road map to move the DLO forward over the next five years to an anticipated turnover of £4m with an operating surplus circa £250k within 5 years. The draft is currently with Council officers for scrutiny prior to referral to Cabinet for ratification .

4.0 Conclusion

- 4.01 The implementation of the Plan has proved very successful and the DLO has already taken a huge stride forward from where it was prior to commencement of the process.
- 4.02 This has largely been through the willingness of the DLO to take the changes on board and to work closely with the Core Group to implement that various strategies within the Plan.
- 4.03 Several key issues remain outstanding and these are predominantly linked to IT. A proposal has been provided to SCDC outlining a proposed process for the delivery of an IT strategy to deliver the final IT related outputs.