

Agenda Item	3
Report No	RDB 6/18

THE HIGHLAND COUNCIL

Committee: Redesign Board

Date: 13 November 2018

Report title: Redesign Review of Trade Services: Final Report

Report by: Head of Planning & Environment/Council Redesign Lead
(Review Team Leader)

1. Purpose/Executive Summary

1.1 A peer review of trade services was requested by the Redesign Board, with the scope of the review agreed in February 2018. The final recommendations are reported for agreement.

2. Recommendations

2.2 Board members are asked to agree:

- (i) To recommend to Council to agree the 13 recommendations set out within the Trade Services final report.
- (ii) To oversee the delivery and implementation of 3 specific recommendations in the short term which will assist with the delivery of savings, with increased efficiency of operation and with the development of the in-house capability for trade services for both Council housing and other property. These are:
 - A Lean review into housing and property repairs processes;
 - The development of a trial to pilot more effective joint working between Community Services and Development & Infrastructure; and
 - The procurement of a new framework for trade services.

3. Background

3.1 As part of the Redesign Board's Review Programme, the Board commissioned a peer review of trade services within the control of the Council. The review focussed on the delivery of building trade services across the Council property estate, focussing on the trade areas such as plumbers, joiners, electricians, painters and labourers, as well as a wider range of specialist trade services. The impetus for the review arose from staff feedback, with the view being that more could be dealt with in-house rather than using sub-contractors.

3.2 The scope of the review was to:

1. Review current arrangements for the delivery of trade services as part of the management of Council facilities
2. Appraisal of current financial management, business planning and contract arrangements
3. Appraisal of current business and administrative processes
4. Review current linkages/synergies between Council Services in the delivery of facilities management across the Council and with partner bodies such as HLH and NHS.
5. Consider the 10 options for service delivery
6. Provide detailed service delivery options appraisals of those most likely to deliver the greatest benefit in terms of affordability, efficiency and customer service across Highland
7. Examine good practice/alternative approaches being used within other local authority areas
8. Recommend the preferred options, including direction for further business planning

4. Review process

4.1 Review team

The review was undertaken by a peer review team comprising of: Staff – Malcolm Macleod, Garry Smith, Donna Sutherland, Alan McKinnie and Marie Mackenzie; Board members - Cllr Caddick and Cllr Cockburn. Steve Barron offered challenge and support. The host Heads of Service are David Goldie and Finlay Macdonald, and several meetings with them were held during the course of the review. Several meetings were also held with Trade Unions, including UNITE.

4.2 Methods: information gathering

All peer reviews involve gathering a range of evidence from a variety of sources. The team gathered evidence from:

1. A desk-top review of existing information, reports and methods of delivery around trade services from within the Council and out with the Council.
2. Meetings and workshops with staff and managers from Community Services, and Development & Infrastructure. This included reflection on current practice, service developments, a more in-depth review of current processes and potential future arrangements.
3. Discussions with other public bodies on their practice and the service offered by the Council including NHS, Cairn Housing Association and High Life Highland.
4. Deliberation within the Board on emerging recommendations.

5. Draft recommendations

5.1 The final report is attached as **Appendix 1**. The review looked into how our in-house Building Maintenance team, within which trades are based, operates. This is a team which is fully utilised for Council house repairs and is funded through the Housing

Revenue Account.

- 5.2 A number of areas for further development of the service have been identified. These include reviewing the geographic coverage of our in-house teams, including addressing the fact that the Nairn and Badenoch & Strathspey areas do not have in-house teams operating within them; the vast majority of work is put out to sub-contractors. The available evidence suggests that reducing spend on sub-contractors towards in-house resource will deliver best value for the Council.
- 5.3 Management of housing voids is another area highlighted for more effective trades working within the Council. One of the recommendations therefore seeks further work to scope out whether a dedicated voids trades team could deliver improvements to our housing voids turnaround times (focussed on either the Inverness area or the wider Inner Moray Firth).
- 5.4 The review also focussed on the use of trades services with the wider non-housing property estate. There is a significant reliance on sub-contractors (overall sub-contractor costs across the Council as a whole totalled around £22m). If work costed against the general fund for property maintenance are to achieve savings, the review team feels that greater use of building maintenance staff for the more straightforward repairs and maintenance tasks should be enabled. This requires positive and proactive management across Development & Infrastructure and Community Services, and a pilot project is recommended. It is also recommended that the outcome from this pilot work is reported on a regular basis to the Redesign Board.
- 5.5 The review team also concluded that the current processes for raising works orders for both housing and non-housing repairs would benefit from review. It is therefore recommended that a review is undertaken with the intention of reducing reliance on paper, reducing amounts of double handling and smoothing the move towards full utilisation of the mobile working arrangements (see below).
- 5.6 As noted, the use of sub-contractors is a significant budget area for the Council. The existing framework has been in place for a number of years, and it is widely recognised that it does require to be updated. The Commercial and Procurement Shared Service has already begun work on this but it does need an injection of pace to ensure that best value is being achieved. This work should be a high priority emerging from this review, and again is an area the Redesign Board may wish to maintain a close overview over. In the short term, efforts should continue to achieve consolidation of spend, particularly with the major sub-contractors in the area.
- 5.7 The delivery of effective mobile working arrangements has been partially rolled out within the building maintenance team and there is clear evidence that this has delivered real efficiencies in terms of deploying the workforce and reducing reliance on paper. There is a need to complete the roll out as a high priority from the teams across the Council.
- 5.8 The management of our property assets is currently dealt with in two different systems – one for housing and one for other property. The K2 system that is used for non-housing property is currently being replaced, and it is a recommendation from the review that the procurement process fully assesses the options to bring the housing element within the same system.
- 5.9 It became clear during the review that there is a lack of genuine cross service working around the planning and delivery of trades services. Based on an analysis of the costs of housing repairs there is strong evidence that costs are lower using in-house trades staff compared to private contractors. This is true across all main trades. Logic would suggest

that increasing the volume of property repairs undertaken in house will achieve real cost savings for the Council. The longer term option for the Council should therefore be to merge the Property and Building Maintenance teams. This will address what can often be seen as a disjointed process, with missed opportunities for collaborative working in house. Both functions in one service may also allow for effective forward planning and scheduling of jobs increasing efficiency and reducing time lost on jobs. The review team feel that further work is required to identify what the appropriate option for this merging should be – specifically in the context of a wider review of Facilities Management across the Council.

6. Implementing the Recommendations.

6.1 It is important that the potential changes arising from this review are closely monitored. It is therefore recommended that the Redesign Board should oversee the delivery and implementation of 3 specific recommendations in the short term which will assist with the delivery of savings, with increased efficiency of operation and with the development of the in-house capability for trade services for both Council housing and other property. These are:

- A Lean review into housing and property repairs processes;
- The development of a trial to pilot more effective joint working between Community Services and Development & Infrastructure; and
- The procurement of a new framework for trade services.

7. Implications

7.1 Resource implications

There may be resource implications arising from the implementation of the recommendations, particularly if the in-house resource is to be increased.

7.2 Legal implications

None directly, but the procurement issues raised will require legal scrutiny as and when they are implemented. .

7.3 Community (Equality, Poverty and Rural) implications

The recommendations relate to the operating procedures for the delivery of trade services. Any change will require to take into account the need for a Highland wide service to tenants and council staff.

7.4 Climate Change/Carbon Clever implications

The delivery of more efficient working practices will assist in the reduction of paper use as well as the more effective deployment of staff and vehicles.

7.5 Risk implications

Designation: Head of Planning & Environment/Council Redesign Lead

Date: 31 October 2018

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Trade Services Redesign Review

**Final Report
October 2018**

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Chapter 1 - Introduction

1.1 This report sets out the findings of the trade services redesign review. This review was undertaken by the redesign team which comprised of:

- Malcolm Macleod, Head of Planning and Environment
- Donna Sutherland, Corporate Audit Manager
- Alan McKinnie, Waste Operations Manager
- Marie Mackenzie, HR officer
- Garry Smith, Principal Engineer
- Councillor Carolyn Caddick
- Councillor Ian Cockburn
- Liz Mackay, UNISON (also Richard Whyte, UNITE)

Scope of the Review

1.2 This review focussed on the delivery of building trade services across the Council property estate, focussing on the trade areas such as plumbers, joiners, electricians, painters and labourers, as well as a wider range of specialist trade services. The impetus for the review arose from staff feedback, with the view being that more could be dealt with in-house rather than using sub-contractors. The focus was to:

1. Review current arrangements for the delivery of trade services as part of the management of Council facilities
2. Appraisal of current financial management, business planning and contract arrangements
3. Appraisal of current business and administrative processes
4. Review current linkages/synergies between Council Services in the delivery of facilities management across the Council and with partner bodies such as HLH and NHS.
5. Consider the 10 options for service delivery
6. Provide detailed service delivery options appraisals of those most likely to deliver the greatest benefit in terms of affordability, efficiency and customer service across Highland
7. Examine good practice/alternative approaches being used within other local authority areas
8. Recommend the preferred options, including direction for further business planning

1.3 During the financial year 2017/18, around £22m was spent on externally procured building trade services, including specialist services. The highest spending categories were: plumbing, heating and air conditioning; joinery and carpentry; and electrical.

1.4 There are currently two Services responsible for repairs and maintenance to buildings owned by the Highland Council:

- **Community Services** have their Housing and Building Maintenance section that operate and maintain the council's public housing stock; there are approximately 14,000 council house properties spread throughout 223 communities in the Highlands.
- **Development and Infrastructure** have a Property and Facilities Management section that administer all other 'non housing' Council properties. There are around 4000 of these properties in Highland. These include all schools (including PPP schools), play areas, land, depots, council offices, sports centres, swimming pools, public conveniences, war memorials, community buildings, industrial units etc.

1.5 In order to give an idea of the volume of separate categories of emergency, essential or routine maintenance carried out it should be noted that there are between 40,000 and 45,000 separate work orders per year for Council housing (an average of around 2 per property) and around 15,000 separate work orders for other properties (an average of around 4 per property). There are around 150 maintenance staff covering all trades employed directly by the Council (including around 6 apprentices per year). All of these staff are based within Community Services (Housing and Building Maintenance) with the balance of the work being undertaken using private contractors via a Framework procured through D&I. Two different IT systems are used to allocate work.

1.6 A key part of the review has been to ensure that the way in which the Council deliver trade services for its housing and other building identified above deliver the best outcomes, ensuring that quality of work is delivered so that future maintenance burdens reduced. It should be noted that both the teams in Community Services and Development & Infrastructure are already implementing changes to how services are being delivered so the review has been carried out recognising the work being done.

Chapter 2 - Trade Services for Council House Repairs and Maintenance

2.1 The information in Table 1 below has been extracted from the budget monitoring report for building maintenance for the financial year 2017/18.

Table 1 – Building maintenance budget and actual for 2017/18

	Budget £000	Actual £000	Variance £000
Direct Costs:			
Labour	5,028	4,679	(350)
Sub-contractors	9,552	10,750	1,198
Materials	2,451	1,742	(709)
Transport and Plant	808	747	(61)
Other Supplies & Services	392	433	41
Overheads:			
Management Costs	318	272	(45)
Apportioned Costs	269	254	(15)
Support Costs	368	365	(3)
Total Cost			
	19,186	19,242	56
Income:			
Housing Repairs	(12,468)	(13,250)	(782)
Housing Capital	(5,920)	(5,525)	395
Non Housing	(185)	(2)	183
Additional Income	(613)	(465)	148
Gross Income			
	(19,186)	(19,242)	(56)

2.2 The budget for sub-contractors is nearly double the labour budget for the in-house staff. It should be noted however that a lot of the sub-contracted activity relates to annual gas safety checks and capital works. It has been clear from the start that the level of work being carried out in our housing (and non-housing) stock means that there will always be a

requirement for sub-contractor work. The recommendations in this report, if implemented, should however lead to a planned shift away from sub-contractors and towards a greater use of in-house trades staff, as this is the most efficient way to deliver repairs.

Housing Repairs Service

2.3 A review of the Housing Repairs Service was undertaken and reported to the People Committee on 19th October 2017. This included changes to the structure of the team. The report also set out the role of the Repairs Project Board which has been meeting since May 2016 to review current systems, practices and staffing arrangements in order to develop an integrated housing repairs service within Community Services, and which has identified the following principles in moving forward:

- increasing in-house provision and reducing the use of sub-contractors where possible;
- improving the management of external contractors where they are used;
- increasing the efficiency and effectiveness of in-house provision;
- improving quality assurance; and
- Improving budget management.

2.4 These principles set out the key areas of improvement, and whilst progress has been made across all of these areas, the outcomes of this review will hopefully complement, help prioritise and assist in driving forward the implementation.

2.5 There are 6 Building Maintenance Depots across the Highlands which are managed by 2 Repairs Managers split into the North and South Areas. Details of the locations, number of Council properties and trades in each area are detailed in **Appendix 1**. Staff structures in building maintenance are currently based on historic client and contractor roles. Within this structure Housing Maintenance Officers are responsible for carrying out pre-repair inspections, raising work orders with estimated costs and overall quality control. Building Maintenance teams are responsible for carrying out the repairs, either directly or through sub-contractors.

2.6 Allocation of work and management of external contractors remains a significant task. As detailed at Table 1, payments to sub-contractors in 2017/18 were just over £10.7 million. This equates to nearly 50% of housing repairs work being put out through external contractors: for example in specialist areas of work; to cover peaks in work where we do not have in-house capacity; or in geographical areas where we do not retain an in-house workforce.

2.7 As set out in **Appendix 1** there are no in-house Building Maintenance staff located in the Nairn and Badenoch & Strathspey areas; instead all work is undertaken by private contractors. During the review it was established that some work has been previously undertaken in these areas by in-house trades based in Inverness such as repairs to biomass boilers in B&S, but this had been on an ad-hoc basis. The rationale for the lack of in-house staff appears to date back to arrangements under the previous District Councils rather than for any particular business reasons. It should be noted that there are no existing depot

facilities in either area and a significant shift to in-house trade services in these areas would need to involve considering how depots and stores would be managed. In addition, further analysis of the types of trades required for these areas, the optimum number required, and whether this should be provided in-house or through private contractors in order to obtain best value will need to be undertaken by the Service.

2.8 Analysis of payments to sub-contractors for repairs in for the Nairn and Badenoch & Strathspey areas over the last 3 years shows an average spend of £1 million per annum. There are a number of benefits to the Council in using the in-house building maintenance staff as opposed to sub- contractors:

- Repairs are usually completed at a lesser cost;
- Better service to Council house tenants in that queries can be dealt with more quickly as the information is readily available through mobile working and/ or access to systems rather than having to contact the sub-contractor and then get back to the tenant. Also tenant satisfaction with repairs is higher than when work is sub-contracted;
- Less administration involved as no need to pay sub-contractor invoices, chase information, monitor work etc.
- The benefits of mobile working apply where this is in place.

2.9 It is recommended from this review that a further piece of work is undertaken within Community Services in the short term on what elements of work can be undertaken by building maintenance staff in Nairn and Badenoch & Strathspey and identify what trades are required in which area for the optimum staffing establishment. This should aim to increase the number and use of in-house staff and reduce the use of sub-contractors. In considering the establishment required this should take account of the following:

- The volume and type of work which can be undertaken in-house. Sub-contractors should then be used to manage any peaks above these volume, where there is no in-house expertise and/or better value can be obtained using a sub-contractor;
- Whether more apprentices can be recruited which will also aid future work force planning arrangements;
- T repairs to Council houses are undertaken by building maintenance where ever practical and that this is the first port of call.

2.10 The Inner Moray Firth area is the most densely populated part of the Highlands containing some of the largest settlements and where the demand for growth and development is greatest. The area accounts for the largest number of Council house properties, at over 8,500. Within the Inner Moray Firth area there are 2 Building Maintenance depots, one in Inverness and one in Alness. There is a total of 55 building maintenance staff based in the Inverness depot and 18 in the Ross and Cromarty area covering the following trades:

Table 2: Council trades staff in the Inner Moray Firth

Area	Joiners	Plumbers	Painters	Electricians	Labourers	Stone Masons
Inverness	16	9	9	12	9	0
Ross & Cromarty	5	4	0	3	5	1

2.11 Within the current structure there would appear to be only very limited cross boundary work undertaken. The existing workload for in-house staff, the lack of mobile working and the perceived boundaries are the main barriers to prevent this from happening. The review team is of the view that there should be scope for greater cross-boundary working, recognising that the operational effectiveness of the trades must be front and centre, and that the mobile working issues must be addressed. This may tie-in to future outcomes of the depot and stores review but should be brought forward as an area of potential efficiency in the shorter term, whether by carrying out a separate review or by being included in the recommendation to carry out a Lean review into the housing repairs process (see below).

2.12 There are approximately 40,000 to 45,000 work orders raised per year for Council Housing. The work undertaken covers the full scope of maintenance and repairs including plumbing, electrical, joinery and painting. The scope and complexity of the work carried out varies from minor maintenance and repair to higher skilled specialist activity. The process for raising work orders from initial report through to completion does operate relatively well, but the review team feel that there is merit in carrying out a Lean Review of the Housing Repairs process to identify efficiencies that can be built in – some elements of the process are still paper based.

2.13 A trades person is currently employed on a HC5 grade and only carries out work which is considered appropriate to the trade the person is specifically employed for. The only exception to this is in Skye, where we have employed 2 staff to a maintenance technician job title. The maintenance technician role enables the post holder to carry out a broader range of minor maintenance and repair work such as minor joinery and plumbing work. The maintenance technician post holder is employed from a trades background at the same HC5 grade as a trades person.

2.14 The use of a maintenance technician can avoid the practice of multiple trades persons being sent to one property to resolve minor maintenance issues. It is clear that improved efficiency within the service can be achieved by expanding the trades person role to carry out an increased scope of minor work.

2.15 The Review team spoke to several of the teams responsible for building maintenance throughout the Council, and received feedback from the main union, UNITE. A clear view

expressed is that there is appetite for more work to be undertaken in-house. In particular, with appropriate training and more effective scheduling, more of the planned capital works can be carried out in-house. An example used was that of bathroom replacements, which Community Services staff feel delivers best value when carried out in house, rather than when sub-contracted and/or project managed by the wider property team in Development & Infrastructure. Equally however, there have been productivity issues on other types of capital contracts undertaken by the in-house team, so a balance will be required.

2.16 The feedback from staff also indicated that there is an appetite for more non-housing work to be given to the Council's in-house team where resources allow. Whilst there may be some barriers to this happening, including the different complexity of systems, resources and skills available in our in-house team, this forms a separate part of the redesign review as set out in Chapter 3.

2.17 The working arrangements between the Building Maintenance team in Community Services and the Property team in D&I has been one of the areas of the review that has proved most challenging. There are clearly historical practices and cultures between the two services in terms of the internal trading arrangements that do lead to negativity and influences the decision as to whether a job should be retained in-house or put out to sub-contractors. The review team has not had the time nor had the expertise to fully investigate this matter, but the issue is further reflected in the conclusions to this report in respect of the long term direction of travel for the Council (Chapter 7).

Housing Voids

2.18 The management of void properties is how the Council deals with vacant properties to ensure that they are re-let quickly to minimise rent loss and make the most effective use of the housing stock in order to meet housing needs.

2.19 As a Social Landlord, we are expected to manage all aspects of our business so that tenants receive services that provide continually improving value for rent and other charges they pay and this includes minimising the rent loss from houses that are empty and controlling costs.

2.20 The management of voids links together a process which is triggered by a tenancy termination; this process can involve the input of business support staff, Housing Tenancy Officers, Housing Maintenance Officers, Maintenance Staff and/or Contractors. Generally speaking the process works well, and has been the subject of improvement projects, including those arising from an internal audit carried out in 2015.

2.21 There is a direct relationship between the Voids process and trade services, which is why this is of interest to the review team. There are around 1500 Voids every year. During the course of the review, there was some suggestion from staff that a much more coordinated approach could be put in place. Whilst there have been a number of improvements, as noted above, there are a number of benefits in ensuring that Void turnaround time should be improved. These include better performance against performance targets and reducing rent losses.

2.22 The existing void management process details key timescales for action from when a tenant gives notice of leaving a property. The timescales relate to:

- Property inspection
- Raising Works orders
- Identifying re-chargeable repairs
- Assessing decoration allowances
- *Carrying out essential repairs
- Offering new tenancies and arranging viewing
- Creating new tenancies, signing lease, handing over keys.

*Depending on the condition of the property the repair target can be 5, 10 or 20 working days.

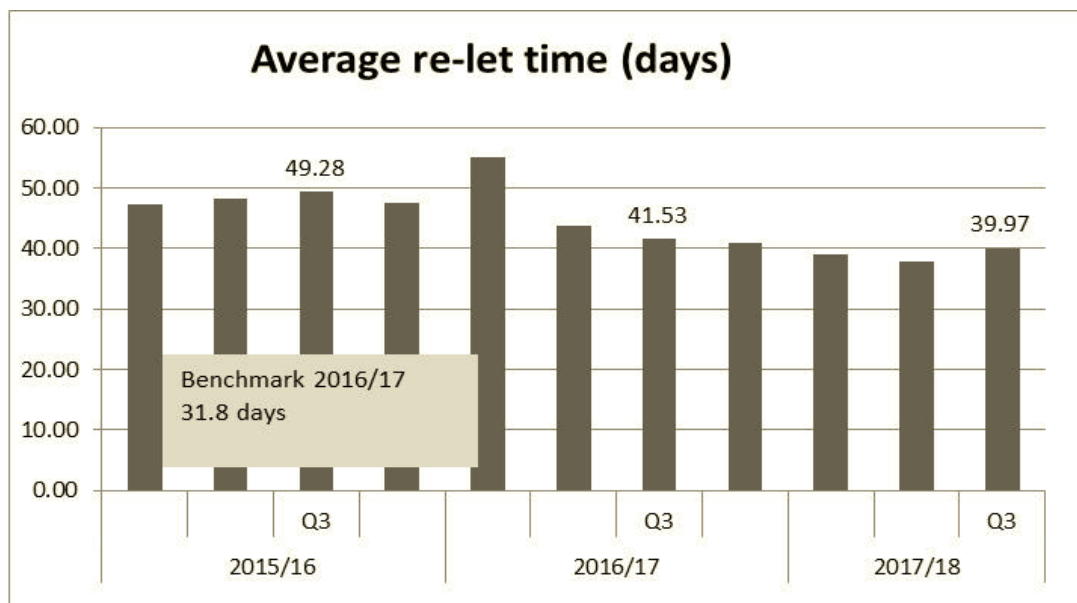
2.23 The Empty Homes Standard details the minimum repair work required to bring a property to a standard for re-letting.

https://www.highland.gov.uk/staffsite/downloads/file/1410/the_empty_homes_standard_staff_guidance

2.24 There is a detailed “void path” setting out all of the stages and responsibilities of staff in the voids process. This can be viewed at:

https://www.highland.gov.uk/staffsite/downloads/file/1411/void_management_guidance

2.25 The target time for re-letting a property is 35 days. The graph below shows performance over a 3 year period reflect an improving trend, however performance on the re-letting times remains above the Highland target.



2.26 The Head of Housing and Building Maintenance has prepared an analysis of Housing Voids timescales and compared performance between repairs carried out by in-house staff and those carried out by the private sector (see **Appendix 2**). This illustrates that there is a clear business case for retaining this function in-house. However, improvements to the current process could be the creation of trades based housing voids team that can be specifically tasked with Housing Voids within a defined area. Currently there is no dedicated voids team and some of the feedback received in discussions with staff was that there may be benefit in such an approach.

2.27 The length of time a property is void is not just down to the repairs timescales – there are other factors involved such as the letting process and the availability of tenants. Some areas have particular issues, such as in Sutherland and Caithness, and this does influence our overall average voids timescales.

2.28 Clearly the concept of a dedicated voids team will not work across the whole of the Highland area (given the distances involved), but it is strongly recommended that the potential for such a team should be an early priority for the Inverness area or for the wider Inner Moray Firth area – last year this area had 303 voids in Inverness and 586 across the whole of the Inner Moray Firth area. It is suggested that this approach would benefit from a Lean Review or another form of design process to quickly develop and trial a new approach.

2.29 During the review, discussions were held with Cairn Housing Association which has set up an in-house Voids team. The feedback received was that this was carried out after issues arising from their previous out-sourced solution, where the volume of work was not attractive to the private sector. The approach they have put in place offers a useful template for further discussions on the process the Council might develop to move this forward.

Other Issues

2.30 During this review, consideration was given to other similar organisations such as Housing Associations and the services they provide. This identified that a number of Associations across the Highlands provide a care and repair service and/ or handy person service on behalf of the Council. Annual grant payments are made through the Housing Development section for this service which is available to those over the age of 65 years or any age with a disability. In addition, grants may be awarded for house improvements required provided that the applicant meets the eligibility criteria.

2.31 In reviewing the work undertaken by the Housing Associations it was identified that there may be other commercial opportunities for the Council for example Lochaber 365 is a Community Investment Company set up by the Housing Association that provides home improvements, maintenance and 24 hour emergency repairs to its members (home and business owners). It was also noted that the Association also undertakes enablement work for the NHS.

2.32 It is recommended that this matter be referred to the Commercial Board for further consideration to explore more fully the options available for expanding the service provided particularly whether there are commercial opportunities.

Recommendations:

Recommendation 1

A review of building maintenance arrangements for the Badenoch & Strathspey and Nairn areas should be undertaken to identify opportunities for more work in these areas to be undertaken by in-house staff rather than using sub-contractors. This should tie in with a review of arrangements across all of the Inner Moray Firth area to ensure that cross-boundary work is undertaken as part of our Business as Usual approach.

Recommendation 2

A Lean Review should be undertaken on the process for reporting, instructing and managing Housing Repairs

Recommendation 3

The Council should consult with staff and Unions to enable the scope of work carried out by existing trades persons to widen beyond what (the traditional functions of a specific trade) they are currently restricted to. The scope of additional functions should be clear that this will be for minor repair work only. The Council should consider amending the job description for the future recruitment of trades persons to include a broader scope of minor work.

Recommendation 4

The Service should examine the benefits of creating a dedicated Inverness or Inner Moray Firth Housing Voids team – with the sole purpose of reducing the timescales within the void management process. This Voids team should include the relevant officers, trades persons and the required level of business support.

Recommendation 5

The Commercial Board should explore more fully the options available for expanding the service to provide care and repair services and/ or handy person service.

Chapter 3 – Trade Services for Other Council Property Assets

3.1 The Highland Council owns a portfolio of assets and buildings from castles, to schools and public conveniences. Recognising budget constraints, property management is essentially a service which allows us to deliver / enhance the quality of the services we provide within an acceptable level of risk associated with:

- Fulfilling the council's priorities, aims & objectives
- Health & Safety (including legal and statutory duties)
- Efficient operation of the building
- Loss of service delivery
- The council's image and reputation
- Preservation of the asset's value and Security.

3.1 Non-housing Property Management is carried out by the Development & Infrastructure Service. The Highland wide Maintenance Officer Team is responsible for inspecting local property issues and will commission day to day repairs, planned works and project works via local competent, insured contactors. They provide the local lead maintenance contact for their allocated property portfolio. Works are delivered almost exclusively through external contractors. team.

3.2 The Property Clerk of Works and local Maintenance Officer Teams are responsible for ensuring that the Council's facilities are maintained and managed to provide a fit for purpose environment (within available budgets) from which to deliver services to the public.

3.3 A new Property Management Policy, approved by EDI Committee on 8th November 2017 sets out who does what and who is responsible and also sets out managerial accountability for all aspects of property from maintenance, energy and project management, through to design, quality control and property related health & safety compliance.

3.4 The Property Revenue Maintenance budget for 2018/19 is just over £6.4million. The table below illustrates the budget profile for the Service.

Resources			
	Prev Year Budget £	Prev Year Actual £	Current Year Budget £
Revenue Budget:			
Annual Budget			
Direct Staff Costs	1,182,036	1,198,590	1,248,772
Property Costs Maintenance & Servicing	5,388,215	6,652,714	6,495,857
Property Costs Utilities, Rates etc.	3,922,957	3,859,720	4,071,707
Transport Costs	62,200	65,738	62,150
Plant & Equipment Costs	0	0	0
Materials	142,217	84,059	97,355
Consultants/Licences	0	0	0
Contractors	460,380	344,648	50,680
PPP & SFT Unitary Charges	29,126,284	28,931,106	29,666,690
Administration Costs	363,268	278,367	(73,176)
Total Expenditure	40,647,557	41,414,942	41,620,035
Income			
Government Grant Wick SFT	(4,110,426)	(4,113,109)	(4,113,500)
Rechargeable – Internal	(1,148,884)	(2,165,483)	(1,040,235)
Central overheads allocated	(115,300)	(130,261)	(128,400)
Total Income:	(5,374,610)	(6,408,853)	(5,282,135)
Net Expenditure	35,272,947	35,006,089	36,337,900
Note the following pressures were funded in the 2018/19 budget:			
Reactive repairs and component replacement £0.220m			
Cyclical maintenance programmes £0.500m			
Post Grenfell tragedy fire legislation £0.100m			
Upgrades to M&E installations to current standards £0.300m			

3.5 The contracting framework used to sub-contract repairs to the non-housing estate is the same framework that is used to sub-contract work for the housing estate and this is managed through the D&I Service. Chapter 4 deals specifically with the issues that are arising with this framework and is a key area to be progressed following the conclusion of this review.

3.6 There are also around 30 other specialised service contracts with an annual cost/ budget of £1.8m. Contract periods vary between 1 – 3 years and then some may have further extension periods allowed. These contracts are for the inspection and/or maintenance of buildings, plant and equipment and the results of these may identify where repairs or replacement items are required. Property staff are responsible for managing contractor's performance and addressing this where required.

3.7 Most housing related capital works are project managed by the D&I Service. The Programme Management team is involved in capital works to Council houses, funded through the HRA Capital budget, such as upgrades to kitchens, bathrooms and heating systems. This work is usually procured through the National Scape Framework (link to information: <http://www.scapegroup.co.uk/services/procure/frameworks>). In the case of works relating to Council houses, an external Clerk of Works service is used by the D&I Service. It should also be noted that the Community Services Building Maintenance team has begun to undertake / directly manage housing capital works

Schools

3.8 PPP Schools have their own Facilities Management arrangements in place.

3.9 For the schools dealt with in-house the process that is followed is that schools access the K2 portal and raise a works order. This order is sent to Business Support who will then allocate to the relevant Maintenance Officer (there are 8 in the North and 8 in the South and they all have their own geographic areas of responsibility). The Maintenance Officer will establish what work is required then selects a contactor from the framework and may phone to confirm that they can undertake the necessary work. In some cases they may ask the contractor to inspect the job and provide a price for completing this. If it is an urgent job e.g. a leak that needs immediate attention then the School can contact their Maintenance Officer directly (names and telephone numbers are listed on K2). The review team feels that this is an area that would benefit from Lean Review to identify synergies and consistency with the housing related work orders where possible.

3.10 The contractor's framework includes details of all professional/ health and safety information that must be held by contractors and they can be struck off this if current certificates are not provided. Some contractors will have Principal Contractor status meaning that they can take on bigger jobs as they have multi- trades.

3.12 In addition to reactive work, there should be regular pre-planned maintenance however other budget pressures and savings targets have meant that this budget is under pressure. It should also be noted that the Schools facility management staff are independent from the property management function.

Other Council Properties

3.13 For other Council properties, including offices, depots and public toilets, similar arrangements exist, and the majority of work is outsourced to sub-contractors. It should be noted however that when notified of an emergency situation e.g. alarm goes off in a property and access required out of hours, then Building Maintenance staff will be called out to assist through the use of the out of hours on call system.

3.14 For NHS properties (which are mostly care homes that are owned by the Council and occupied under licence by NHS), the NHS has the budget for undertaking day to day maintenance and this is undertaken by their own NHS Estates team. There is a highland Council held £1m capital budget which is used for minor capital works such as upgrading toilets, bathrooms, sprinkler systems etc. The projects within this budget follow the normal

Council process for tendering and construction, and project management is undertaken by the D&I Service.

3.15 The Council is still responsible for repairs and maintenance (and capital works) for all properties occupied by HLH (offices, wet and dry facilities, libraries etc.). The process for repairs is undertaken through the D&I Service, using sub-contractors.

Key Issues

3.16 The review team found that one of the challenges identified in using in-house Building Maintenance staff for the wider property estate was that they were not familiar with or sufficiently trained on complex systems within non-domestic properties and that external contractors very often had built up knowledge of particular buildings. This is accepted to a certain extent by the peer review team, but should not be used as a reason for it not to be considered as part of the Council's target operating model in the future. In addition, from a legal / regulatory point of view, for multi-trades work a contractor must be recorded as a "principal contractor" on the framework, which our internal Building Maintenance team is not. This should also not be seen as an insurmountable issue however, as there is a process that can be gone through as part of future plans.

3.17 One of the areas of potential improved efficiency put forward by the D&I Service is the creation of an internal property maintenance team within that service to cover elements like Service Engineers for engineering service contracts, Ventilation/extract cleaning/maintenance/grease filters, Fixed Electrical Installation Testing, Portable Appliance Testing (PAT), Dedicated Painters for the school estate and School equipment inspection & repairs - Gymnasiums.. The review team feels that before the decision is made on this, a full review of whether the internal trades team within Building Maintenance could be expanded in order to be able to undertake some of these roles.

3.18 Whilst the overall Facilities Management arrangement for all property is wider than the arrangements for trade services, it is relevant to the overall implementation of the recommendations of this review. Given the size of the budgets and the total estate that the Council is responsible for, there does seem merit in a longer term of having a single in-house building trades team undertaking both housing and property repairs to Council buildings. This will clearly not happen immediately and is discussed in more detail in the conclusion to this report but the Review team feel that there are various efficiencies that can be delivered in the short term to ensure that our in-house team is utilised as effectively as possible across the whole property estate. Not least of these efficiencies is that there could be some release of pressure against the general fund repairs rather than the Housing Revenue Account.

3.19 It is strongly recommended that a trial is carried out to identify how we can more effectively ensure that appropriate work from the non-housing estate is offered to our in-house staff as part of our business as usual approach, rather than as an exception. This will have the benefit of reducing the costs of sub-contractors, providing a more varied workload for in-house staff and help to break down some of the perceived barriers between the two services. The Review team feel that a trial could be carried out for a specific Associated Schools Group (ASG) where housing and non-housing repairs are dealt with by one team –

this will test the concept of greater work being offered to Building Maintenance but also allow a focus on quality and value for money. It will also test the option of merging responsibilities of Maintenance Officers, given that the job and person spec for both roles is very similar.

3.20 The Inverness Royal Academy ASG may be suitable given the mix of property types located within it and the number of Housing Voids in areas like Hilton. Following discussions with the Head of Housing and Building Maintenance and the Head of Property, their view is that a Council area approach may be more appropriate, with Lochaber identified as a candidate. It is strongly recommended that a design exercise is undertaken to identify what pilot area might be appropriate, how this might work and what the potential savings that might accrue. It is also recommended that the Redesign Board maintain an overview on this work, with regular feedback on progress. The success criteria that this type of work might be measured against include:

1. Whether an increase in the percentage of spend on in-house as opposed to sub-contractors for all property repairs is achieved.
2. Whether satisfaction rates from clients is increased.
3. Whether response times are improved.
4. Whether quality of work improvements are achieved.

Recommendations:

Recommendation 6

A Lean Review on the Property Repairs process should be carried out in tandem with the Review outlined in Recommendation 2.

Recommendation 7

A trial for a specific Associated Schools Group (e.g. Inverness Royal Academy) or other agreed area should be carried out as a high priority to develop an arrangement where housing and non-housing repairs are dealt with by one team – this will test the concept of greater work being offered to Building Maintenance but also allow a focus on quality and value for money.

Chapter 4 - Management and Procurement of External Contractors

4.1 As noted earlier in this report, a significant element of spend is allocated to external contractors. A Contractors Framework is in place for works under £50,000 and this is used by Property staff to select sub-contractors. This is also used by Building Maintenance staff when the decision is made to use sub-contractors on Council housing property.

4.2 The contractors apply to be on the list and their insurance data is checked to ensure that they have the required insurance, trade association accreditation and are CHAS registered. The system automatically checks that dates are correct and greys them out if a certificate expires. Only contractor with up to date certificates can be selected for use. There is no ranking of contractors within the system although each contractor must submit employee rates with their application. There are 10 geographic areas. Contractors are invited to tender for one or all of the areas over 22 trades.

4.3 During the course of the review, a number of issues with the current arrangements were identified, including the fact that they currently operating as an unofficial 'approved suppliers' database rather than a formal contract.

4.4 The benefits of the current approach include the fact that there is a good geographic coverage due to sheer number of suppliers, there is effective 'contract' management via K2's monitoring of accreditations and that no supplier is 'excluded' for long periods as there are regular windows when companies can be added to the database.

4.5 However, there is no agreed pricing framework, no methodology for selecting suppliers from the database for individual awards, the Council does receive complaints from some companies who feel that they are not getting any business despite being an 'approved supplier' and there are no Service Level Agreements regarding the standard of works / timescales etc.

4.6 The Procurement team has been working on a replacement of this framework, but it is fair to say that there have been delays. A replacement framework will generate better value from our spend, improved quality or workmanship by putting in place pre-agreed standards, make the contract attractive and meaningful to the suppliers on it, remove risks to the Council and individual members of the team in terms of challenges and fundamentally will be a chance to better deliver the requirements of the Council.

4.7 The key objectives of putting in place a renewed framework will be to establish a more integrated approach to service delivery with a strong focus on delivering quality services, allowing greater scrutiny and providing better value for money. It should be also be about getting the right number of contactors in the right areas and showing sensitivity to achieving best value financially with localism, as well as being based on an informed choice about what specialist skills we want to procure and what trades we want to build up our in-house resource to deliver.

4.8 Various workshops have been held to determine what should be in and out of scope and the Review team feel that the procurement of a new framework should be a priority given the value of work undertaken. It was noted during the review that Dumfries and Galloway Council is currently undertaking a re-procurement exercise, and there is a lot that can be

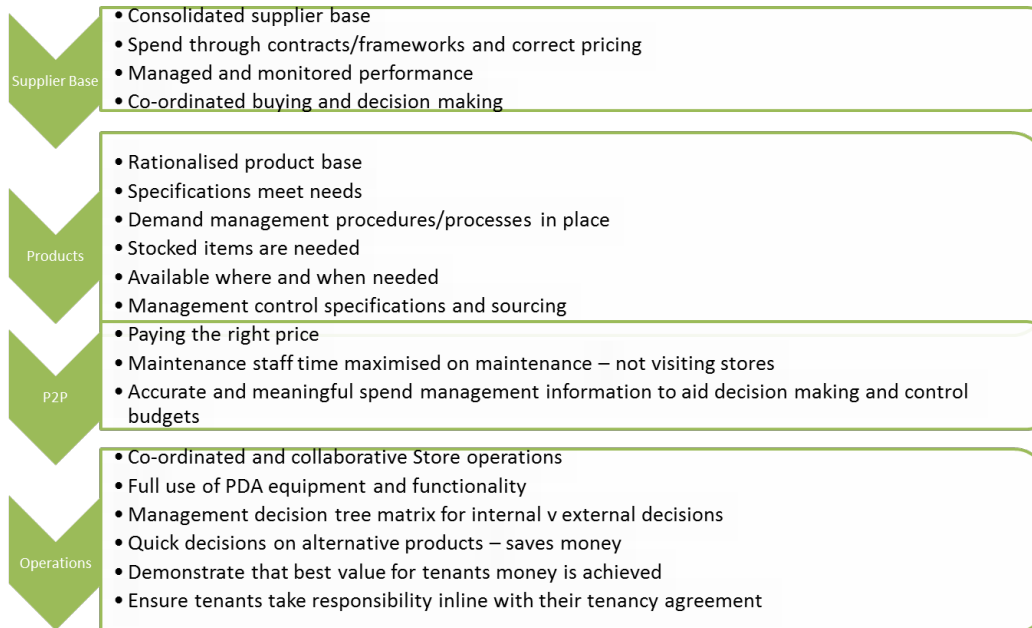
learned from them. It is considered that a joint service team should be brought together to ensure that this re-procurement is afforded the priority it requires.

4.9 Following on from the discussion on voids in the Chapter 2, it is also considered that Housing Voids within a geographic area (for example the Inner Moray Firth) be market tested as a potential lot – this is likely to be attractive to the private sector in terms of volume and value of work, and will allow a cost comparison against the enhanced internal arrangements. The key elements of this should be to focus on turnaround times, Quality Standards and Value for Money. It should be noted that as set out in Chapter 2, current evidence is that this is best retained within the Council (particularly if a Voids team is established), but it is considered that it might be a useful exercise to determine market interest.

4.10 It is expected that the procurement of a new framework for external contractors, if given the appropriate priority, will take 9-12 months to conclude. In the short term, further efforts should be made to ensure compliance with the current arrangements to ensure that we are delivering value for money. The Procurement team has already begun an exercise with Development & Infrastructure and Community Services to set up a team with spend on Trades to work within a Group to carry out short-term spend consolidation as well as the new framework agreement. This will be based on the priority to consolidate ALL council spend on trades to achieve better pricing for all budget types, and is a short-term measure to deliver value for money, which the current practice of having over 400 suppliers on a 'list' does not provide.

4.12 Although not formally part of this review, there is a very clear tie-in to the ongoing Stores and Depots review. The procurement team is working with services to ensure that best value arrangements are being put in place for trade services material, and there may be an option to look at other Councils, such as Renfrewshire Council where stores have been rationalised and delivered through frameworks with private sector suppliers e.g. Travis Perkins, Wickes etc. This may be an option in the Inner Moray Firth for example.

4.13 The model which is sought follows the following principles:



Recommendations:

Recommendation 8

The procurement of a replacement framework should be taken forward as a high priority, with a strong emphasis on ensuring that the appropriate governance, transparency and clarity in how contractors are chosen is built in to the contract arrangements.

Recommendation 9

In the short term, Development & Infrastructure and Community Services to set up a team with spend on Trades to work within a Group to carry out short-term spend consolidation. This will be based on the priority to consolidate ALL council spend on trades to achieve better pricing for all budget types, and is a short-term measure to deliver value for money.

Chapter 5 - Mobile Working

5.0 In 2015, the Council introduced mobile working for trade operatives initially as a small pilot but this later became a corporate project in 2016 with the rollout of this across all trades and areas. Despite this, it is only partially implemented within 4 areas (Inverness, Ross & Cromarty, Caithness and Lochaber). Within these areas it is used only for Council house repairs i.e. not for void repairs or capital works. 5.1 There are a large number of potential benefits brought about by mobile working, which can be shown to have the effect of providing greater productivity, more efficient processes and a better customer service for Council house tenants. In particular:

- Greater productivity has been achieved with 20% more repairs being undertaken;
- Better service to Council house tenants as appointments are made for repairs. They can also be contacted and updated if there any problems or delays with planned work;
- Quicker response to emergency repairs as the scheduling team can identify which operative is the closest, re-route them to the relevant address;
- It allows clear visibility of operatives and work being undertaken can be monitored in real time;
- Where it is necessary to reallocate planned work e.g. due to an emergency situation or operative being on sick leave, it is quicker to reallocate work using the scheduling system rather than manual processes,
- There are no delays waiting on paperwork to be completed, no inefficiency with time wasted collecting/ returning paperwork, also the cost of any materials used can quickly added to the job;
- The operative should turn up with materials required for each job as know what the issue is, messages can be sent through system where problems are found and addressed more quickly;
- There is less reliance upon Team Leaders to complete paperwork so it free ups their time of Team Leaders to do other work e.g. post-inspection of works which has a 5% target which is not currently achieved.

5.2 Based on feedback, the Review has found that the current arrangements for mobile working should be afforded priority to ensure that the full benefits can be driven out. The implementation of the Mobile project has stalled for a number of reasons outwith the control of the Service. By implementing arrangements across the board, productivity of our in-house staff will be improved so that more repairs can be done in house with the same resources and allow flexibility to undertake other types of work (planned capital works or non-housing reactive repairs). Action should be taken to complete the mobile working project at pace to ensure that this is fully rolled out across all areas and all operatives. It is recognised that a Mobile Working Progress Group meets on a regular basis, but is important that this work is supported from all of the relevant services and our ICT Supplier.

5.3 The Head of Housing and Building Maintenance has noted that a pilot will commence shortly whereby void works will be undertaken through mobile working. This project should then be reviewed and hopefully can then be used to roll out the voids work across all devices.

5.4 Once the immediate priority recommendations set out below have been addressed then in the longer term consideration could be given to:

- Rolling out mobile devices to regularly used sub-contractors.
- The current practice to phone back tenants with an appointment for their reported non-emergency repair. Could this be changed to offering the appointment when the initial call reporting the repair is received? This would save staff time, avoid time and cost in additional phone calls and provide a better customer service. As part of the Lean review highlighted in Chapter 2, it may be appropriate to consider rationalising the steps involved in reporting and scheduling repairs. .
- Changing the process to require operatives to contact the customer when on their way to the job, this may also assist in reducing the number of aborted visits due to the tenant not being home. In order to address this, the Scheduling Team will send a text to tenant the day before to remind them of the repairs appointment. This is only done where mobile numbers are provided and staff do not always ask tenants for this information. However, the process could be changed to routinely ask for this and record this as part of the tenant information.

Recommendations:

Recommendation 10

The mobile working arrangements should be implemented for the whole of the Building Maintenance team as a matter of urgency. This should be a corporate focus, based on ensuring that the appropriate system support for mobile devices is in place as soon as possible.

Recommendation 11

The mobile solution should also be used for Non-housing Property Maintenance to ensure that the benefits can be achieved across the entire property estate.

Chapter 6 – Property Management Systems

6.0 K2 is an Asset management programme designed for use with all of the Non-housing property assets of the Council. It is also used for reactive routine maintenance works orders.

6.1 The system came into operation in 2014 and is working well for the majority of the workload, there are however limitations with the software. The Council is currently working towards implementing Building Information Modelling (BIM), level 1, which is a Scottish Government target for the public sector. The current K2 system is unable to provide the integration of data and access to information required for BIM Level 1 compliance.

In addition the works order system within K2 is not capable of supporting mobile working. The Council have already demonstrated, through other projects, that providing mobile devices to the workforce can increase productivity and provide flexible, targeted delivery of services.

6.2 The information contained in K2 includes all schools (including PPP), play areas, land, depots, council offices, sports centres, swimming pools, public conveniences, war memorials, community buildings, industrial units etc. etc. Each facility is recorded as a 'business unit' these units are then broken down into building types, floors and ultimately 'rooms'. The system contains around 4000 business unit entries which break down into 30,000 individual rooms.

6.3 Defects and problems are logged by users from the K2 portal on the Intranet. The system is easy to use and can be accessed by authorised users – All Responsible Premises Officers or deputies, head teachers etc. can use the system. There are 1000 users of the portal.

6.4 There are 250 'Smart Client' K2 users who use specialist software added to their computer through WIPRO. These include maintenance officers, QS staff, and the Housing Development team and business support users. The smart client programme allows access to ordering, paying and authorising invoices etc.

6.5 A project is underway to implement a public-cloud hosted, mobile-ready Integrated Workplace Management System (IWMS). This could enable the following potential benefits; along with changes to existing work practices to best use the technology:

- Increasing the level of legislative compliance relating to Highland Council properties and property management.
- Increasing efficiencies of available resources, supports remote and mobile working, including data collection, surveys and reporting of issues in the field, facilities management, and access to real-time property information, making more efficient use of staff time, reducing travel costs and vehicle CO2 emissions.
- Creating opportunities for improving property information, Supports BIM (Building Information Modelling) including COBie data exchange.
- Eliminating manual data exchange processes, allows secure sharing of property information and related documents internally and with external partner organisations.

- Increasing opportunities for partnership working, allows external partner organisations to collaborate and directly update information in the property system (for example on servicing contracts).
- Increasing confidence in the use of property information in strategic decision making, consolidates information from currently disparate systems enabling more effective reporting and performance monitoring dashboards resulting in effective decision making for sustainable property estate.
- Creating efficiencies in business processes – increased productivity with existing limited resources.
- Increasing transparency: property related costs can be managed effectively by interfacing with Highland Council’s financial system for accounts payable and accounts receivable (e.g. rental income).
- Reducing the number of unsupported / obsolete legacy systems.
- Reducing costs: decisions about renewing leases, maximising the use existing property or acquisition/construction of new properties are based on accurate information.

6.6 A Prior Information Notice out for the future System Requirements has now been issued, and this does include the potential requirement to include housing asset information. The stated plan is to have a phased implementation with business critical areas implemented by 31st March 2019, although that may depend on the procurement options available.

6.7 For dealing with the management of housing stock, Community Services use the Northgate system and TotalRepairs. There have been historic issues with data management within the Northgate Housing Asset Management System. Recently work has focussed on updating information of main element installation date as this is the main factor involved in implementing the HRA Capital Plan. There have been issues with the accuracy of the database. This is an issue affecting Capital Programme planning rather than day to day trade services. In relation to day to day repairs and repairs to void housing this is not a significant factor.

6.8 For day to day and void repairs the Northgate system interfaces with a software solution, TotalRepairs, which creates works orders for scheduled and reactive works. As set out in the elsewhere in this report, there is evidence that the system is not working to its full capacity and the mobile working package, TotalMobile, is not being deployed consistently. Many of the repair types do not use the mobile system and not all of the workforce use the mobile devices to schedule and coordinate works. It is clear that benefits can be achieved through use of mobile devices but all work and all operatives must be using the system to maximise the benefits. IT issues related to the reliability of the equipment is blamed for the problems.

6.9 Although it is obvious that the works involved in offices and schools do not bear comparison with the work in a domestic house, the Review team feels that efforts should continue to be made to identify and procure a fully integrated system.

Recommendation:

Recommendation 12

The ongoing procurement of a replacement K2 system must fully consider all of the options for a shared/complementary system for scheduling day to day repairs and assisting long term asset management across all Council buildings (housing and other property).

Chapter 7 – The Medium to Longer Term

7.0 The review examined alternative approaches to the facility management of Council assets. Across Scotland there are a whole range of different models – in-sourced, out-sourced and a mixed economy model. It is clear that factors such as the geography of an area or the size and variety of the supplier base do have a major impact on the most appropriate model. There is also a clear role for the Council to support local contractors and businesses in the area, whilst ensuring best value. The review team feel that the immediate priority must be in planning more effectively, optimising the current spend (in-house or external) and addressing the issues around current processes and supporting IT infrastructure

7.1 However, a common theme to emerge from the peer review was the issue of lack of cross service working and separation of functions / methods of working between the Property and Building Maintenance functions. Currently Property sits in Development and Infrastructure and Building Maintenance in Community Services. There is a strong perception that Property default to external contractors rather than approach the Building Maintenance Team to complete property related repairs.

7.2 It is clear that there is a lack of genuine cross service working around the planning and delivery of trades services. Based on an analysis of the costs of housing repairs there is strong evidence that costs are lower using in-house trades staff compared to private contractors. This is true across all main trades. Logic would suggest that increasing the volume of property repairs undertaken in house will achieve real cost savings for the Council.

7.3 The longer term option for the Council should be to merge the Property and Building Maintenance teams. This will address what can often be seen as a disjointed process, with missed opportunities for collaborative working in house. Both functions in one service may also allow for effective forward planning and scheduling of jobs increasing efficiency and reducing time lost on jobs. The review team feel that further work is required to identify what the appropriate option for this merging should be – specifically in the context of a wider review of Facilities Management across the Council.

7.4 It became apparent throughout the review that attraction and retention of trades is an issue. It was felt by nearly everyone interviewed that the salaries offered by the Council are low compared to the national averages. For example, a joiner and a painter employed by the Council are paid at grade HC05 - £20,991 - £23,627 with the national average £28,805 and £26,489 retrospectively. Whilst there is a recognition that recruiting more trades would better manage existing workload there are limitations with regards to this in terms of talent attraction and the job evaluation scheme applied by the Council.

Recommendation:

Recommendation 13

Notwithstanding the short term improvements to increase joint working across the whole property estate, further discussions should take place on the merits of merging the

housing and non-housing property maintenance functions to deliver a comprehensive Facilities Management function.

Chapter 8 – Conclusions and Summary of Recommendations

This Redesign Peer review has highlighted a number of opportunities which should lead to better cross-service working, more efficient use of in-house staff and potential savings that will accrue from effective contract management, mobile working and asset management.

In the short term it is essential that key changes are implemented at pace. These include the Lean review into the processes for housing and non-housing property repairs, the delivery of a new framework for sub-contractors and efforts to deliver more effective cross-service working. It is recommended that the latter two form part of a focussed “design sprint” early in 2019 and that the Redesign Board are fully involved in overseeing the outcomes and results.

The recommendations are outlined in the table overleaf, with a timetable for action that will be monitored and reported regularly to the Redesign Board.

Redesign review: Recommendation 1

Recommendation 1 - A review of building maintenance arrangements for the Badenoch & Strathspey and Nairn areas should be undertaken to identify opportunities for more work in these areas to be undertaken by in-house staff rather than using sub-contractors. This should tie in with a review of arrangements across all of the Inner Moray Firth area to ensure that cross-boundary work is undertaken as part of our Business as Usual approach.

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Carry out review	Increase in work available to in-house team in B&S and Nairn.	April 2019	CS	D&I Corporate Resources	
Implement findings as appropriate				D&I Corporate Resources	

Wider benefits expected:

This will ensure that as much work as possible is retained in house and lead to more effective cross-boundary working.

Risks:

Lack of in-house resources to enable the early delivery of benefits – may depend on increasing size of in-house workforce.

Redesign review: Recommendation 2

Recommendation 2 - A Lean Review should be undertaken on the process for reporting, instructing and managing Housing Repairs

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Progress Lean Review on Housing and other property repairs	Reduction in steps taken for housing and other property repairs.	April 2019	CET	Community Services Corporate Resources	
Implement findings as appropriate				Community Services	

	Savings in administration which will be either HRA or general fund (for non-housing property)			Corporate Resources	
Wider benefits expected:					
This will ensure that the process for reporting repairs is as effective as possible and seek to ensure efficiencies in delivering the service.					
Risks:					
Failure to implement Lean review outcomes.					

Redesign review: Recommendation 3					
The Council should consult with staff and Unions to enable the scope of work carried out by existing trades persons to widen beyond what (the traditional functions of a specific trade) they are currently restricted to. The scope of additional functions should be clear that this will be for minor repair work only. The Council should consider amending the job description for the <u>future</u> recruitment of trades persons to include a broader scope of minor work.					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Consultation on scope of work undertaken by trades	Greater flexibility within workforce.	October 2019	CS	Trade Unions	
Implement findings as appropriate	Reduced costs of repairs.	October 2019	CS	Trade Unions	
Wider benefits expected:					
This will deliver a more flexible and responsive workforce to enable unnecessary steps in the repairs function to be eliminated and deliver greater efficiency..					
Risks:					
Opposition from staff and Trade Unions					

Redesign review: Recommendation 4					
The Service should examine the benefits of creating a dedicated Inverness or Inner Moray Firth Housing Voids team – with the sole purpose of reducing the timescales within the void management process. This Voids team should include the relevant officers, trades persons and the required level of business support.					

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Draw up scope and potential structure of a dedicated Housing Voids team	Reduction in void timescales. Increased effectiveness in use of in-house staff. Continuous improvement in quality measures and efficiency of voids process.	April 2019	CS	Corporate Resources	
Implement a trial to determine target operating model		October 2019	CS	Corporate Resources	
Implement new arrangements		April 2020	CS		
Wider benefits expected: This is a recommendation based on investigating whether changing current work practices can enable a more focussed, joined up approach to dealing with housing voids.					
Risks: Opposition from staff and Trade Unions					

Redesign review: Recommendation 5					
The Commercial Board should explore more fully the options available for expanding the service to provide care and repair services and/ or handy person service.					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Commercial and Efficiency Team to undertake a review of the opportunity to widen the scope of our in-house staff to expand the service.	Greater use of in-house staff.	June 2019	CET	CS	
Wider benefits expected: There may be merit in expanding the commercial opportunities available to our in-house staff should resources allow. This scoping work will allow a business case					

to be made at the appropriate time.
Risks: Opposition from staff and Trade Unions

Redesign review: Recommendation 6						
A Lean Review on the Property Repairs process should be carried out in tandem with the Review outlined in Recommendation 2.						
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG	
Progress Lean Review on Housing and other property repairs	Reduction in steps taken for housing and other property repairs. Savings in administration which will be either HRA or general fund (for non-housing property)	April 2019	CET	CS D&I		
Implement findings as appropriate				Cs Corporate Resources		
Wider benefits expected: This will ensure that the process for reporting repairs is as effective as possible and seek to ensure efficiencies in delivering the service						
Risks: Failure to implement Lean review outcomes						

Redesign review: Recommendation 7					
A trial for a specific Associated Schools Group (e.g. Inverness Royal Academy) or other agreed area should be carried out as a high priority to develop an arrangement where housing and non-housing repairs are dealt with by one team – this will test the concept of greater work being offered to Building Maintenance but also allow a focus on quality and value for money. .					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
“Design Sprint” to be carried out to carry out a full appraisal of the changes that will be required to deliver this	Greater use of in-house staff for non- housing repairs. Revenue savings in property	January 2019	CS/D&I	Redesign Board Commercial and Efficiency Team Corporate Resources	

recommendation.	maintenance budget. Skills enhancement for in-house staff.				
Implement trial		April 2019	CS/D&I	Redesign Board Commercial and Efficiency Team Corporate Resources	
Review and Implement across all areas		January 2020	CS/D&I	Commercial and Efficiency Team Corporate Resources	
Wider benefits expected: There may be merit in expanding the commercial opportunities available to our in-house staff should resources allow. This scoping work will allow a business case to be made at the appropriate time.					
Risks: Opposition from staff and Trade Unions					

Redesign review: Recommendation 8					
The procurement of a replacement framework should be taken forward as a high priority, with a strong emphasis on ensuring that the appropriate governance, transparency and clarity in how contractors are chosen is built in to the contract arrangements..					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Commercial and Procurement Shared Services to undertake a “Design Sprint” workshop to evaluate scope and timescale for the new Framework	New framework established with savings target to be identified as part of the process. New contract management procedures put in place to ensure compliance and challenge on costs. Implementation of new framework by September 2019	February 2019	C&PSS	CS D&I Corporate Resources Redesign Board	
Procurement exercise to be undertaken.			C&PSS	CS D&I Corporate Resources Redesign Board	
New Framework put in place			C&PSS	CS D&I	

Wider benefits expected:					
This will ensure that a new framework is put in place which allows for full geographic coverage of trade services, along with renewed contract management arrangements to ensure best value is achieved.					
Risks:					
Failure to progress Framework within timescale					
Failure to achieve full geographic coverage.					

Redesign review: Recommendation 9					
In the short term, Development & Infrastructure and Community Services to set up a team with spend on Trades to work within a Group to carry out short-term spend consolidation. This will be based on the priority to consolidate ALL council spend on trades to achieve better pricing for all budget types, and is a short-term measure to deliver value for money...					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Commercial and Procurement Shared Services to lead on short term spend consolidation under the terms of the existing framework.	Cost savings in place for both HRA and General Fund maintenance revenue.	April 2019	C&PSS	CS D&I	
Wider benefits expected:					
The wider benefits will be to ensure that challenge is put in place on contracts being let under the terms of the existing framework, particularly focussing on the largest suppliers.					
Risks:					
Failure to achieve cost savings.					

Redesign review: Recommendation 10

The mobile working arrangements should be implemented for the whole of the Building Maintenance team as a matter of urgency. This should be a corporate focus, based on ensuring that the appropriate system support for mobile devices is in place as soon as possible.

...

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Community Services to continue to develop the mobile working solution with roll out to all relevant operatives as soon as practicable, with full system support in place from Corporate Resources	Full roll-out of mobile working arrangements. Full system support in place to ensure efficiency of operations.	April 2019	CS	Corporate Resources	

Wider benefits expected:
This will deliver a much more efficient way of working, reducing paper transactions (linked into Lean Review outcomes).

Risks:
Lack of sufficient ICT support to deliver the project.

Redesign review: Recommendation 11

The mobile solution should also be used for Non-housing Property Maintenance to ensure that the benefits can be achieved across the entire property estate.

...

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
D&I to implement full mobile working procedures	Full roll-out of mobile working arrangements. Full system support in place to ensure efficiency of operations.	June 2019	D&I	Corporate Resources	

Wider benefits expected: This will deliver a much more efficient way of working, reducing paper transactions (linked into Lean Review outcomes).					
Risks: Lack of sufficient ICT support to deliver the project.					

Redesign review: Recommendation 12					
The ongoing procurement of a replacement K2 system must fully consider all of the options for a shared/complementary system for scheduling day to day repairs and assisting long term asset management across all Council buildings (housing and other property). ...					
Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
D&I to complete procurement of replacement K2 system, having fully assessed whether a wider system which can link to Council Housing properties is achievable.	Replacement of K2 procurement is completed and in place. Options appraisal for inclusion of housing properties has been carried out.	June 2019	D&I	CS Commercial and Procurement Shared Services	
Wider benefits expected: This will deliver a refreshed property management system that is fit for purpose, and if housing can be included will allow a more consistent and corporate solution as part of the Corporate Property Landlord model..					
Risks: Failure to identify a fit for purpose system that can be put in place covering the whole property estate.					

Redesign review: Recommendation 13

Notwithstanding the short term improvements to increase joint working across the whole property estate, further discussions should take place on the merits of merging the housing and non-housing property maintenance functions to deliver a comprehensive Facilities Management function....

Actions	measures / evaluation / saving £	Timescale	Lead	Support	BRAG
Further discussions to take place on the merits of merging the housing and non-housing property maintenance functions.	Full options appraisal carried out to determine the most effective and sustainable model in the medium and long term.	April 2020	D&I/CS		

Wider benefits expected:
This will ensure that a full facilities management function is in place within the same service.

Risks:
Opposition from staff and Trade Unions
Failure to address historic and cultural differences between the two services.

Appendix 1

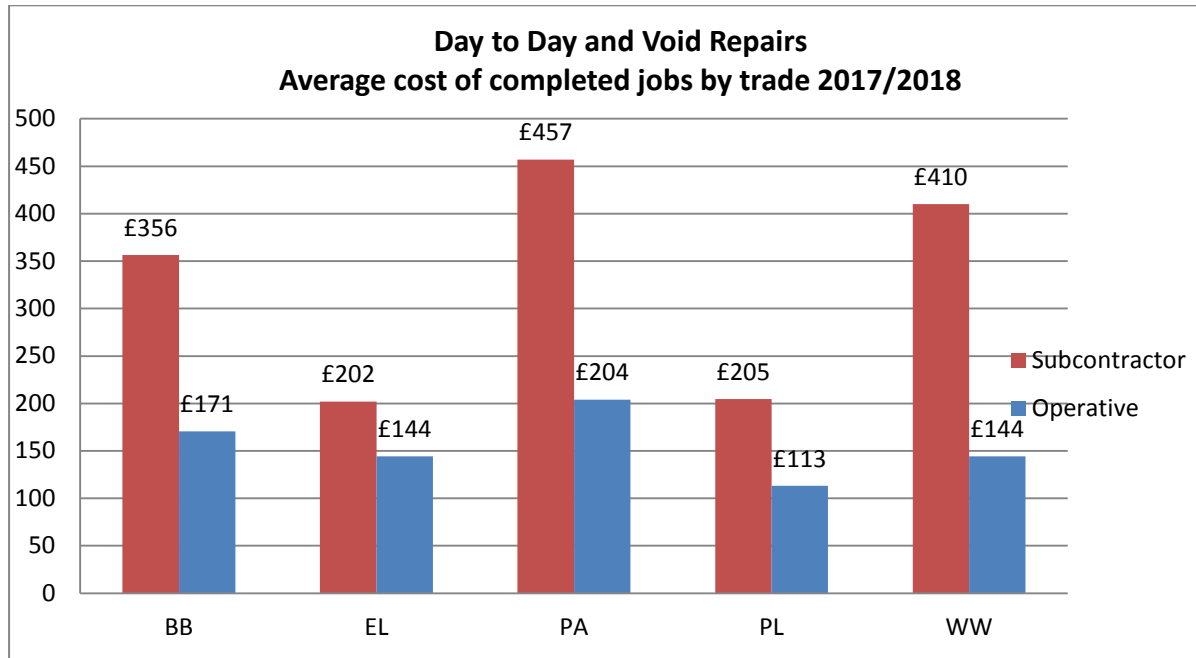
Numbers of Council housing properties and trades shown by area.

Area	No. of Council Properties @ 28/06/18	Breakdown of Trade Operatives							Comments
		Joiner	Plumber	Painter	Electrician	Labourer	Mason	Other	
North Area									
Caithness	2,056	7	6	1	1	2	2	0	
Sutherland	907	3	4	0		1	1	0	
Ross & Cromarty	3,767*	5	5	0	3	5	1	0	
Skye & Lochalsh	385	0	1	0	0	0	0	4	Other - Maintenance Technician (Electrical)
South Area									
Inverness	4,307	16	9	9	12	9	0	0	
Lochaber	1,349	11	6	4	5	5	0	2	Other - Builder/ Slater
Nairn	688	0	0	0		0	0	0	No in-house service.
Badenoch & Strathspey	554	0	0	0		0	0	0	
Totals	14,013								

Note - the number of Council properties are collated by Ward and as a result Lochalsh is included within Ross and Cromarty Area.

Appendix 2

Analysis of Costs of Housing Voids – In-house vs External



BB –
EL –
PA –
PL –
WW –