Rethinking Repairs
Developing your 2020 Vision

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Context Housing 2016...the previously unthinkable has just happened!

• Spending power of the sector is diminishing exponentially
• Business plans are being torn up and radically recalibrated
• This is expected to drive: consolidation and mergers; stronger focus on market products; more vigorous search for value for money
Housing Market

• Budget has created severe pressure on business plans and HRA: less resources for affordable housing investment
• Growth of private rented sector and Generation Rent - new types of landlord investing in a new rental model
• High financial threshold for home ownership has meant that owner occupation has been in decline for over ten years with five million households locked out of the property market
• Radically changing tenure profiles are emerging
• Substantial difference between social/affordable housing and wider choice in sub market housing e.g. shared ownership but not for the least well off
• Continuing rise in homelessness demand and temporary accommodation
Drivers of Change for Housing Repairs

• Customer expectations are being reshaped by highly responsive internet retail providers
• Move to a more generic role for housing professionals and potentially for repairs operatives; multiskilling becoming the norm
• Primary focus on sustaining the building asset rather than just meeting tenant demand
• Capacity to transform customer and property data into meaningful information
• Positive disruption: impact of innovations in IT and learning from other sectors on traditional housing markets
Reality Checks:
What we have learned over the last five years

• The golden age of ready funding for social housing is over and Value for Money considerations now prevail –

• Repairs and maintenance must deliver as stock investment as well as a service to tenants

• Must adopt a framework for repairs & maintenance services that encourages and supports tenants to look after their home as part of a rights and responsibilities agenda in landlord and tenant relations.

• Sustainable organisational culture and smart and efficient business processes - foundation for an engaging two way dialogue with residents characterised by fast problem solving with high productivity and user satisfaction.
The contemporary drivers of repairs and maintenance improvement:

- The need for a **cultural change** to prioritise genuine stock investment above reactive repairs *failure demand* which often feeds a dependency culture amongst those tenants who are the heaviest users of repairs services.
- A compelling business case for **reducing demand** for responsive repairs by setting clear expectations for future tenants & meeting maintenance needs more scientifically through intelligent investment and lifecycle planning.
- Providing support and guidance for all **tenants to look after their own homes** through rewards and sanctions that seek to change tenant expectations and behaviour.
- The need for **better IT** that offers integrated access to and application of data and supports modern low cost self-service transactions and feedback.
- The case for dispensing with traditional repairs categories and simplifying the offer to deliver a service that is also an investment.
Key Challenges

- **Fairness in service provision**: heavy users of the repairs service generate up to five times the demand of more responsible and independent tenants.
- **Responsive repairs not adding value**: may address tenant demand but not always focused on the needs of the asset.
- **Digital self service models**: tenants reporting online attaching photos to provide descriptions.
- **IT is fragmented and not delivering solutions**: lack of integration is compromising service outputs and investment.
- **Silo working within organisations**: failure to commit to joined up working can be costly; left to their own devices teams tend not to work together.
- **Changing customer base**: potential for different service offerings according to behaviour.
Key Challenges

- **Data rich but information poor**: challenge of converting large volumes of data into usable information that measures whether value is being added to the asset.
- **Mixed impact of Lean Systems on repairs**: premised on undifferentiated demand; business process transformation best achieved through engaging staff in internal partnering.
- **Procurement minefields**: need to reconcile procurement practice with the application of modern consumer power to identify genuine good practice.
- **Partnering difficulties**: greater inter-organisational and inter-personal trust; awareness of opportunities to develop mutual advantage.
- **Performance**: measuring what is important and evaluating the impact of the investment made in the asset.
- **How can R+M contribute to creating more successful households**
Choices and Responsibilities

• Expectation that all tenants will look after their home
• Rule breakers are seen not to prosper
• Rewards for doing the right thing and celebration of outstanding contribution
• Principles apply to residents and staff
• Property induction and support mechanisms for new households
Changing customer base and perceptions

• Digital natives (grew up with mobile communication) and digital converts (have adapted to new technology) now outnumber traditionalists (still writing letters)
• Customer feedback for R+M is indifferent – reporting works pretty well but anything out of the ordinary seen as difficult
• Communication issues especially when right first time is missed
• Invisibility of repairs progress to customer and staff
• Lack of ownership around complaints
• Huge amount of staff effort servicing transactions which customers are not noticing
Future customer service...

- Potential for different service offerings according to behaviour
- Primary channel will be the **web** with an online personal touch – can log in and is *personalised to them; similar to internet banking*
- **Telephone** – *there for the foreseeable future; contact centre – should also handle outbound traffic*
- **Email and text** – don’t want two way conversations through this – difficult to administer
- **Digital and social media** – difficult to predict what that will be – fast changing; questionable what the true advantages are
- **Post** – will die out and face to face will remain on a needs basis
- **Interactions**: simple, seamless and a rich customer experience; self serve enabled and paperless
- Business that uses **customer insight** to drive decisions
- Face to face remains a key channel for R+M
What are we trying to achieve?

• Decent homes and safe neighbourhoods where communities can thrive
• Making a difference to the lives of those who need a hand up and creating opportunities for ability and talent to be noticed
• Example of Octavia Hill: main concern was the welfare of the inhabitants of cities, especially London and was the principal moving force behind the development of social housing.
• Believed in self-reliance a key part of her housing system was knowing tenants personally and encouraging them to better themselves.
• Combined the weekly rent collection with checking every detail of the premises and acting as early social workers
• Helping the poor to cope with industrialisation;
• Social housing today is about helping families and households to cope, be resilient whatever globalisation throws at them and to take every opportunity to prosper
Key Trend 1: Landlord Plus and Successful Households

• Move from historic focus on performance to delivering outputs for households – meeting support needs for families and households
• Use and develop our role as landlords to help residents achieve their potential
• Housing management redefined: more than rents and lettings; will in future centre on coaching households to be successful
• Extending landlord contribution to community objectives: more generic approach for Housing Managers: employment, social care, public health, young people
• Advice and low level prevention work for interventions for whole household
• One stop access to Housing and other Council Services
• Sustains tenancies and enables household self reliance
Key Trend 2: Tenure Mixing

- Dramatic growth of the private rented sector in the last decade: up to 50% are former RTB properties
- Emergence of institutional landlords modelled on US city housing market provision for professionals
- Councils and Housing Associations offering private rented homes and shared ownership
- New opportunities for repairs providers but quality and performance thresholds will be higher and more demanding
Key Trend 3: Internet and e-commerce models

• Tenant expectations around service standards have risen driven by what is already available commercially
• Enhanced provision of information on repairs progress and real time tracking of delivery is now mandatory
• Feedback on service standards and publicised service review ratings
Key Trend 4: New Model Operative

- Le Corbusier: “A house is a machine for living in.” Needs a guidance manual (You Tube) and sometimes needs a mechanic
- Job Specification: wider set of skills and a good communicator
- Provides guidance and coaching to tenants on looking after their home
- Energy efficiency advisor: insulation; lighting; heating
- Empowered to provide more help for tenants and provides a more varied workload
New Model Operative

• Checking any DIY work and advises on tenants’ repair responsibilities
• Holistic check on the asset during repairs visits: kitchen and bathroom condition; any dodgy DIY alterations
• Operatives spend more time with tenants and in their homes than any other staff – capture their observations and insight to address tenant and property needs
• Encourage a two way conversation between operatives and customers about looking after their home
• Advice and practical support to do this – safe home ambassadors; energy efficiency measures
• Alternative scenario could be the Uber/gig economy
Housing Repairs and ICT

- Stable IT platform and accurate data
- Number of systems in use; data is dispersed
- Culture change required - proactive and open door
- Enterprise Resource Planning concept - same systems requirements are needed everywhere
- The need for a collaborative approach to improving IT in the sector
- Goal of better IT integration and outcomes is a common cause; need to exert some leverage on the housing IT industry on behalf of the sector
Energy Efficiency

• Heating and power costs a high proportion of household income and are projected to continue rising
• More landlords to become energy providers and generators to offer better deals for residents
• Energy efficiency a learned skill as well as an investment
• Operative and tenant energisers to spread good practice
Predictive maintenance

- Approach used by airlines and in marine engineering to undertake maintenance renewal based on clearly understood models of when safety is impacted
- Cannot afford to have any component failure and use modelling to make accurate predictions on lifecycle
Key Trend 5: Procurement and Rated Contractors

- Claim that “modern procurement techniques” hold the key to efficiency and cost reduction in the sector
- Yet cost of procurement to the sector exceeds £1 billion annually
- Contractors have to invest heavily in their bid teams to win work; money that could be invested in operational delivery or innovation
- Substantial duplication and repetition despite huge commonality to the service
- Price competition has not always proven to be beneficial
- Previous clients may not be at liberty to provide a candid reference
- Procurement process flawed: crude test of ability to provide a method statement
- Does not test the most critical attributes of contractors: their track record and ability or inclination to work collaboratively to reduce costs
Procurement and Rated Contractors

• Positive example of consumer power driving up standards and value in the commercial sector
• Rated Contractors – the trip advisor for housing repairs
• Full acceptance of a wholly transparent client/service user rating system will be a precondition of contractor participation in the sector
• Those contractors that excel at the services which clients and customers value will come out on top
• Decide on and define the criteria that should be measured
• Establish a transparent and representative model of feedback from clients and from residents which generates a true score
New consensus...

- Many clients believe that the way the repairs market functions needs overhauling
- Procurement collaboration not working for responsive repairs judging by the increase in home grown solutions
- Competitive process tests contractor capability to present their brand
- Markets require reliable information on performance and delivery in order to function effectively and in the interest of the client and consumer
- Repairs rating system for the sector

- **Lifecycle considerations**
- **Landlords** – long lifecycle, reduced maintenance, lower carbon and improved *NPV*
- **Residents** – safety, great performance, good looks and reduced call outs
- **Contractors** – easy to fit, reliable and offer savings and predictability when taking on long term liabilities
Reinventing Partnering...

For repairs and maintenance the challenge is to demonstrate:

- Real value added to the asset
- Improved communication and responsiveness to perceived problems
- Greater inter-organisational and inter-personal trust
- Awareness of opportunities to develop mutual advantage
- Promotion of a culture to support innovation and learning
- Establishment of an inclusive forum that objectively measures and assesses accountability for meeting objectives
- Sharing of good practice across the sector
Tips for the Future

• Making your assets work for you and obtaining accurate data to measure how they are performing
• Lifecycle products and getting asset information to see if it is viable for the organisation
• Manage operatives on performance
• Is it the customer or the asset that we should be focusing on and prioritising?
• Gas boiler ten year integrated investment, servicing and manufacturer’s warranty
• Channel shift and how we recognise this in R+M
• Commitment to the ERP concept - same systems requirements are needed everywhere
• The need for a collaborative approach to improving IT in the sector
• Potential to make the subject of better IT integration and outcomes a cause that the Working Together project champions and exerts some leverage on the housing IT industry on behalf of the sector