

Responsive Repairs Insourcing – response to the Call In questions:

- A. Insourcing will not lead to improvements in services.**
- B. The substantial financial and other risks outlined in the report do not justify making the changes proposed.**

Answer to A: The insourcing of the service provides an opportunity to review the service model improving our ability to respond more effectively with a dedicated call handling and scheduling service as an integral part of the team, to replace rather than repair and to support residents in looking after their homes. As we make major investments in the improvement of our homes this will change the nature and volume of responsive repairs. Under our direct control we will be able to vary the service model – rather than to have to renegotiate terms with external contractors or potentially terminate contracts earlier and re-procure. A wider structural review is being undertaken to ensure adequate clienting capacity and we will be working alongside residents including the Customer Voice to develop the new arrangements and to review their performance.

Answer to B: The current context for the proposal to insource is that there is a permanent staff team in place with the relevant experience and motivation to deliver this change. It will be implemented alongside our Better Homes transformation programme which is seeing the implementation of a new ICT system to help staff provide a more targeted, customer service along with a new operating model.

Mobilisation of the service will be closely overseen through an Operational Board with a detailed mobilisation programme and with the continued involvement of the Repairs Task Force. By taking a sensible controlled incremental approach we will be able to test systems and processes, ensure the correct management teams are in place, ensure all necessary infrastructure is in place, that support services such as HR, finance and procurement are appropriately resourced and that we have support from the external market should we need it. We have developed good working relationships with existing contractors who have committed to working with us collaboratively to implement the changes in the interests of both parties and the workforce.

On the financial risks

- Parallel running costs are shown in table at 3.19, these have been budgeted at £300k. It is estimated that we may need the backup service from the external market for a maximum of 6 months.
- The fleet management is undertaken in full by Corporate services, this cost is incorporated into the van cost shown in table 6.3
- The staff cost for managing and monitoring the new arrangement is included in the back office costs as details in table 6.3. This is in addition to the existing staff running the repairs service which currently includes a performance management officer in the team plus corporate support from the Data and market intelligence team.
- The costs of the new Civica IT system have already been agreed as part of the Better Council Homes programme.

On staffing we will be transitioning a workforce from the existing contractors as well as recruiting our own team as we have successfully done through the MOT service. The new team will be supported with an induction and training programme to support the delivery of our new service model and customer service requirements. We are also fully committed to a full apprenticeship programme and will therefore essentially be “growing our own” trades team to future proof employment issues. We will work closely with the unions who welcome the creation of directly

employed staff whilst appreciating the challenge, communication and collaboration will ensure good performance. TUPE would apply equally to an outsourced and insourced arrangement.

On the use of contractors, day to day repairs is an extremely low margin activity for external contractors and therefore their financial interests tend to be driven towards delivering volume of works and to maintains margins and this can be at the expense of the customer. Whilst we plan to run the service on a commercial basis (and will be looking for commercial opportunities to sell the service to others) achieving a commercial margin will be less important than providing an improved customer experience. It is also worth noting that external contracts tend to work best with genuine collaborations, cultures of penalties clauses and sanctions rarely create the positive environment which deliver great customer service.

On performance management of the new service, the Cabinet Member will continue to chair the Repairs Task Force which will provide oversight of progress and outcomes via the Operational Board. This will also be in close liaison with customers.

28th June 2019