

National Housing Maintenance Forum Best Practice Awards 2013 Category: Best Contract

Best-managed external contract for maintenance

Southern Housing Group working with
Mountjoy Limited to deliver...
"A service that meets our residents needs"



Introduction

Southern Housing Group

As one of southern England's largest housing associations, we own and manage 25,000 homes for more than 66,000 residents. We employ more than 900 people and work with more than 70 local authorities.

Our mission is to unlock the potential of people and places. We've been doing this since 1901, when our founder Samuel Lewis bequeathed £670,000 (equivalent to £30 million today) to provide housing for the poor. We achieve this by:

- Developing quality, affordable housing
- Improving the neighbourhoods where our residents live
- Developing a range of rent and home ownership opportunities
- Investing in our staff, our residents and our legacy

What we do

Southern Housing Group is one of the largest housing associations in Southern England. Our job is to develop quality, affordable housing for rent and home ownership. We also manage housing and resident services and invest in regenerating the communities where our residents live.

Our experience has taught us that investing in people and communities is as important as building homes. This philosophy has been the bedrock of our activities for more than 100 years.

Southern Housing Group is made up of the following:

- Southern Housing Group Limited is the asset-owning parent body, and registered social landlord, with 25,643 homes across London and the South East.
- Southern Home Ownership markets a range of low-cost home ownership and intermediate rent options.
- Southern Space is a wholly-owned subsidiary of Southern Housing Group Limited set up in May 2005 to develop homes for outright sale.

How we are organised

Our management team is responsible for formulating and implementing strategic objectives and corporate governance.

The Board is responsible for overall strategy and policy making and for making sure we continue to be a significant provider of social housing.

We have a large number of voluntary members who support our work by serving on our Board and specialist committees.

Board and committee members bring a wealth of experience and different skills to the organisation, providing a clear overview which helps to focus management on achieving strategic milestones

Social and economic regeneration

We recognise the fundamental value of providing support to our residents and communities beyond providing high quality homes and housing services. The Social and Economic Regeneration Department (SERD) provides a focus for our activity.

We do this by:

- Building safer, stronger communities.
- Providing opportunities for individuals and communities to realise their potential.
- Creating places where people want to live.
- We take a proactive approach to issues such as employment and training, poverty and developing young people, as well as neighbourhood-focused work where we support and develop communities.

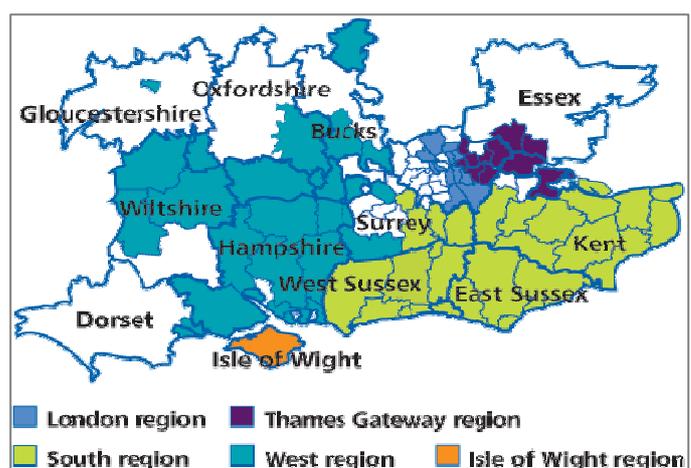
Some of our initiatives include:

- Forming partnerships with credit unions and financial advice agencies and providing debt advice and guidance to some of our most vulnerable residents.
- Managing a range of grants programmes to support community activities and projects in the estates and neighbourhoods where we work.
- The Employment and Training Project. We work in partnership with a range of key stakeholders and agencies to develop innovative projects that offer our residents the chance to improve employment, training and skills opportunities. This is done using numerous different approaches, such as one-to-one outreach, grant funding support, training sessions, signposting services etc.
- Youth Development supports the group's objectives in developing appropriate youth strategies on and around our estates.

Where we work

London

We manage around 4,000 homes in 14 boroughs across London. The majority of these are in Hackney, followed by Islington, Hammersmith & Fulham, Southwark and Kensington & Chelsea. Our properties range from 13-floor tower blocks, modern estates such as the Nightingale Estate, traditional houses in residential streets and large Victorian estates, on which we undertake a continuous reinvestment programme to bring them up to the standards of our modern homes. We also have sheltered schemes and women's hostels.



Thames Gateway

Covering Waltham Forest, Tower Hamlets, Newham, Barking & Dagenham, Havering, Greenwich, Thurrock, Medway, Brentwood and Basildon, the Thames Gateway Region is our largest growth area. Our homes include those transferred to us by the London Borough of Newham in Barking and Dagenham, and

Thurrock, a redeveloped estate in Greenwich and new developments at Barking Riverside and St Ann's in Barking town.

South

Our South region has over 5,000 homes over a large geographical area - Sussex, Kent, Surrey, Hampshire and Berkshire. The regional office is in Horsham, West Sussex with other area offices in Ashford and Hove. This is a diverse area and we offer a variety of homes to meet the needs of the community. These include homes for affordable rent, market rent, part and full ownership and range from larger developments with resident caretakers to smaller developments and individual street properties. We also manage family housing and a range of sheltered housing schemes, and provide extra care schemes for the elderly.

West

The Group manages over 4,200 properties across central-southern England. We provide accommodation and a range of related services for families, single people and the homeless, as well as those requiring sheltered support.

Isle of Wight

We are a major provider and developer of affordable housing on the Isle of Wight, with over 3,000 properties. Our homes include general housing for families, sheltered schemes for the elderly, homes for young people, homeless accommodation, a women's refuge, supported housing for people recovering from substance abuse and homes for people with learning difficulties and mobility needs. We have appointed Mountjoy Ltd to carry out a repairs and maintenance service on the Isle of Wight, and it is this specific contract that we are putting forward for the Best Contract award.

Mountjoy Ltd – a Company Profile

With a track record spanning nearly twenty years, Mountjoy has established itself as one of the most flexible, supportive and trustworthy of building and maintenance companies in the south of England.

From major new build projects and minor refurbishments, to responsive repairs and facilities management, it places open, honest and collaborative relationships at the heart of every job. With clients from both the private and public sectors, Mountjoy prides itself on an unrivalled understanding of clients' needs, of the local area and of the very latest in building systems, processes and technologies. It demonstrates three core values across every aspect of the services provided:

- Mountjoy is committed – A team of highly-skilled, professional and friendly staff provide a personal service and the very best in support.
- Mountjoy is responsive – Each contract is tailored to maximise opportunities for innovation and continuous improvement; offering the best value for money, quality and customer service.
- Mountjoy is secure – As a member of The Quarr Group, Mountjoy is part of a large, credible organisation but is proud to have retained a local focus. The company is able to offer the certainty and financial assurance associated with any major organisation whilst, delivering the friendly, flexible service expected of a local company.

Mountjoy's Repairs and Maintenance Service - "We arrive when we say we will."

It is as simple as that. Arriving in Mountjoy uniforms, in liveried vans and at the time given, the team of skilled, qualified workers offer a friendly, expert service.

And after nearly twenty years working in the area, and with over 11,000 homes and a University's Halls of Residence currently maintained by Mountjoy, it has built a solid, trusted reputation for efficiency, health & safety, quality and carrying out 'the right repair at the right time'; a reputation which continues to grow with every new client.

Every one of the company's responsive repairs services uses modern IT based Workflow Management and Resource Scheduling software, which operates in 'real time' and is tailored to the needs of each client and their customers. Efficient, friendly and informed operations centres offer the very best in support and ensure that help is on hand when it is needed.

All staff are trained in customer care and operate to exacting standards of service and health and safety stipulated in the Code of Conduct. This means that clients can rest assured that their customers always feel safe and secure while the team is working onsite.

As with all Mountjoy services, openness and honesty lies at the heart of the relationship upon which the service is delivered. Its clients can expect personal, flexible service from the team and they will always work with client to develop the most cost-effective, quality-driven solution for their needs.

Working with Southern Housing Group

Mountjoy has provided reactive maintenance, voids and planned works for SHG since 2002 (contract was retendered in April 2008). The contract is for the provision of day-to-day repairs and maintenance to over 3,000 homes on the Isle of Wight. The service also includes disabled facilities grant works, installation of bathrooms and kitchens, electrical and heating upgrades, major widow replacement programmes, the refurbishment of void properties for occupation and planned building refurbishments (up to the value of £500k). Works to paths, hard standings and car parks, garages and communal areas is also carried out.



What is innovative about the service provided?

Mountjoy has enhanced and continuously improved its services to Southern Housing Group (SHG) since being awarded the Term Maintenance contract for the Isle of Wight region in 2008. The nature of the contract is innovative in its own right – it is organic and has continued to develop and grow as it matures as both parties aim to deliver a service that meets the needs of SHG's residents.

Whilst innovation is often considered to be significant or ground-breaking developments, within this context, it has been the constant stream of small incremental changes that have contributed to this contract's innovative successes.

Mountjoy's main driving force behind continuous improvement is the feedback garnered from their stakeholders, i.e. us as the client, our residents and the supply chain. Mountjoy has managed to envelop

these, consider whole life values and incorporate issues of sustainability, rather than short term demands, profits and balancing books.

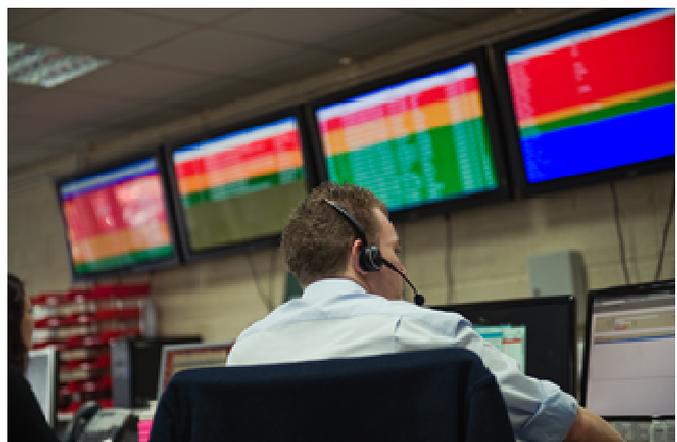
Since early 2009, Mountjoy has adopted a 'lean thinking' approach of driving efficiency through continuous improvement, partnering and a 'Right First Time', customer-focused service delivery. This includes development of a process engineered job management system, which is built on a true understanding of the workflow, rather than a standard contractor off-the-shelf software package.

Mountjoy's system encompasses call handling and dynamic resource scheduling, provides 'real time' information, performs automated checks and balances to ensure avoidance of costly errors, and measures performance against a set of inbuilt KPIs. The system is now partially interfaced with our own, which has reduced duplication, eased the administration burden on our support teams and enabled us to manage the contract without imposing our own system. At present, Mountjoy is required to log into our system to find asbestos or health and safety-related information about a property (e.g. UDCs). The development of a full interface is currently in progress; this will reduce the time spent working across two systems, and provide a saving to the Group in terms of licence fees.

The success of the system is down to Mountjoy's complete control of the daily, weekly and monthly workflow. This enables them to respond to changes almost immediately. For example, Southern Housing Group was left in a difficult position following the collapse of another provider. Mountjoy was able to adapt their operation to cover the whole of the Isle of Wight within a matter of weeks, and at no additional cost to us.

SHG and Mountjoy take a collaborative approach to their working practices. Where difficulties are identified, improvement plans are implemented. Just recently, Mountjoy's quality inspection pass rates were circa 75-85%. Analysis of the data revealed that this was partly due to 'no access' but the remainder was due to the poor collection of repairs information and allocation of resource by the Operations Centre Operatives. To provide additional support and further training, Mountjoy held days whereby trade operatives were on hand to assist with the correct diagnosis of the repair, and Operations Centre Operatives had the opportunity to visit different sites. This means the team now sends the right technician to the right job, thereby increasing our 'right first time' and increasing resident satisfaction. Within four months, Mountjoy's quality inspection pass rate reached 92%.

Whilst Mountjoy has always provided a 'calls direct' service, i.e. Mountjoy's Operations Centre receives all of the calls from the residents, their flexibility and responsiveness means that the service has now evolved into a 'one-stop-shop'. By investing time and money into a detailed training programme, Mountjoy's technical teams are now able to cover specialist areas, such as door entry and warden call systems and unlicensed asbestos removal. Other smaller service contracts, including lifts, fire alarms and Energy Performance Certificates are also managed by the team, which has meant a reduction in the overheads and profit that supply chain members would normally charge, but more importantly, means our residents only have one number to call regardless of the type of repair.





Further expansion of the service includes partial condition surveys. Whilst Mountjoy’s tradesmen are undertaking repairs, they are required to survey H&S related areas of the properties, such as smoke alarms, thermostatic valves on immersion tanks, and CO detectors. This proactive approach means the tradesman will log any non-conformances with the Operations Centre on completion of the repair, who in turn, register the additional work on the system and schedule it in for completion. These are recorded,

collated and forwarded to us on a monthly basis. Residents are much happier with this service as it reduces the number of access requests we have to make. The next phase is consideration of stock condition surveys and how the service can be adapted to include this element.

In addition, Mountjoy is also undertaking resident satisfaction surveys on behalf of the Group. Our own infrastructure meant that we could not keep up with the volume required, despite only carrying out the surveys at the end of each month. Satisfaction surveys are now undertaken on 10% of all repairs, and within 1-7 days of the repair being carried, whilst it is ‘fresh’ in the residents mind and therefore more accurate. Any faults or dissatisfaction are raised at our performance review meetings and include corresponding improvement plans.

Part of their commitment to continued resident satisfaction is the open invitation to our Residents Services Panel. The panel visits Mountjoy’s offices regularly and spends time within the Operations Centre and with the team to discuss all aspects of the service.

“Nice and friendly – the tradesman got on with job with no hassle and it has been well done”.

“The men were very good; I’m so pleased with the work!”

Monitoring the effectiveness of the service is completely automated via the system, followed by routine monthly reviews. Mountjoy is able to provide detailed and ‘live’ performance measurement and definitive financial management information. The collection of all repairs data in this way meant that earlier this year, we worked together to identify the Average Maximum Price (AMP) for a repair as the current Schedule of Rates model is resource hungry to administer – this model is now being implemented. Using AMP means reduced administration and cost certainty for both SHG and Mountjoy. It also means that as a team, we can focus and put our energy into further improving the quality and efficiency of the service offered to our residents.

The statistics below are based on Mountjoy attending an average of 50 appointments per day.

| Measure/KPI | Target 2012/13 | Current performance |
|---|----------------|---------------------|
| First time fix – jobs completed first time | 82.5% | 91% |
| Customer satisfaction (score /10) | 9.4 | 9.6 |
| Emergency response (out of hours) | Within 2 hours | 46 minutes |
| End-to-End times (job inception to invoice) | 20 days | 9.3 days |
| Void turnaround | 15 days | 7.8 days |

The most recently innovation is the addition of renewable technology into the scope of service. Mountjoy is currently seeking MSC accreditation, in order to install Air Source Heat Pump heating systems and Solar Thermal hot water systems on the Group's "off gas" housing stock on the Isle of Wight. This is not the start of an environmental initiative – we have worked closely with Mountjoy to undertake the following improvements to date:

- Mountjoy's team has fitted energy saving v-phase units (voltage optimisers) on 215 houses, which has reduced the residents' energy bills by nearly 15%. They have also installed v-phase units in our communal areas in the communal blocks.
- In communal blocks, we have installed LED lighting. This provides a better light output for the residents and reduces energy consumption as well as reducing service charge bills. An added advantage is that the lights have a much longer life-span and as a result, we have fewer maintenance call outs.
- In addition, Mountjoy has installed water-saving cisterns/water harvesters, heat recovery extractor fans, and triple-glazing.
- Finally, in 2011, Mountjoy completed retro-fitted The Chessells, a residential property. This included installation of an air source heat pump and radiators and a solar panel system, heat recovery system along with photo voltaic roof panels as well as the installation of new triple glazed windows, loft and external wall insulation and render.

What are the benefits to the client, the contractor, the residents and the neighbourhood?

Benefits to the client include:

- Having an outsourced maintenance service and avoiding duplication requires trust, and trust is established by the provision of accurate, transparent, real time performance data that we can rely on. Mountjoy's does exactly this.
- Mountjoy's capability, capacity and experience have been used to increase productivity and deliver real cost reduction without affecting the service standard received by residents – a key objective for the Group.
- By offering a long term contract (potential 10 years depending on performance) gave us huge buying power, and the ability to leverage substantial investment from Mountjoy into the service (see below).

Benefits to the contractor include:

- The long term contract has enabled Mountjoy to invest in the service, and in particular, the workforce. The Operations Team, Field Managers and Operatives are well informed; well equipped with the right tools, transport, materials and plant; well trained and multi-skilled; and well managed, all of which contributes to their success rates detailed earlier.
- As we aim to bundle the services, this gives Mountjoy an opportunity to spread their fixed costs over a larger value and range of activities, so making the service more cost effective overall.

Benefits to the residents include:

- Mountjoy is able to deliver a service that is attuned to residents' needs. As a result, residents can expect a constant high level of care irrespective of spending restraints/pressures we face as a Housing provider. An added comfort is that Mountjoy directly employs their tradesmen, so aside from consistency of service, our residents, and particularly those that are vulnerable, are much happier seeing a familiar face.
- Based on feedback received from a recent Resident Services Panel visit, some residents were reluctant to report minor repairs, such as loose curtain rails. Mountjoy now offers 'handyman days' to the residents once a month, i.e. one of their operatives will spend the day 'mopping up' a list of repairs, which have been collated by the resident's champion for an area. This service is at no additional cost to us.
- Mountjoy upgrades/replaces equipment with low energy products, and provides advice on simple ways of reducing energy consumption to the residents – this is particularly important as we aim to reduce fuel poverty. This contributes to the Government's, SHG's and Mountjoy's sustainability targets.



Benefits to the neighbourhood include:

- SHG hold a number of "Resident Open Days" across the Isle of Wight and Mountjoy support these events by providing a stand manned by members of their staff and also offer training and advice to our residents on simple repairs and jobs such as replacing plugs, putting up shelves and hanging pictures.
- Creating job opportunity in difficult economic times remains an urgent priority, particularly as the Isle of Wight's catchment area is further restricted because of its coastal nature. Mountjoy has implemented a pre-apprenticeship and work placement program to raise the profile of the industry and the career opportunities available to the Island's youth.
- Mountjoy has integrated community activity into daily operating practices. For example, a few months ago, Mountjoy staff members volunteered their weekend to carry out some community improvement



works. The initiative, which involved helping residents from the community improve their homes and the surrounding areas took place at a number of locations. The works included building a garden shed and stocking it with garden tools at St Catherine's, building a timber sleeper planter at Dudley Road, and staining 120m of fencing at Needlemakers. Mountjoy's supply chain very kindly donated all of the materials.

What were the financial and cashable benefits?

The costs of implementing the best practice service were nil as ongoing best practice development was one of the core drivers of the contract when it was tendered.

Financial savings have been achieved through the “lean thinking” approach which has allowed us to apply resources to other areas without the need to increase our head count in Property Services. Other benefits have included a reduction in the overall annual cost of repairs per property and this can be audited through our management system where jobs are logged.

Because the contract includes Planned Package Improvement work such as Kitchen Renewals, Bathroom Upgrades, Heating Upgrades and Electrical Upgrades where a residents reports a repair on a component due to be replaced rather than undertaking the repair, which is a waste, Mountjoy have the flexibility to bring forward the Planned Package Improvement work thus eliminating “unnecessary” repairs

How relevant is this as an example that might be followed by other organisations?

Any organisation looking to outsource their repairs and maintenance service as a means to achieve transformational change in delivering the same service within a tighter budget would benefit from a similar approach. For example, other housing associations, local authorities, universities, large retail chains and property management companies (e.g. lettings agents). It is worth noting that Mountjoy currently provides a repairs service for Portsmouth City Council’s Housing Team (Open Book Model), Isle of Wight Council’s Property Services Team (Schedule of Rates), and the University of Southampton’s Halls of Residence (Bespoke Schedule of Rates), all of which have their own customised and intelligent job management system.

Its success does not depend on Southern Housing Group’s unique circumstances, for which there aren’t many, but rather the selection of a service provider that can be flexible, delivers high performance and high levels of productivity, and has the capability, capacity and incentive to invest in both monetary and other terms.