

The Trials and Tribulations of Direct Labour Organisations

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Introductions

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The Merger

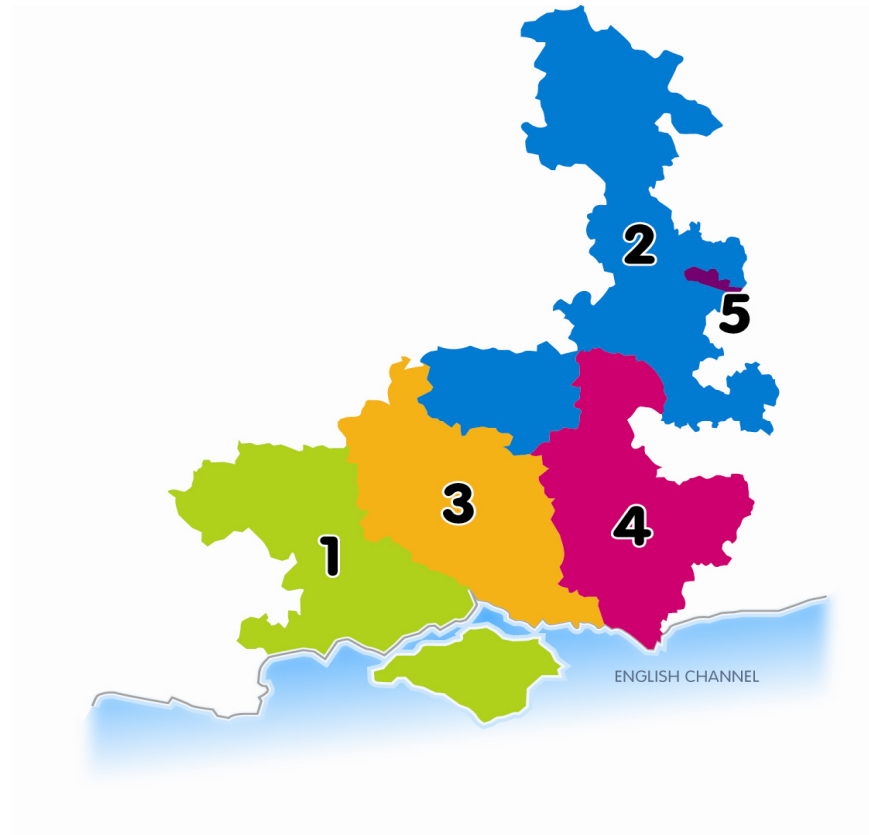
In December 2006 the following organisations joined to form the Radian Group:



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Geographical Area



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Existing Maintenance Services

All group companies had their maintenance services delivered in various ways.

The two principal methods were either by their existing Direct Labour Organisation

or

external contractor.



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Radian Corporate Plan

- Devise and Implement growth strategies for our business
- Explore business cases for extending DLO services to cover Drum's homes and increase sustainability of the DLO



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Eastleigh

- The DLO at Eastleigh was known as SH Services and had been established for many years.
- Like a lot of DLO's it had experienced it's own fair share of problems.
- At the time of Merger SH Services was well established and the organisation was benefitting from the services provided by the DLO.

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Windsor

- The DLO at Windsor was known as Windsor Services and had been established for many years and was part of the local authority previously.
- At the time of merger Windsor Services were experiencing many difficulties and had been managed by a team of consultants for the previous two years.
- Windsor Services were providing poor performance and was financially unsustainable.

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Petersfield

- Petersfield DLO consisted of a small grounds maintenance team, some caretakers and three general tradesman.
- The majority of the maintenance works were out sourced to an external contractor.



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The Challenges

- Improve an existing performing DLO.
- Rescue a poor performing DLO.
- Expand the DLO services to take on additional group company maintenance contracts.
- Develop one corporate Identification.



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Windsor- The Issues

- Out of date in house schedule of rates
- Trade terms and conditions which were very costly
- Inadequate formal business processes
- Insufficient control on purchasing
- Ineffective management structure
- Poor perception from internal and external customers
- Fleet of leased vehicles that were past their shelf life.
- £ 350k loss per year for the previous three years.

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Windsor – The Fix

- The introduction of the NHMF Schedule of Rates
- Negotiate with trade staff and the GMB over new salary terms and conditions
- Introduce existing business processes from the Eastleigh DLO into Windsor
- Introduce new purchasing process with the ability to audit and control expenditure



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Windsor – The Fix

- Remove existing poor management and recruit a new management team
- Recent survey information informs the group that 98% of residents are now satisfied with the trades service
- Relationships with internal customers are continually improving
- A new fleet of commercial vehicles were purchased under the existing EU Eastleigh DLO vehicle deal



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A New Brand

In September 2008 Drum Housing made the decision to bring its response repairs and voids contract in house. As part of this decision the existing two DLO's and the new DLO for Drum would come together under one common brand:



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A New DLO

Work commenced in October 2008 to create a new DLO with new premises in East Hampshire with a go live date of the 1st April 2009.



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- **150 staff delivering the following services:**

- reactive repairs
- void works
- planned works
- gas service & repair
- gas replacements
- grounds maintenance

Turnover £ 14,000,000 per annum.

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The Future



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