

Plenary 5

# A new joint venture model for repairs and maintenance

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**Chaired by:** Andrew Burke (NHMF)



National Housing  
Maintenance Forum

**NHMF**  
**Maintenance**  
**Conference**  
**2019**



# Presentation aims

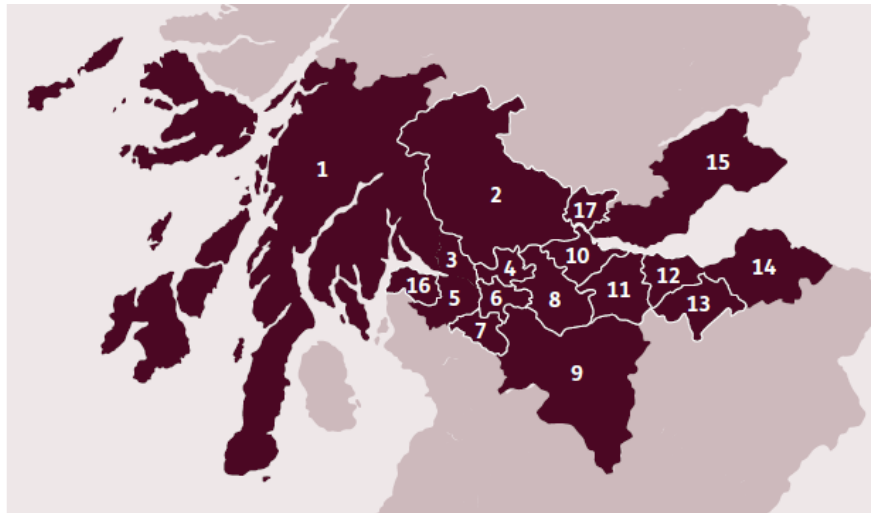
- / Provide an overview of repairs and maintenance joint venture between Wheatley Housing Group and Glasgow City Council
- / Explore what led those involved to form a joint venture
- / Consider how effective the joint venture has been
- / Share thoughts on potential learning for others

# Joint venture outline

- / Joint venture established in April 2017
- / Achieved through Wheatley becoming member in existing council repairs and maintenance venture - City Building (Glasgow) LLP
- / City Building (Glasgow) **'the joint venture'** has two members - Wheatley Housing Group and Glasgow City Council - each with 50:50 ownership
- / Governance built around collaboration, consensus and aligned strategic priorities - no Member has overall control

# Wheatley Housing Group

## Areas of operation



- |                       |                      |
|-----------------------|----------------------|
| 1 Argyll and Bute     | 10 Falkirk           |
| 2 Stirling            | 11 West Lothian      |
| 3 West Dunbartonshire | 12 City of Edinburgh |
| 4 East Dunbartonshire | 13 Midlothian        |
| 5 Renfrewshire        | 14 East Lothian      |
| 6 Glasgow City        | 15 Fife              |
| 7 East Renfrewshire   | 16 Inverclyde        |
| 8 North Lanarkshire   | 17 Clackmannanshire  |
| 9 South Lanarkshire   |                      |

- / Wheatley Group operates in 17 local authority areas (out of the 32) in Scotland)
- / Largest housing and community regeneration group in Scotland
- / In terms of population, these 17 local authorities represent over 63.9% of the total Scottish population (over 3.4m people)
- / Own in-house DLO serving customers in Edinburgh and the east
- / Joint venture focused on Glasgow and the west

# Wheatley repairs and investment in Glasgow and the west

Most important driver of  
**Customer Satisfaction**

**250,000** repairs carried out every year

Housing repairs budget of **£33 million** in area covered by JV

Target completion time for emergency repairs:  
**3 hours**

Investment budget of **£27 million per year**

Repairs and investment to over **75,000** homes

# Options considered and ruled out

## In-house repairs service

### Positives

- / Potential VAT savings
- / Control over service
- / Ability to shape culture

### Negatives

- / Risk of service disruption
- / Need to build repairs and investment operating experience
- / Possible staff reaction
- / Experience of others – long lead time before benefits realisations

## Procure service in market

### Positives

- / Market forces drive competitiveness and innovation

### Negatives

- / Ability to shape service on an on-going basis
- / Arms length ability to shape and influence
- / Service migration
- / Need to build relationships and ways of working
- / Supplier margin

# Wheatley's drivers for joint venture

- / More control in development of its repairs and investment service for customers
- / Ability to develop the future strategic direction of the service
- / Ability to shape the culture of service delivery
- / Financial benefits/greater efficiency
- / Role in the governance of its repairs delivery
- / Minimum disruption to services to customers

“Over the next five years, we’ll create a different partnership relationship with our contractor so that we have more direct control and will be able to drive greater efficiency through new service models and increased integration”

Source: Wheatley’s  
Strategic Plan 2015-  
2020

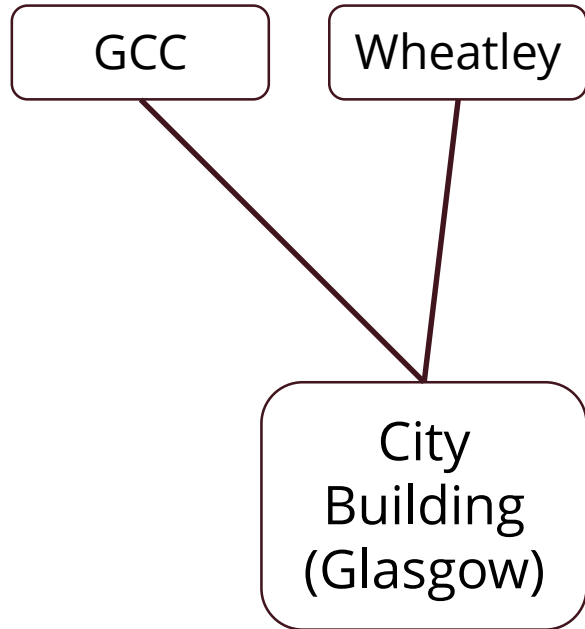
# Why a joint venture

- / Delivering excellent services to customers
  - Builds on existing – highly effective – service
  - Fits with local service delivery
- / Maximising cost efficiencies for Wheatley companies
  - Low set-up cost and scope for efficiencies over time
  - Share profit
- / Innovation and improved management and working arrangements
  - Set strategy and required service performance
  - Builds on established practices, systems and processes
- / In-depth risk analysis
  - Supports smooth transition with minimal disturbance to service





# Joint venture structure



**LLP Structure**

	<b>CBG post-joint venture</b>
Owner	Wheatley : Glasgow City Council (50:50)
LLP structure	Both members have control
Customers	/ Wheatley repairs and investments (west of Scotland) / Glasgow City Council repairs
People	Current City Building Glasgow staff + some Wheatley staff involved directly in service
Apprentices	60 a year (circa 35 per year from Wheatley homes)
Culture	Driven by Wheatley customer needs
Turnover	Around £100 million a year from service to members – no trading beyond members

# City Building Glasgow customers and services



Housing repairs and investment work

Repairs investment in the city's buildings



Scotland's largest employer of apprentices



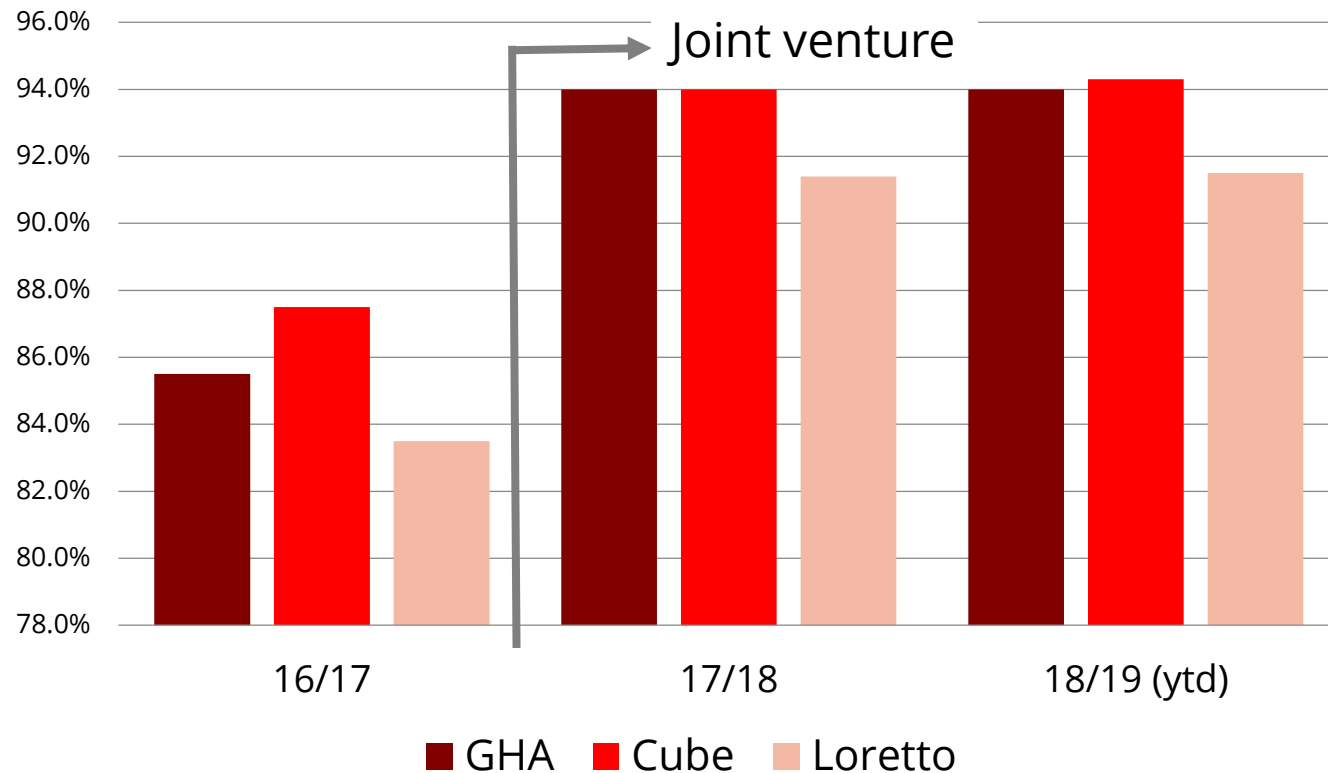
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# Value for Glasgow City Council

- / Improve its service through combining with Wheatley
- / Maintain a Glasgow based workforce
- / Explore opportunities to develop long-term approach to apprentice skills development
- / Align the development of City Building Glasgow with wider transformation priorities
- / Maximise the impact of GCC spend and continue to deliver best value

# Repairs performance

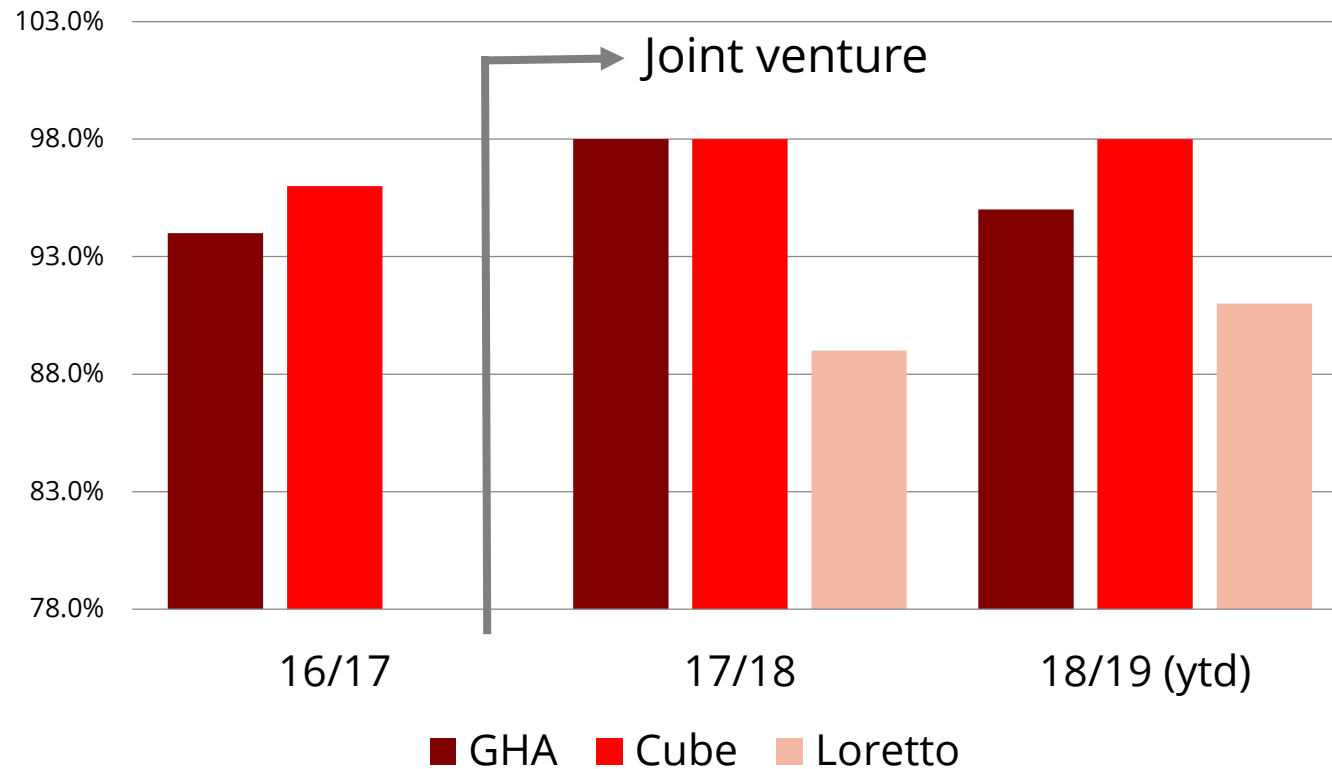
Tenant satisfaction with repairs



Significant and sustained increase in tenant satisfaction with repairs – from a high base - since joint venture was established

# Investment performance

## Tenant satisfaction with investment



Similar significant increase in tenant satisfaction with investment joint venture was established

# Year 1 review

'The joint venture has been a considerable success in its first year and its comparatively seamless introduction is a major achievement.'

Independent review of joint venture operations in its first year  
Conducted by Campbell Tickell

# Joint venture experience

## Control in development of services

- Improved collaboration leading to more customer focused solutions
- Greater focus on end-to-end customer journey
- Better investment planning through staff co-location
- Rapid and proactive response on fire safety post-Grenfell

# Joint venture experience

## Future direction of services

- Service improvement – from high base – during period of significant change
- New approaches to service delivery – local delivery model
- Successful deployment of mobile working technology
- Common performance reporting framework spanning City Building Glasgow and Wheatley – one view leading to aligned action



# Joint venture experience

## Shaping the culture of City Building Glasgow

- Moving from client-contractor relationship to collaboration to deliver outcomes for tenants and others
- Sharing expertise on the customer experience and how to influence this
- Successfully maintaining committed front-line while improving end-to-end service delivery
- Achieved Customer Service Excellence, December 2018



# Joint venture experience

## Financial benefits and greater efficiency

- Increased transparency including cost of services and overhead allocation
- Efficiency and other business plan targets achieved
- Platform in place for further enhancements such as data analysis and targeted productivity gains

# Joint venture experience

## Equal role in governance of City Building Glasgow

- New Board in place with necessary skills and expertise to deliver strategy and oversee operations
- Board comprise equal number of members from Glasgow City Council and Wheatley
- Wheatley representative served as chair in first year

# Joint venture experience

## Minimum disruption to service

- No perceivable disruption to service despite changes and evidence of service improvement
- Better coordination and cooperation between Wheatley and City Building Glasgow
- Revised staffing structures aligning roles performed by Wheatley and City Building Glasgow staff
- *'Local residents committee have praised the improved service and better first time fix'*, GHA Housing manager

# Joint venture experience

## On-going and emerging challenges

- Maintaining early progress to ensure maximum value is realised from joint venture
- Ensuring Wheatley's responsibilities and priorities as a landlord continue to take precedence over its role in a joint venture
- Aligning investment and transformation priorities in City Building Glasgow when members will undoubtedly have competing priorities

# Reflections

- Joint venture offers potential to combine expertise gained from contractor with control and flexibility that comes from in house provision
- Using existing vehicle – City Building (Glasgow) - has advantage of established systems and expertise but could bring challenges in shifting embedded ‘contractor’ culture
- Success – like any partnership - depends on ability to align priorities and on-going commitment to achieving drivers that led to joint venture
- Early successes are an encouraging start but value will be judged based on ability to sustain positive outcomes over longer-term

**Thank you.**