

National Housing Maintenance Forum  
Best Practice Awards 2011



Award Category: Best Contract

The best managed external contract  
for maintenance.



## What contract?

The focus of this award submission is on the approach to gas maintenance undertaken at HomeZone Living a group member of Bromford Group. The submission covers the wider aspect of gas including our approach to gas servicing and repair, investment planning and delivery, voids processes and advice.

## Why should this service be considered for the award?

Gas maintenance has long been an area of focus for landlords with high internal and external scrutiny, through regulation, management and internal governance. Although high risk and high importance many organisations still have difficulty in achieving the desired results.

There is significant guidance, good practice documents and training available and the approach taken by Bromford in the delivery of our services is considered to exemplify excellent contract management and partnership working to achieve a fantastic output.

The working relationship Bromford maintained with our contractor Walmotts Ltd (now Kinetics) through the life of this contract clearly demonstrates how the right attitude in working together can deliver not only on standard performance measures but also recognises the full benefits to each party and most importantly the customer. The teams worked closely and effectively together delivering challenging targets and dealing with a myriad of issues, but it was done with humour, respect and with the customer as primary focus. The team would hold regular progress meetings at alternate offices, they would organise the shadowing of call centre staff, operatives, admin personnel and even held Christmas lunches together.

Walmotts were appointed through competitive tender to undertake gas servicing, repairs and improvements to HomeZone Livings 4500 housing stock throughout Lichfield, Staffordshire. HomeZone was already achieving high levels of performance with its previous contract and expectation was high to deliver more and better services with a new contractor.

Our innovative approach to customer feedback supports the contract and its success, and delivers meaningful insight from customers that can effectively inform decisions.

## What is innovative about the service provided?

Let's face it, this shouldn't be rocket science, but achieving consistent high level results with lean resources in a structured, managed, controlled and effective manner does require excellent management.

### Gas Servicing:

The simple requirement is for the landlord to maintain a valid and current gas safety certificate within 12 months of the previous certification / inspection. Our approach was to undertake an annual service and certification based on a 50 week programme. Many organisations achieve high access rates but with shorter periods between each visit, thus increasing the opportunities to gain access before the expiry of 12 months. This increased service level obviously over time increases the cost of the service. We felt that with effective management and customer communication access rates could be much improved for first time access and thus negating the need for an accelerated service programme. Over 5 years this would save the business the equivalent of a full years servicing programme, approximately £190,000.

To achieve this we adopted the standard procedure of the contractor making appointments direct, however, this was normally done by telephone and thus no cold calling. If an appointment was missed, simple calling cards giving numbers of both landlord and contractor were left to enable customers to rearrange appointments. Following 3 calling cards we would take up the contact internally, nothing particularly innovative here.

Our initial notification to tenants advising that their service was due highlighted the opportunity to be entered into an annual prize draw (usually a flat screen TV) if their service was completed before the due date. Whilst our access rates were always good we wanted to reduce the amount of cards and visits required before access was achieved and the prize draw incentive improved on this.

At the second card stage we would affix discreet warning labels to front doors highlighting the risk of carbon monoxide poisoning. We had lengthy debate over the merits of this and decided the outcome of increasing awareness and getting access outweighed any negatives.

Usual suspects that repeatedly caused us management issues in obtaining access were brought forward in the programme or additional support put in place earlier to reduce problems with access.

Our letter stage originally consisted of 3 letters following the 3 cards. We undertook a lean review, using internal resources, and decided that much of this didn't add value – how many times did we need to keep saying the same thing? Our lean review involved colleagues, contractor and customers and challenged and changed processes and correspondence.

The only real reason for doing so much in terms of contact was to demonstrate to any court that reasonable attempts had been made to gain access and get the court to support us. As we had very few occurrences where court action was necessary it added no value and so the letter stage was reduced to two, we did reduce the cards to two but because of our tight programme and the possibility of visits being over holiday periods this increased properties going to 'formal stage'.

On the couple of occasions where we struggled with access and legal recourse was the last resort, we utilised internal housing colleagues that had been trained to issue legal papers to the courts and represent us, negating the need to instruct and pay solicitors. On the couple of occasions when we implemented this process we were successful in getting an injunction to allow access.

Evening and weekend visits were undertaken as an exception to the standard service offer, however, as the contract evolved and we have now retendered, these are now standard offers within our new service contract.

**For four years in succession we achieved 100% gas safety certification at year end, maintaining an average of around 99.7% throughout the year.**

#### Gas Repairs / Improvements:

The contractor as expected shared the responsibility for monitoring and responding to performance information. Our joint working approach evaluated in early years why jobs went beyond target or satisfaction levels were not met. This resulted in changes to impressed stock levels, skills training within the team and even in limited extreme cases removal of individuals from the contract that did not share our vision of excellent customer service.

Through analysis of repairs activity we were able to work with the contractor to prioritise improvement works to focus on those properties that were more temperamental or difficult to maintain balanced with our priorities of reducing risk, increasing efficiency and general planned replacement. Meaningful investment planning was therefore a shared objective.

### Gas database:

We jointly developed with the contractor a web based gas database that would hold all access and component information in one place. With user protected fields that only identified parties could change we shared the same live information and reduced any requirement for double data entry or anomalies of conflicting information. This enabled us to keep the level of administration resource required to support the contract to a minimum. Although the contract expired in 2010, the intention would have been to improve this further with PDA completion and electronic certification and this is presently being developed with our new contract.

### Void Management:

Approximately five years ago we challenged our old approach of capping gas supplies at void stage and arranging a turn on and test post tenant occupation. This process had been followed for years with customers having to arrange a TOAT usually within 48 hours of moving in.

We built on our involvement in the Black Country Esco to negotiate a fuel switching arrangement whereby all void service supplies would be moved to an approved supplier that committed to offering low tariffs in the marketplace. This was also a supplier that did not add a premium for pre-payment meters, we supported and welcomed the subsequent changes to this practice. This meant that we and new customers were clear on who was supplying services and old debts were dealt with effectively.

Properties were let with a live, certified supply at the point of occupation. This reduces the need for repeat visits, increased administration and inconvenience to the customer at a stressful time.

The fuel switching arrangement resulted in the Esco receiving income that was utilised to provide energy efficiency advice to every incoming customer and others by referral. Although lettings officers would advise customers on the use of heating systems, they have all been trained, customers aren't always able to fully take on board information or follow user manuals left in properties so soon after occupation, so a visit shortly after move-in by the energy advice officer was far more productive.

### Customer Insight and Influence:

For as many years as can be recalled the repairs service and specifically gas maintenance had achieved satisfaction results in the high 90's. Year after year we asked the same questions, amended slightly now and then, over access, cleanliness, ID, politeness etc and very rarely did they inform meaningful change. Although every negative response was followed up with personal contact it was not considered that our approach to measuring satisfaction was the catalyst for this contact and customers generally will advise us of negative experiences regardless.

A fundamental change to our approach was implemented, removing satisfaction surveys and cards from our process. We now contact customers by telephone, or preferred method of contact, randomly at service touch points and certain anniversaries during their relationship with us. Our own in-house care calling team contact residents, have a real conversation, and get our customers to score us on a scale of 0-10. We then calculate this data into a net promoter score, categorising customers as promoters / passives or detractors. All conversations are recorded using data analytics which enables us to code comments as positive and negative and these are used to alert managers and contract leads so they can respond accordingly.

We also have a rant line where customers can RANT and let off steam anonymously or not.

Feedback acted upon includes customers wanting to know what engineers are doing when they are working, sensitive parking, attitude or workmen, cleanliness and often issues that customers often would not have advised us of in writing.

## What are the benefits to:

### a) the client

Gas Servicing: as stated above our effective approach to access enabled us to ensure that a cost effective contract was delivered saving significant costs over other organisations undertaking 10 month cycles. Leaner working principles meant less people involved in the contract reducing overhead. The gas servicing/repair and smoke detector servicing programme as well as new installs of over £500,000 pa were run by a single Gas Safe registered surveyor and part time admin support. This colleague also administered any new gas installs on voids and supported the voids team with gas expertise.

### b) the contractor

Gas Servicing: the contractor was able to reduce wasted time in cold calling and particularly repeat visits due to lack of information or equipment. We negotiated a 5 year parts and labour warranty on all new installs of our chosen Vaillant boilers. This warranty also didn't rely on Vaillant engineers but could be delivered direct by our own contractor through a recharge scheme. Walmotts were even used to provide training to Vaillant engineers on maintenance. This saved on any politics over 'whose responsibility is it' and the customer receiving a much quicker response, focusing on solving the problem.

Our internal gas surveyor would participate in training and toolbox talks with the contractor, giving opportunity to make our service expectations clear and transparent.

### c) the residents

Gas Servicing: more efficient and effective heating systems that don't break down are the ultimate objective. By focusing on a structured and balanced approach to investment we were able to improve the reliability of our systems. This means reduced disruption and inconvenience, saving residents time and money. Our robust approach to management of the contract ensured the safety of our residents and their neighbours.

By responding to repairs requests on appointment and in a timely manner, residents were assured of an effective and responsive service. For the last two years of the contract we achieved **100% completion of all repairs within our target timescales** of 1, 7 and 28 calendar days, and for the previous two years to that, over 99.7%.

By having an effective investment plan in place we increased the efficiency of our housing stock, reducing carbon emissions and the cost to residents. By reducing travel in cold calling and repeat repairs calls, travel time, cost and impact on the environment was also reduced.

Our innovative approach to customer insight and influence means that residents actually get to hold a meaningful conversation and we truly get an appreciation as to how our service made them feel or impacted upon them. This information shared with contractors and colleagues is a very powerful tool. Over 96% of our customers experiencing our gas servicing and repairs programme would recommend us to a friend.

By not doing 'old school' turn on test at void stage; residents are able to move into their property knowing it is safe and with immediate access to the basic amenity of heating and hot water. Something that should have always been considered a 'given', but regrettably wasn't. As well as being on a fuel tariff that we know to be competitive.

#### d) the neighbourhood

Gas Servicing: A home that works where people want to live is just one part, but significant part, of sustainability. By maintaining effective properties we help in sustaining tenancies and neighbourhoods that are safe to live in.

### What were the financial costs and benefits?

The contract was originally let in 2003, on a five year deal with an option to extend by a further two years. The contract was procured and awarded following competitive tender based on cost and quality assessment with a 90/10 split. As the specification and service requirements were very well documented it was not considered that an increased quality assessment would add significant value to the assessment criteria.

The contract was based on NHF schedule of rates with an RPI change based on September RPI, a standard model linked to rent increases. Due to the efficiencies we were able to deliver on the management and delivery of the contract no RPI uplift was applied for the last three years of the improvements contract saving us over 12% that could have been applied under the contract terms, this was approximately £215,000.

No external resources or special support was necessary just positive leadership and colleague buy-in to deliver excellent services in all that we do. Basic changes in administration such as batch invoicing were quickly implemented reducing significantly the number of invoices and transactions having to be dealt with, with each invoice costing approximately £40-£65 to administer we were immediately reducing admin time/cost significantly with one monthly invoice for servicing and one for new installs.

The cessation of the old TOAT procedure reduced significantly new tenants complaints over heating and hot water, over 400 tenants not requiring an additional visit, meaning 400 less interactions and transactions in this small change. The fuel switching also assisted in reducing our void turn around time and Bromford has consistently maintained top quartile performance with average void times of less than a week for minor works voids. Considering many of our properties are LSVT aged units this is exceptional performance.

Savings achieved through the contract enabled us to reinvest these savings into more improvements or accelerated replacement programmes to meet customer aspirations.

Our changed approach to measuring customer satisfaction removed numerous people resources from a process of printing letters, enveloping, franking, receiving and opening, collating and data inputting and physical costs of paper and postage. The results are far more meaningful to customers and ourselves in ensuring we are responding effectively to feedback. Based on 4000 services and approximately 5000 repairs actions we are saving over £2500 in postage alone. Assuming 15minutes of time to administer a 30% response rate the admin costs are also not insignificant.

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

We believe that our approach to contract management and the results achieved are possible across the board by any landlord with an obligation under the Gas Safety Regulations. Success in this area of operation and what makes this contract stand out for us amongst everyone else doing the same is the **sustained results achieved year on year** and willingness of both parties to continually review the basis of the service proposition and its make up to change it for the better.

Success does, however, largely depend on attitude. We maintain an ethos of non-adversarial contract management, a firm but fair approach to administration. By spending quality time in preparing informative, clear and transparent contract documents you remove the potential for later conflict and differing interpretation. We were clear on this at the out-set and our reality checks when visiting contractors at their premises and meeting engineers at appointment reaffirmed who we were and what we stood for time and again.

We believe it is essential that you have some level of internal expertise in gas within the business. Astonishingly when the stock at Lichfield originally transferred no internal or external gas expert had any involvement in the gas contracts. This knowledge is maintained by close working with the contractor on changes in working practices, tools and techniques, sitting in on toolbox talks and both parties getting a true appreciation of each others objectives and pressures.

Not enough time is given to collating robust asset data and compiling plain English and simple contract documentation that both parties can commit to. Sufficient time for pricing and evaluation based on accurate data reduces risk and ultimately price.

For more information contact:

**Jason Holder**  
**Head of Asset Management**  
**Bromford Group**  
Telephone 01543 – 420862  
Mobile - 07894 672 333  
Customer Service Centre - 0330 1234 034  
[jasonholder@bromford.co.uk](mailto:jasonholder@bromford.co.uk)