

Review of Asset Management Service and Options Appraisal

Improving services through a holistic review

Our commission

echelon was appointed to review the existing service delivery model for repairs, voids and planned works and to consider potential alternative delivery models including outsourced, shared service models, joint ventures and limited liability partnerships and wholly-owned subsidiaries.

Client: East Devon District Council (EDDC)

EDDC's existing repairs and voids contract is split into two regions – East and West – serviced by two different contractors and covering a total of 5,208 units including 1,324 flats, 1,227 sheltered units and 161 leaseholder properties.

It is based on a “cost plus” model whereby the contractors are paid the reported actual cost of the job plus an agreed margin.

Project overview

In order to gauge the main drivers for the asset management service moving forward echelon facilitated a multi-stakeholder workshop.

It identified three primary drivers for EDDC:

- Greater control over the service.
- Cost savings and efficiencies.
- Incentives for service improvement.

As well as identifying objectives and aspirations for the future, it highlighted strengths and weaknesses with the existing service delivery model.

The quality and speed of repairs, and the fact that the service is local were identified as strengths, along with operatives that go the extra mile and the delivery of a handyman service.

While there is a good relationship between the two contractors there is no co-location and requests for repairs are taken via EDDC's contact centre and passed onto each contractor. With no interface or access to the contractors' resources, appointments can't be made at the first point of contact. This was identified as a key weakness in the current delivery model.

Different standards and levels of offer from the two contractors and a fragmented voids process involving multiple tasks and contractors were also highlighted.

Overall the workshop captured 54 suggestions for how the service could be improved in the future.

Residents were also consulted in a series of telephone discussions, as well as via postal feedback forms.

Most of the weaknesses they highlighted were around communication and processes rather than the quality of the work, including inflexible appointments and the lack of a freephone number, and 49 service improvements were identified.



It was recommended that EDDC extend its existing contracts and then enter into a contract with a single service provider for a minimum of 10 years.



The solution

Following a detailed options appraisal, it was decided to procure an integrated asset management contract with a single provider with refinement of the new delivery model through dialogue.

It was recommended that EDDC extend its existing contracts and then enter into a contract with a single service provider for a minimum of 10 years, building the following into the new delivery model:

- Introduction of Price Per Property.
- Incentivised commercial model.
- Review of void costs and specification.
- Development of a robust customer satisfaction survey process.
- Reset of repairs classifications.
- Appointments for all repairs at first point of contact.
- Extended access to the core service (delivering repairs to customers between 8am and 8pm Monday to Friday, and from 9am to 1pm on Saturdays).
- Review of how "Right First Time" is measured.
- Introduction of a complete property service (CPS) model.
- Introduction of a new suite of KPIs.
- Considering adding planned works into the scope of the contract.
- Introduction of penalties for missed appointments.
- Review of the handy person scheme.
- An improved ICT solution.

Numerous improvements identified during the workshops were also considered when the new service was designed during the procurement process.

The 10-year contract to deliver repairs, voids and planned works through a single contractor will have an option to extend for a further five years and will be worth up to £95 million.



Key outcomes

The council successfully managed to extend its existing contracts and procured a new integrated contract, through competitive procedure with negotiation, which went live on 1 February 2019.

The 10-year contract to deliver repairs, voids and planned works through a single contractor will have an option to extend for a further five years and will be worth up to £95 million.

A complete property service will be adopted and trialled during the first year.

echelon's Price Per Property commercial model, which includes incentives for positive performance, will provide EDDC with greater transparency on the true cost of delivering the service, plus improved budget certainty over the contract term.

There will be a focus on booking appointments for tenants at the first point of contact, extended hours for appointments and annual maintenance checks for properties in a bid to reduce the number of repairs during the year. This will be supported by a much more robust IT solution delivered in partnership with the new service provider.

Its much-valued handy person service will continue and may be extended, but with improved processes to support delivery. A new systems-thinking approach to voids will also be introduced to improve efficiency and reduce the key-to-key time.

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