

# HOUSING REPAIRS AND MAINTENANCE

**Local authorities in England and Wales currently own approximately 3¼ million homes, and plan to spend around £4.8 billion on repairing, maintaining and improving this stock in 2001/02...**

- £2.4 billion on responsive repairs (those reported by tenants) and planned maintenance
- £2.4 billion on capital improvements to council homes

**The backlog of repair and improvement work in local authority housing stock is considerable...**

- £19 billion of work in England (1996)
- £750 million in Wales (1998)

**In 2000, Government in England and Wales made a commitment to bring all council housing up to a decent standard within a decade. English housing has a further target: one-third of non-decent homes should be brought up to standard by 2004. To assist this, capital available for improvements to council homes in England has increased significantly in the last two years. Local authorities need to take action to deliver the Government's housing decency targets and ensure that new money is spent effectively, for the benefit of current and future tenants.**

**Services currently delivered to residents – both tenants and leaseholders – are highly variable: there are often differences in performance between different parts of the service within one authority...**

- resources are not always spent on the most appropriate stock
- planned maintenance programmes are not completed on time, and often underspend
- there is little control of (relatively expensive) responsive repair work
- tenants and leaseholders are not involved as fully as they could be, in setting standards and in decision-making

- performance management and the use of basic monitoring information are poor
- value for money is not obtained when letting maintenance contracts

**As a result, of 34 inspections of repairs and maintenance services carried out by the Housing Inspectorate so far, less than 1 in 6 has been rated by inspectors as 'good'. There are, however, many examples of good and innovative practice among inspected authorities.**

**To run an effective repairs and maintenance service, an authority has to carry out several interlinked activities well, involving staff at different levels within housing and outside it, with challenge and support from members and with the involvement of residents...**

- adopting a strategic, long-term approach to repairs and maintenance, supported by an effective business planning process
- engaging more with residents, to improve services and input to decisions
- managing effective planned maintenance and capital programmes
- running efficient responsive repairs services
- improving performance management and competition, and moving to new forms of procurement

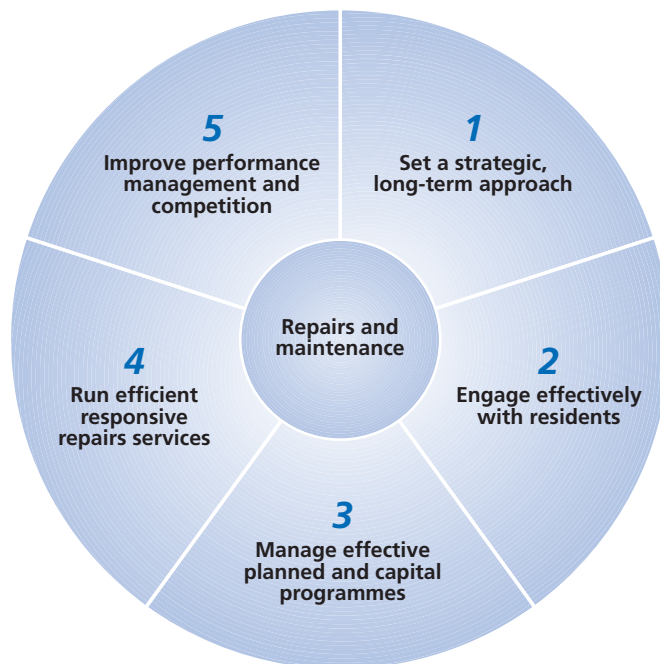
**It is encouraging that nearly three-quarters of inspected authorities were likely to, or would, improve, with none that would not improve. Authorities need to use this capacity to change, building into their work the need to learn from other authorities, to deliver better, more efficient services to residents.**

## REPAIRS AND MAINTENANCE SERVICES

1. Local authorities in England and Wales currently own approximately 3¼ million homes, and plan to spend around £4.8 billion on repairing, maintaining and improving their stock in 2001/02. Almost one-half<sup>f</sup> of this will be spent on responsive repairs and planned maintenance, and the remainder<sup>ll</sup> on capital improvements to council homes.
2. The backlog of repair and improvement work in local authority housing stock is considerable: in England, it was estimated that £19 billion of work was outstanding in 1996<sup>lll</sup> (the most recent survey); in Wales, the figure was £750 million in 1998.<sup>lv</sup> The Government has made a commitment to bring all housing in England up to a decent standard within a decade, with one-third brought up to standard between 2001 and 2004. The National Assembly for Wales (the National Assembly) is 'committed to bringing all existing social housing up to quality standards...within ten years'.
3. Capital available for improvements to council homes in England has increased significantly in the last year, by £856 million over that available in 2000/01 (to £2.2 billion). Evidence from inspection and audit shows that authorities must improve in order for this money to be spent effectively. To deliver an effective repairs and maintenance service, an authority has to carry out several interlinked activities well, involving staff at different levels within housing and outside it, with challenge and support from members and with the involvement of residents (**EXHIBIT 1**).

### EXHIBIT 1 Delivering an effective repairs and maintenance service

Several interlinked activities are needed to improve repairs and maintenance services.



Source: Audit Commission

# 1. SETTING A STRATEGIC, LONG-TERM APPROACH TO MAINTAIN DECENT, SUSTAINABLE HOMES

4. Authorities need to be sure that the investment they make is in the type of housing that their current and future population will need, channelling funding to those properties in the greatest need of maintenance, in areas and properties that are sustainable in the long term.
5. Authorities are currently not adopting a sufficiently strategic approach to repairs and maintenance. Many authorities have based past investment on broad policies, or out-of-date stock condition information, which do not relate to current maintenance need or the sustainability of neighbourhoods. Up-to-date, accessible information on stock condition and current and future demand for homes is often lacking.
6. The new requirement to produce business plans and the new decency standard mean that authorities need to extend and improve their stock condition and housing needs information, and target resources accordingly. But this process will take several years to implement fully, and until then money may be wasted in some areas. Furthermore, in some smaller authorities, there is insufficient human resource capacity to adopt this strategic approach. The focus on business planning, and changes in funding, mean that authorities can take a much longer-term view than before. If authorities do not provide information systems and human resources to support this approach, they may find themselves in financial difficulties in future years.
7. Some authorities face far greater challenges than others in bringing their stock up to the decency standard, due to the backlog of repair and the improvement needed. The Government's formula for allocation of *new* capital resources is based on an authority's stock profile rather than on the stock's current state of maintenance. Those authorities with particular backlog problems – often the metropolitan and London boroughs – may struggle to meet the Government's time targets for decency. The Government should consider allocating some of the *new* resources through a funding stream specifically related to actual backlog.

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I CIPFA HRA Statistics 2001/02: planned gross expenditure.

II England 2001 Housing Investment Programme: Housing Annual Plans; Welsh capital forecast returns 2001/02.

III English House Condition Survey 1996.

IV Welsh House Condition Survey 1998.

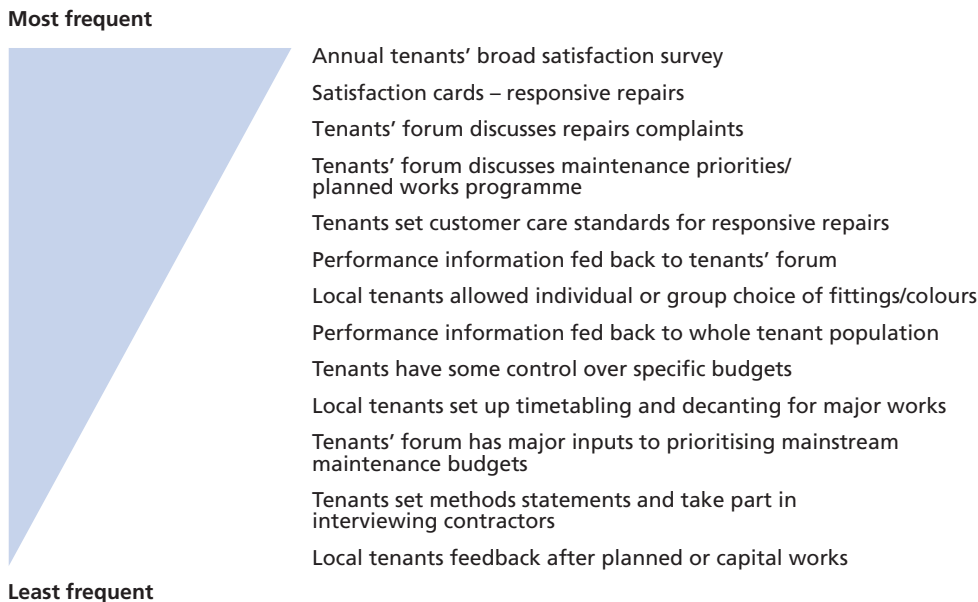
## 2. ENGAGING EFFECTIVELY WITH RESIDENTS ABOUT THEIR HOMES

8. In general, authorities have improved resident<sup>1</sup> involvement in maintenance services, and there are a number of examples of innovative schemes to engage residents in setting standards for, and in monitoring, repairs and maintenance services. There are, however, still barriers between the technical side of housing maintenance and residents that need to be addressed: technical sections, which usually draw up programmes of work and manage repair and maintenance contracts, have often approached the housing stock in a distant and functional way, focusing more on the asset than its inhabitants.
9. Residents are involved at a low level in many authorities, but are involved less frequently in mainstream decision-making or in selecting contractors (**EXHIBIT 2**). Many authorities need to follow the example of others and make progress in involving residents in many aspects of service delivery: setting standards, selecting contractors, receiving and commenting on performance information, and contributing to performance monitoring. Residents are important partners in business planning, and enabling them to contribute is important to the success of the approach.

<sup>1</sup> The term residents includes both tenants and leaseholders.

### EXHIBIT 2 Levels of residents' involvement

Residents are often less involved in mainstream decision-making.



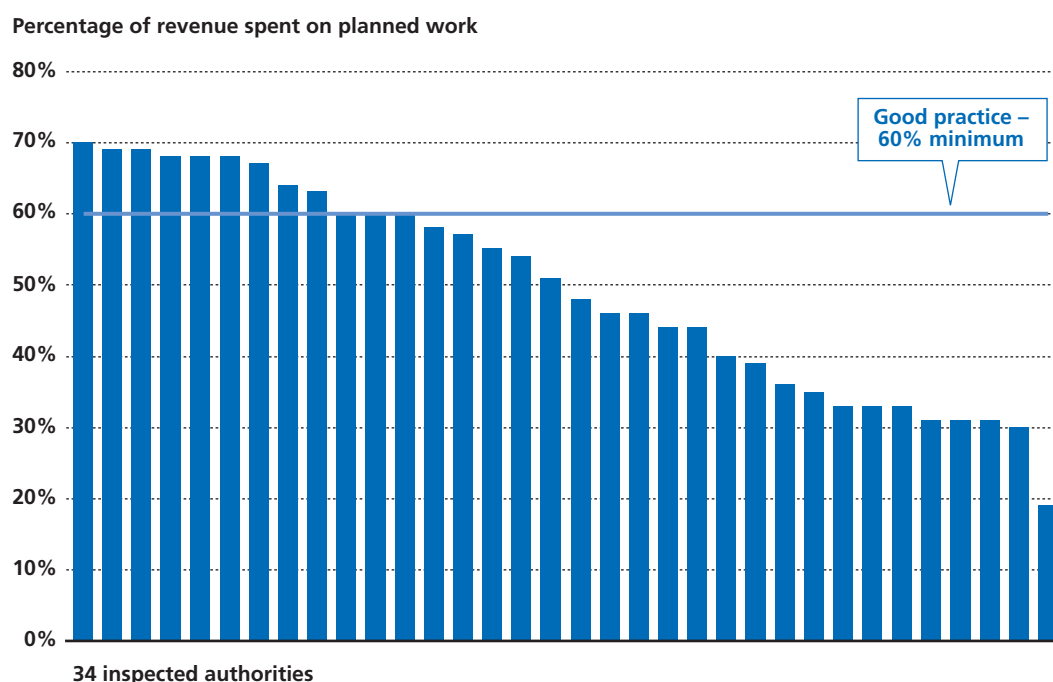
Source: Analysis of Housing Inspectorate reports and project fieldwork

### 3. MANAGING EFFECTIVE PLANNED AND CAPITAL PROGRAMMES

10. The efficient and effective management of planned programmes of maintenance has been a challenge for many authorities: as more capital funding is now available, it is more pressing than ever that authorities manage these programmes well. Failure to manage programmes and investment well will impact directly on authorities' ability to deliver the Government's decency standards within target times.
11. Project management, budgeting skills, and human resource capacity need to be improved, to make full and effective use of planned revenue and capital budgets. Authorities should also investigate alternative forms of contract and procurement arrangements to develop more efficient and improvement-focused relations with contractors. The longer-term approach promoted by business planning and roll-over capital funds will help. Some authorities have had highly positive outcomes when tackling this area: their approaches have included raising the profile of capital programmes, improving financial information, and boosting their project management skills by recruitment or the use of external providers.
12. Many authorities are not using their maintenance revenue resources to support strategic investment in their housing stock sufficiently well. Spending on targeted, good value planned work is often too low, as too great a proportion of resources is absorbed by the responsive repairs service (EXHIBIT 3). This is often because operational links between responsive repairs and planned programmes are missing: responsive repairs should not be viewed as a separate service driven by immediate need, but rather one that has (through its effect on resources) a great impact on strategic investment.

#### EXHIBIT 3 Proportion of revenue repair budget spent on planned maintenance

Over two-thirds of inspected authorities were spending too low a proportion on planned work.



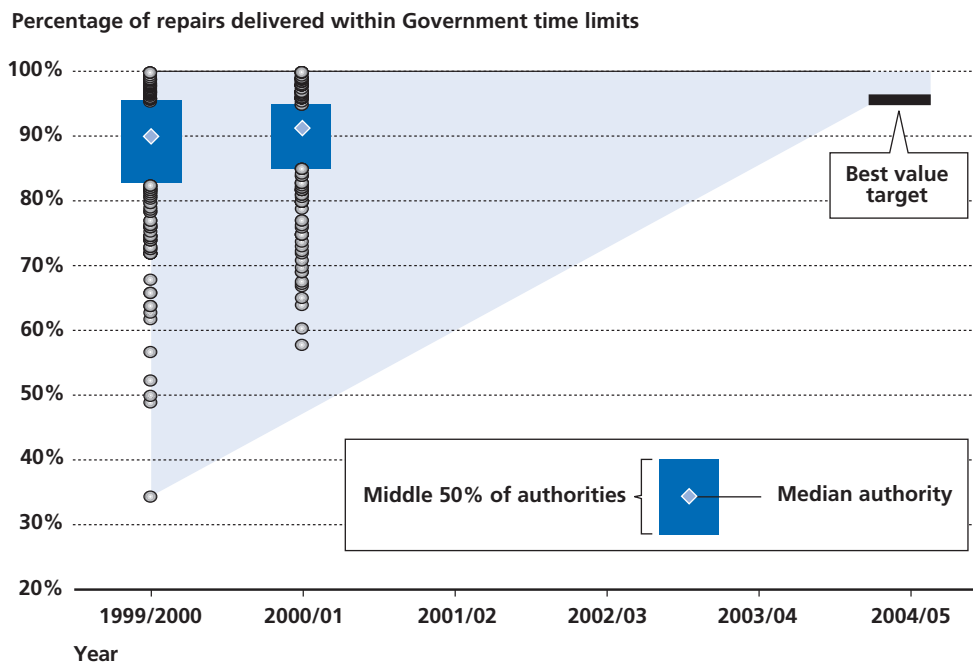
Source: Analysis of Housing Inspectorate reports

## 4. RUNNING EFFICIENT RESPONSIVE REPAIRS SERVICES

13. The proportion of responsive repairs spending needs to be considerably reduced in many authorities (within legal repair requirements), through better monitoring of repair ordering and financial information, more rigorous application and implementation of repairs policy and better training for repairs ordering staff. In particular, too many repairs are ordered on emergency codes, which is expensive and distorts priorities. Furthermore, too great a level of resources is spent on diagnosing repairs and the consequences of misdiagnosis; and too little is spent on monitoring the quality of work.
14. Authorities have increased the proportion of emergency repairs completed within time targets, but some may have difficulty in meeting the Government's five-year best value targets (EXHIBIT 4). Non-urgent repairs take far too long to complete in some authorities; it is often not clear what standards of service tenants should expect, and the consequent service delivered is poor.

### EXHIBIT 4 Performance on completing emergency repairs within Government time limits: England

Authorities improved their performance on completing emergency repairs on time during 2000/01.



Note 1: Only 227 out of 353 English authorities could provide estimated PI data for 2000/01. 1999/2000 performance is shown for those 227 English authorities able to provide information for both years. The level of improvement required, if these authorities are to meet top 25 per cent performance within 5 years, is indicated.

Note 2: Similar comparisons are not possible for Wales because definitions have changed year-on-year. However, on average, performance has shown some improvement.

Source: Best Value Performance Indicators for 227 English Authorities: 1999/2000 Actuals; 2000/01 Estimates

15. The focus on residents is not always good: clear information on how to access the service, and facilities for disabled residents are not consistently provided; access arrangements, across local offices and different telephone numbers, are often complicated. Many authorities need to broaden the remit of their appointments services.
16. Some authorities have made great improvements in this area, using internal or external providers.

## 5. IMPROVING PERFORMANCE MANAGEMENT AND COMPETITION

17. Housing maintenance expenditure is the single largest area of spending for many authorities. Choosing contractors well and managing contracts (whether internal or external) to ensure good performance are critical factors in determining whether this considerable level of public and tenants' money achieves the objectives of authorities, tenants and the Government.
18. Many inspected authorities could not demonstrate that they had encouraged competition from a broad range of suppliers. Specification of desired outputs, including quality measures, needs to improve; relationships between client and contractor should focus more on improvement; and housing departments, as clients, need to carry out more rigorous, focused performance monitoring.
19. *Rethinking Construction*<sup>I</sup> proposed a way forward for relationships between client and contractor, in construction and maintenance. Emphasising the need for performance information and management to underpin sustained improvements and competition, it promoted *long-term* agreements, and a move away from formal contracts. Some authorities have made good progress in modernising their procurement processes in this way, and other authorities should draw on these experiences to deliver more effective and efficient services and improvements to residents.
20. The best value regime and inspections of housing are still in their early days. Several inspected authorities carried out their reviews of repairs and maintenance services before the Government's guidance was published. It is encouraging that inspectors felt that so many authorities' services – on the basis of their best value reviews and improvement plans – were expected to, or would probably, improve. Of 34 best value reviews (BVRs) inspected, by the Housing Inspectorate, almost three-quarters were thought by inspectors to be likely to, or would definitely improve, with none that would not improve (**EXHIBIT 5, overleaf**). This compares favourably with the recent analysis of over 500 best value inspections carried out in England and Wales,<sup>II</sup> which found that one-half of BVRs would not, or were unlikely to, lead to improvement. However, only 5 (15 per cent) repairs and maintenance services have been rated as 'good'. This compares poorly with the overall picture, where 37 per cent of services were rated 'good' or 'excellent'. Much long-understood good practice has still to be put into effect by many authorities. Some basic improvements need to be made.

I DETR, *Rethinking Construction: Report of the Construction Task Force to the Deputy Prime Minister*, 1998.

II Audit Commission, *Changing Gear: Best Value Annual Statement 2001*, Audit Commission, 2001.

- 21. The challenge for authorities is to maintain the momentum gained, using their capacity to change, and to build into their everyday work a requirement to continue learning from others. Authorities who have yet to carry out reviews in this area should consider their performance in the areas raised in this briefing, and compare processes and outcomes with those authorities that have delivered real change and improvements for residents.

**EXHIBIT 5 Housing repairs and maintenance best value inspection outcomes (34 inspections)**

Relatively few have been rated 'good', but three-quarters were judged likely to improve.



Source: Analysis of Housing Inspectorate reports



If you want to know more: the full report, *Learning from Inspection: Housing Repairs and Maintenance* looks at all these issues in more detail and includes background information, case studies and specific guidance.

*Learning from Inspection: Housing Repairs and Maintenance*

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