

Report for: Cabinet, 15 July 2025

Item number: 17

Title: Review of the Direct Labour Organisation Repairs and Voids delivery model

Report authorised by : Jahedur Rahman, Director of Housing

Lead Officer: Scott Kay, Assistant Director for Repairs & Compliance

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Non-Key Decision

1. Describe the issue under consideration

- 1.1. Cabinet is asked to approve the exploration of alternative options in relation to how the responsive repairs and voids service within Housing is delivered. This is based on the findings of a high-level review recently undertaken.
- 1.2. The review identified that for the repairs service there are high costs compared to the wider industry and low productivity. On this basis, the review concluded that Housing should undertake further investigations to establish how the repairs and voids services are best delivered to ensure better value for money, sustainable costs, and higher levels of customer satisfaction.
- 1.3. Housing would therefore like to explore how the current repairs and voids service provided to our tenants and leaseholders could be improved through reviewing alternative delivery models, to ensure value for money and an improved level of service and customer satisfaction.
- 1.4. Due to the need for impartiality and expertise in this area, it is likely the review will be undertaken by independent sector experts who will be appointed through a suitable selection and award process. The award process will confirm timescales and associated costs and identify and ensure there is a suitable budget in place and be subject to spending panel approval and an appropriate award report.

2. Cabinet Member Introduction

- 2.1. This report brings an opportunity for Haringey to consider how we provide our repairs and voids services to residents and the impact that this can have, for our tenants, leaseholders, and the Council itself.
- 2.2. Housing services have undertaken a range of work to improve services for residents through the Housing Improvement Plan, where there has been

improved performance for the repairs service from the impact of the work carried out. Although we are seeing the outcomes of these improvements, it is important to continue to reevaluate how we deliver our services to ensure we are equipped to deliver the best service we can for residents.

- 2.3. The information contained within this report outlines the need to deliver a responsive and high-quality repairs service that is cost efficient, which is also echoed by the Consumer Standard requirements set by the Regulator of Social Housing.
- 2.4. Despite the fact there may be mitigating factors for the difference in cost, the variance between Haringey's repairs and voids service and the wider industry indicates a need to review how we deliver these services to ensure that it is sustainable and delivers value for money.
- 2.5. It is my recommendation that the Council approve an options appraisal to be completed for different delivery models of the repairs and voids service, so that the scope for improvement is not limited and we can ensure the delivery of a high-quality repairs and voids service that is cost-efficient and offers value for money.

3. Recommendations

- 3.1. It is recommended that Cabinet:
 - a) Approve an options appraisal on the Direct Labour Organisation (DLO) of Haringey's Repairs & Voids Service and consider alternative delivery model options.
 - b) Note that the options appraisal will consider performance management and cost control arrangements currently in place and provide recommendations for further enhancements or revisions, and/or where such arrangements should be realigned as part of any alternative delivery model options proposed.

4. Reasons for decision

- 4.1. When considering the findings of the high-level review, it is evident that there are further improvements needed to the Council's repairs service for both responsive repairs and voids in order to provide a good value service for our tenants and leaseholders.
- 4.2. The review identified that the cost of the repairs service for both repairs and voids is high when compared to the wider industry costs. On average it would be expected to see an average repairs job value of between £140 and £170, however Haringey's average repairs job value is between £305 and £337. The same applies for voids, in that the average void refurbishment job value for the wider industry is £3,000 to £3,500 and Haringey's average void job value is between £8,297 and £9,068.

- 4.3. There are considerations however that could explain part of the difference in these costs, for example where Haringey's specification may be of a higher standard than of the average registered provider, as this was not factored into the review.
- 4.4. In relation to productivity, the review identified that the average number of repairs per operative per day is very low when compared to the wider industry. The average figure for Haringey is around 1.35 jobs per operative per day, where we would typically expect to see at least 2 repairs per day as a minimum and a figure of 3 to 3.5 repairs per day as an industry standard. This is caveated by the size and nature of the repairs, and will vary depending on trades, e.g. the number of electrical repairs per day, would be far higher than roofing repairs.
- 4.5. The average value figures set out in 4.2, are however above the industry average even when taking variables into account, and over time this will have a significant and unsustainable financial impact.
- 4.6. As of April 2024, the Council is now subject to the new Consumer Standards introduced by the Regulator of Social Housing, where there are 4 standards: Safety & Quality, Tenancy, Neighbourhood & Community, and Transparency, Influence & Accountability.
- 4.7. As part of the Safety & Quality Standard, there are many requirements of landlords that relate to repairs services. Some of the most relevant requirements to the issues being considered in this paper are outlined below:
- Registered providers must provide an effective, efficient, and timely repairs, maintenance and planned improvements service for the homes and communal areas for which they are responsible.
 - Registered providers must set timescales for the completion of repairs, maintenance and planned improvements, clearly communicate them to tenants and take appropriate steps to deliver to them.
 - Registered providers must ensure that the delivery of repairs, maintenance and planned improvements to homes and communal areas is informed by the needs of tenants and provides value for money.
- 4.8. As part of the introduction of the Consumer Standards, a new inspection regime has been introduced which will grade registered providers based on how well they comply with the standards varying from C1 (where a provider is delivering the consumer standards overall) to C4 (where there are very serious failings).
- 4.9. The Transparency, Influence and Accountability Standard requires all registered providers to generate and report tenant satisfaction measures (TSMs) as specified by the Regulator. The TSMs are a core set of performance measures against which all providers must publish their performance. This is to provide tenants with greater transparency about their landlord's performance and informs the Regulator about how a landlord is complying with the Consumer Standards. Some of the TSMs relevant to the repairs service are:
- Overall satisfaction
 - Satisfaction with repairs

- Satisfaction with time taken to complete most recent repair
- Satisfaction that the home is well maintained
- Satisfaction that the home is safe
- Satisfaction that the landlord keeps communal areas clean and well maintained

4.10. Out of the 12 TSMs that are obtained from tenant perception surveys, 50% are impacted in some capacity by our repairs service whether this is within tenants' and leaseholders' homes or the communal areas surrounding them. The perception of our repairs service and how it performs has a significant impact on satisfaction and therefore how we comply as a landlord to the Consumer Standards.

4.11. This difference in cost when compared to the wider industry may be unsustainable, however when coupled with the obligations we have to our residents and the Regulator of Social Housing, it is integral that we explore alternative options to ensure that we can provide the best service for our residents that is more cost effective.

5. Alternative options considered

5.1. Do nothing:

This is not an option given that the current level of productivity and cost is not comparable with the sector and our mock inspection has found that our Repairs Service is not delivering a consistent standard.

5.2. Develop a new Target Operating Model (TOM) with the Direct Labour Organisation (DLO) at its core:

Whilst this is comparable to the option being proposed as it would require a similar review, and only exploring options with the DLO would significantly limit the Council's scope for improvement and this option should be considered with other options so that the focus is predominantly based on improvement.

5.3. All options require investment in both external expertise and core system development and are subject to contractual changes, either during the review or when consulting on, or implementing any recommendations.

6. Background information

6.1. The Council deliver responsive repairs and works to void properties via an in-house direct labour organisation (DLO) delivery model. The DLO has been directly managed by Haringey Council since it transferred back into the Council from the Arms at Length Management Organisation (ALMO) Homes for Haringey in 2022.

6.2. Whilst the Council have seen improvement to the repairs service, the Council raised questions around if the DLO is delivering value for money and performing against the sector standard Key Performance Indicators (KPIs).

- 6.3. When performance is considered alongside the new Consumer Standards set by the Regulator of Social Housing as of April 2024, particularly around Value for Money, it was important to assess the current position of the responsive repairs and voids services. Therefore, a high-level review was initiated.
- 6.4. This review was to include an assessment of the current delivery model, with a brief to include the following:
- a) To review the existing cost data the Council has.
 - b) To understand the average repair cost the Council are paying and undertake a review of the existing overheads and to understand how this impacts the model.
 - c) To review the costs and productivity against several responsive repairs and voids contracts from other local authorities.
 - d) To provide a high-level overview of how the Council's costs compare against the wider market.
- 6.6. The following data was collated to support the review to provide a complete and accurate assessment:
- a) The total number of directly employed staff.
 - b) The structure of the team, number of operatives to supervisors and managers and the split.
 - c) High level detail around the repairs undertaken per operative per day.
 - d) The year-to-date KPI figures up to September / October 2024, including void times.
 - e) High level figures in relation to the following:
 - i. SAP Repairs
 - ii. SAP Voids
 - iii. Service Connect Repairs
 - iv. Service Connect Voids
 - v. Invoiced Jobs Volume and Average
 - vi. Business Overheads
- 6.7. The review was completed in March 2025.
- 6.8. The review identified that for the repairs service there are high costs compared to the wider industry and comparably low productivity and on this basis, we concluded that a further analysis and options appraisal should be undertaken to establish how the repairs and voids services are best delivered to ensure better value for money, sustainable costs, and higher levels of customer satisfaction.

7. Contribution to the Corporate Delivery Plan 2024-2026 high level strategic outcomes

- 7.1. This initiative will help to deliver the 'Homes for the future' theme of the Corporate Delivery Plan where everyone should have a safe, sustainable, stable, and affordable home and aims to improve the quality of our social housing and landlord services.

8. Carbon and Climate Change

Not applicable

9. Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance, Equalities)

Finance

An options appraisal as recommended above, might lead to models that will have significant financial implication on the HRA.

These will be assessed as part of the options appraisal and reported accordingly.

The cost of the options appraisal is not known yet, but it is anticipated that this can be contained within the existing service budget.

Procurement

- 9.1. Strategic Procurement note the contents of this report and confirm there are no procurement related matters preventing Cabinet approving the Recommendations stated in paragraph 3 above.

Director of Legal & Governance

- 9.2. The Director of Legal and Governance has been consulted in the drafting of this report and comments as follows.
- 9.3. No legal issues arise from the recommendations that are not dealt with in the body of the report.
- 9.4. Legal comment will be required in relation to implementation of the outcome of the options appraisal proposed.
- 9.5. There is no legal reason why Cabinet cannot adopt the recommendations made in this report.

Equality

- 9.6. The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share protected characteristics and people who do not

- Foster good relations between people who share those characteristics and people who do not.
- 9.7. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 9.8. The report recommends an options appraisal on the Direct Labour Organisation (DLO) of Haringey's Repairs & Voids Service and the potential impacts for people with protected characteristics with regards to the three aspects of the PSED would be subject to any findings and recommendations.
- 9.9. The results of the investigation and options appraisal undertaken with the agreement of Cabinet would consider the equality impacts for both our residents and staff. The challenges associated with the possibility of outsourcing such a significant contract will also be considered, such as the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) transfer of staff.
- 9.10. Any options that are considered will also ensure that the Council upholds its Public Sector Equality Duty (PSED) under the Equality Act 2010.

10. Use of Appendices

N/A