Understanding ‘first time fix’

Octavia Housing Association

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bespoke support

1. Executive summary

This report was commissioned by Octavia Housing to help the Service Scrutiny Panel review contractor performance in achieving a 'first time fix' (FTF).

In order to undertake the work, we:

- Met members of the Scrutiny Panel
- Met with the Director of Asset Management, the Deputy Director and the Building Services and Energy Manager
- Examined performance reports, resident satisfaction data and meeting minutes
- Reviewed the operational systems of Mears and Village Heating Limited (VHL) to understand how performance reports are derived
- Analysed a sample of repairs which failed a FTF
- Ran a short workshop with contractor and Octavia staff to identify any changes which might improve the FTF rate.

The first consideration in the report is the definition of a FTF. Currently Octavia uses a slightly 'tighter' definition than that used by HouseMark, excluding all jobs which require a further visit. On balance, we feel that Octavia should continue with the current definition given that the contractors' systems are already set up to report it and the surveying of residents uses this definition. There is an opportunity to review the decision at the point of letting the next repairs contracts. There is a slight difference in the way that Mears and VHL treat no access visits and we recommend that both should discount no access visits from their calculation in line with the HouseMark definition.

In terms of current performance, we found that both Mears and VHL are operating at a FTF level of around 90%, above the median in HouseMark VFM Repairs Toolkit benchmarking survey and around the upper quartile mark for London Associations. Given that the definition used by Octavia is slightly more challenging than that used by HouseMark, this is a creditable performance. The resident survey data closely aligns with reported performance which gives weight to its validity, as does the fact that we were able to replicate very similar performance data directly from the contractor systems.

Given the variety of materials and fittings in Octavia's properties, we believe it would be very difficult to deliver performance much beyond that which is currently provided. However, there is always room for improvement at the margins and, of course, Octavia will need to ensure that it maintains current levels.

In the shorter term, some of the areas which might offer further improvement include:

- Continuing to work with materials suppliers to get the right parts as quickly as possible
- Asking call handlers to increase the level of diagnosis they undertake, e.g. to be able to predict which jobs might require additional operatives or better predict the time needed to undertake work
- Working with residents to improve the information that they can provide to the call handlers, for example through error codes, self-help pictures or on-line videos
- Encouraging the more 'tech-savvy' customers to photograph any fittings likely to need replacing

- Working internally and with Octavia to improve the process for issuing variation orders
- Continuing to expand the range of operative skills.

In the longer term, Octavia will need to make future maintenance costs and FTF service delivery a major consideration in all new developments as well as in all refurbishment work. This will mean reviewing the extent to which it standardises fixtures and fittings within properties, not only to increase the opportunity to deliver FTFs, but also to ensure that fittings and materials with the optimum whole life cost are used.

Finally, we recommend that Octavia improve its information on the fixtures, fittings and equipment in their properties so that this can be given to bidders in future tender exercises, thereby minimising risk to the potential contractor and maximising the value to Octavia. We would also recommend that FTFs are maintained as an important Performance Indicator within the new contract and that Octavia ensures it has access to the operational data which will enable a performance audit to be undertaken.

2. Background

Octavia Housing sought support from HouseMark to help the Service Scrutiny Panel review performance in achieving a FTF. The Panel is seeking to understand whether concerns expressed by tenants are the result of poor performance or whether other factors need to be considered, such as the expectation left with residents when they first requested the repair.

2.1 Your requirements

In our proposal, we agreed that we would:

- Confirm the definition of a FTF and scope the works to which it should be applied
- Compare Octavia's performance to those of its peers and ensure that the comparison is valid
- Provide some assurance that the performance figures reported by Mears and VHL are robust
- Seek to understand whether any of the repairs which failed to achieve FTF could reasonably have been completed first time
- Review recent resident satisfaction survey results
- Review good practice from the HouseMark database and elsewhere
- Make any recommendations for improvement that address resident concerns and inform new contract arrangements in the longer term.

2.2 Our Approach

In undertaking the project, we have sought to ensure that we:

- Addressed any resident dissatisfaction in the context of Octavia's wider objectives and constraints, such as the requirement to provide value for money
- Used benchmarking to gain an insight into 'what's possible', rather than as the main driver of policy
- Worked collaboratively with Octavia and their contractors, using their experience

alongside our own to propose improvements and ensure their practicability and deliverability.

3. Understanding 'first-time fixes'

3.1 Why is a 'first-time fix' important?

Over recent years, many social housing providers have seen the concept of a FTF or a 'first visit fix' as an important facet of their repairs service. In the past, many had received complaints that trades staff turned up, did half a job and then left, often without a clear idea of when any follow up work would be completed. For those delivering the repairs service, multiple visits to a property to complete a single repair are also time-consuming and inefficient. For the housing client, a first visit fix negates the need to maintain communication with residents about whatever follow up work is required.

Therefore, the idea of a FTF has become a common element of an 'ideal' repairs service - a 'win-win' for service providers and customers. For this reason, it is an important element of the service to be measured in any performance management framework.

Unfortunately, of course, there are several circumstances in which a FTF is impossible. It may be because:

- Multiple trades are required
- A specialist part is required which is not part of the van stock
- Of the need to wait for plaster, paint or adhesive to dry
- The work takes much longer than was originally anticipated, etc.

Because there are these occasions where a repair cannot be completed on the first visit to a property, there have been attempts to redefine a FTF in such a way that takes account of these factors and allows maintenance providers to push towards 100% FTF compliance. As layers of complexity are built on to the definition, the more difficult it is to ensure that organisations are interpreting the definition in precisely the same way and so accurate benchmarking becomes problematic.

3.2 The HouseMark definition

The HouseMark definition is as follows.

'A repair is considered fixed at first visit when the operative has attended the property, identified, diagnosed and remedied the fault (using van stock), and carried out any making good before leaving the property.

Multiple trades: Where the job requires multiple trades, who may follow on from each other, then the work would still be considered completed at first visit so long as each of the trades were completed in one visit.

Replacement parts: If the job required specific replacement parts and the operative needed to return a second time with the correct parts because they were not part of his/her van stock, then this would not count as completed at first visit.

No access: Where the operative is unable to gain access to the property, this will not be counted as a visit and should be excluded from the figures.'

So, this definition does allow for successful first visit completions if the job requires multiple trades if each trade meets the first visit requirement.

Also, to understand the definition in detail, we need to be clear about which repair jobs it should be applied to. HouseMark has a comprehensive definition of what constitutes a responsive repair.

'Responsive repairs' means all response repairs completed by building trades and it can include the planned delivery of response repairs or the batching of repairs to achieve economies of scale. Day to day repairs includes gas repairs, the repair of domestic electrical installations, but excludes re-wiring and also any repair work to void dwellings (this is measured under Void Repair KPIs). Other more specialised M & E repairs such as the maintenance of lifts, emergency lighting and booster pumps along with cyclical work i.e. the servicing of gas appliances, are also excluded. As are any major planned work (cyclical programmes such as painting or programmes for the replacement of key components to the building structure such as doors, windows and complete roof coverings, or renewal of the building infrastructure or M & E installations i.e. heating replacement programmes. Gas servicing is excluded form responsive repairs. However, for the avoidance of doubt, gas maintenance should be separated from gas servicing and included as a responsive repair.'

The definition goes on to explain that '*batched repairs are to include all batched work that was a result of a residents contact, but excludes work that is then instigated to alleviate further occurrences of a similar problem.'*

This definition does mean that some follow up work which is generated by an initial responsive repair can be excluded from the overall volume of responsive work. Exactly how each provider interprets this is likely to provide some variance in reported figures.

3.3 A definition for Octavia

Currently Octavia uses a slightly 'tighter' definition that that used by HouseMark, counting all jobs which require a further visit as failing a FTF. In deciding what definition is right for Octavia, we need to bear in mind that most of Octavia's peers will use the HouseMark definition, but, on the other hand:

- The contractors' systems are already set up to report the current definition
- It is a simpler definition and therefore easier to decide what is in and what is out
- It is more closely aligned with what residents understand by a FTF. (While residents may be understanding about a job requiring multiple trades being programmed over several days, they are unlikely to describe this as a FTF.)
- The survey work undertaken by Octavia and VHL specifically asks whether jobs are *'completed at the first visit.'*
- While the HouseMark definition provides the easiest source of benchmarking, it is relatively straightforward to estimate how much of a difference Octavia's current definition makes and so it is possible to place Octavia's performance in a comparative context. For example, in the Mears sample we studied, the proportion of jobs failing FTF because another trade was required was around 11%, so we could assume that most of those might have passed the HouseMark

FTF definition if correctly organised. If so, this might have improved Mears FTF success from around 89% to approximately 90%.

On balance, we believe that Octavia is best maintaining the current definition it uses and reviewing this once the new contract is being developed.

4. Current performance

4.1 Resident survey data

Octavia measures FTF performance in two ways - by measuring the perceptions of residents and through operational data from contractors.

The perceptions of residents are measured:

- By the Octavia Customer Services Team following the completion of repairs. The team aim to survey 20-25% of all jobs completed within 48 hours or so of completion, but this figure isn't always achieved. The survey covers a range of aspects of the repair work and includes a specific question on whether the repair was completed at the first visit. Before the beginning of 2016, this question was:
- *'How satisfied were you that the job was finished within the appointed 1st visit'*
- Since January 2016 the satisfaction survey has been amended so the question on FTF is clearer, it is now:
- *'Was the repair completed in the first and only visit?'*
- Mears also conduct a survey of residents after they have received a repair. Sixty residents per month are questioned - the survey is a bespoke Mears design and does not include a specific question on FTF, but does ask for 'general satisfaction with the service.'
- VHL conduct a survey of their resident customers targeting 25% of the total - currently around 120 per month. This had nine questions including one on 'completion within the appointed first visit' as well as a question on general satisfaction.
- The results from these surveys for the last two calendar years are shown below.

	2015 (Percentages)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mears first time fix - CSO	87	90	92	89	84	85	83	81	82	76	89	86
Mears overall satisfaction with repairs - CSO	90	94	92	92	93	92	94	86	93	91	95	100
Mears overall satisfaction with repairs - own survey	100	100	100	98	98	100	100	100	100	100	98	100

VHL first time fix - own survey	88.4	86.7	88	87.6	88.3	91.5	90.4	87.2	89	88	89	86.5
VHL overall satisfaction with repairs – own survey	87	89	89	88	87	89	88	90	88	89	89	89

	2016 (Percentages)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mears first time fix - CSO	60	71	78	73	80	84	81	86	91	84	88	88
Mears overall satisfaction with repairs - CSO	95	94	97	94	97	97	99	97	96	98	97	95
Mears overall satisfaction with repairs - own survey	100	100	100	100	100	99	98	100	100	100	98	100
VHL first time fix - own survey	88.4	88.7	89.8	86.5	91.5	89.5	90.3	87.2	87.3	89.3	89.7	87.1
VHL overall satisfaction with repairs – own survey	88	89	87	90	89	90	89	88	89	88	89	88

The data shows a high level of satisfaction with the Mears service overall and a relatively high level of satisfaction with the FTF rate. Resident perceptions fell in the immediate aftermath of the change in the question to a tighter definition, but have improved over the last six months to average over 86% for that period. Interestingly, for much of the last two years' resident perceptions of FTF rates have been higher than the actual performance reported by contractors – see below.

4.2 Operational data

The contractors also report monthly on their FTF performance. This data is provided directly from their operational systems and, in each case, records the number of jobs for which further work is required once the first operative has attended.

These figures show that reported operational performance on first time fix was limited in early 2015 and was relatively poor for the latter part of 2015, but has improved steadily since the end of 2015 and has been consistently good since June 2016.

	2015											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mears	-	-	100%*	100%*	100%*	100%*	100%*	100%*	100%*	74.3%	78.0%	72.6%
VHL	-	-	-	-	86.7%	83.3%	75.3%	80.1%	76.9%	85.1%	83.2%	89.1%
	2016											
Mears	71.0%	71.0%	70.5%	68.3%	80.9%	88.7%	86.9%	87.7%	87.1%	88.8%	98.5%	90.5%
VHL	89.5%	96%	89.8%	93.1%	93.3%	94%	94.5%	94.6%	95.1%	93.8%	93.9%	tbc

*The Mears figures for March-September 2015 only consider emergency and urgent repairs.

4.3 Data verification

As part of the project we undertook a short exercise to understand how the data which is reported is derived and therefore, whether the reported performance data can be relied upon.

In the case of both contractors the FTF figure is calculated directly from their operational job recording system and these systems are available to Octavia to be inspected if required. We looked at the jobs from the previous six months in the case of Mears and for the past three months in the case of VHL. In each case, we were able to see how the 'FTF failure' was generated by the system and then aggregated to produce the reported performance indicator. We would therefore consider the reports being produced by the contractors to be a valid interpretation of the information on their core systems.

In the case of the survey work undertaken by the contractors we were also able to see the questions used by their Customer Services' staff and the recording sheet on which the answers were logged and then collated. So, while we couldn't listen in on the interviews themselves, we were shown evidence that the process is robust.

4.3.1 Verification findings

To conduct a verification of the data being produced we ran a test report for each contractor.

For VHL we ran the data for the calendar year of 2016 and this gave a figure of 91.8% just slightly below the average of the monthly performance reports which was 93.4%.

For Mears we ran the data for the last six months of 2016 and this gave a figure of 88.7% as opposed to the arithmetic average of the reported monthly figures of 89.9%.

In relation to the calculations undertaken by the contractors, we did find some minor differences in the detailed definitions used. In particular, the Mears methodology resulted in 'no access' visits being counted as a first visit failure. On the other hand, the VHL method meant that 'no access' visits counted as a FTF success.

Our view is that while no access visits are frustrating and that contractors have met 'their side of the bargain', this particular measure relates to doing the job in one visit once a tradesperson is through the door - there has to be a 'fix' at the end of it. We believe that in line with the HouseMark's definition, no access visits should be discounted from the calculation. This would also ensure better alignment with the survey methodology - no access customers wouldn't receive a call because there hasn't been a completion.

As a result, we recalculated the FTF figure for each of the contractors based on the data we had.

For Mears we found a total of 45 no access jobs in the total number of jobs completed in July - December 2016. The effect of excluding these jobs from the calculation would be to reduce the 'failure' rate from 11.3% to 10.6%, thus giving a FTF rate of 89.4%.

For VHL there were a total of 71 no access visits in the full calendar year 2016, which had the

impact of raising the 'failure' rate from 8.2% to 8.4%, giving a FTF rate of 91.6%.

4.4 Benchmark data

In order to provide comparative data on Octavia's performance we have looked at HouseMark's benchmark data in three slightly different contexts:

- The Annual Core benchmarking - data provided by just over 300 hundred organisations, which provided the following:

Core Benchmarking	Repairs completed at first visit
Median	92%
Upper quartile	96%

Although this is by far the largest data set, the validation process is minimal, and therefore the figures rely very much on the interpretation of the individual completing the return at each individual contributor. Furthermore, this data is generally submitted by performance teams, who may not be fully aware of the nuances of the definition.

- The HouseMark Repairs VFM Benchmarking Project 2016

Repairs VFM toolkit	Repairs completed at first visit
Median	88.7%
Upper quartile	93.4%

The data set for the VFM toolkit is much smaller, around 20 organisations, and there is still no validation from source operational systems, but the benefits are that:

  - There is personal contact between the HouseMark Project Manager and each of the contributing organisations in order to clarify definitions and challenge submissions
  - In contrast to the arrangement for the Annual Core benchmarking, those contributing the data are more likely to be repairs specialists and therefore more in tune with the technical aspects of the definition.

- Finally, we looked at the HouseMark London traditional Housing Association peer group, which contains six of the members of the L8 and twelve other organisations varying in size from 800 units to 21,000.

HouseMark London traditional HAs	Repairs completed at first visit
Median	86.9%
Upper quartile	88.9%

In our view these benchmarks demonstrate that both of Octavia's contractors are now performing well (at around 90%) after a much more difficult period in 2015. This compares well to the upper quartile of the London association peer group, which is a reasonable comparator given the similar difficulties faced in London in relation to travel and the variation

in stock types. The important issue now will be to maintain these levels of performance for the remainder of the contracts.

In addition to this numeric benchmarking we did issue a short benchmarking questionnaire to the other members of the L8 and a few additional London associations with which Octavia has regular contact. This asked detailed question about the definition of a FTF and the jobs to which this is applied.

Unfortunately, this elicited a disappointing response, but the two received were both illuminating in their own way.

Amicus Horizon provides just under 28,000 homes and services to communities across London, Kent and Sussex. They replied to say that they no longer view FTFs as a key measure and focus instead on end-to-end repair times.

Phoenix Community Housing is a LSVT from Lewisham Council and is structured as a community gateway association in which residents can become shareholding members and play a central role in decision making. The Chair and Vice Chair are both Phoenix tenants. It has over 6,000 properties in south-east London and has recently created an in-house repairs operation. Their reported performance was 98.9% for the last full year and is running at over 94% this year. The definition they use is similar to Octavia (with the exception of excluding glazing work!) and they have their performance audited by the internal audit service, so they may well be an organisation worth contacting.

5. Good practice

In this section, we have looked through the available literature to understand whether there are particular pointers to good practice which Octavia could use to enhance their service provision further. Much of what we found in this search is already in place through Octavia's client systems and its contactors. However, there are one or two additional ideas that could be considered and it is always useful to reinforce current practice where this is effective.

Early guidance document on effective maintenance procedures was issued in a series of briefings designed to complement the CIH Charter for Housing Repairs, which was developed in conjunction with the National Housing Federation, HouseMark, et al. The document 'How to carry out repairs on time, first time' provides a useful summary of the elements to consider when designing an effective 'right first time' service.

http://www.cih.org/repairscharter

These include:

- Achieving consistency in the quality of materials and standard or work - which means looking at overall value for money (rather than just price) when sourcing materials and having the trades people with the right skills, materials and tools
- Analysing 'failures' and remedying poor performance in relation to parts, materials and standard of work
- Robust contract management procedures
- A risk based approach to quality assurance

- Trades people need to be empowered to complete whatever work is necessary and given sufficient time
- Fully integrated asset management information to identify which components are in properties and ensure that trades people carry the right stock
- A fully responsive supply chain
- Effective diagnosis of the repair, including the training and development of call handling staff
- Analysing the need for multi-skilled trades or paired working and ensuring that call handling staff understand the required skill sets
- Regularly reviewing van stock
- Analysing complaints and acting on feedback.

Within the report there are a couple of interesting case study examples….

'At Stevenage Homes, the operative is empowered to diagnose the fault and establish the time and materials required to complete the repair on arrival. They carry the most commonly required stock, and where extra materials are needed, these are delivered to the property by a rapid response stores vehicle, while the tradesperson starts work.'

Similarly, Community Housing Group's '*empowerment of trades people to self-diagnose repairs on arrival and the regular review of van stock led to an increase in the first time fix rate from 75% to 90% as well as an increase in productivity and cost savings of £76,000.'*

The HouseMark Project 'Transforming Your Direct Service Organisation' report covered some similar themes and gave examples of housing providers borrowing ideas that have worked for excellent organisations in other sectors.

HouseMark Direct Service Organisation project

For example:

'*Wakefield and District Housing empowers its repairs teams and gives them the tools (mobile working) and materials (operatives are responsible for stocking their own vans with what they think they will need) to complete as many jobs as possible right first time.'*

'A number of participants were exploring just-in-time or overnight material deliveries. Aster Group, were seeking the two-hour delivery service offered to retail customers by some building supplies businesses and Kirklees Neighbourhood Housing have introduced web chat on to their on-line ordering module to improve supply chain efficiency.'

Other technological ideas being pursued were to adapt the online system developed by Autoglass which enables customers to upload pictures of their windscreen so technicians can more accurately diagnose the problem and the part needed to remedy it and perhaps further down the line they predict the installation of sensors on items such as windows, boilers etc. which can be centrally monitored to understand when they might need replacement.

The CIH Practice Online database covers much of the ground above, but does also reiterates the need for...

- The need to ask directly tenants through ongoing satisfaction surveys if their repair was completed in one visit. This would augment information from the contractor systems
- The need for clear leadership within the service which promotes an ethos or culture of 'right first time'
- The desirability of staff retention, continuity and the development of apprenticeships in the context of a highly competitive construction labour market. This would increase operative familiarity with the stock as would operatives being grouped in geographic patches
- Having a communication chain that is as short as possible between the tenant who requests the work and the operative who undertakes the repair
- Electronic replenishment of imprest stock
- Empowerment of front line staff to undertake the work that needs to be done or any small scale additional work with sufficient supporting process to enable variations or additional job orders.

6. Opportunities for improvement

At the end of this piece of work we ran a short workshop with Octavia staff and representatives from both contractors to identify which were the jobs which were failing a FTF and whether, despite the current good levels of performance, there is room for further improvement.

For each contractor, we identified the main reasons why jobs failed a FTF in the table below.

	Reasons for failure in descending order of occurrence
VHL	• Intermittent fault • Second fault not evident on first call • Parts required - not available form van stock/special parts e.g. new radiator • Boiler or system condition • Senior technician or supervisor input required - this is to some extent a feature of newly qualified staff being used on the contract, providing a pathway for apprentices into independent work • Wrong parts supplied • Variation order required
Mears	• The majority of Mears 'failures' are where fixtures and fitting are not part of van stock because of the variety of fittings used in Octavia premises, particularly locks, windows, some electrical fittings, fans, doors, even ball valves! etc. • Jobs which require paint, adhesive or plaster to dry before the next task can be completed • Wrong parts supplied or unavailable • Two man jobs • Variation order required.

While there are some issues here that cannot be resolved in a first visit, there are some others that can be constantly monitored to optimise the opportunities for achieving a FTF.

In the shorter term these might include:

- Working with materials suppliers to get the right parts at the right time on a more regular basis
- Better diagnosis, for example to be able to predict which jobs will require additional operatives and to predict the required time to undertake work
- Working with residents to improve the information that they can provide to the call handlers, for example through error codes, self-help pictures or on-line videos to help the resident either fix the problem themselves or relay the fullest possible information to the contractor
- Encouraging the more 'tech-savvy' customers to photograph and up-load or email any fittings likely to need replacing
- Working internally and with Octavia to improve the process for issuing variation orders
- Continuing to expand the range of operative skills.

In the longer term, Octavia will need to bring the development, acquisition and maintenance functions much closer together if it is to achieve a higher level of FTFs and, more generally, better value for money from the overall expenditure on maintenance. Future maintenance costs and service delivery should be a major consideration in all new developments as well as in all refurbishment work. Octavia will also need to consider the extent to which it standardises fixtures and fittings within properties, not only to increase the opportunity to deliver FTFs, but also to use its historical repairs data to ensure that fittings and materials with the optimum whole life cost are used.

In looking forward to the new maintenance contract, we would recommend that Octavia gather the best possible information on the fixtures, fittings and equipment in their properties so that this can be given to bidders as they make their pricing decisions. The more information that is available, the less likely bidders are to price in risk and therefore the value to Octavia will be improved.

We would also recommend that FTFs are maintained as an important Performance Indicator within the new contract and that Octavia ensures it has access to the operational data which will enable them to undertake a periodic audit of the figures if necessary. We believe that FTFs are still an important element within an efficient and customer focused maintenance service and it is important to maintain the progress that has been made over the last 12 months.

NATIONAL HOUSING FEDERATION

PARTNER

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