

STATES OF JERSEY



ANDIUM HOMES – REPAIRS AND MAINTENANCE – FOLLOWING UP THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL (P.A.C.1/2015) – RESPONSE OF CHIEF OFFICERS

**Presented to the States on 17th July 2015
by the Public Accounts Committee**

STATES GREFFE

**ANDIUM HOMES – REPAIRS AND MAINTENANCE – FOLLOWING UP
THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
(P.A.C.1/2015) – RESPONSE OF CHIEF OFFICERS**

Departmental Response to: P.A.C.1/2015

Review title: Andium Homes – Repairs and Maintenance –
Following up the Report of the Comptroller and
Auditor General

PUBLIC ACCOUNTS COMMITTEE INTRODUCTION

We are pleased to see that Andium Homes Limited has accepted the 4 recommendations we made in our report P.A.C.1/2015, and that the company has responded to the report in a timely manner. Elements of the response nevertheless indicate that Andium Homes may be premature in its assertion that all 4 recommendations will be implemented in full by August 2015.

Regarding the procurement of a new IT system, we note that negotiations with preferred suppliers are ongoing and, accordingly, that systems implementation has yet to begin. On that basis, it may be premature for Andium Homes to assert that the new IT system is configured to deliver appropriate improvements in management information as per our recommendation 2.

Turning to our third recommendation, we are pleased to learn of the work being undertaken to review the constitution of the Tenants' Forum and to encourage greater membership of the group. The key question, however, is whether that work is expected to improve the quality of links between the Tenants' Forum and localised residents' groups, thereby maximising Andium's opportunities to obtain constructive feedback from tenants. If Andium has doubts in this regard, the company may wish to consider further amendments to its tenant engagement programme.

INTRODUCTION

Andium Homes is pleased to have had opportunity to demonstrate the positive steps taken in the first 10 months following incorporation. The comments of both the Comptroller and Auditor General and the Public Accounts Committee help reinforce the foundations laid and commitments made within the company's Strategic Business Plan.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	Before completing procurement of its new Line of Business IT system, Andium Homes should endeavour to benchmark its estimate for the cost of the system against costs incurred by comparable social housing providers in other jurisdictions.	Andium Homes	Accept	<p>The replacement Line of Business system is currently in the shortlisting stage of the procurement process, and the 3 final preferred suppliers have now been identified. Their responses to the Invitation to Tender and implementation costs fall well below the initial £500k budget.</p> <p>The due diligence checks against the final 3 preferred suppliers where reference site questionnaires were undertaken, the housing organisations declined to disclose the financials around the implementation costs.</p> <p>Further benchmarking comparisons were also sought from housing specialists 3C Consultants, who were engaged in the provision of the Requirements Specification and internal workshops with Andium Homes colleagues, but they too were unable to advise of any benchmarking data.</p>	Complete
2	Andium Homes should ensure that its new Line of Business IT system is suitably specified and configured to deliver appropriate improvements in management information concerning repairs and maintenance activity, as per the recommendations made in R.9/2015.	Andium Homes	Accept	<p>The Requirements Specification that was published in the Invitation to Tender under section '7 Reporting', seeks 77 distinct areas where differing reports from General, Operational to Management Information, should form part of the solution.</p> <p>The final 3 preferred suppliers have all confirmed that their solutions will meet the requirements and, therefore, the P.A.C. recommendation.</p>	Complete

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
3	Andium Homes should offer to assist the independent Tenants' Forum to review its links with localised resident groups during 2015 and, where necessary, to improve communication with resident groups on matters falling within the Forum's terms of reference.	Andium Homes	Accept	<p>Andium Homes is currently working with the Tenants' Forum to review their Constitution, which needs modernisation to reflect the significant changes made since incorporation, and to encourage greater membership of the group.</p> <p>A new recruitment drive will consist of –</p> <ul style="list-style-type: none"> • An event being organised by Andium Homes, whereby colleagues from each service area will be available to talk to clients about the job they do, service they deliver and any proposed changes or new initiatives in those areas. • Invites will be sent to all current Forum members, all current members of residents' associations/groups/ panels, estate reps, and also those identified by Andium Homes Community Contacts during their estate visits as being interested in client engagement. • The invitation will be clearly drafted to encourage attendees not to bring personal issues, but to come with an open mind to learn about the services offered by Andium Homes, and, importantly, the role of the Tenants' Forum and importance of client engagement. • Current Forum member volunteers will be involved throughout the organisation of this event, from approving the invite letter and list of invitees, discussing possible venues, and agreeing if we want any introductory speeches/presentations. • Forum members will also consider running a station themselves to talk to other clients about the Tenants' Forum. • So as to maintain momentum, the event will be held in July 2015. <p>Following the event, attendees will be written to and invited to join Tenants' Forum, following which the Constitution will be revised and updated.</p>	August 2015

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
4	Andium Homes should review the management information at its disposal concerning the effectiveness of tenant engagement processes, and ensure that any weaknesses are addressed during procurement and implementation of the new Line of Business IT system.	Andium Homes	Accept	The Requirements Specification that was published in the Invitation to Tender under sections '2 Client Portal', '3 Communicating with Clients', and '18 Contact Management', and the level of detail contained within each of these sections, will address the weaknesses identified in the P.A.C. report.	Complete

CONCLUSION

The P.A.C. recognised the shortfalls in management information as a result of underinvestment in the former Housing Department's IT infrastructure. The company's IT Strategy, now well into the procurement phase, is set to address those areas previously identified. We look forward to an opportunity to update the Committee on implementation plans as they develop.

It was noted by the P.A.C. that the programme of procurement and delivery was ambitious. We do feel that it is realistic and achievable, but given the importance of a modern and effective IT infrastructure, expedient delivery is a fundamental necessity.

The importance of a company/client relationship was explored in detail during the P.A.C. Hearing of February 2015. Again, Andium is pleased to have received positive recognition for steps taken to engage with clients, which in turn informs the future business. Andium approaches its client engagement ethic with enthusiasm and looks forward to the results of the revision of the Tenants' Forum Constitution described in response to recommendation 3 above.

Following the publishing of the C&AG's report on Housing Repairs and Maintenance on 5th February 2015, the following actions have already been implemented at the time of writing this response:

R2 Develop, implement and monitor the effectiveness of a market development strategy for contractors.

- Procurement process underway for replacement Response Repair and Void Property Contracts.
- Market Development 'Bidders' Meeting' held, in which 37 local companies completed a marketing questionnaire and attended the workshop.
- Procurement strategy in development for further 'Bidders' Meeting' for replacement Kitchen and Bathroom Contracts in September 2015.

- Plans underway for a ‘Working for Andium’ market development workshop to be held later in 2015 to further develop the already successful ‘Approved Contractors List’.

R3 Develop the management information system to enable the monitoring of variations to contractual rates and, where appropriate, corrective action.

- Developing Fixed Price Contracts to reduce incidences and need for price variations.
- Director approval needed for Schedule of Rate price variations.
- Schedule of Rate price variations line now included in monthly finance reporting (Management Team and Board).

R4 Following future procurement exercises leading to the appointment of multiple contractors, establish target work allocations based on objective factors, including the assessed capacity of contractors.

R5 Develop a suite of Key Performance Indicators on quality and timeliness, to inform decisions on the allocation of work between contractors.

R6 Include in the Key Performance Indicators reported to senior management indicators to allow monitoring of the allocation of work between contractors.

- New suite of KPIs being introduced for Response Repair and Void Property Contracts (in procurement phase).
- Differential performance KPIs for all future multi-contractor work introduced.

R7 Seek to increase participation rates in tenant satisfaction surveys through, for example, face-to-face and telephone interviews.

R8 Develop Key Performance Indicators to facilitate monitoring of the results of tenant satisfaction surveys by contractor, and implementing appropriate corrective action.

R9 Develop a suite of Key Performance Indicators to facilitate monitoring of responsive work by different trades and by priority categories, and implementing appropriate corrective action.

- Quarterly overall Response Repair performance satisfaction surveys continue.
- Post-repair face-to-face surveys per contractor implemented.
- Voucher draw scheme introduced to increase survey return rates.
- New suite of KPIs being introduced for Response Repair and Void Property Contracts (in procurement phase).
- Andium Estate Standard face-to-face surveys implemented.

R10 Extend tenant involvement in both decision-making and setting standards for housing repairs and maintenance.

- Recruitment of second Board ‘Tenant Representative’ underway.
- Tenant Forum representatives engaged in new Response Repair and Void Property Contracts (in procurement).
- Andium Academy/Service Improvement Panels in development.

R11 Provide feedback to tenants on the results of satisfaction surveys and the action taken in response to concerns raised.

- Performance information included in latest Community News publication.
- Continued development of Social Media (Twitter/Facebook).
- Satisfaction data per contractor/subject published on website/social media.

R12 Periodically review the operational impact of tenant engagement.

- Introduced as a standing item on monthly Programme Delivery Team meetings.

**Ian K. Gallichan
Chief Executive
Andium Homes Limited**

3rd July 2015