

VANTAGE BULLETIN

HALTING THE TREND OF RISING COSTS ON REPAIRS AND MAINTENANCE SPEND

Hello and welcome to my first bulletin of 2015. I hope that you had a peaceful Christmas and New Year and have come back to work ready to face the many challenges that the housing sector has to deal with this year.

I am sure that you would have read recently the Inside Housing headlines around the rising cost of repairs for housing associations.

As Inside Housing stated “the top 100 associations spent £2.48bn on **repairs and maintenance** in 2013/14 compared to £2.38bn the year before – **a rise of 4%**. Almost £1.47bn of this was spent on **day-to-day repairs (routine maintenance)** **up 4.9%** from £1.4bn in 2012/13. This accounted for 59% of routine, planned and major repairs expenditure – unchanged from 2012/13.”



This is clearly an area where there are opportunities to make significant financial savings. Our expertise in this area together with **our unique approach to making savings has stood us and our clients in good stead over the past 10 years.**

It was pleasing to see a couple of our most **recent clients with a reduced spend** on

maintenance over the period looked at by Inside Housing which highlights that **our methodologies do actually work.**

Some of the **key areas** that we find we work with our clients on to deliver these financial gains are as follows:

Productivity measurement and management

Ok so the new systems are in place, but how many organisations can properly measure productivity and provide this information in a timely manner to their team leaders. Virtually no one has cracked this properly yet. Our approach has **transformed our Clients ability to measure and manage productivity.**

Are you getting the best out of your IT systems?

Some of our clients greatest efficiency gains have been made through investment in improved and enhanced IT systems and then using the full functionality of these systems. For example, many organisations have implemented scheduling systems purely as a method of enabling repair appointments to be made efficiently. Unfortunately, what should have been the primary objective of increasing productivity has been largely ignored or forgotten!

Performance and continuous improvement culture

Instilling a performance culture remains one of the biggest challenges for the Housing Sector. Even with the right data and good use of systems, people still need to know the principles of (and how to apply them!) good performance management and how to integrate these into a long term continuous improvement culture. Through our collaborative approach, **we provide a level of coaching and knowledge transfer to our Clients to enable this to happen.**

Motivation and appetite to change

One of the biggest challenges facing our clients is to follow through with our recommendations and make sure the whole business has bought into the changes **(But don't worry we will be there to support you!).** By showing our Clients what is possible, we start to **win people's hearts and minds!**

Understanding and managing cost drivers effectively and lack of a true target costing approach

This is a complex area that **you need to get right.** We have seen many examples of where clients thought they had their approach to these areas right but unfortunately this wasn't the

case. This is an ideal area for your finance colleagues to bring their expertise and support and educate service leaders in understanding cost drivers, rather than just assisting with traditional budgetary control. Combining this with true target costing will really deliver you results, our Clients continue to be amazed by the gains that they achieve from it.

In-house v outsourced solutions

Whichever option you go for, it needs to be based on a **proper business case** and be the **best solution for you and your customers. We guide our clients in the right direction** through detailed analysis of the key factors that should be considered in selecting your delivery model. We evaluate and recommend what is the optimum level of work (both scale and mix) that should be delivered by an In-House Team.

Increase customer satisfaction v reduce costs

Much has been written recently about rising customer expectation levels becoming unaffordable. It is critical that you weigh up how much for example, a 1% increase in satisfaction is going to cost you to achieve. Our insightful analysis and financial modelling allow our clients to visualise the future commercial and financial implications of such decisions.

In my next bulletin I will start to explore these areas in more detail and share with you some of the solutions that have worked for our clients.

If you can't wait until the next bulletin and you are interested in us visiting you to discuss this in more detail or to carry out one of our free desktop reviews of your maintenance service then **feel free to contact me directly** and I would be happy to meet up with you.



Kind Regards



Tony Bryan,
Managing Director, Vantage Business Solutions

Breaking news >>>>

We will again be exhibiting at the National Housing Federation Finance Conference on 18th and 19th March at the University of Warwick. Feel free to join us on our stand (142) and have a chat.

We are also going to run a seminar in May on how to achieve significant performance improvements across Repairs and Maintenance and a number of other key business areas – more details to follow soon.

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