The City of Edinburgh Council

10.00am, Thursday, 11 December 2014

Shared Repairs Services – Development of a New Service – referral report from the Finance and Resources Committee

Item number	8.13
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 27 November 2014 considered a report requesting approval to establish a new shared repairs service. A detailed service blueprint, costed business plan and an implementation plan were provided to the Committee. The report was referred to the City of Edinburgh Council without recommendation.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Shared Repairs Services – Development of a New Service

Terms of referral

1.1 On 27 November 2014 the Finance and Resources Committee considered a report requested approval to establish a new shared repairs service. A detailed service blueprint, costed business plan and an implementation plan were provided to the Committee.

1.2 The City of Edinburgh Council, on 13 March 2014, requested that a report was brought to the Finance and Resources Committee on the development of an enforcement service within three months. In May 2014, responsibility for both the Property Conservation legacy service and the project to develop the new enforcement service transferred from the Director of Services for Communities to the Director of Corporate Governance. A new governance structure was implemented and Deloitte LLP was commissioned to assist with the design of the new service. As a result, the report was delayed by some months.

1.3 The Finance and Resources Committee agreed to refer the report to the City of Edinburgh Council without recommendation.

For Decision/Action

2.1 The City of Edinburgh Council is asked to consider the report that has been referred to the Council from the Finance and Resources Committee without recommendation.

Background reading / external references

Shared Repairs Service - Development of a New Service

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 27 November 2014

Shared Repairs Services – Development of a New Service

Item number	7.29
Report number	
Executive/routine	
Wards	

Executive summary

This report responds to the Council decision of 13 March 2014, to provide a further report on the development of an enforcement service to the Finance and Resources Committee within three months.

In May 2014, responsibility for both the Property Conservation legacy service and the project to develop the new enforcement service transferred from the Director of Services for Communities to the Director of Corporate Governance. A new governance structure was implemented and Deloitte LLP was commissioned to assist with the design of the new service. As a result, the report was delayed by some months.

Since that time, work has been ongoing to produce a detailed service blueprint, a costed business plan and an implementation plan for the new service. The detail of these is now presented to Committee for approval.

Links

Coalition pledges	P40 , P41
Council outcomes	CO19
Single Outcome Agreement	**SO4**

Report

Shared Repairs Services – Development of a New Service

Recommendations

1.1 It is recommended that Committee:

1.1.1 Approves the implementation expenditure of up to £500,000 in the current financial year.

1.1.2 Notes the ongoing funding requirement for this service and agrees that this be remitted to Council for decision on 12 February 2015 as part of the budget setting process.

1.1.3 Approves the full implementation of this new service on the basis of the financial information provided in the costed business plan, subject to the budget decision on 12 February 2015.

1.1.4 Approves the instigation of a formal organisational review for existing Shared Repairs staff and delegates the completion of this review to the Director of Corporate Governance.

1.1.5 Notes that the service will begin to operate in the second quarter of financial year 2015/16.

1.1.6 Notes the risks of this service as outlined in Appendix 1, page 4.

Background

2.1 In March 2014, the Director of Services for Communities presented a report to the City of Edinburgh Council on the establishment of a new enforcement service.

2.2 Council approved a number of recommendations and instructed that officers proceed with the further development of an enforcement service.

2.3 In May 2014, responsibility for both the Property Conservation legacy service and the project to develop a new service transferred to the Director of Corporate Governance. The project was added to the Council's portfolio of Major Projects, overseen by the Corporate Programme Office. A new governance structure was implemented, Deloitte LLP was commissioned and Programme Momentum was established, to deal with both the remaining legacy issues and the design of the new service.

2.4 Since that time, work has been ongoing to produce a detailed service blueprint, a costed business plan and an implementation plan for the new service. Elected members have been provided with briefings on the detail of these and the full documents have been available for members to view in a data room.

2.5 The detail of these documents is now presented to Committee for approval.

Main report

Strategic Rationale

3.1 Since the closure of the former service, the Shared Repairs Service has provided owners with advice and guidance on matters relating to common repairs and has also provided a 24/7 emergency response repair service. This report contains proposals for expanding that service to once again include the enforcement of non-emergency repair projects under Statutory Notice. There are a number of drivers for this and these are set out below.

3.2 Edinburgh is a world class city whose Old and New Towns are designated UNESCO World Heritage sites. The Council has a responsibility to protect the built heritage for conservation, economic and public safety reasons.

3.3 Around 45% of Edinburgh's housing stock is tenemental and therefore the requirement for repairs to common areas of privately owned property is widespread. The Council recognises the significant difficulties which responsible owners can face in trying to reach consensus with their neighbours to take forward repair works.

3.4 Using the legislative powers available to the Council under the City of Edinburgh District Council Order Confirmation Act (1991), the former service provided an important means of repairing tenemental homes where owners could not agree on a way forward. Since the closure of the former service, many owners have struggled to organise repairs privately. Despite the issues which faced the former Property Conservation service, there remains a clear demand for an enforcement service, both from the public and from elected members.

3.5 There are also occasions when essential repairs are required to mixed tenure properties, where the Council owns one or more properties within a tenement. In some situations, achieving repairs in these mixed tenure stairs would benefit from the reintroduction of an enforcement service.

Inherent Risks

3.6 While there is undoubtedly a demand for the re-introduction of an enforcement service, it also poses a number of inherent risks to the Council. These were previously noted in the report to Council on 13 March 2014 and are again detailed in Appendix 1, page 4. Whilst every effort will be made to mitigate these risks as far as possible, it must be noted that the nature of this service is such that some residual risk will inevitably remain. In particular, Committee should note the following:

- Reputational risk – the very nature of the service means that the Council will find itself enforcing works on owners who are already in dispute and potentially unable to meet the costs of repairs which may lead to further reputational damage.
- Financial risk – there will be an ongoing requirement for the new service to be subsidised and the potential deficit could be worse than estimated due to the other inherent risks.
- Bad debt risk – some customers will not be in a position to pay, resulting in higher levels of bad debt than is experienced with other Council services.
- Nature of business risk – the enforcement service is by nature already a dispute situation with potential for customer dissatisfaction.
- Construction industry risk – the service will always be exposed to the risk of challenge over the scope and cost of works. Construction work, particularly in repairs to historic and older buildings is difficult to estimate in advance and often results in cost estimates exceeding expectations and can lead to litigious events.

New Service Design – Services

3.7 The new service is being developed to meet the following objectives:

- To maintain the fabric of the city, the conservation of the built heritage and protection of health and safety.
- To support, encourage and enable owners to proactively take responsibility for planning and organising repairs and maintenance.
- To intervene when owners have exhausted all other reasonable means of agreeing and undertaking a repair.
- To effectively manage the Council's financial and reputational risk as it carries out its statutory duties and powers.

3.8 The new service blueprint has been developed using a set of design principles and a tried and tested "target operating model" approach which place an emphasis on clarity, consistency and robustness. Further details are provided in Appendix 1, page 6-8.

3.9 One of the main underlying principles of the new service is that it should seek to drive a cultural change whereby owners are encouraged and supported to take responsibility for their own shared repairs. Enforcement will be the option of last resort, utilised only where it is apparent that owners have exhausted all other options.

3.10 The lessons learned from the previous service are integral to the design of the new service. Robust operational procedures have been developed which build in regular control points. Transparent communication with owners and stakeholders will be a key part of the service and quality assurance will be embedded throughout. The scope of works undertaken will be tightly controlled, with only those works deemed to meet the Council's definition of "essential" being taken forward by the Council.

3.11 A revised definition of "essential" has been developed which will consider the rate of deterioration of the defect and the severity of any associated risk and implications for customers. Further details of this are provided in Appendix 1, page 10.

3.12 The new service will be incorporated as a new function within an extended Shared Repairs Service.

3.13 The functions of the new Shared Repairs Service are split broadly into 4 areas, which are outlined below.

Emergency Service

3.14 Council officers will attend and arrange for "make safe" works to be carried out in immediately dangerous or "emergency" situations. This service is already provided via the existing Shared Repairs Service and will continue as part of the new service. This includes dealing with "corporate emergencies" such as fires, or building damage caused by extreme weather conditions reported to the service by the Police and Fire and Rescue Service.

Guidance and Advice

3.15 This will include a full range of advice for customers on all aspects of shared repairs. Information will be available on the Council's website and customers can also seek specific advice from the service about their own particular situation. The advice service will include sign-posting to the Trusted Trader scheme and advice regarding planned maintenance. Many of these services are already available through the existing Shared Repairs Service, but the range of advice and information will be expanded where necessary.

Intervention

3.16 This will include services for owners who cannot reach consensus on repairs, undertaken prior to and short of issuing a statutory notice. At a basic level, this will include the diagnosis and confirmation of defects as "essential" repairs and a series of tailored communication to owners advising of the need for a repair and the implications of not taking action. It will also include the option for owners to purchase facilitation services to help reach consensus or surveys which provide additional technical detail on the scale and nature of a defect. In addition, the Council will, in certain tightly defined circumstances, have the option to use powers under the Housing (Scotland) Act 2006 to cover a missing share of funds to allow groups of owners to take forward works privately.

Enforcement

3.17 Where all of these options have been exhausted and owners have still failed to reach a consensus on taking forward essential repairs, the Council will intervene and serve a Statutory Notice to enforce the repairs. The Council will scope the works, procure and appoint a contractor, manage the job through to completion and bill owners for their share. If owners pay promptly (within 28 days) a reduced administration fee will be offered.

New Service Design - Technology

3.18 One of the major issues of concern with the former service was the lack of robust IT systems and resulting lack of accurate management information.

3.19 The new service blueprint has considered the technology requirements for all aspects of the new service, made an assessment of the capabilities of existing systems to meet those requirements and made recommendations regarding enhancements and system changes.

3.20 The new service requires systems to deal with: - customer self-service, customer relationship management, case and asset management and billing and finance. In addition, separate systems are required for property ownership checks and drainage records.

3.21 The blueprint has identified what appear to be the most appropriate systems for the new service. Lead in times for the introduction of these systems however, are likely to be in the region of 12-18 months. It should be noted that there are risks associated with launching the service without its preferred ICT platform. However, these will be mitigated as far as possible by the introduction of an interim solution and work will commence following the approval of this report to move towards the target ICT architecture.

New Service Design – Organisation

3.22 A staffing structure has been developed for the new service which is organised around the following capability teams; customer services, case management, technical services (surveying), finance, and support services. The staffing complement is 37 full time equivalents (FTEs), plus an additional 6 FTEs to deal with historic, outstanding notices. The team has been appropriately sized according to the assumptions made about the volume of projects which the new service is likely to handle.

3.23 Assuming the introduction of the new service is approved by Committee, an organisational review will be required to consider the matching and/or assignment of the existing Shared Repairs Service staff into posts within the new staffing structure. Formal approval to instigate an organisational review is therefore sought via this report.

New Service Design – Delivery Model

3.24 Committee will be aware that the report to Council on 13 March 2014 recommended that the project management element of the new enforcement service should be delivered externally from the Council, via a Special Purpose Vehicle (SPV).

3.25 As part of the work to produce the new service blueprint, a review was undertaken of this previous recommendation.

3.26 It was determined that the five delivery models which were considered in March 2014 were still the appropriate options to consider. These are:

- In-house
- In-house with external project management resource contracted in
- Co-sourced
- Special Purpose Vehicle
- Outsourced private sector provider

3.27 The various models were considered and scored against the eight weighted evaluation criteria shown below, representing the most important aspects of the service.

Criteria	**Weight**
Ability to keep set-up costs low	15%
Ability to keep operational costs low	15%
Ability to set-up in a relatively short timescale	10%
Ability to manage risk – financial, control, reputational	20%
Ability of existing IT systems to effectively support service delivery and MI	10%
Availability of skills/capability – recruitment, retention & flexibility	10%
Ability to serve customers effectively and deliver on a arrange of services	10%
Appetite of contractors to engage with the delivery model	10%

3.28 The total weighted scores for each of the delivery model options were as follows:

Criteria	**Weighted Score (out of 5)**
In-house	3.3
Co-source	3.0
Special Purpose Vehicle	2.7
In-house with external project management	2.6
Outsource	2.4

3.29 Further details of the rationale and analysis of why each option scored as it did is presented in Appendix 1, page 14.

3.30 The in-house model scored more highly than others on the basis that it offers a good ability to manage risk by retaining direct control of the service. It also scored well in relation to set-up costs, operational costs and set-up timescales, with there being no requirement for provider procurement.

3.31 The previous recommendation to deliver the service via an SPV was in large part based on the view that it would be possible to transfer risk to the SPV. In reality however, the risk remains with the Council and it is now considered that the use of an SPV would only serve to increase the number of interfaces and thereby complicate the operating procedures of the new service.

3.32 On the basis of the review which has been carried out therefore, it is now recommended that the enforcement service be delivered as an in-house service rather than via an SPV. There are however, some challenges associated with an in-house service. In the main, these relate to the Council's ability to recruit and retain staff with the right skills and experience. If this risk cannot be overcome, it may be necessary to consider co-sourcing with respect to some of the key positions, particularly those ones which require technical capabilities.

New Service – Costed Business Plan

3.33 A detailed costed business plan, based on a series of assumptions, has been developed for the new service. It should be noted that while these assumptions are as robust as they can be at this stage, they are not guaranteed. Until the new service is operational, it is not possible to accurately predict the volume and scope of the projects which will be enforced and therefore the detail set out in the business plan is subject to change.

3.34 The business plan shows net expenditure over the six year period to 31 March 2020 of £8.41 million, including anticipated bad debt.

3.35 This expenditure is based on an assumption of an administration fee of 26% for both emergency and essential repairs. There will be a prompt payment discount to 21% for those owners who pay within one month of the bill being issued.

3.36 In order to fully recover the cost of the service, it would be necessary to set the administration fee at 40.5%. It is recognised however, that this level of fee would be prohibitive and is unlikely to be acceptable.

3.37 The administration fee of 26% allows the Council to recover the cost associated with the completion of emergency and essential repairs enforced by the Council and thereby ensures that works to private homes are not subsidised by the Council.

3.38 The business plan therefore assumes that the Council funds the cost of those elements of the service not directly related to the enforcement of works, such as the advice and intervention services. This element of the service will require £6.30 million funding in the six year period to March 2020.

3.39 In addition to this, assumptions have been made regarding the likely level of debt which will be written off for non payment. When this is taken into account, the overall net expenditure for the six years to March 2020 is £8.41 million.

3.40 Further details of the costed business plan, including sensitivity analysis showing the impact of varying some key inputs such as project volume, project value and level of administration fee are presented in Appendix 1, pages 15-25.

New Service – Implementation Plan

3.41 An implementation plan has been produced to set out the proposed activities and timescales associated with implementing the new service, based on an anticipated launch date in the second quarter of 2015/16.

3.42 The service is currently unbudgeted and a decision on its future funding will need to be made as part of the Council's budget setting in February 2015.

3.43 Assuming this report is approved by Finance and Resources Committee, preparatory implementation work will commence immediately. It is likely that costs of up to £500,000 will have been incurred in relation to implementation activities by the end of the financial year 2014/15. However, until a formal decision has been made by Council to fund this service going forward, major financial commitments such as recruitment, IT and contractor procurement will not be fully progressed.

3.44 The implementation plan has identified a number of key workstreams including technical services, customer services, ICT, finance, communications and recruitment.

3.45 A core implementation team of 7.5 FTE is required, supplemented by internal CEC IT resource and a budget of £500,000 for external support where internal capability/capacity cannot be secured. The cost of this of this external support is included in the costed business plan and is split over financial years 2014/15 and 2015/16. This is currently being procured and the contract will be awarded in due course.

3.46 There are a number of risks associated with the implementation, including IT, procurement, recruitment, and timescales. Further detail of these is provided in Appendix 1, page 28.

Future Development of the Service

3.47 The City of Edinburgh District Council Order Confirmation Act 1991 is a piece of legislation which is unique to the city and as such, it could be argued that owners have an expectation of Council intervention in Edinburgh which is much greater than in other cities. There is no doubt that there is a demand for the re-introduction of this kind of service. However, it is also essential that the Council makes continued efforts to drive a cultural change whereby owners recognise their own responsibility in relation to shared repairs.

3.48 The re-introduction of an enforcement service should be considered as a medium term solution, and one of a range of options which the Council must consider if it wants to radically change the way in which issues and risks posed by shared repairs are tackled in the city.

3.49 The new service staffing structure includes provision for a Policy and Planning capability. It is envisaged that these individuals will work to develop more innovative solutions to issues of shared repairs and mixed tenure management and will work with a wide range of stakeholders, including heritage groups, solicitors, lenders and the Scottish Government, to drive forward effective legislative and policy change in this area.

Measures of success

4.1 The objectives for the new service are set out in Appendix 1, page 7. Performance indicators will be developed for the full end to end service during the implementation period. These will be used to measure the success of the service and will include financial, customer, service quality and strategic factors.

Financial impact

5.1 A detailed costed business plan has been developed, which sets out the estimated financial impact of the introduction of this new service over the period to March 2020. Further details are provided in Appendix 1, pages 15-25.

5.2 The business plan assumes an in-house solution. This model requires the Council to recruit a significant number of technical staff. Should this not be possible, then a co-sourcing model may require to be deployed. Co-sourcing the surveying team is likely to increase the staffing cost by approximately £470,000 per annum.

5.3 The costed business plan is based on the assumption of an administration fee of 26% being charged to owners for essential and emergency repairs. This administration fee will be discounted to 21% for prompt payment within one month.

5.4 The costs of those elements of the service which are not directly attributable to enforced works cannot be recovered via the administration fee. This includes the advice and guidance service, the intervention services and the bad debt which requires to be written off due to non payment.

5.5 The costed business plan estimates that the new service requires £8.41 million in funding over the period to March 2020. This is broken down as follows:

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Net Expenditure	£0.50m	£2.00m	£1.08m	£0.94m	£0.91m	£0.87m	£6.30m
Write offs	£0	£0.15m	£0.32m	£0.59m	£0.61m	£0.63m	£2.30m
Interest Received	(£0.00)	(£0.01m)	(£0.01)	(£0.03)	(£0.07m)	(£0.11m)	(£0.19m)
Overall Net Expenditure	**£0.50m**	**£2.16m**	**£1.41m**	**£1.50m**	**£1.45m**	**£1.39m**	**£8.41m**

5.6 The costs in 2015/16 are higher as a result of service start up costs and the lag as the service is phased in before jobs are completed and billed and costs recovered.

5.7 The report to Council on 13 March 2014 noted that if the Council decided to develop the new enforcement service then the "unbudgeted financial consequences will need to be found through compensatory savings within the approved revenue budget for Services for Communities"

5.8 At its meeting of 30 October 2014, the Finance and Resources Committee considered the Council's half year revenue monitoring position. Appendix 1 of that report highlighted over £11 million of pressures in SfC, including £750,000 for the development of the a new service for the enforcement of essential repairs. These costs can be met in the current year from budget reductions across the department, including non-filling of vacancies and reductions to training and overtime budgets.

5.9 However, given the financial challenges ahead, the Council is unable to fund the service on an ongoing basis without adversely affecting service provision and the delivery of budget savings. If Committee decides to approve the blueprint for the new service, then funding of £2.16 million will need to be identified and approved as part of the 2015/16 budget process.

Risk, policy, compliance and governance impact

6.1 There are significant inherent risks associated with the introduction of this new service. These risks are detailed in Appendix 1, page 4 and were previously reported to Council on 13 March 2014.

Equalities impact

7.1 A full equalities impact assessment for the introduction of the new service is underway and will be completed as part of the implementation plan should the new service be approved.

Sustainability impact

8.1 The introduction of this service will contribute to sustainability objectives by helping to conserve the built heritage and improving the fabric of the city.

Consultation and engagement

9.1 A series of focus groups were held over summer 2014 to gather the views of customers, potential customers and stakeholders about the principles of the new service. A summary of the resulting report is attached as Appendix 2. Consultation with homeowners and key stakeholders will continue throughout the implementation period.

Background reading/external references

Development of the Shared Repairs Service – Report to the City of Edinburgh Council 24 October 2013

Minute of the City of Edinburgh Council 24 October 2013

Former Property Conservation Service – establishment of a new service - Report to the City of Edinburgh Council 13 March 2014

Minute of the City of Edinburgh Council 13 March 2014

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Links

Coalition pledges	P40 – Work with Edinburgh World Heritage Trust and other stakeholders to conserve the city's built heritage P41 – Take firm action to resolve issues surrounding the Council's Property Services
Council outcomes	CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm

Single Outcome Agreement	SO4 – Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1 – New Service Design, Costed Business Plan & Implementation Plan Summary Appendix 2 – Focus Group Research Executive Summary

Appendix 1

Deloitte.

Shared Repairs Services New Service Blueprint

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Background to new service blueprint

City of Edinburgh Council ("the Council") Elected Members have requested a blueprint design for a new enforcement service dealing with shared repairs where owners have been unable to agree and progress the repair work themselves.

- On 24 October 2013 the Council made a decision to instruct a report detailing how an enforcement service could be developed and instructed that this be brought to Full Council early in 2014.
- This report was produced in March 2014, and led to a subsequent decision being made to design a detailed blueprint for the new service, along with a costed business plan and an implementation plan.
- Since the beginning of July 2014 Council officers have been working with Deloitte on the design of the new service, based on an agreed project plan and approach.
- The new service blueprint design has kept the key messages from the lessons learned reviews front of mind. The new service is different from the old in a number of important and tangible ways.
- Care is also being taken to mitigate and manage risk where possible, particularly in relation to the Council's financial risk. However, the work undertaken indicates that the service will not be cost neutral and will require ongoing subsidy.
- The re-introduction of an enforcement service is inherently risky due to the nature of the cases being dealt with. It is evident that the new service can only provide a short-term solution and a more strategic approach is required in the long term through Scottish Government.

Strategic Rationale

What are the drivers for the new service and options for how it operates?

- Edinburgh has a large number of tenements which account for 45% of the housing stock.
- Edinburgh's old and new towns are a designated UNESCO World Heritage site which the Council has a responsibility to protect for both heritage and economic reasons.
- Despite the issues facing the former Property Conservation Service there remains a clear demand for an enforcement service.
- Some of the Council's own housing stock are mixed tenure situations were the Council is not the sole owner and would benefit from the reintroduction of an enforcement service.

Option	What's Involved?
1 – Do Nothing (Emergency Service Only)	• Only carrying out emergency repairs to make safe a situation. • Issue – these repairs are short term in nature.
2 – Full Enforcement Service	• Similar to the previous Property Conservation Service, there are no limits to what the service would get involved with or value of projects. • Scope includes all required repairs for the building. • Issue – high reputational and financial risk to the Council.
3 – Essential Enforcement Service	• Only carrying out essential repairs where the Council has agreed that the defect is serious enough and once all other options have been exhausted. • Issue – the Council will have to manage expectation as to the reduced scope of the new service.
4 – Lobby Scottish Government	• Officers to lobby the Scottish Government for legislative change to enforce owners collective responsibility for shared repairs.

Inherent risk of new service

Essential enforcement has a number of inherent risks

Title	Risk	Mitigation	Impact	Likelihood
Reputational Risk	The Council repeats the same mistakes made under the legacy service, causing further reputational damage.	The new service has been designed around improved controls and robust processes to avoid any of the legacy issues. Lessons learned will be considered throughout implementation.		
Nature of Business Risk	The enforcement service is by nature already a dispute situation with potential customer dissatisfaction.	The new service will only move to enforcement if all intervention options have been exhausted. In addition, the new service is built upon open and transparent communications with customers, including a greater clarity up-front on defects that are 'essential'.		
Construction Industry Risk	The new service will always be exposed to the risk of challenge as construction is a litigious business by nature.	The new service has a number of checkpoints identified where a review panel must consider and approve the progression of cases, especially the decision to enforce and when.		
Financial Risk	The new service will have to be subsidised and the potential deficit could be worse due to the inherent risks presented on this page.	The service has been designed to control overheads where possible and that income is appropriate to the overhead for chargeable services. Mitigation of the other inherent risks is presented in this table.		
Bad Debt Risk	Some customers will not be in a position to make payments resulting in a high level of bad debt.	The new service has been designed to ensure that as much money is received from customers as possible. This includes incentive for early payment and financial plans.		
Scope Risk	An accurate assessment of final cost is difficult for tenement buildings, resulting in increased costs and customer challenge.	A robust change control procedure will be enforced to notify owners of any changes during works. Case Managers and Project Managers will have clear guidance to address the presenting defect only.		
IT Risk	The improvements outlined in the design cannot be fully affected due to issues with IT systems.	An improved target IT architecture has been identified and implementation activities planned to review how existing systems can provide an interim solution.		
Capability Risk	The improvements outlined in the design cannot be affected due to a lack of capability within the service.	The required mix of capabilities has been identified and a full service review and external recruitment (if required) is planned.		

New Service - Design

Approach to developing the new service blueprint

The new service is being designed using a three stage approach (see left-hand diagram below) covering nine components of the blueprint (see right-hand diagram below)

1 Diagnostic & Option Identification

"What are we doing"

- Strategy & Objectives
- Establish Design Principles
- Baseline analysis

2 Blueprint Design Development

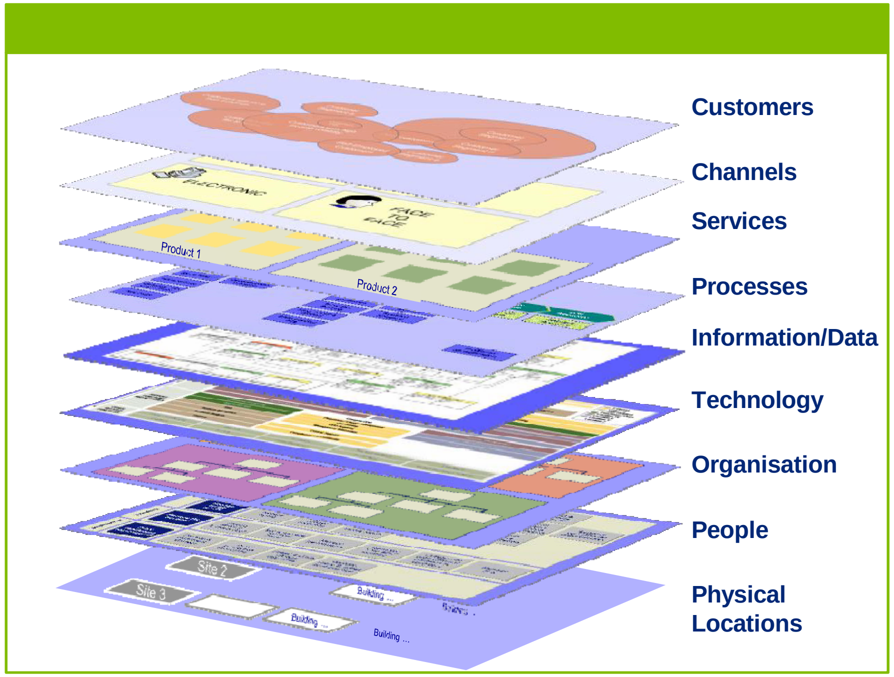
"How will we do it"

- Blueprint Design
- Identify Implementation Requirements

3 Validation & Planning

"When will we do it and why"

- Finalise Blueprint Design
- Costed Business Plan
- Implementation Plan



Objectives & functions of the new service

The fundamentals of the new service, including strategic considerations and guiding design principles, were developed before commencing the design activity

Objectives – *Why does the service exist?*

- To maintain the fabric of the city, the conservation of the built heritage and protection of public health & safety
- To support, encourage and enable owners to proactively take responsibility for planning and organising repairs and maintenance
- To intervene when owners have exhausted all other reasonable means of agreeing and undertaking a repair
- To effectively manage the Council's financial and reputational risk as it carries out its statutory duties and powers

Functions – *What does the service do, in terms of technically led solutions, to deliver these objectives?*

1. Provides guidance, information, advice and signposting
2. Responds to and resolves emergency repairs
3. Provides non-statutory intervention services to enable owners to take responsibility for repairs
4. Uses legislation to enforce repair work where all other options have been exhausted

There are also support functions, both within the service and corporately across the Council, that enable functions 1 – 4 (e.g. billing, case review and resolution, legal, issuing statutory notices, debt recovery, customer complaints, information requests (including FOI)).

Design principles

The design principles provide a set of statements to help shape the design activity

Design Principles: ***The recommended model for future delivery of services will:***

1. Be based on standardised, robust and transparent processes and policies for all aspects of service delivery;

2. Deliver customer-focused and clearly articulated services with consistent and timely communications at their core;

3. Be underpinned by accurate, complete, timely and integrated management information from fit for purpose IT systems;

4. Support a culture change which encourages and supports owners to take responsibility for their own repairs

5. Have strong governance, clear performance targets, be open to scrutiny and embed quality and continuous improvement

6. Have robust and consistent processes for procurement and contract management of external service providers

7. Be based on a robust and objective set of planning assumptions to determine resourcing levels and financial projections, thereby managing and controlling the Council's financial and operational risk on an ongoing basis;

New service design – Services

The following core services will be provided (not including support services).

Emergencies

Attend and carry out make safe works in immediately dangerous or ‘emergency’ situations

- EM1 Arrange and manage emergency repair works from assessment to completion

Guidance and Advice

Guidance and advice will include sign-posting to the Trusted Trader scheme and advice regarding maintenance plans.

- GA1 Provide guidance & advice to owners on all matters relating to shared repairs
- GA2 Provide guidance to conveyancing solicitors on outstanding notices

Intervention

Services for owners who cannot reach consensus on repairs, undertaken prior to and short of issuing a statutory notice. In addition to missing shares treatment, the Council will also investigate offering a voluntary inhibition payment option

- INT1 Diagnose essential works and undertake council led communications
- INT2 Facilitation services
- INT3 Missing shares treatment
- INT4 Surveys requested by owners to provide additional detail on repair(s) required

Enforcement

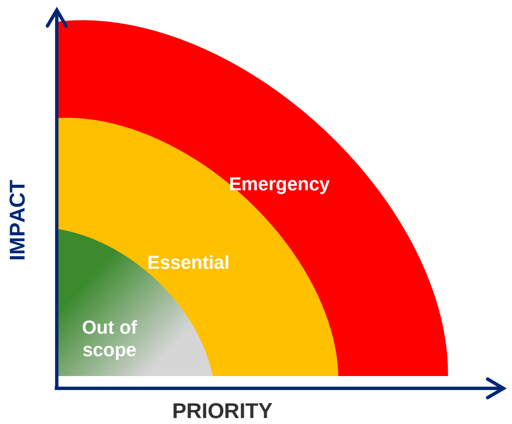
If all guidance, advice & intervention services have been exhausted and owners are still unable to agree, the Council will issue a statutory notice & enforce repair work. If owners pay within 28 days of invoicing, a reduced admin fee will be offered.

- ENF1 Scope the works required for essential repairs
- ENF2 Arrange and manage repair works from procurement to completion

Scope of work – Define essential works

The new service will take on emergency and essential works but not all reported defects

Defect Risk Analysis Matrix – High Level



Definition of essential works	An essential repair is required for any defect that is judged likely to become an emergency in the short term. This excludes: • Aesthetic improvements • Routine maintenance considerations e.g. door entry systems
Primary factors to consider (Diagnosis)	• Priority – e.g. Rate of deterioration of the defect • Impact – e.g. Severity of associated risk and implications for customers
Secondary factors to consider (Prioritisation)	• Vulnerability of tenants • Remedy attempts by customer • Current service capacity / service volumes

Key principles to diagnose defects that require an 'essential' repair

- There are two channels through which defects requiring an 'essential' repair will be raised
  1. emergency works that have been made safe but it remains essential to repair the defect; and
  2. defects reported by customers that are not judged to require an emergency repair but constitute more than a standard maintenance issue.

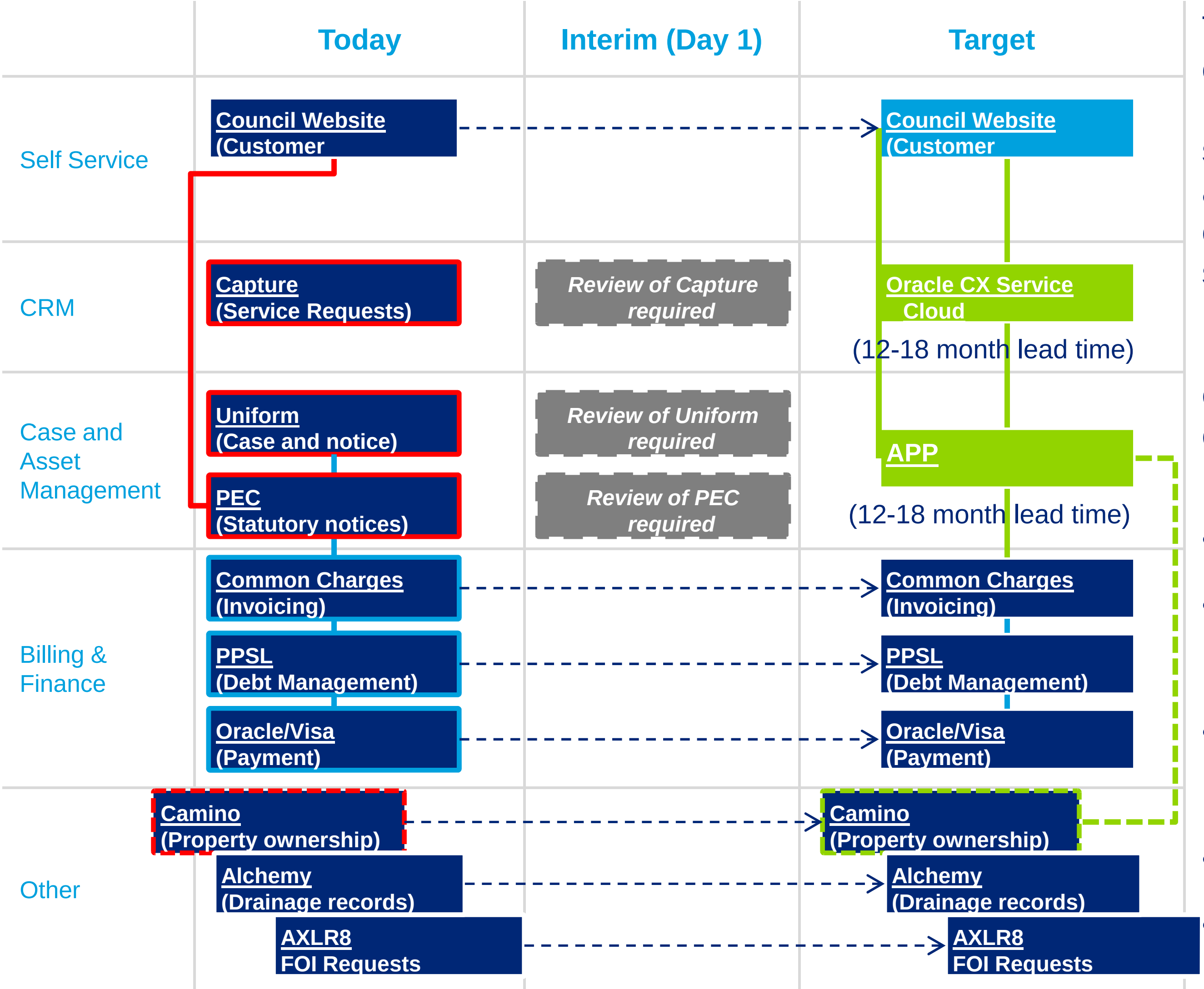
- A 3-phase approach will be adopted:
  1. initial diagnosis at customer contact that identifies whether the defect requires 'essential' repair from CEC's perspective;
  2. a subsequent inspection that gathers information in a pre-defined inspection report template; and
  3. assessment of the report, final diagnosis and prioritisation at a regular CEC case management panel.

- Customer services staff will use pre-defined scripts to assess possible essential works at customer contact, in a similar manner to the scripts currently used by SRS. (See slide 15 for examples that may be used within scripts)

- Surveyors will consider the criteria above when identifying essential works and will use industry good practice to assess the severity of risk and rate of deterioration. An overview of the defect risk analysis matrix is provided above and slide 14 provides a more detailed view of how surveyors will use this matrix in practice.

New service design – Technology

The new service will require changes to the existing systems within SRS and Legacy



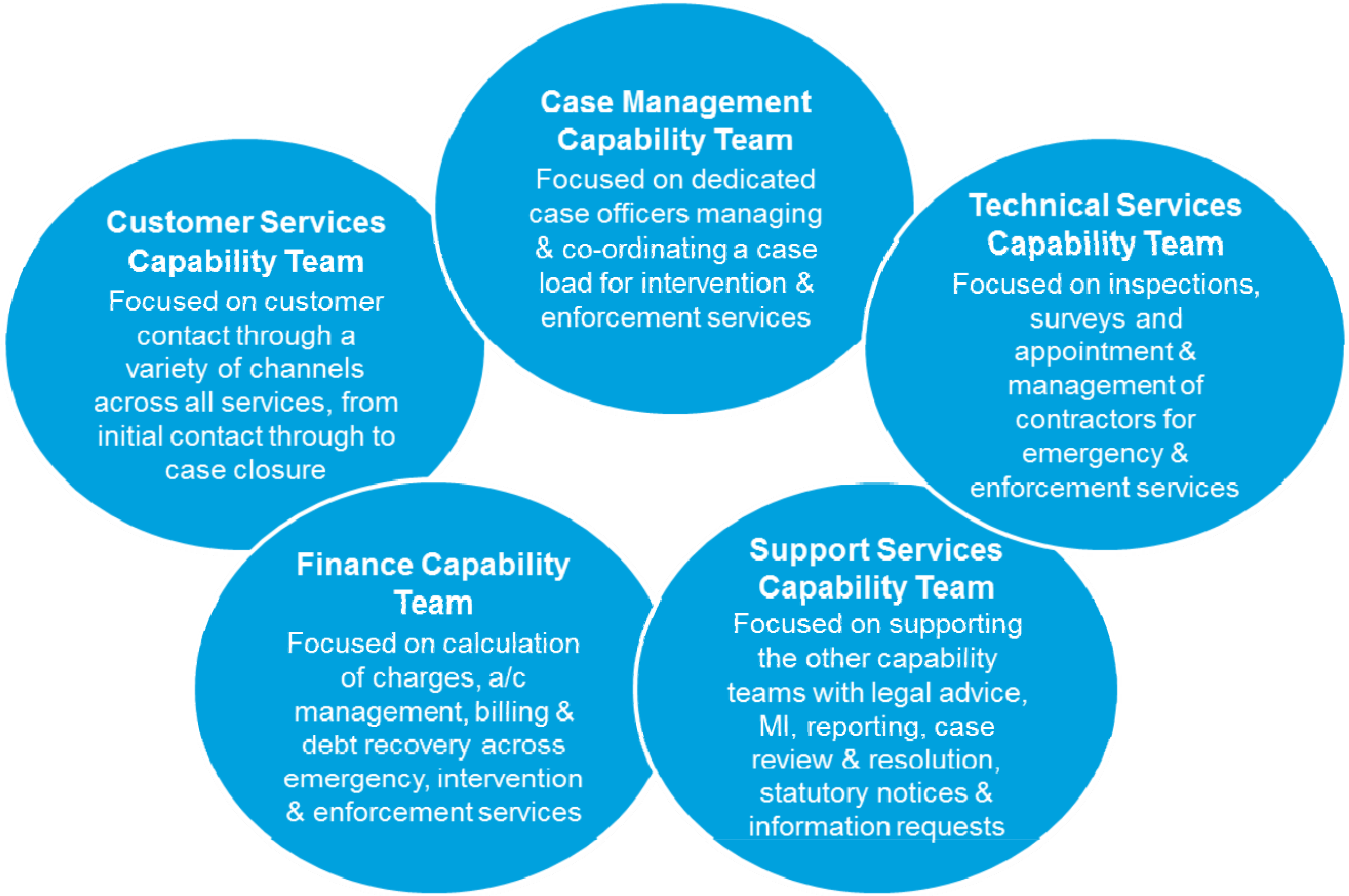
The new service blueprint sets out the technology requirements for the new service across the following areas, makes an assessment of the capabilities of existing systems to meet those requirements and makes recommendations regarding enhancements and system changes:

- Customer self-service
- Customer relationship management
- Case and asset management
- Billing and finance
- Other (e.g. drainage records, FOI requests)

Organisation

The design workshops analysed a number of operational models & concluded that capability based teams would best facilitate integrated working across the functions within scope of the new service

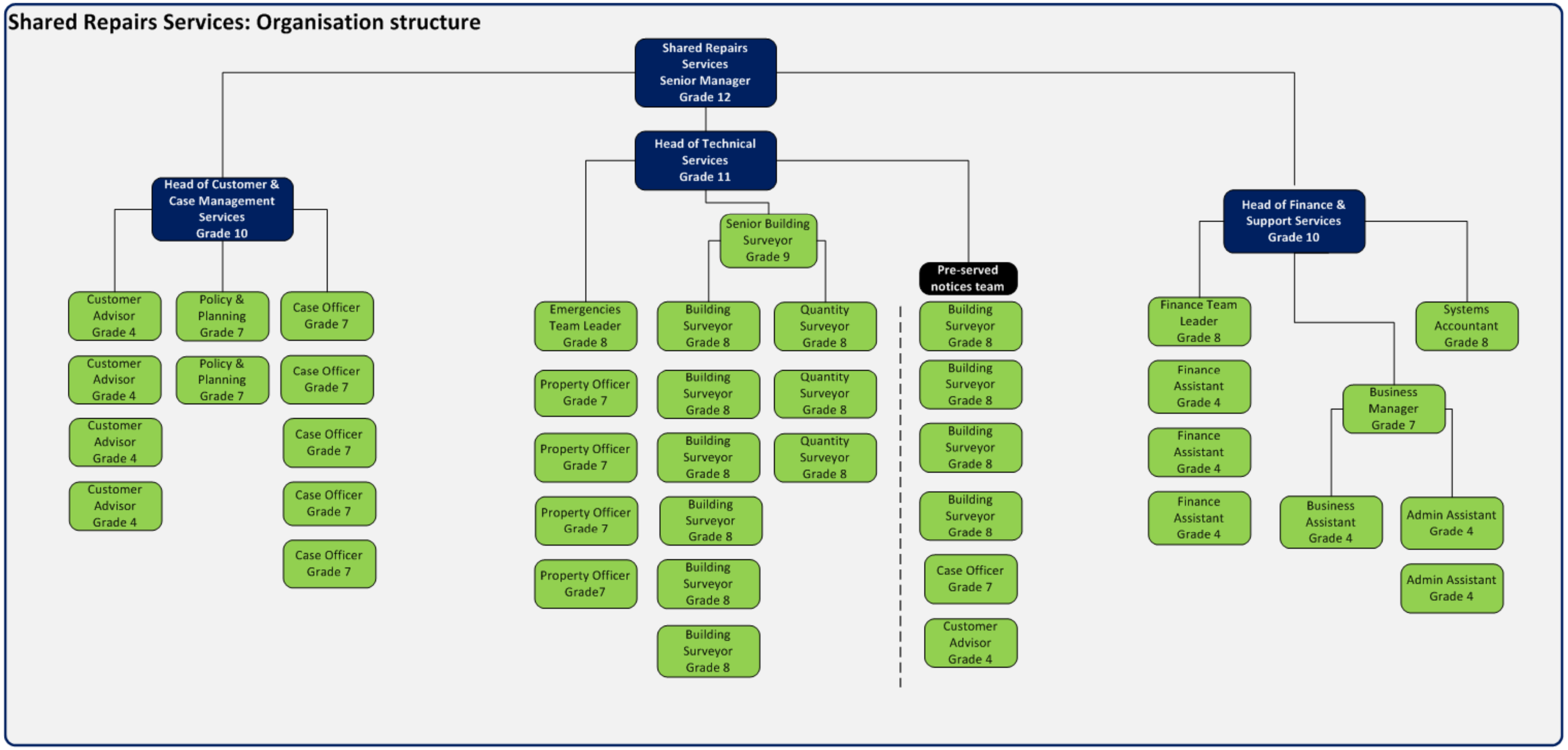
Management structure



New service design – Organisation

The new service will require a staffing complement of 39 FTE

A structure has been developed for the new service which is organised around a Customer & Case Management Services team, a Technical team and a Finance & Support Services team. The staffing complement is 39 full time equivalents plus 6 FTEs to deal with pre-served notices. The salary cost of the new structure is £1.44m per annum.



Delivery Model – Evaluation overview

The blueprint document includes a detailed rationale and analysis of why each option scored as it did against each evaluation criteria – a summary of this is provided below:

Delivery Model Option	Weighted score (out of 5)	Evaluation scoring summary
In-house	3.3	• Low set-up costs, operational costs and set-up timescales - no requirement for provider procurement or contract management. • Good ability to manage risk by retaining direct control of the service, including transparency and control of costs. • Challenge – existing IT may hinder service delivery and access to management information • Challenge – ability to recruit and retain staff with the right skills and experience
Co-source	3.0	• Set-up costs and timescales would be high due to the need to recruit, mobilise & contract manage a co-source partner, including development of processes to ensure integration. • Risk could be slightly harder to manage in those areas delivered by a co-source partner. • No differential impact on IT systems, customer services or appetite of contractors to engage. • Positive impact on availability of skills
Special Purpose Vehicle	2.7	• Set-up costs, operational costs and set-up timescales would be high due to the need to establish a new entity and then oversee the running of the SPV. • Potential improved access to skills and ability to implement required IT in a shorter timescale. • Risk could be slightly harder to manage due to having less direct control and transparency. • No major differential impact on customer services or appetite of contractors to engage.
In-house with external Project Management	2.6	• Set-up costs, operational costs and set-up timescales would be high due to the need to recruit , mobilise & contract manage external project managers, including making revisions to processes to ensure clear 'hand-offs' and integration points. • Risk and customer service could be affected by a more fragmented delivery model with multiple agencies. • No differential impact on IT systems or appetite of contractors to engage and some positive impact on availability of skills
Outsource	2.4	• Set-up costs, operational costs and set-up timescales exceed all except the SPV. This is due to the need to appoint, mobilise and contract manage an outsource service provider. • Risk and customer service could be affected by a more fragmented delivery model. • There is likely to be a positive impact on availability of skills, and little differential impact on IT systems or appetite of contractors to engage

New Service - Costed Business Plan

Summary Financial Position – Net Expenditure

The overall financial position for the period to 31 March 2020 is net expenditure of £6.30m.

(£m)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Total Project Costs	-	1.98	7.86	8.25	8.65	9.07	35.81
Irrecoverable project costs	-	(0.09)	(0.38)	(0.40)	(0.42)	(0.44)	(1.73)
Income							
Recoverable project costs	-	1.89	7.48	7.85	8.23	8.63	34.08
Administration fees	-	0.42	1.73	1.80	1.89	1.99	7.83
Missing shares	-	0.03	0.05	0.05	0.05	0.05	0.23
Advisory services revenue	-	0.04	0.06	0.06	0.06	0.06	0.28
Total Income	**-**	**2.38**	**9.32**	**9.76**	**10.23**	**10.73**	**42.42**
Expenditure							
Payments to contractors	-	1.98	7.86	8.25	8.65	9.07	35.81
Technical/PM consultants	-	0.03	0.11	0.12	0.13	0.13	0.52
Missing Shares	-	0.03	0.05	0.05	0.05	0.05	0.23
Overheads – Recoverable	0.15	1.28	1.59	1.52	1.54	1.57	7.65
Overheads – Unrecoverable	0.35	1.06	0.79	0.76	0.77	0.78	4.51
Total Expenditure	**0.50**	**4.38**	**10.40**	**10.70**	**11.14**	**11.60**	**48.72**
Net Income / (Expenditure)	**(0.50)**	**(2.00)**	**(1.08)**	**(0.94)**	**(0.91)**	**(0.87)**	**(6.30)**

A key consideration is whether the administration fee for emergency and enforced repairs is appropriate in relation to the overhead to undertake these repairs.

The table illustrates that £7.83m of income will be generated through administration fees for emergency and enforced repairs. This assumes an administration fee of 26%, discounted to 21% for early payment.

The overhead judged to be attributed to undertaking these repairs will largely be recovered and therefore the proposed administration fee is appropriate.

Summary Financial Position – Net Expenditure

Taking into account adjustments for bad debt and interest the net expenditure is £8.41m.

(£m)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Net Income / (Expenditure)	**(0.50)**	**(2.00)**	**(1.08)**	**(0.94)**	**(0.91)**	**(0.87)**	**(6.30)**

The table above presents the net expenditure for the new service.

However, when accounting for adjustments to reflect amounts to be written off for non payment and any interest receivable or payable from the operation of the Service, the revised Net Expenditure for the period to 31 March 2020 is £8.41m. This is illustrated below.

(£m)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Less: Amounts to be written off	-	0.15	0.32	0.59	0.61	0.63	2.30
Add: Net interest receivable	-	(0.01)	(0.01)	0.03	0.07	0.11	0.19
Revised Net Income / (Expenditure)	**(0.50)**	**(2.16)**	**(1.41)**	**(1.50)**	**(1.45)**	**(1.39)**	**(8.41)**

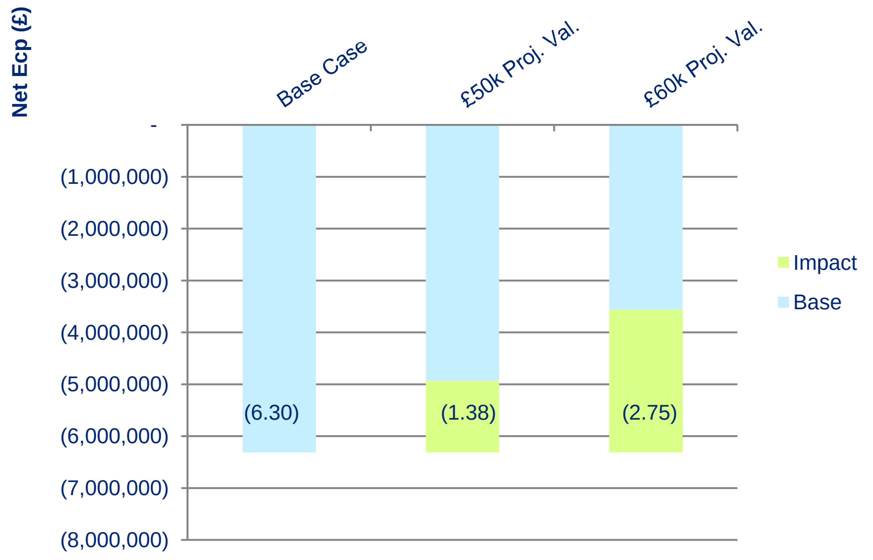
Summary Financial Position – Cash Flow

The net cash out flow for the period to March 2020 is £16.78m. The key driver for the increase in the cash out flow beyond the anticipated deficit is that approx. 12% of debt is assumed to go onto a payment plan or inhibition to be repaid over 4 to 20 years.

(£m)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Cash Inflows							
Payments from debtors							
Invoiced projects	-	0.07	5.64	7.83	8.21	8.61	**30.36**
Payment plans	-	-	0.05	0.17	0.29	0.43	**0.94**
Compulsory inhibitions	-	-	0.01	0.03	0.05	0.07	**0.16**
Voluntary inhibitions	-	-	-	0.02	0.03	0.04	**0.09**
Advisory services	-	0.04	0.06	0.06	0.06	0.06	**0.28**
Sub-total	**-**	**0.11**	**5.76**	**8.11**	**8.64**	**9.21**	**31.83**
Payment plans interest	-	.	0.01	0.03	0.05	0.06	**0.15**
Total Inflows	**-**	**0.11**	**5.77**	**8.14**	**8.69**	**9.27**	**31.98**
Cash Outflows							
Payments to contractors	-	1.94	7.72	8.24	8.64	9.06	**35.60**
Payments to consultants	-	0.03	0.11	0.12	0.13	0.13	**0.52**
Missing Share payments	-	0.03	0.05	0.05	0.05	0.05	**0.23**
Payments to staff	-	0.98	1.88	1.90	1.92	1.94	**8.62**
Payments for set up	0.50	0.92	0.08	-	-	-	**1.50**
Other overheads	-	0.44	0.43	0.38	0.39	0.41	**2.05**
Sub-total	**0.50**	**4.34**	**10.27**	**10.69**	**11.13**	**11.59**	**48.52**
Interest Payable	.	0.01	0.04	0.05	0.06	0.08	**0.24**
Total Outflows	**0.50**	**4.35**	**10.31**	**10.74**	**11.19**	**11.67**	**48.76**
Net Cash Flow	**(0.50)**	**(4.24)**	**(4.54)**	**(2.60)**	**(2.50)**	**(2.40)**	**(16.78)**

Sensitivity Analysis on Project Value and Volume

The diagrams below present the base case position from the assumptions documented earlier along with the variance in net expenditure to 31 March 2020 when key sensitivities are tested.

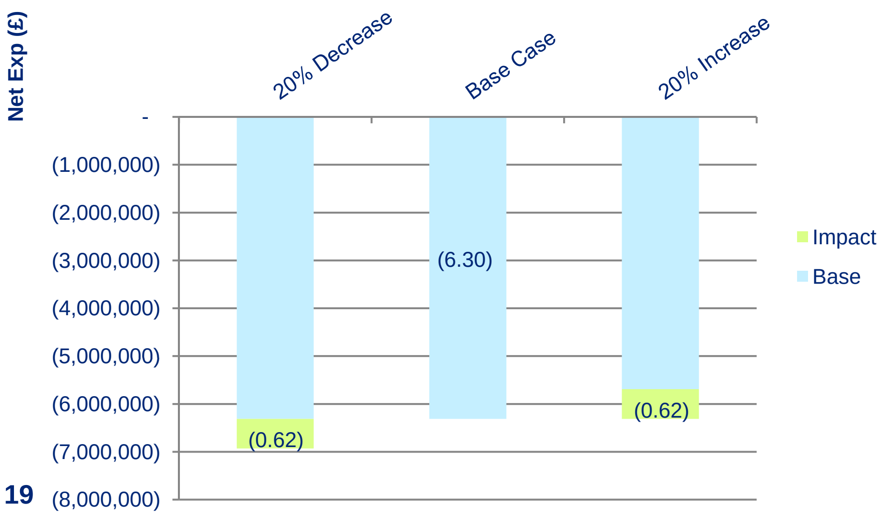


1. Increases to Project Value

Increasing the estimated value of the Essential projects from £40k to £50k leads to a reduction in the Net Expenditure for the period to 31 March 2020 of £1.38m.

When the project value is increased to £60k (50% increase), Net Expenditure Reduces by £2.75m.

An increase of 25% in project value is therefore seen to give rise to a 21.9% decrease in net expenditure, highlighting project value as a key sensitivity within the costed business plan.



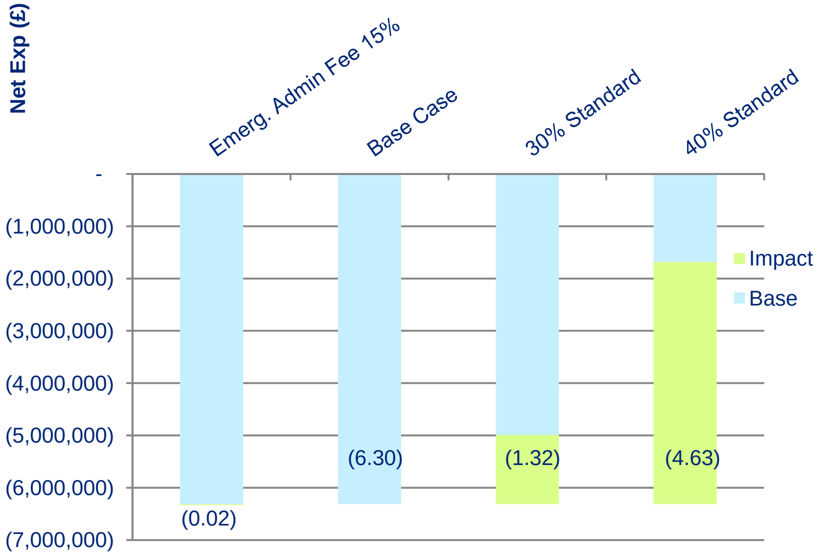
2. Varying Project Volumes

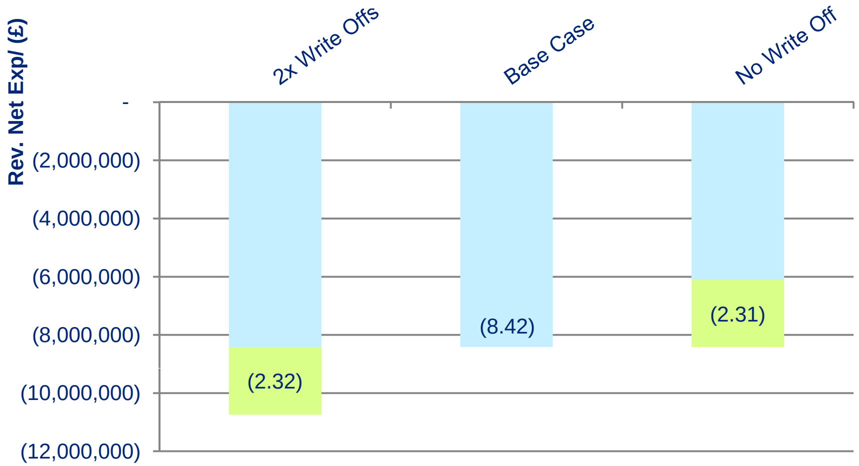
Decreasing the number of Essential projects by 20%, from 175 per year to 140, increases the net expenditure of the service by £0.62m (9.8%).

This highlights that at a estimated project cost of £40k, the overall financial position is moderately sensitive to project volumes.

Sensitivity Analysis on Admin Fee and Write Offs

The diagrams below present the base case position from the assumptions documented earlier along with the variance in net expenditure to 31 March 2020 when key sensitivities are tested.





3. Administration Fee Levels

Three different scenarios are presented.

1. An Emergency admin fee of 15%, which increases net expenditure by £20k.
2. A standard admin fee on Essential works for 30%, reducing to 25% for prompt payment. This reduces net expenditure by £1.32m.
3. A standard admin fee of 40% reducing to 35% for prompt payment. This reduces the net expenditure by £4.63m.

4. Write Off Adjustments

This chart represents the net expenditure for the service, including the adjustments for write offs and interest.

If write offs were to be 10% rather than 5% then the revised net expenditure would increase by £2.32m. There would be a corresponding reduction in the revised net expenditure should no write offs required.

New service - Costed Business Plan underpinning assumptions

Income Assumptions

Income	Total (£m)	Assumptions
Emergency Project Income	1.03	873 emergency projects will be undertaken per year with a total value of works of approximately £240,000. 61% of projects are charged using the Minimum Charge, 39% are charged with an admin fee.
Essential Project Income	33.05	175 essential projects will be undertaken per year and the average cost will be £40,000 per project.
Sub-total - Recoverable project costs	**34.08**	
Missing Shares Income	0.23	One missing share case is undertaken each month with an estimated value of £4,000.
Emergency Project Admin Fees	0.07	Prompt payment fee of 21% applied to reflect evidence of early payment in current service. Historic debtor trends for SRS charges showed that 70% of bills are paid within one month, with the balance being written off as uneconomical to pursue.
Essential Project Admin Fees	7.76	Admin fee of 26% will be applied to project costs with a prompt payment discount of 5% reduction to be applied where payment is received within 1 month.
Sub-total – Administration fees	**7.83**	
Facilitation	0.01	SRS currently charge £45 per session. It has been assumed that there will be one session per week and the charge will remain consistent with the current charge.
Surveys	0.25	Assumed charge of £1,500 per survey which includes allowance for required equipment. Assumed that there will be 3 surveys undertaken per month.
Emergency Inspections	0.02	These are currently charged at £108 for weekday call out, and £150 for a weekend call out with activity split equally between the two. It is assumed that activity will continue in line with current trend of 4 call-outs per month.
Sub-total – Advisory Service fees	**0.28**	
Total Income	**42.42**	

Expenditure Assumptions

Expenditure	Total (£m)	Assumptions
Emergency Project Costs	1.03	
Essential Project Costs	34.78	5% of project costs will be not be recoverable from property owners. This amounts to £2.2m over the period to March 2020.
Payments to consultants	0.52	15% of Essential projects will be managed by external consultants. Consultant fees will be 10% of project value.
Missing Shares	0.23	One missing share case is undertaken each month with an estimated value of £4,000.
Staffing		
Technical Surveyors / PMs	2.18	It is assumed that 85% of Essential Service projects will be managed by an internal project manager / surveyor. Internal project managers / surveyors will manage 7 projects simultaneously, i.e. 14 per annum.
Billing Staff	0.03	Additional Billing staff will be required to support the increased number of bills issued by the Service. Assumed that 1 FTE can process 1,000 bills per month.
Service Staff	2.36	Staff roles include the service lead, customer advisors and case management staff. Assumed that case officers can handles 10 cases per month.
Property Officers and Team Leaders	1.28	Roles include Emergency Projects Property Officers, and Team Leader and Essential Repairs Head Surveyor.
Support Services	1.66	Includes roles for Finance and Support Lead, Finance Assistants, Business Manager and Assistant and General Admin Assistants.
Historic Pre-Served Notice Staff	1.10	Provision of a customer advisor, case officer and building surveyors to complete outstanding work on the 3,000 Pre-Served Notices.
Sub-total – Staffing Costs	**8.62**	
Accommodation	0.96	Recurring accommodation charges have been included at £4,000 per work station, per employee per annum.

Expenditure Assumptions (continued)

Expenditure	Total (£m)	Assumptions
Existing ICT Licences	0.94	Recurring IT costs of £439,000 per annum are included for the initial period of service delivery. There is a reduction of £315,000 to £124,000 per annum once IT development APP and Oracle Rightnow allows for the decommissioning of the PEC software.
ICT Set Up Costs	0.73	Three distinct areas of development effort over 18 months on CRM, Case Management and Ownership Checks applications. £150k is included for implementation team resource to support this activity.
Additional ICT Licences	0.05	Additional licences required for APP and Oracle Rightnow.
Sub-total – ICT Costs	**1.73**	
Sundries	0.15	£25,000 per annum has been included for Sundry expenditure.
Internal Set Up Team	0.21	An internal implementation team of 7.5 FTE will be in place for 7-8 months to establish the service.
External Support	0.50	A budget of £500,000 is included for external support over an initial 6 month period.
Sub-total – Set up costs	**0.71**	
Total Expenditure	**48.72**	

Financial Adjustments – Assumptions

The main financial adjustments are in respect of anticipated write off of bad debts and interest charges. Interest is chargeable on the payment plan and inhibition payment mechanisms, whilst there will be an internal interest charge on revenue balances.

Financial element	Total (£m)	Assumptions
Debtor Adjustments		
Emergency Write Offs / Bad Debt Adjustments	0.35	30% of Emergency bills are currently written off as they are below the collection threshold.
Essential Write Offs / Bad Debt Adjustments	1.95	Assumed write off of 5% for Essential project bills.
Total Debtor Adjustments	**2.30**	
Payment Plan Interest Receivable	0.17	Proposed penal interest rate of 6%. Assumed that 5% of owners will go onto a payment plan.
Inhibitions Interest Receivable	0.17	Proposed penal interest rate of 6%. Assumed that 3.75% of owners will go onto an enforced inhibition.
Voluntary Interest Receivable	0.10	Proposed penal interest rate of 6%. Assumed that 2.5% of owners will go onto a voluntary inhibition.
Total Interest Receivable	**0.44**	
Bank Interest Payable	0.25	Assumed charge at 0.5% in line with the internal interest on revenue balances charge.
Net Interest Receivable *	**0.19**	

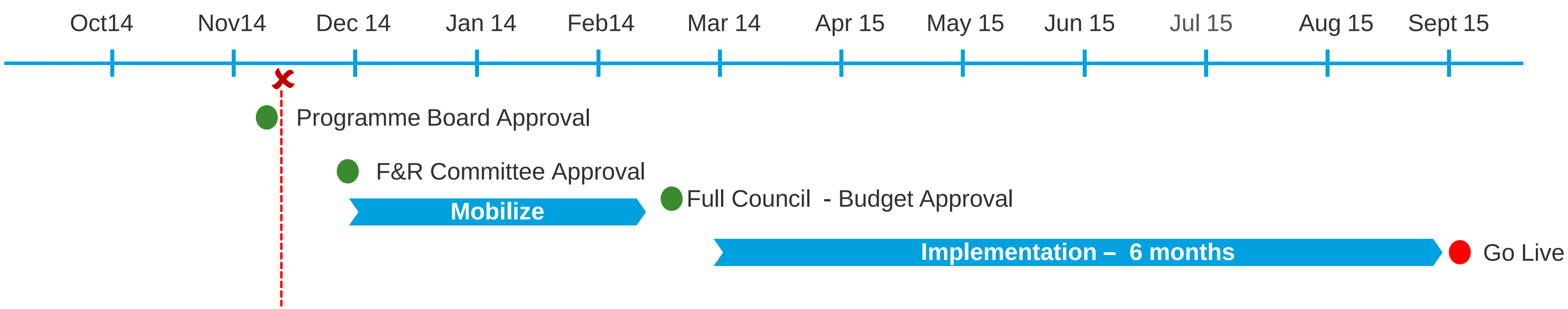
* It is anticipated that interest receivable will not be retained by the service, rather this will be held centrally.

New Service - Implementation Plan

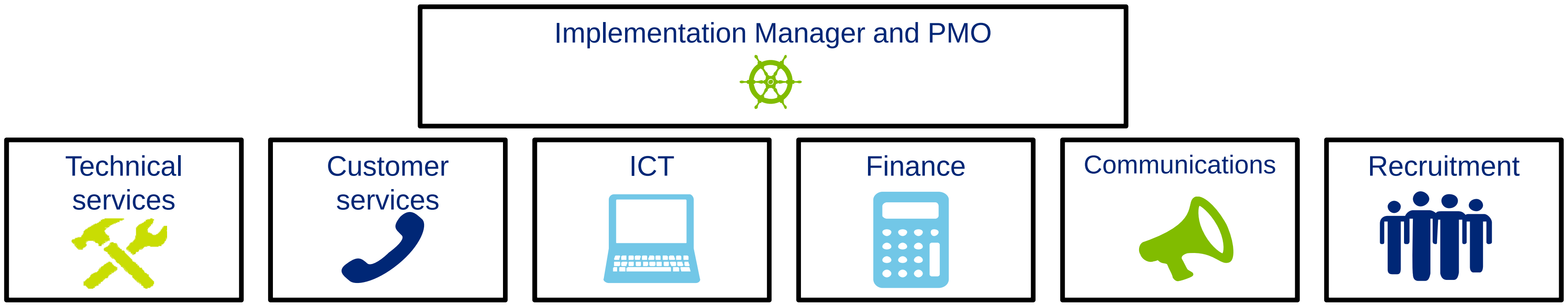
Implementation

An implementation plan has been produced alongside the new service blueprint and costed business plan to set out the proposed activities and timescales associated with implementing the new service, based on a launch date of 1st September 2015.

Implementation Timeline



Implementation Team Workstreams



A core implementation project team of 7.5 FTE is required, supplemented by internal CEC IT resource and a budget of £500k for external support where internal capacity/capability cannot be secured.

Implementation

The Implementation Plan also sets out the key risks associated with implementation:

Title	Risk	Mitigation	Impact	Likelihood
IT Risk	New service is required to use existing ICT systems in the short term	A review of short term improvements to existing systems will be undertaken, indicating any interim arrangements that can be put in place for day one of the new service. Including any improvements made during the Legacy project.		
Recruitment Risk	New service does not have all key posts filled prior to service launch	An internal service review and external recruitment will be undertaken to ensure the new service has the capacity and capability required to deliver the required level of service. Early engagement with HR has commenced.		
Procurement Risk	The required contractor frameworks are not in place by the service launch date	A full assessment of all existing or potential frameworks will be undertaken as a priority. The proposed start date of 1st September 2015 leaves 6 months to put any new framework in place after the Full Council Budget decision.		
Staffing Capacity Risk	The project team does not have sufficient capability or capacity to undertake the required implementation activities. Some staff will have split responsibilities between new service implementation and the legacy programme	A proposed budget to secure external implementation support for key roles is included within the costed business plan.		
Timescale Risk	Member expectations of the service launch date are not realistic, resulting in a shortened implementation plan	An implementation plan has been developed to enable the new service to go-live on 1st September 2015. Some initial implementation activities can be commenced at risk prior to the Full Council Budget Meeting in February 2015.		

Appendix 2

New Enforcement Service Focus Group Research

Report

THE CITY OF EDINBURGH COUNCIL

October 8, 2014

Authored by: Alan Kennedy, Knowledge Partnership

Executive Summary

Introduction, Methods and Resources

This draft report provides the results of research looking at owner, customer and stakeholder perspectives on the City of Edinburgh Council's proposed New Enforcement Service for common repairs. This research was carried out by Knowledge Partnership on behalf of the City of Edinburgh Council (the Council) and took place during September 2014.

The research draws on qualitative feedback gathered by means of eight focus groups to which a total of 64 owners, customers and stakeholders contributed.

Key Points

There is consensus amongst focus group participants that an enforcement of common repairs is required given the continuing challenges of non-engagement in the process of repair by owners and landlords for a wide range of reasons.

The advice and guidance, and the intervention elements of the proposed new service are seen as likely to be of assistance to owners and existing customers (intervention only). However landlords do not feel they would require these types of service, and some stakeholders have questioned whether the in-house skills needed to deliver the intervention element are present within the Council.

In relation to the advice, guidance and intervention components of the service, some stakeholders feel that elements of this offer can already be provided by the private sector, and in this regard, these stakeholders would ask, 'what is unique about the Council's offer', and 'is there evidence of a real market failure being addressed here by the actions of the Council'?

Some stakeholders and landlords consider that the underlying problems in relation to delivering common repairs and the clear evidence of market failure lies in the difficulty of easily accessing owner details, and in shortfalls in funding common repair projects. At the present time, the Shared Repairs service can offer sign-posting to landlord details, but this can be a complex process to administer for an individual and for this reason, an enhanced landlord identification service provided by the Council would greatly assist owners. The second major barrier identified for the process is funding, particularly the gap created by an owner's incapacity or unwillingness to commit finances to common repairs, and this is an area where the Council could usefully step in to fund or underwrite such shortfalls (as some commercial firms may do on a limited, ad-hoc basis at present)

It is clear from the focus group discussions that all participants remain cautious when matters of Council trust and transparency are explored, and these are attributes that will take time to restore. In the context of the enforcement stage of the service, there is a need to ensure that confidence is built into the design of the service so that customers feel confident in using this approach.

In discussing the proposed new service objectives, participants were satisfied that these were clear and reasonable. Some possible tweaks or additional objectives were discussed and it will be for the Council to determine the relevance of these suggestions in the context of developing the service, e.g. it was suggested that an additional service objective should be developed around promoting the idea of property maintenance.

The view that owners should be taking responsibility for repairs was accepted by participants, although it was also recognised that in practice, this outcome might be difficult to achieve and that in these cases, the balance of responsibility could shift back toward the Council. It was noted (by stakeholders) that more research may be required to establish where the current boundaries between owner and Council responsibility lie in the area of common repairs, and that this information will be necessary should the Council be prepared to underwrite funding shortfalls.

There is a suggestion that the Council should work more with other partners to tackle the issue of common repairs. One example would be addressing non-registration by landlords (which is contributing to the problem of owner identification) by vigorously pursuing those who are reported as not having registered.

The group discussion of the advice and guidance component of the service identified that there were few if any gaps in the content of information on offer, or the means by which this could be accessed. Some possible additions to this part of the service might be late opening for telephone enquiries, templates for managing projects and creating a contractor agreement, as well as the re-production of the RIAS Tenement Handbook to allow owners to attempt simple repairs.

The review of the service's proposed Trusted Trader scheme was met with a mixed response, which was partly driven by the legacy of mistrust created by the previous service failings. Whilst owners said they would use this service, they would be unlikely to do so exclusively, i.e. owners would also use word of mouth or the emerging online trade directories to locate a tradesman. Stakeholders felt that the Council should be aware in developing the Trusted Trader scheme of the many pitfalls associated with these types of service such as the resources required to administer, the changing nature of suppliers and their associated data, the risks of (in any way) underwriting the service given by trusted traders, and the issue of duplication between companies who are listed on several concurrent lists and databases.

The intervention element of the service was viewed as being likely to be of greater assistance than advice and guidance especially by current customers of the Shared Repairs service who felt their cases had moved beyond the capacity of the present service. Owners and customers considered that intervention by the Council would provide authority behind the requirement for a repair, effectively rubber stamping and giving official support to the issue. There was some concern expressed over the matter of charging for an intervention such as facilitation, particularly, as most owners saw facilitation as the beginning of an engagement process and not as a one off meeting (and hence charges would mount up). Aside from the technical support provided through the facilitation part of intervention, it was felt there may be scope to enhance this part of the service through the provision of mediation, third party financial advice etc. It was also recommended that the Council official brought into the intervention support should continue to be a key point of contact for owner queries throughout the effort to achieve a repair. A likely main barrier to intervention achieving an outcome was non-participating owners, and as such, focus group attendees asked whether this part of the service could include some direct Council engagement with such owners to discuss their reluctance to buy in and to assist with resolving this matter.

The discussion of the enforcement element of the service illustrated that this was seen by most participants as a return to the 'old' system of statutory repairs, and as such was welcomed, and seen as likely to be necessary in several cases of repair. However, participants also noted that the description of the enforcement service seemed to be based on a perverse incentive with its reference to loss of control and possible high management fees aimed at discouraging take up. A number of possible enhancements were proposed for the enforcement service including charging non-participating owners higher management fees, allowing owners to have a significant say in matters at the project commissioning stage, and providing for an independent expert or ombudsman to be appointed in the event of any disputes that arise between the Council and owners. Given the issues attached to the previous statutory repairs service, it is clearly critical that the new service operates in transparent and objective way, and these attributes would need to be 'written into' the detailed design of the service. Discussion of the enforcement stage also raised (again) the matter of whether short term funding from the Council to allow owner led projects to proceed within the commercial sector might be preferable to Council acting as a managing agent for property repairs.

Reflecting finally on maintenance plans, the promotion of this topic by the Council was seen as something that was important in achieving the objective of increasing owner responsibility for repairs. However, it was noted that the realisation of a common area maintenance plan was difficult in practice and might be challenging to 'sell' at the conclusion of an enforced repair, where owners may collectively argue that they have just paid for the lack of maintenance of previous occupiers.

Conclusions

On balance, those attending the focus groups broadly agreed with the requirement for some form of pressure to start to be applied to owners in order to achieve common repairs. The main debate in this area was whether the Council should enforce the whole part of this process, or whether they might achieve the same outcome in other ways such as funding monetary shortfalls on a time limited basis, or enforcing professional support onto owners.

Considering advice and guidance, this could be seen as beneficial to less knowledgeable owners, whilst intervention support is viewed as a better option in that it can seek to directly address fundamental problems such as owner disagreement, and (potentially) provide guidance on funding, offer mediation etc. There is some reservation however expressed on the part of landlords and stakeholders with the former saying that they would be unlikely to use these services, and (some) of the latter raising the question of whether Council provision of advice, guidance and facilitation is in fact addressing market failure, or whether indeed this offer represents a duplication of existing commercial services.