

# **DLO PATHWAY**

***'THE ROUTE TO SUCCESSFUL SOCIAL HOUSING  
PROPERTY SERVICES WORKFORCE MANAGEMENT'***

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***FACILITATING OPERATIONAL EXCELLENCE***

# PUBLIC OR PRIVATE SECTOR?

This presentation, which is based on industry best practice, is equally suited to both contractor or client, Local Authority or Social Housing Provider.

Whilst it was originally written for Council and ALMO DLOs, there is every bit as much to be gained by the Contractor or stand alone Social Housing Provider, especially in situations where a dysfunctional local authority DLO has been TUPED over as a result of outsourcing or stock transfer.

Maintenance contractors have suffered in the past, some at great cost, because they shied away from addressing the people management issues inherited from a local authority that was very glad to be rid of the problem.



**DIRECT DELIVERY  
SOCIAL HOUSING REPAIRS  
AND MAINTENANCE**

**BENEFICIAL ASSET OR COSTLY LIABILITY?**

## ***WHY DIRECT LABOUR?***

Traditionally, Social Housing DLOs have had a deservedly bad name for poor quality, contrived inefficiency, extreme cost, and as a source of a high level of mainly unnecessary complaints. Corruption and malpractice were also very prevalent at one time, and some of this still lingers today.

Largely uncontrollable beasts, they evolved over many years through weak and ineffectual management, repeated executive tinkering, and more than their fair share of self-serving political expediency, that lacked the will to tackle them effectively.


Rather than deal with the problem, and with the 'tail wagging the dog', it was often passed instead to ALMOs, independent Social Housing Groups, or outsourced to Private Contractors.

Over the years, several providers outsourced their DLOs, only to take them back in-house later because the experience hadn't produced the reduced costs and improved services they had hoped for.

Some formed ALMOs, then outsourced the DLO, before finally having to take it back in house.

Why? A fully functioning, properly aligned internal workforce can provide far greater flexibility in tackling fluctuating demand. It can respond faster when needed, and at minimal or no extra cost within an already paid for timeframe, and therefore costing very little extra than the price of materials.

There is also the generally overlooked benefit that comes from building a loyal and dedicated workforce with extensive local knowledge, that takes pride in delivering a bespoke service.



Many organisations find themselves in a situation where they are top heavy with ineffective managers and unproductive staff, strategically moving full steam ahead, yet ‘dragging their anchors’ operationally.

Too often the response is to move the goal posts’, adjust targets, massage KPIs, alter SORs and to generally pretend that things are getting better, when they’re not.

A general unpreparedness in dealing with difficult issues, especially as a result of TUPE obligations, and particularly a failure to make it clear at the start just what is required and equally what is likely to be required of the workforce, in a constantly changing world, always leads to a dysfunctional and unworkable scenario.


Outsourcing is not the answer, as has been proved so often.

Even in the worst scenarios, whether in the public or private sector, 85% of any trade operative workforce is of an acceptable standard, although a few of them will require improvement by training, mentoring, and ongoing monitoring.

In most cases the problem lies with a small rump of those technically incompetent for the task, encouraged by an even smaller but vociferous number of the lazy and the dishonest, keen to hide their lack of contribution and self serving agendas.

A properly structured, well organised, and fully facilitated DLO however, that is motivated, monitored and effectively managed should typically cost at least 10 - 15% less than any outsourced responsive maintenance contractor.

The introduction of modern 'SMART' technology management tools and suitable AI Software Programmes has made the problem even more manageable.

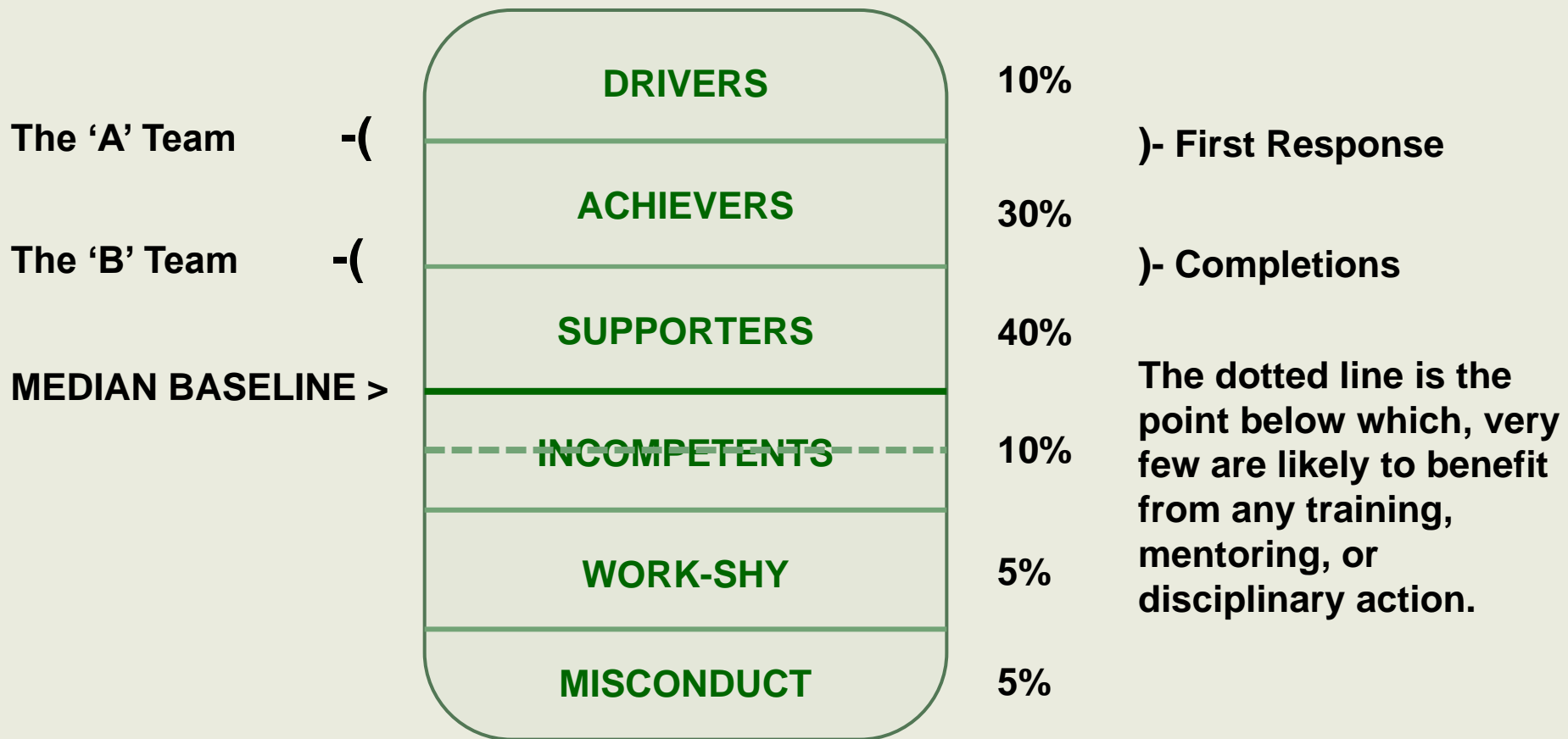


Sub-contractors will always be required of course, but need only be used to cover specialist works, larger projects, and unexpected upswings in demand.

Even in situations where the whole works package is outsourced to one or more main contractors, it can be advantageous to maintain a core micro team to deal with emergencies and potentially embarrassing complaints.

Normally engaged on internal facilities works and, in smaller providers, consisting of maybe only one or two multi-trade operatives, this team allows for a fast response that 'takes the heat out of the problem' - something that even good main contractors can struggle to achieve, especially if they are in turn sub-contracting, which is almost always the case.





# THE 80 / 20 RULE

The chart on the previous slide, although a generalisation, is a typical guide profile of a badly underperforming workforce. It very often applies across other parts of the organisation and not just to the operatives and their immediate supervision.

In well run businesses it is rare to find any employee that falls below the median 'baseline' and if there are, then they're not permitted to stay there for long.

Don't fool yourself that you can operate successfully any other way, because you can't. There are always far too many other important delivery issues requiring your attention.

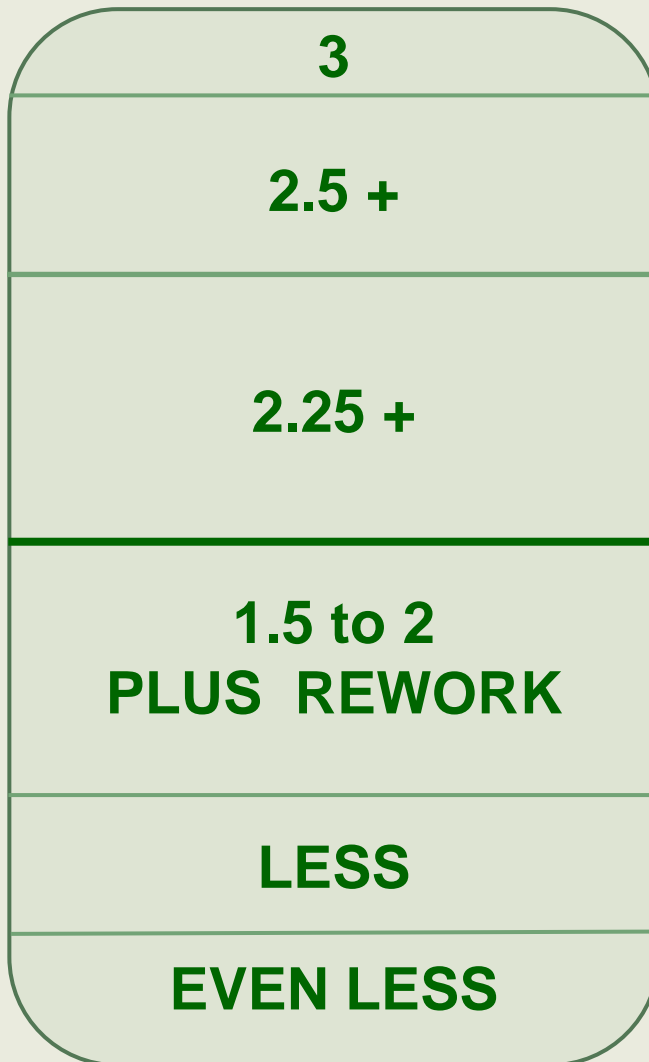
The alternative is for you and your managers to spend 80% of your time on 20% of the workforce, either micro-managing them, or 'mopping up' and offsetting their many failings.

# TWO DOORS PER DAY

When a contractor wins an order to replace a sizeable number of external doors over an agreed period, they have likely priced the carpentry work on a break even of completing two doors per day per operative including a primer undercoat.

To ensure a modest profit, given the sort of competitive mark-up demanded by today's market, it is essential therefore that no operative does as few as two per day and that any rework is kept to an absolute minimum.

A few of them will do as many as three most days, quite a number will do almost as well and, if there are none doing less than 2.25 with little or no rework, then the business is on course to make a reasonable return.



10%

30%

40%

BREAK  
EVEN (2)


10%

5%

5%

**TWO  
DOORS  
PER  
DAY**

**When priced at a competitive margin of 10%, the bottom 20% of the troops will eliminate all the profit or worse!**



'A' & 'B' Teams are the key to success in this situation, delivering acceptable to exceptional performance with almost no rework and only the minimum of supervision.

There is still no guarantee that the contract will be profitable, as problems with the quality of the materials could become an issue later perhaps. However good 'A' & 'B' Teams, mixed to suit the work and that are properly included and supported, will 'flag up' any possible quality difficulties at an early stage, preventing them from becoming a much bigger problem in the future.

This is because good employees care about the risks to the source of their income and seek to protect it. Bad ones don't, welcoming anything that would excuse or cover up their own incompetence, bad behavior, or hidden agendas.

## 'A' TEAM + 'B' TEAM

Assessing the strengths and weaknesses of your team isn't just about identifying poor performers. If done correctly, it allows you to help good performers to improve further, as well as planning how you might compile teams to suit various tasks and projects.

You may choose to keep the list of whose on the 'A' Team and whose on the 'B' Team to yourself and your inner circle.

However, letting people know that there is a Premier as well as a Championship league is likely to drive higher performance.

As you will see from the next slide on First Response, the matter is resolved by circumstance, so you shouldn't be worried that a part of your workforce know they are on the 'B' Team, because both teams are skilled and appreciated.

# FIRST RESPONSE

The best way of dealing with and managing most responsive repairs is to have a First Response Team backed up by a Completions Team, with most of the operatives available flexibly, as and when needed, across the business.

In keeping with the need to reduce costs and the large number of managers traditionally associated with DLOs, First Response dovetails in perfectly with the philosophy of 'self management'.

Unless previously surveyed and therefore pre-planned, whereby a job would be allocated to a Completions Team operative, a First Response operative would likely make the initial visit and either 'first time fix' or plan and programme the completion works.

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