

PRINCIPAL SCRUTINY COMMITTEE

4 June 2007

CABINET

20 June 2007

DEPOT SERVICES CONTRACT – HALF YEAR REVIEW

REPORT OF CORPORATE DIRECTOR (POLICY)

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RECENT REFERENCES:

PS235 - Depot Services Contract – Review of 2005/6 – 5 June 2006

PS258 – 4 December 2006 - Depot Services Contract – Half Year Review

EXECUTIVE SUMMARY:

This report brings together performance data from the Depot Services Contract for the six-month period October 2006 to March 2007 inclusive. It follows on from the previous report PS258 on contractor performance and aims to meet Principal Scrutiny Committee's request to monitor and hold the Contractors to account for delivering key services to the community. This report shows that operational performance is much closer to meeting Contract Performance than in previous periods. Details of performance by Serco and the alternative void property contractors are given in the Appendices to this report.

RECOMMENDATIONS:

That the contractor performance information contained within the Report and in the Appendices be noted.

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### REPORT OF CORPORATE DIRECTOR (POLICY)

#### DETAIL:

#### 1 Introduction

- 1.1 This report is part of the regular reporting of contractor performance of the 'Depot Services' Contract and covers the last six months of the municipal year – October 2006 to March 2007.
- 1.2 Following the consideration of the previous report in December 2006, the level of detail contained in this report has been reduced.

#### 2 Overview for Non Housing Activity

- 2.1 In general the performance of Serco in the areas of the Contract, is largely meeting the agreed targets.
- 2.2 Grounds Maintenance: Level of performance in this area continues to be high for all City Council owned land, including parks, cemeteries, grass verges and all other plant and shrub beds associated with this land. The service continues to receive compliments particularly in relation to floral displays within the City.

The number of action notes issued to ensure the high standard of work is maintained remains low and it has not been necessary to issue any default or rectification notices during the period. Works on the grass cutting programme on behalf of Hampshire County Council as part of the Highway Maintenance programme have recently commenced and are on target.

Serco have reduced the supervisory resources in this area and this situation is being monitored closely to ensure that this does not have an adverse impact upon performance and if this proves to be the case to agree the costs reductions involved.

- 2.3 Environment Management: The contract areas relate to kerbside refuse collection and recycling, street cleansing including litter clearance, street sweeping and leaf clearance and public convenience cleansing. Performance indicators generally relate well to the Best Value indicators against which the City Council is held accountable, e.g. percentage of household waste recycled, cost of waste collection per household, etc. but there are also local indicators more relevant to Serco performance, e.g. the number of missed bins. Performance is in the top quartile for missed collection performance but has fallen just outside the Council's own target.

Pest Control performance still remains high despite a recent reduction in supervisory resources allocated to this area. This situation will be monitored closely to ensure that it does not have an adverse impact on performance in future and the Council will explore the potential for costs savings from this change.

Levels of performance in the refuse collection/recycling area remain high and are improving at present. The results from the first phase of the ABC are very encouraging with results approaching the Council's own target of 40%.

Street cleansing performance remains at a high level with very few complaints. A programme of replacing litter bins across the district has recently been completed with anecdotal compliments received for this work. Complaints relating to the structural condition of public conveniences continue to be received although plans are in hand to refurbish the Abbey Gardens convenience which is the main source of complaint. Planning permission has recently been obtained for this work which should be carried out in the autumn.

Serco continue to perform well on the roll out of the ABC scheme across the District. The project plan is on schedule with bin deliveries completed as planned. Phase 2 will commence operation on 16<sup>th</sup> July 2007. It should be noted that the missed bin performance has fallen to below the target although it is understood that the ABC collection system has not been the cause of this adverse effect during phase 1 of the roll out programme.

2.4 Sewage Treatment Works: The Council maintains a number of small sewage treatment works, originally provided to serve small numbers of Council houses in the rural communities. The Council's aim has been to bring them up to a standard where they could be adopted by Southern Water. During the year the Wonston Close Pumping Station was adopted, but there is no realistic chance of any of the fifteen plants shown in Appendix 1 being adopted this year. In general contractor performance has been satisfactory.

### 3. Housing Performance

3.1 Operational performance against defined performance targets has never, over the term of the contract, been fully met. Since January this year, when their work on void maintenance ended, there has been a further round of negotiations with Serco following a restructure of their Supervisory and Management Team that administer and control day to day repairs.

3.2 The tables in the Appendix 3 give the performance against the key indicators contained within the Housing elements of the Contract. These include repairs completed within target, job priority response target times, repairs appointments cancelled, customer comments and void property reinstatement target times. Overall performance on day to day repairs, given a 15% increase in the amount of work undertaken by Serco, is considered satisfactory with performance outputs at worst being within 8% of targets.

### 3.3 Void Reinstatement Works

Up until 31<sup>st</sup> December 2006 works were carried out by Serco with up to 3 back-up contractors depending on demand. (One third of total budget was issued to Serco with the remaining two thirds issued to the remaining contractors).

3.2 Further to Principal Scrutiny Committee's endorsement and Cabinet's subsequent approval of the actions of the Authorised Officer of the Depot Services Contract (PS 258 and minute 12 refers), to place work wholly with the Council's back-up contractors since 1<sup>st</sup> January 2007, a report on voids property reinstatement is given in the table below.

3.3 Of the void properties issued to the back-up Contractors, approximately 95% were returned within acceptable time limits: of those issued to Serco, approximately 12% were returned within acceptable time limits. The greater number of voids being returned late increases the chance of tenants who are waiting for works to be completed being delayed in moving in, resulting in rent loss to the Council.

3.4 Since January 2007, all void reinstatement works have been issued to JAD and Munro during which time performance of over 95% has been achieved. Of the 8 voids returned beyond the acceptable time limits, only 1 has necessitated putting back the tenancy start date.

3.5 Where rental income has been lost to the Council by voids being returned late (as determined by the contract) the Council seeks reimbursement from Contractors accordingly.

### 4. Conclusion

4.1 All major parts of the contract are generally performing well and the stance taken by Serco on the ABC roll-out continues to be very good.

4.2 The performance of Serco on voids was poor and the performance by the back-up contractors has justified the move away from Serco for this area of the Depot Contract work.

### OTHER CONSIDERATIONS:

#### 5. CORPORATE STRATEGY (RELEVANCE TO):

5.1 Effective delivery of the Depot Services Contract is crucial if the Council is to meet a number of its key priorities. In 'High Quality Environment' the Council aims to ensure that, amongst other things, neighbourhoods are clean and green, resources are used efficiently, we are responding to the challenges of climate change and the public realm is well designed, built and maintained.

6. RESOURCE IMPLICATIONS:

- 6.1 There are no direct resource implications as a result of this report. Action is being taken to recover lost rent where the return of Voids to the Council has impacted on house lettings.

BACKGROUND DOCUMENTS:

Service Contract 7 and Serco Proposals for the Provision of Depot Service

APPENDICES:

- 1 Sewage Treatment Works Performance
- 2 Environmental Services Performance
- 3 Housing Performance

## Appendix 1

### Sewage Treatment Works Performance

STW	Location	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07
Beech Grove	Owslebury	P	P	P	F	P	F
Birch Hill	Boarhunt	P	P	P	P	P	P
Elm Crescent	Upham	P		P	P	F	P
Hobbs Close	Bishop Sutton	P	P	P	F	F	P
Kiln Lane	Old Alresford	P	P	P	P	F	P
Long Priors	West Meon	P	P	P	P	P	P
Oak Close	Upham	P		P	P	P	P
Southbrook Place	Micheldever	P	P	P	P	P	P
The Brook	Old Alresford	P	P	P	P	P	P
The Park	Droxford	P	P	P	P	P	P
The Pastures	Cheriton	P	P	P	P	P	P
Widley Walk	Widley	P	P	P	P	P	P
Wine Cross	Boarhunt	P	P	P	P	P	F
Woodlane Close	Bramdean	P	P	P	P	P	F
Woodlark Cotts	Bighton	P	P	F	P	P	F

Number of Passes	15	13	14	13	12	11
% of passes against tested	100.0%	100.0%	93.3%	86.7%	80.0%	73.3%

Total Passes For Year 06/07

153
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Annual Percentage of Passes

88.4%
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Comments:

November: Oak and Elm at Upham inadvertently omitted from testing

December: No flow through sample chamber at Woodlark Cottages. Sample was taken from within works which could have led to high suspended solid result. Was re-sampled and passed.

January: Sampling problem at Beech Grove led to failure, was re-sampled and passed.

February: Disappointing to see 3 failures. Hobbs Close probably down to contractor not servicing properly (Hydroserve)

March: Beech Grove has had a new distributor arm fitted but the problem is still being investigated. Wine Cross plant went septic and major repairs now underway. Woodlane and Woodlark failures being investigated

## Environmental Services Performance

## Appendix 2

Grounds Maintenance

<b>KPI/Target</b>	<b>Actual Performance</b>
Defaults Issued	0 (Value £0.00)
Rectification Notices Issued	0 (Value £0.00)
No of action notes issued	18
No of Permanent variations	65
No of Temporary variations	111

Refuse

<b>KPI/Target</b>	<b>Actual Performance</b>
KPI - No's of missed collections per 100,000 (target <20 per 100,000)	29.08
KPI – No's of other justifiable complaints excluding missed bins – no target defined	31 damaged bins 11 other
Defaults Issued – no target defined	0
No of Permanent variations – no target defined	1
No of Temporary Variations – no target defined	0

Street Cleaning

<b>KPI/Target</b>	<b>Actual Performance</b>
KPI - to aim to maintain a maximum level of 8.5% of sites that fall below a Grade B.	8%
No of Permanent variations	5
No of Temporary variations	20

Public Conveniences**Appendix 2** (continued)

<b>KPI/Target</b>	<b>Actual Performance</b>
KPI - Complaints (target < 15 per annum)	5
Defaults Issued	0
No of Permanent variations	0
No of Temporary variations	2

Pest Control

<b>KPI/Target</b>	<b>Actual Performance</b>
Treatments Undertaken	1408
KPI - target response time, two working days	100% achieved
KPI - Complaints received about the service (target less than 2 per annum)	0
No of Permanent variations	0
No of Temporary variations	4



**APPENDIX 3**Housing Performance.

<b>Over-target Responsive Repairs</b>	<b>Total</b>	<b>Comments</b>
Average weekly over-target jobs	39	Although performance is short of contract performance target, review period includes when void reinstatement works were still being undertaken by Serco (up until 31/12/06). Since these works were wholly placed with back-up contractors performance on responsive repairs has improved.
Average weekly live jobs	692	
Average weekly % over-target	6%	
<b>Performance Target (&lt;=2%) achieved?</b>	<b>No</b>	

<b>Priority Response Times</b>	<b>% within target</b>	<b>Comments</b>
Emergencies/call-outs	98%	Serco continue to respond well to emergencies and call-outs. The targets in other priorities are still not being achieved, but performance in more recent months is promising.
Urgents	94%	
12 day routine	93%	
30 day routine	90%	
Average overall	94%	
<b>Performance target (98%) achieved?</b>	<b>No</b>	
<b>Appointments Cancelled (Reason)</b>	<b>Total</b>	<b>Comments</b>
Materials not in	5	Performance is only just short of the target and continues to be within acceptable limits.
Serco resource issue	110	
Tradesman sick	13	
Missed appt. - no contact	49	
Missed appt. - phoned in	29	
Total	206	
% cancelled appointments. (of total completed excl. emergencies/call-outs)	3%	
<b>Performance Target (&lt;=2%) achieved)?</b>	<b>No</b>	

<b>Comments/Complaints</b>	<b>Total</b>	<b>Comments</b>
Total Comments received	2957	Performance target achieved – tenant satisfaction levels remain high.
Positive comments	2861	
Negative comments (complaints)	96	
Total jobs completed during period	8463	
% of complaints (of total number completed during period)	1%	
<b>Performance Target (&lt;=2%) achieved?</b>	<b>Yes</b>	

<b>Voids Serco (October - December)</b>	<b>Total</b>	<b>Comments</b>
Total number of voids	52	12% were returned within acceptable limits (i.e. within target or with 5 working days of target).
No. returned within target	1	
% returned within target	2%	
<b>Performance Target (98%) achieved?</b>	<b>No</b>	
Average Value of Void Works	£1057	
<b>Voids (Back-up contractors)</b>	<b>Total</b>	<b>Comments</b>
Total number of voids	146	95% were returned within acceptable limits (i.e. within target or with 5 working days of target).
No. returned within target	108	
% returned within target	74%	
<b>Performance Target (98%) achieved?</b>	<b>No</b>	
Average Value of Void Works	£1938	