

CABINET (HOUSING) COMMITTEE

19 SEPTEMBER 2012

HOUSING TERM MAINTENANCE CONTRACTS - PERFORMANCE REVIEW
2012/13 (CONTRACTOR - GEOFFREY OSBORNE LTD)

REPORT OF HEAD OF HOUSING SERVICES

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RECENT REFERENCES:

CAB2135 – Tender Report – Housing Term Maintenance Contracts - 16 March, 2011.

EXECUTIVE SUMMARY:

Osborne replaced Serco as the main term maintenance contractor on 1 August 2012.

The first six months were regarded as a “bedding in” period, and therefore this report only details the contractor’s performance on responsive and void maintenance work recorded during 2012/13.

Although the performance still falls short of expectations, recent trends are looking more promising.

RECOMMENDATIONS:

- 1 That Cabinet (Housing) Committee notes the performance information and considers whether further actions are required to address any areas of concern.
- 2 That these performance reports for Osborne be produced and brought before this committee for their perusal and determination once a year in May (reviewing performance in the previous financial year), or more frequently if the Committee so determines.

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1. BACKGROUND

- 1.1. At Cabinet on 16 March 2011 (CAB2135 refers) it was resolved:
 - a. That, subject to contract, the Term Maintenance Contracts Lots 1 and 2 be awarded to Geoffrey Osborne Ltd of Osborne House, 51 Fishbourne Road, Chichester, West Sussex.
 - b. That following completion of the project partnering arrangements and contract documentation by Officers, the Head of Landlord services, in consultation with the Head of Legal Services, be authorised to award the contract to Geoffrey Osborne Ltd, for an initial period of 5 years, commencing on 1 August 2011.
- 1.2. Term Maintenance Contract Lot 1 includes the day-to-day responsive maintenance and repair of the Council's housing stock.
- 1.3. Term Maintenance Contract Lot 2 includes the repair and reinstatement of Council properties becoming empty prior to re-letting.
- 1.4. The purpose of this report is to update members on contractor performance during 2012/13 to date, and to seek approval for proposals in respect of the frequency, and the detail contained therein, of future performance monitoring reports to this Committee.

2. INTRODUCTION

- 2.1. Contracts of this size and nature warrant a significant "bedding in" period due the extensive operational changes experienced by both operatives and administrative staff alike. Serco had worked here continuously for 15 years, and so many long-term working relationships and "custom and practices" have had to be reviewed and re-established between the Council and Osborne employees at all levels.
- 2.2. This report concentrates specifically on performance from April to August 2012 inclusive (April to June only for the Customer Care Card Key Performance Indicator responses - paragraph 3.1b) below). Due to the timing of this report, the performance figures for August should be regarded as provisional at this point in time.

3. Performance Targets and Out-turns

3.1. The key performance indicators for responsive repairs are as follows:

a. Priority Response Times

This is the proportion of jobs completed within target for each of the five different priorities (e.g. call-out; emergency; urgent; 12 working day; 30 working day). The target for each of these is 98%, although past experience has shown that any contractor with a true average above 90% is generally providing a good service. Some Registered Providers (RPs) report better figures than these, but much depends on the different internal reporting mechanisms employed behind those statistics.

For example, some jobs will inevitably be completed after the target date and through no fault of the contractor (e.g. job unexpectedly develops into something much bigger than originally reported). In these cases, some RPs will close the original job and raise another (so effectively both jobs can show as completed within target). We, in contrast, have always found it better to keep the original job live so, wherever possible, a complete record is kept on the one job from start to finish. Although this gives a better record of the true tenant "experience" from initial report to completion, this can drag down a contractor's performance on this particular indicator.

From a tenant's perspective, it is one and the same job - so they do not want 2 or 3 different jobs raised, and they certainly do not want to receive, and have to complete, more than one customer care card for what is effectively the same job.

Osborne's performance (from April to August 2012 inclusive) is summarised within Appendix A.

[as a comparison, Serco's average performance for all priorities for the last two years of their contract (2009/10 and 2010/11) was 91% and 89% respectively].

It is quite common for there to be a dip in performance during the late term of the old contract and the early term of the new. We hope performance bottomed out in June for this particular KPI, and it would appear that July and Augusts (provisional) figures show marked improvement.

b. Customer Care Card (CCC) Responses (green cards)

Tenants are given the opportunity to comment on all repairs carried for them via the green CCCs. As each job is recorded as practically complete on the Council's repairs system (Orchard), a green CCC is generated. The customer liaison officers within

Housing Services endeavour to contact a proportion of these tenants by phone every day so that we can speak to the tenant in person and record their experience of the job. Those we do not contact by phone are sent the CCC through the post.

These CCC responses give us the tenant view - so this popular and well-established protocol provides us with probably the best and most independent measure of what is actually happening on the ground.

The CCC returns for all jobs paid to Osborne in the first quarter of 2012/13 is summarised in Appendix B.

For all intents and purposes, the overall average target (98%) is being achieved. However, three of the six areas are below target so Osborne is focussing on these so that the target is met on each individual question.

Of particular concern is the 94.09% for, effectively, "reliability" (Agreed appointment time and date). Unlike Serco, who previously used Orchard as their main appointments system (because they had no other effective solutions), Osborne have already invested heavily in other software systems to modernise their operations elsewhere. Unfortunately, if more than one central appointments system is used, differences and time lapses inevitably occur between systems. Although Osborne are working hard to make sure that their appointments system is manually reconciled with Orchard on a daily basis, this is resource intensive and not dynamic enough to reflect the changing position on the ground as it unfurls.

3.2. The key performance indicators for empty properties (voids) are as follows:-

a. Proportion of voids (empty properties) returned within target

This is the proportion of voids completed by the target date.

The target for this is effectively 100% because all voids need to be returned on time to avoid possible disruption/inconvenience to the ingoing tenant.

Osborne's performance (from April to August 2012 inclusive) is summarised within Appendix C.

Although this KPI still falls some way short of the target, the trend remains positive. Osborne has recently implemented new management controls to the process which are already bearing fruit.

b. Average number of working days with contractor

This is the number days the contractor takes to carry out the actual works. This KPI is an integral part of the larger and very important national KPI for the Council (average re-let time), so clearly keeping this to a minimum is a top priority.

The target for this has been set at 7/8 days turnaround. This target was derived by halving the old total turnaround time (15 working days) taken previously by Property Services. Some of duties previously carried by Property Services were transferred to Osborne as part of the recent tendering exercise in a bid to dramatically reduce void times.

Osborne's performance (from April to August 2012 inclusive) is summarised within Appendix C.

Again, it is hoped that the performance bottomed out in June (14days) and certainly the more recent short term trend looks more promising.

4. Contractor's Partnership Update

- 4.1. As part of this review, Osborne was invited to comment on their progress and performance to date. Their comments are contained within Appendix D.

OTHER CONSIDERATIONS

5. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 5.1. The Community Strategy places emphasis on strong performance management. This report forms part of the performance monitoring processes, designed to check progress being made against agreed targets.

6. RESOURCE IMPLICATIONS:

- 6.1. There are no direct resource implications that need to be considered as part of this report, although obviously ensuring strong performance in areas such as responsive and void maintenance repairs is essential to the financial health of the HRA.

7. RISK MANAGEMENT ISSUES

- 7.1. Risk management plans form an integral part of the HRA Business Plan and key risks have been assessed and actions are in place to mitigate those risks.

8. TACT COMMENT

- 8.1. TACT has maintained a close relationship with Osborne and representatives from the company regularly attend TACT and respond to challenges from TACT members.
- 8.2. Overall, TACT considers Osborne performance to be reasonable and few problems are brought to our monthly meetings. However, this is a crucial service for tenants and it is important that performance on key issues such as keeping to appointments and completing jobs quickly and efficiently continues to improve.

APPENDICES:

Appendix A Responsive Repairs - Priority Response Times

Appendix B Responsive Repairs - Customer Care Card Responses

Appendix C Void (empty homes) - Performance summary

Appendix D Asset Management Partnership Report (produced by Osborne)

Osborne - Completion of Works within Response Repair Priorities - 2012/13

Period	2012									2013			98%	Average	
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
Target	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%		
Actual	86%	84%	80%	92% prov	88% prov								86%	Average	
Priority													Total jobs completed	Total in-target	
Call-outs	44%	77%	63%	77%	100%								216	139	64%
Emergencies	84%	87%	90%	94%	98%								709	632	89%
Urgents	89%	77%	71%	93%	83%								1379	1134	82%
12 Day	89%	89%	86%	93%	88%								875	783	89%
30 Day	91%	89%	87%	90%	87%								1042	928	89%
Total jobs completed	1031	1031	848	883	428	0	0	0	0	0	0	0	4221	3616	86%
Total jobs in-target	883	871	676	810	376	0	0	0	0	0	0	0	3616		

Performance Summary - Customer Care Card Responses (for jobs paid between 1/4/2012 and 30/6/2012)**(Osborne only, excluding void jobs and blocks)**

1	Total Osborne jobs paid during period	2374	
2	Total number of jobs with comments/complaints recorded	594	25%
3	Total number of comments/complaints	609	
4	Source of comment/complaint:-		
	Customer Care Cards (cards returned by tenants)	456	75%
	Customer Care Cards (we phoned tenant)	153	25%
		609	
			Satisfaction rate (of those that expressed an opinion)
5	Customer Care Card Questions		Target 98%
			609
	a) Repair request dealt with in a pleasing and efficient manner		99.51%
	b) Agreed appointment time and date		94.09%
	c) Quality of work		96.72%
	d) Workmanlike manner		99.84%
	e) Conduct/behaviour		99.84%
	f) Offered ID		96.72%
		Average	97.78%

Voids Completed 2012/13

	On time	Late	Total	Success rate	Av. working days per void
				Target 98%	Target 7/8 working days
April	16	6	22	73%	11
May	21	7	28	75%	13
June	25	5	30	83%	14
July	38	6	44	86%	12
August	23	3	26	88%	10
September					
October					
November					
December					
January					
February					
March					
	123	27	150	82%	12