

Housing, Health And Adult Social Care Select Committee

Supplementary Agenda

Wednesday 2 April 2014

7.00 pm

Courtyard Room - Hammersmith Town Hall

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Lucy Ivimy (Chairman) Councillor Joe Carlebach Councillor Oliver Craig Councillor Peter Graham Councillor Peter Tobias Councillor Andrew Brown	Councillor Rory Vaughan (Vice- chairman) Councillor Daryl Brown Councillor Stephen Cowan	Patrick McVeigh, HAFAD Bryan Naylor, Age UK

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Date Issued: 28 March 2014

Housing, Health And Adult Social Care Select Committee

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<u>Item</u>		<u>Pages</u>
7.	HOUSING REPAIRS AND MAINTENANCE This report includes the Gas and Health and Safety Update.	1 - 15

 <p>h&f the low tax borough</p>	<p>London Borough of Hammersmith & Fulham</p> <p>HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE</p> <p>2 April 2013</p>
<p>Housing and Regeneration Department Repairs Contract (MITIE) Key Performance Indicators</p>	
<p>Report of the Cabinet Member for Housing – Councillor Andrew Johnson;</p>	
<p>Report Status: Open</p>	
<p>Classification: For Scrutiny Review & Comment</p>	
<p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director for Housing & Regeneration (HRD)</p>	
<p>Report Author:</p> <p>Stephen Kirrage - Director of Asset Management & Property Services</p>	<p>Contact Details:</p> <p>E-mail: Stephen.Kirrage@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 A new 10 year repairs and maintenance contract with MITIE property services came into effect on 1st November 2013. This has consolidated eight previous contracts into a single borough wide contract and is projected to save the council approximately £2 million per year when compared to the previous arrangements on a like for like basis. The report to this committee dated 8 April 2013 outlined key features of the new contractual arrangements, including Key Performance Indicator incentivisation mechanisms, and financial penalties for underperformance. As is common practice with the transition and mobilisation of a major contract a period of approximately six months (five months in this case) is allowed from the inception of the contract before “hard” penalties are applied in respect of missed KPI’s during the settling in period.

This is consistent with the approach applied to outsourced arrangements with Pinnacle PSG in respect of Estate Services and Tenancy Management (south of the borough) and the Tri Borough Facilities Management Contract with Amey.

- 1.2 A planned progress report to the Select Committee after the initial six month period has been brought forward at the Committee's request. Data in this report therefore reflects the position at the end of February (four months into the new arrangements) where it is to be expected that performance is continuing to ramp up as the service fully beds in. It is to be noted that during this period MITIE are carrying out significant performance management and organisational change processes in respect of staff TUPE'd from the previous service providers.
- 1.3 It can be noted that following the introduction of the MITIE contract, call volumes increased by a factor of three (1600 calls on day one compared to 500 normally) and placed the service under severe strain. Increased call volumes may have been as a result of operatives from previous service providers encouraging residents to make fresh requests on 1st November rather than seeking to complete outstanding jobs, and perhaps residents who had previously given up on the previous contractors, re-entering the system in the hope that long outstanding matters could now be resolved with a new contractor on board.
- 1.4 The new arrangements with MITIE incorporate the provision for gas servicing. As such this report also provides an update on gas safety, together with a general Health & Safety update in respect of the council's housing stock.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to provide the committee with details on the current direction of travel in respect of the performance of this new contract during the initial months of its operation.
- 2.2 The new contract commenced on 1st November following a short formal mobilisation period of six weeks in order to have the service in place prior to the Christmas break and the winter heating season. As part of the new contract a total of 170 staff were transferred under TUPE regulations from the Council and four other employers. It should be noted that the staff from one gas contractor chose not to exercise their TUPE rights and therefore no gas operatives were transferred from that provider, and MITIE had to put alternative arrangements in place.
- 2.3 Following the go live of the new contract, MITIE commenced an immediate review of the staff who had TUPE'd over to them and

elected to immediately undertake a restructure, as it was clear that there were skills gaps in the delivery of the new service. They reasoned that by acting swiftly, they had the best opportunity to maintain staff morale, and to embed the necessary new cultures at the earliest opportunity. At the same time, MITIE were obliged to engage agency staff to make up the shortage of gas engineers who had elected not to transfer from the previous service provider.

- 2.4 During the Tendering process the Council had provided all bidders with the last three years of repairs history, and these figures showed an average of 50,000 repair orders per annum, equating to approximately a 1,000 repair orders per week, with on average 500 calls per day to the repairs call centre. (This historical data was also up-loaded onto the MITIE repairs system.) On the first day of the contract, exceptionally, 1,607 calls were received, three times the daily average of 500 recorded for the last three years.
- 2.5 In addition, in the first four months of the contract, MITIE answered and recorded just under 35,000 calls which resulted in 32,000 orders, against a historic requirement of 50,000 orders per annum. Of these calls, 47% were classified as Emergency (requiring 2 hours response) or Urgent (requiring 24 hours response) against a recorded historic average of 32% Emergency/Urgent.
- 2.6 Furthermore the recent extreme rain storms and high winds have caused a corresponding increase in roof leak/water penetration repair requests brought about by both, causing some minor leaks to be noticed for the first time, thus causing additional damage requiring repair, while at the same time reducing the available hours for working at height. In February there were 675 roofing jobs awaiting completion. Similarly the extreme wet weather has kept residents indoors with windows closed, adding additional requests for assistance with condensation and mould.
- 2.7 Notwithstanding these additional challenges, repairs performance has continued to steadily increase over these months.
- 2.8 Telephone answering performance has been severely hampered by significantly increased volumes of calls as described above, and difficulties encountered installing MITIE's Wider Access Network (WAN) line. The effect of this is that when telephone call handling capacity is reached calls "drop out". From the caller's perspective the effect is the same as the call centre hanging up and therefore completely unsatisfactory. Working with corporate colleagues, agreement and permission has been obtained from King Street Developments Ltd who hold a Development Agreement to enable the Town Hall Annex to be redeveloped, to allow this to be installed. The WAN line was installed in March and telephone answering performance should improve as a result.

3.0 KEY PERFORMANCE INDICATORS

- 3.1 Attached in Appendix 1 is the KPI result trends up to and including February 2014, the first four months of the contract. In the event that more up to date information is available at the time of the meeting, it is proposed that this be circulated to provide an additional sense of direction of travel, subject to the permission of the Chair of the Committee.
- 3.2 A point of note is that whilst the gas compliance figures show a percentage of 99.27%, this represents, at the time of writing, 88 overdue cases where attempts at access are being actively pursued prior to legal action. It is likely that the council's approach will become more robust in this area moving forwards and it is to be noted that some other landlords routinely disconnect the gas supply if access is not achieved after making reasonable attempts.
- 3.3 Gas compliance figures for communal gas heating systems, of which there are 63 in total comprising communal boiler plant within blocks of flats, Tenants Halls, Hostels and Sheltered Accommodation, shows a percentage of 92.1%. There are 5 (7.9%) buildings currently without a valid certificate owing to access issues which have now been resolved with inspection planned for week commencing 31/3/14.
- 3.4 An outline presentation from MITIE property services is attached at Appendix 2.

4. HEALTH AND SAFETY UPDATE

In addition to information on gas compliance stated above at paragraph 3.2 above, progress in respect of other critical health and safety matters is outlined below:

Fire Safety Works

All Council properties have had Fire Risk Assessments completed. From which any Areas of work identified as part of the FRA process have been planned into the on-going Capital works programme for completion, some of which are being undertaken by MITIE. All Category 1 areas have wither been carried out or are part of separate works programmes.

Water Hygiene (Control of Legionella)

These survey and sampling works are undertaken by Severn Trent Services and relate to buildings where the water supply system involves communal water tanks and calorifiers. This is a continual process undertaken at the frequencies specified within Health and

Safety Executive Approved Code of Practice L8. There are no major areas of concern in this respect.

Lifts

There are a total of 222 passenger lifts within blocks of flats on housing estates across the borough lift installations are installed and maintained in accordance with the requirements of the Lifting Operations and Lifting Equipment Regulations (LOLER). All passenger lifts are certified as being compliant.

An ongoing lift modernisation and upgrade programme comprising £25 million of capital investment over five years, which includes an innovative lift monitoring, reporting and messaging system, is in progress. This approach has received recognition from the London Fire Brigade (LFB) which has resulted in the LFB granting an amnesty to the Council such that attendance to lift entrapment will not be charged.

In addition to passenger lifts in blocks there are also 133 stair lifts within street based properties which will have been installed following Occupational Therapy assessments, and of these seven remain to be inspected by the council's insurers.

Asbestos

There is a complete managed asbestos register covering Council stock and the Council engages a specialist asbestos survey company to undertake any further surveys. Any works arising fall under the repairs contract.

All significant removal and encapsulation works in communal areas have been undertaken in recent years, and the current survey programme is a monitoring exercise as there are no outstanding areas for concern in this respect.

Repairs Key Performance Indicators

Throughout the partnership contract there are a range of measures and indicators designed to drive continuous improvement in performance. The following is a list of Key Performance Indicators (KPI) and the performance against these over the past few months.

These types of contracts, by their very nature, require initial bedding in period and as such there is a suspension period of 5 months before which any incentivisation/penalties can be applied to the contractor.

	Description	Target	Dec	Jan	Feb
KPI 1	% properties with valid Landlords Safety Certificate	100%	98.9%	98.9%	98.9%
KPI 2	% of tenants satisfied with the repairs service	93%	72%	77%	80 %
KPI 4	Average number of calendar days to complete a standard void	10 calendar days	20.6 calendar days	22.3 calendar days	14.7 calendar days
KPI 5	Right First Time	85%	91%	92.3%	91.8%
KPI 6a	Repairs completed on time – Priority 1 repairs (Emergency)	92%	95.2%	94.7%	93.7%
KPI 6b	Repairs completed on time – Priority 2-5 repairs	90%	90.0%	87.9%	93.0%
KPI 7	% of appointments kept	98%	87.5%	83.9%	96.9%
Call Centre *	% of calls answered within 20 seconds	80%	45.5%	50.2%	63.0%

Additional points to note:

Legacy Jobs:

- MITIE received approximately 1500 jobs which were held back from the former incumbent contractors as they would not have been completed by the end of the contract, and as such were part of the demobilisation process from the previous contracts.

Additional communal lighting repairs:

- High level of communal lighting repairs. It is reported that MITIE have completed approximately 1250 communal lighting jobs as of 20/03/2014. A good example is of two blocks in the Edward Woods estate with 171 and 142 lights that largely needed re-lamping, this again is part of the legacy of uncompleted works from the previous repairs contracts.



Hammersmith & Fulham

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT
COMMITTEE – 2nd April 2014

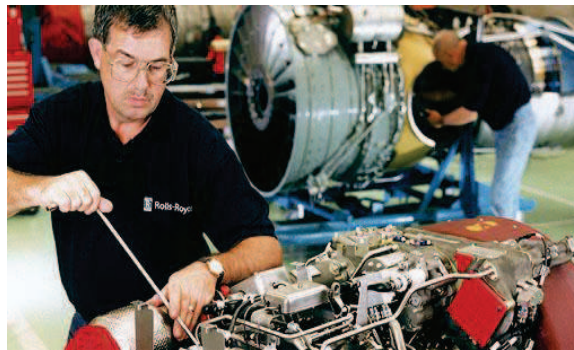
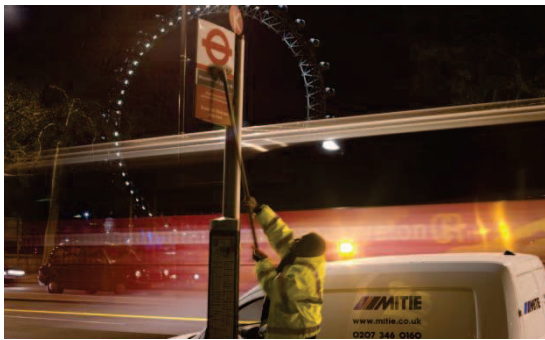
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MITIE Group at a glance



- The strategic outsourcing and asset management company
- Formed in 1987 – now a leading FTSE 250 Company
- 77,000+ people
- 6,500 private and public sector clients – London Eye, Marks and Spencer, Rolls Royce, BAA, Microsoft, LloydsTSB, MoJ, and numerous social housing clients
- 25,000 contracts

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Customer	Type of Work	Value (pa)	Number of Years
Milton Keynes Council 	24 hour emergency, RR & Void Refurbishment	£6.1 pa	10 years
Crawley Borough Council 	24 hour emergency, RR, void refurbishment & planned works	£11.4m pa	10 years
A2 Dominion Group 	24 hour emergency, RR, planned works & voids	Planned: £7m pa Repairs & Voids: £7m pa	Planned: 4 years Repairs and voids: 10 years
Golding Homes 	RR & voids, cyclical inspections, painting, planned and gas servicing, repairs & installations	£7.3 pa	10 years
Orbit Housing Group 	24 hour emergency & RR with voids and planned works	£13m pa	Area 1 (East) – 5 years Area 2 (South East) – 4 years
Lewisham Homes 	Planned works	£10m pa	4 years

Outline Scope of Partnership Contract

(Already in place: 3 year painting and planned works)

- 10 (+ 5) Year Contract
- Repairs Call Centre

Price Per Property

- Responsive Repairs – Systems Thinking 1 job at a time approach
- Gas Repairs, Servicing and Boiler Renewals
- Annual Property Inspection
- ECIR (every 5 years)

Price Per Block, Price Per Hostel, Price Per Non-HRA Property

- Communal Gas and M&E
- ECIR (every 5 years)
- Controlled Access
- TV Aerials
- Quarterly Estate Inspections (PPB)



Fixed Price Per Void

- 6 types inc Garages

SOR Repairs

- Mainly Communal Repairs

Planned Works

- Roof Renewals and RWG
- Planned Maintenance, eg Relamping prog, Drain jetting, etc
- Access Control
- Kitchens & Bathrooms
- Fire Safety
- Estate Improvements
- Insurance Works
- Etc

Outside Original Scope of Partnership Contract



Now offering Repairs Taking Calls on behalf of LBHF

- Lifts
- Stairlifts and Ceiling Hoists
- Warden Call Systems
- Fire Alarm Systems
- Automatic Gates and Car Park Barriers
- Sprinkler Systems

**A future offering,
if there is sufficient interest**



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A bit about MITIE Property Solutions.....

- Specialist division with MITIE
- Has a unique ability to provide any service required to domestic or commercial buildings
- Work with clients to deliver a higher quality service whilst controlling costs
- Completes over 52,000 reactive response repairs nationally per year
- Completes over 12,000 secure, repair and maintenance tasks per year
- Price certainty with fixed pricing and a national schedule of rates
- Provide a bespoke service to a number of UKs leading brands

Some of our B2B Customers



Emergency building repairs



Claim validation and building repairs



Void, security & Maintenance

