

SLOUGH BOROUGH COUNCIL

REPORT TO: Customer & Community Scrutiny Panel

DATE: 6th April 2022

CONTACT OFFICER: Ian Stone, Asset Programme Manager

(For all Enquiries)

WARD(S): All Wards

PART I

FOR INFORMATION:

Repairs Maintenance & Investment (RMI) Contract Update

1. Purpose of Report

The purpose of the report is to provide an update to the Scrutiny Panel following the meeting on 8th December 2021, focused on the performance of Osborne's delivery of the RMI contract, including the points below.

- Overall performance of the Osborne Contract.
- Overview of complaints against service.
- New performance measures.
- Planned works 2021/22.

2. Recommendation(s)/Proposed Action

The Panel are recommended to note and comment on:

- a) The contents of this report and progress made
- b) The contents of the presentation
- c) Future reporting requirements for the RMI including financial year-end report and separate quarterly RMI updates on landlord statutory compliance in HRA tenanted stock.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The provision and maintenance of good quality and affordable housing can reduce housing need for local households and contributes to the identified priorities of the JSNA. The RMI is contracted to provide investment into existing council properties through a partnership approach between Osborne Property Services Limited and the Council to sustain good quality homes that will improve the safety, health and well-being of the boroughs tenants.

4. **Other Implications**

(a) Financial

The RMI is a 7-year contract with an option to extend for three years. The contract is funded from the Housing Revenue Account and the business plan has set aside £100m for the Contract Administrator to fund the annual expenditure of day-to-day repairs and maintenance, voids properties refurbished for reletting, and the major works programme e.g. kitchens, bathrooms, windows. The total spend can be up to £14m per year.

(b) Risk Management

The committee are requested to note that the contractual governance offers a formal basis for management of risk through contract management, a framework for discussion intended to seek not just solutions but foster innovation through partnership initiatives. The structure of governance allows for a forum for the raising of issues, discussion on performance as well as commercial initiatives across the breadth of the contract. The levels of escalation and accountability are set out alongside basis for contractual scrutiny by members and residents.

The table below outlines the context of risk management.

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Risk Management Matrix Score risk	Future Controls
a) Managing Responsive Repairs	The volume of uncompleted repairs is still 2-3 weeks' worth of work. This impacts the availability of current appointments.	Osborne are stepping up efforts to fill the remaining operative posts and engage with local sub-contractors to catch up with the work.	6 Medium	This remains a key focus of the contract and is monitored weekly.
b) Resident perception of the service	Despite a slight reduction in February and March complaints remain high.	The full effects of Osborne dedicating resource to this is only now being realised. Further resource maybe required to solve this.	12 Significant	Complaint resolution and the timeliness of this resolution remain the number one focus of both SBC and Osborne.
c) Failing KDI's	Whilst Osborne have been able to meet some of the new performance measures and show improvement in others. KDI2, KDI6 and KDI8 remain a real concern.	Osborne are planning to resolve the KDI2 and KDI8 performance by recruiting further operatives and planners, KDI6 will need greater focus from the Osborne team to improve the timeliness of the responses.	6 Medium	The new performance measures form the central part of the monthly operational management board and an improvement plan will be required to be produced by Osborne.
d) Resources	Following the end of the pandemic pressure on labour resources has increased as RSL's catch up on work not done over the previous 24 months.	SBC and Osborne work together to ensure programmes of works are detailed and issued promptly so Osborne can secure continuity of labour to work on SBC projects.	12 Significant	Continued work on developing considered programmes of works making it easy for Osborne to retain labour resources on the contract.

(c) Human Rights Act and Other Legal Implications

The Homes (Fitness for Human Habitation) Act 2018 (the 'Act') adds hazards listed in the governments housing health and safety-rating system (HHSRS) set out in the Landlord and Tenant Act 1985. Tenants will therefore be able to legally compel their landlord to address any of the 29 HHSRS hazards, which ranges from fire safety issues to damp & mould or poor natural lighting and ventilation. The Act came into effect for new tenancies on 1st March 2019, but now applies to all existing tenancies.

(d) Equalities Impact Assessment

The contractor routinely carries out equality Impact Assessments as part of operational service delivery.

(e) Workforce

The workforce delivering the RMI are Osborne direct employees or sub-contracted services. The RMI has a contractual payment framework that offers a monthly establishment fee and thereafter payment is based on the work delivered.

5. Supporting Information

5.1 Overall performance of the Osborne Contract

The table below gives a breakdown of where the annual £14m is spent on the Osborne contract and the current status of each of these service areas.

Work Area	Value		Status
Responsive Repairs – delivering up to 19,000 responsive repairs annually to the Council's Housing stock each repair priced individually against pre-agreed rates to determine value for SBC and 10% quality and value checked by SBC.	£2.04m	15%	
Void Works – carrying out refurbishment works to approx. 240 empty properties per year, works and rates pre agreed with SBC, and 100% quality and value checked.	£1.91m	14%	
Gas Works – carrying out repairs to gas appliances and annual gas safety inspection. Works checked by an independent regulator.	£1.02m	7%	
Other Compliance Works – Including annual asbestos inspections, lift maintenance, water treatment work and testing, fire equipment checks, fire alarms, communal electrical checks. Works checked by an independent regulator.	£1.15m	8%	
Planned Works – During 2021/22 we have undertaken roofing renewals, gas boiler renewals, kitchen and bathroom replacements, asbestos removal works, fire prevention works, domestic and communal	£7.19m	51%	

electrical upgrades. Works 100% checked by SBC against agreed contract prices.			
Cleaning and Caretaking – carrying out the cleaning and caretaking as per the agreed contract specification. Osborne supply evidence that work is completed according to the agreed schedule.	£700k	5%	
	£14.00m		

Improvement Areas.

Responsive Repairs – Osborne are carrying on the process of reviewing their structure, they have made changes at senior level (new Operations Manager and new Commercial Manager) which have already benefitted in terms of responsiveness to requests for action from SBC. The overall service though is still receiving too many complaints against service, and the backlog of orders is still around 600-800 repair orders above a level where it should be.

There are some signs that the service is improving but both parties acknowledge that signs of concrete improvement are still potentially some way off.

Storm Eunice occurred during February which has the effect of an extra 200 orders being received on that one day, Osborne as always responded well to emergency situations but the storm further hindered their catch up work on the overdue repairs.

Actions Osborne are taking to improve the service

- Recruiting operatives to fill vacant posts and re-training existing operatives where failures in service have been identified through the complaints received.
- Recruiting office staff, Osborne are recruiting to fill vacancies in their planning and supervisory roles within the repairs team.
- Engaging new supply chain partners, Osborne have engaged with new sub-contractors to pick up some of the overdue repairs orders.
- Dedicating resources to manage complaints, Osborne now have operatives specifically working on resolving complaints.

Signs of improvement:

- Reduction in complaints received in February (26), the number received to date in March (10) was also showing a reduction. See table further on in report.
- Improvement in Customer Satisfaction, although based on low survey numbers, this indicates a better satisfaction with recently completed repairs.

Voids – Osborne have made massive improvement over the previous 5 months to reduce the amount of time a void is taken to turn around. If this improvement is sustained into another 2 months, the service would be classified as green and not amber. This improvement is shown in KDI4 appendix A.

The quality and value of the works Osborne have carried out has always been consistently high, the time element was the only which needed improvement, which Osborne have now nearly achieved.

All void works a pre-specified jointly by SBC and Osborne and SBC has 100% sign off on all the works.

Caretaking & Cleaning – The service status is Amber as SBC still receive a small number of complaints and enquiries regarding the specification and scope of the cleaning and in some instances whether Osborne have attended (although this isn't common). The specification and scope of the service is basic and particularly after

periods of bad weather and during winter the estates can require more caretaking or get messier in between visits. SBC need to review whether or not an increased specification and hence increased cost is a possibility within the contract budget envelope.

5.2 Overview of Complaints

From September 2021 we have managed new complaints through our own monitoring spreadsheet alongside the corporate complaints system. This has provided us with a greater ability to report on numbers and trends with complaints.

Below table shows the number of new complaints received each month against the number of orders raised.

Month	Orders Received	Complaints Received	%
September	1500	43	2.87%
October	1361	26	1.91%
November	1495	29	1.94%
December	1206	35	2.90%
January	1312	49	3.73%
February	1489	26	1.75%

Osborne recruited 2 new senior managers in January so the effects of this change should begin to show over the following months. Normally complaint levels against order received would be expected to be 1% or less, so levels are still higher than would be considered normal.

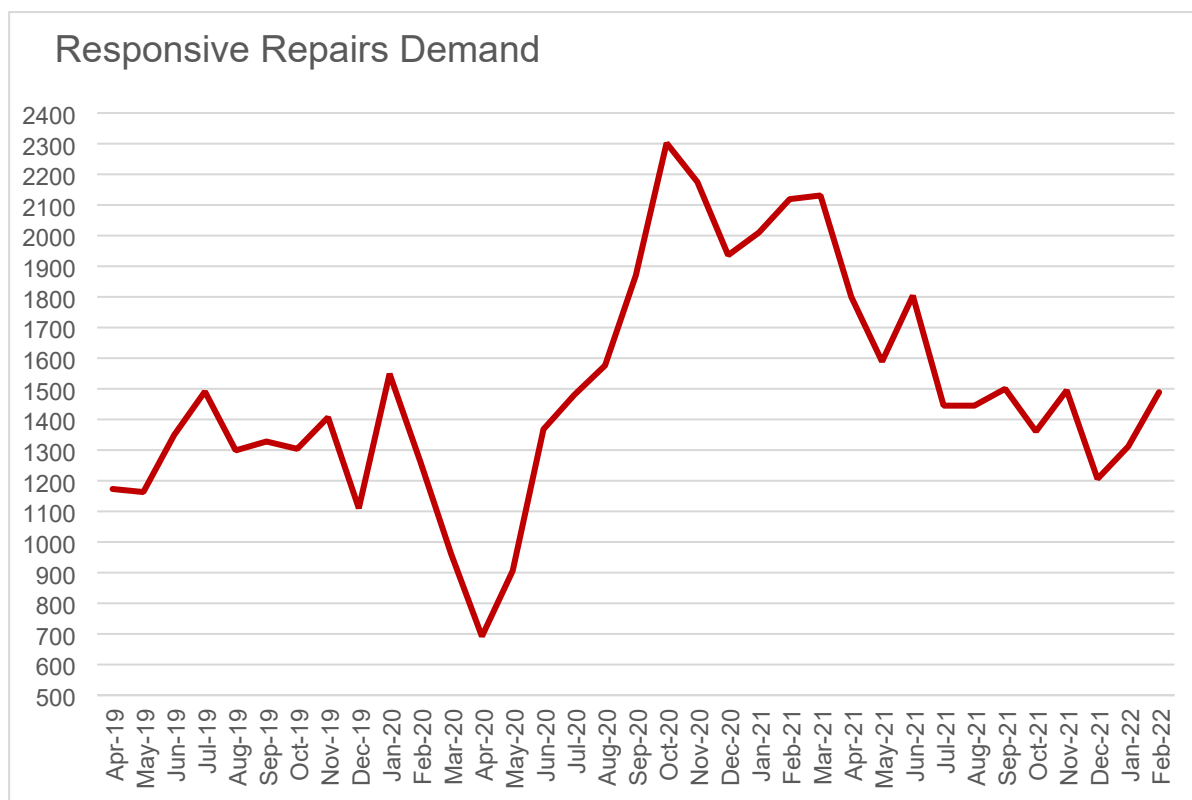
From analysing the complaints received these are broadly broken down into 4 categories.

- 1. Complaints arising from recent work carried either ineffectively or having to wait too long with a recently reported repair.** These are complaints which are most typical of any well-functioning repairs service. They should be easily resolved, they are principally caused by short term disruption to staffing levels within the contractor, and in this instance we can link this back several Osborne operatives having to self-isolate during the pandemic as a whole and more recently because of the Omicron variant.
- 2. Complaints arising from long standing issues which Osborne have failed to address.** These complaints are much more concerning, we are working with Osborne's management to identify and address these issues. There have been 2 issues identified. Firstly the attitude and actions of the Osborne supervisors when dealing with and managing issues and Osborne has fallen short in terms of owning and closing problems through to conclusion. Osborne are mentoring and monitoring these supervisors much more closely now to ensure they manage and own complaints and queries through to conclusion.

Secondly Osborne created an issue by allowing the previous contract management team to close down many uncompleted repairs as complete. SBC have subsequently identified these works and repairs have had to be re-raised, it dates back to June 2020 - December 2020. Osborne did change Contract Manager in March 2021, and a much clearer process

was brought in and we have had no such issues since. This is an historic issue but some of the effects of that culture are still being felt. We have also established an escalation for more serious issues to be resolved through Osborne's planned works team.

3. **Complaints arising from long standing issues prior to Osborne starting their contract.** Previously SBC engaged the services of Interserve to carry out the responsive repairs service, this contract worked on the basis of paying Interserve a fixed monthly fee to carry out repairs, irrespective of the scale of repair needed or number of repairs reported. Whilst this type of contract did provide the Council of some certainty around their budget commitments, it also has the very negative effect of a contractor always trying to do the minimum and cheapest solution to every repair request in order to maximise profit. We have directly seen the effects of this in slow leaks which have been papered over and caused significant damage to properties because Interserve would not have been willing to carry out the correct repair because of cost.
4. **The effects of inconsistent repairs demand caused by the pandemic.** The table below shows the demand for repairs over a period of time before and after the first lockdown. The pressure this change in demand caused for the contractor aligned high increased staff absences, interruptions to material supply, increased material costs is only now starting to level out. The increased costs are still a huge issue for the contractor. The fluctuation in demand would have caused some repairs to not be addressed or missed and this is being born out in some of the complaints we receive.



From April, SBC will create a second log of actions alongside our complaints log to monitor separately the repairs required to satisfactorily close complaints. This is to ensure Osborne attend to complaints resolution in a more timely manner, Osborne

have agreed to provide dedicated resources to complete the works and resolve complaints more promptly.

5.3 New Performance Measures

The new performance measures came into use on the RMI contract from 1st October 2021. The results for February can be found in Appendix A. The new measures carry financial deductions of up to £2,000 per performance measure for failure, to the end of February Osborne have paid back **£30,500** to SBC for failing to hit these new performance measures.

Overview of each performance measure:

- 1. The percentage of repairs completed within a single visit to the Property.**
Osborne have continually hit this target, this is in line with most of the feedback we receive. Osborne are efficient at dealing with emergency works and works which are straight forward. The KDI supports our understanding of the current service level and provides re-assurance that the majority of repairs requests are managed and completed successfully.
- 2. The percentage of repairs due in the month which were completed within the prescribed timescale.**
Osborne have repeatedly failed this KDI, this KDI will continue to fail until Osborne can catch up on the backlog of responsive repairs which is currently between 600-800 repairs requests. Because of this backlog they work on both new orders which they receive and the backlog of old orders. This pressure results in some of the newly received orders being pushed back beyond their target date due to the current lack of capacity discussed previously in the report.
- 3. Resident Satisfaction with the most recent repair completed.**
This KDI has shown improvement since October, both SBC and Osborne have been short staffed over the previous 3 months and the 150 survey target has not been met. So the results are based on a smaller sample size. Over the next 2 months we should get to the full sample size so can better gauge if the improvements shown are a true trend.
- 4. Average number of days to complete Voids**
Osborne have really improved the General Needs turn-around time for void works to the point where it is virtually on target now. The temporary accommodation voids have been very small in number, hence the varied results.
- 5. Accuracy of costs submitted for repairs.**
The results of the KDI have fluctuated and no real trend is developing. The results are taken from the 100 post inspections completed by SBC Technical Inspectors each month, although there is no improvement trend the types of failure have changed following the changes Osborne have made to their commercial management team. We are seeing much smaller scale issues in terms of over-claiming but roughly still the same number of issues overall.

6. **Number of complaints escalated from stage 1 to stage 2 in the month.**
Osborne have struggled and are still struggling to meet this KDI. A complaint is automatically escalated to stage 2 if not responded to within 10 working days under the current process. Osborne are working hard to address complaints but the number of complaints they are still historically managing is directly affecting the turn-around time on new complaints they receive. The number of complaints received has also placed the pressure on the RMI client resource team. Both parties remain focused on improving the KDI.
7. **Average time to answer incoming calls and longest call wait time in the Customer contact centre.**
Osborne are meeting both the aspects of this KDI despite the staff shortages they experienced during the recent Omicron outbreak.
8. **Average number of days for the first appointment to be attended from the time of reporting the repair.**
The results on this KDI have fluctuated, recently Osborne have struggled with a shortage of planners working on the responsive repairs and have offered less work as appointed, this results in this KDI increasing. The KDI monitors appointment made in terms of days but only counts appointments which are kept. Any appointments which are missed or no appointment is offered the result for this KDI defers to the repairs due date. It is the lack of appointments being offered which Osborne need to urgently address, they are currently recruiting to have 3 full-time planners working on the responsive repairs.

Now having 5 months data, we can start to see some improvements but also more easily highlight where more work is needed. The KDI's have provided a much more realistic view of the service compared to the previous KDI which showed a picture unreflective of the perception of resident.

We now have a position which is reflective of where the service is at and what needs to be done to improve the service and can track this improvement.

5.4 Planned Works 2021/22.

During 2021/22 Osborne have successfully completed the following planned works improvements.

Works	Number
New central heating boiler	140
Roof renewals	15
Asbestos removal to communal block	86
New front entrance fire doors	600
Full property electrical upgrade	515
Level access shower/wet-room	40
New door entry system to communal block	45

In addition to this we have completed communal electrical upgrades, external works to estates and a small kitchen and bathroom replacement programme.

There have been no formal complaints received about any of this work, the works have provided excellent value to SBC having been completed using the rates

tendered in the contract 4 years ago. All works are jointly inspected and signed off by SBC and Osborne.

Customer Feedback Samples
<i>'the operative was very polite efficient and clean, Darren was very helpful and professional in arranging the works and the follow up'</i>
<i>'All good no need for improvement'</i>
<i>'Service from Osbornes was excellent – wouldn't change anything and love the bathroom. Very informative, punctual and the operatives were clean and amazing'</i>
<i>'Quality of the completed works was excellent – fantastic work by all involved'</i>
<i>'Everything spot on and would not change anything – great communication from Osborne'</i>
<i>'Excellent work by Osbornes and all people involved – I absolutely love my bathroom'</i>

There are a number of improvement works planned for 2022/23, the table below shows the proposed work plans for next year.

Works	Number
New central heating boiler	94
Kitchen and Bathroom replacement	44
Full property electrical upgrade	92
New front entrance fire doors	500
Level access shower/wet-room	70
New door entry system to communal block	61
Roof replacement	30
Window replacement	51
External improvement works to communal block	20

6. Comments of Other Committees

None

7. Conclusion

The next 3-4 months will be key to improving the standard of the responsive repairs service, there are some signs of improvement but these will only become reality when complaints start to decrease and we can carry out full samples of customer satisfaction. Osborne have made some changes to their delivery team which have certainly improved the responsiveness to issues when managed between SBC and Osborne, the responsiveness in complaints to prevent them escalating is the next key area which Osborne are addressing now.

Osborne continue to improve well in most other areas of the contract and the vast improvement in the turn-around time of voids is a key area where we have seen tangible improvement. The feedback from the planned works and disabled adaptation works have been very positive.

SBC will continue to closely monitor all works, and check all works to ensure the contract continues to provide value for the council.

8. **Appendices Attached**

A – February 2022 Performance KDI

9. **Background Papers**

None