

Agenda

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Shareholder Meeting

Date: **Thursday 7 March 2019**

Time: **6.00 pm**

Place: **The Old Library - Oxford Town Hall**

For any further information please contact the Committee Services Officer:

Catherine Phythian / John Mitchell, Committee and Member Services Officers

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Shareholder Meeting

Membership

Councillor Susan Brown

Councillor Mary Clarkson

Councillor Alex Hollingsworth

Councillor Linda Smith

Councillor Louise Upton

Councillor Nigel Chapman

Councillor Tom Hayes

Councillor Mike Rowley

Councillor Ed Turner

Councillor Marie Tidball (from 4 March 2019)

The quorum for this meeting is three members.

Copies of this agenda

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AGENDA

Pages

1 Apologies for absence

2 Declarations of interest

2 Minutes of the previous meeting

7 - 10

Recommendation:

That the Shareholder resolves to approve the minutes of the previous meeting held on 15 November 2018.

3 Scrutiny recommendations

The Companies Scrutiny Panel meets on 28 February.

Any recommendations flowing from that meeting will be published as a supplement to this agenda.

Recommendation:

That the Shareholder considers any recommendations of the Companies' Scrutiny Panel.

4 ODSL Managing Director's performance report Q3 2018/19

11 - 20

To consider the Managing Director's Half Year Performance Report. Appendix 3 to be discussed in private session.

Items to be considered in private - matters exempt from publication

If the Shareholder Group wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Shareholder Group to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule I2A of the Local Government Act 1972.

The Shareholder Group may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the

exemption outweighs the public interest in disclosing the information.

Matters Exempt from Publication

5 ODSL Managing Director's performance report Q3 2018/19 - Appendix 3

21 - 30

To consider Appendix 3 of the Managing Director's Half Year Performance Report.

6 ODSL and ODSTL Business Plan

The Board of Directors of Oxford Direct Services and Oxford Direct Services Trading Limited will discuss the draft business plan with the Shareholder Group.

There are no papers relating to this agenda item.

7 Declaration of Interim Dividend

To update the Shareholder on the declaration of a dividend from Oxford Direct Services Trading Limited and from Oxford Direct Services Limited to Oxford City Council as the sole shareholder of both companies.

8 Date of next meeting

The next meeting of the Shareholder is due to be held on 04 July 2019 at 6.00pm.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

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Minutes of a meeting of the SHAREHOLDER MEETING on Thursday 15 November 2018

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Committee members:

Councillor Brown
Councillor Hayes
Councillor Rowley

Councillor Chapman
Councillor Hollingsworth
Councillor Turner

Officers:

Gordon Mitchell, Chief Executive
Anita Bradley, Monitoring Officer
Tim Sadler, Chair of the Board / Executive Director Sustainable City
Simon Howick, Managing Director, Trading Companies
Aled Bath, Finance Director
Lindsay Cane, Legal Services Manager / Company Secretary
Nigel Kennedy, Head of Financial Services
John Mitchell, Committee and Member Services Officer
Stefan Robinson, Scrutiny Officer

Apologies:

Councillors: Linda Smith, Upton, Simm and Clarkson sent apologies.

14. Declarations of interest

None.

15. Minutes of the previous meeting

The Board resolved to APPROVE the minutes of the meeting held on 02 August 2018 as a true and accurate record.

16. Scrutiny recommendations

The Scrutiny Officer reminded the Shareholder that no specific recommendations had come from the Companies Scrutiny Panel held earlier in the week. The Panel had however endorsed the proposal for the appointment of Non-Executive Directors.

The Chair raised the question of the sequencing of the scrutiny function in relation to the companies. The practice in relation to normal Council business was for scrutiny to precede the deliberations and decisions of the Executive. In the case of the companies there may be merit in changing the order, not least because the Shareholder, unlike the Executive, would rarely be making major decisions. The Monitoring Officer advised that any changes to the scrutiny arrangements would have to be made by the Council and not the Executive.

The Chair of the Board of Directors said that some preliminary thought had been given to the matter and agreed to have further discussions with the Chair and Chair of the Scrutiny Committee.

17. Managing Director's Half Year Performance Report

The companies remained on target to deliver the MTFP. The Managing Director was pleased to report the companies' strong performance for the first half year, as illustrated by Appendix 1 to his report. Particular attention was starting to be paid to customer service matters. Whilst there appears to be high satisfaction with the quality of repairs, qualitative customer service feedback points to areas for improvement, such as better communication with customers, the time taken to complete repairs and also managing customer expectations more effectively. Repair work was often broken into two phases, a preliminary visit by a surveyor, followed up by the work itself. The ambition was to combine the two wherever possible. Finding means of getting customers to identify the building difficulties they were facing with accuracy was important and some self-help advice was available.

A major change programme was underway in Building Services. A more robust qualitative view of City cleanliness was desirable and thought was being given to securing this via OxClean, the Citizen's panel or perhaps the City Ambassadors could help obtain views from visitors.

Certain properties generated disproportionate amounts of work, principally as a result of their residents and or state of the buildings. With the help of GIS mapping it was intended to identify these 'hot' properties and so take steps to ameliorate the disproportionate demand they cause.

Health and Safety was recognised as being of crucial importance and was being managed robustly. A Health & Safety Committee had recently been established and benefitted from a strong and positive relationship with the unions. There was currently a focus on the health and safety culture and a health and safety week was planned in two weeks' time.

Speaking about progress against the companies' 4 key objectives for 2018/19 the Managing Director said the much needed change programme for Building Services was progressing well. The processes surrounding repairs and maintenance could be improved, as recognised by the employees, and technology would have a significant part to play in that. There was a wish to increase the capacity for construction work and so maximise the work which could be done for the council.

Responding to the Managing Director's report the following observations were made among others.

- The overall picture at this point of the year was very positive with the companies demonstrating organisational and financial resilience
- This was particularly so in the context of the companies' first year of operation and the changes consequent upon that
- The performance indicators were "traditional" and what might be expected of an in-house organisation; thought should perhaps be given to indicators better suited to an arms' length organisation.
- The value of some indicators (eg satisfaction with line painting) was questioned
- Should void turnaround target times be tighter?

- The Managing Director said that all issues to do with indicators would be addressed by the development of a balanced scorecard.
- It was agreed that the time to celebrate the companies success more widely would be at the end of the financial year.
- The Chief Executive said while it was right to acknowledge the companies' success at this point it should be remembered that the Council had been at pains to provide an environment which would facilitate that success in the early days of operation.
- The Chair asked for thanks to be passed to all staff on behalf of the Shareholder

18. Non Executive Directors

The Executive Director of Sustainable City spoke to the previously distributed paper. The Board believed that it was timely to recommend the appointment of some Non-Executive Directors (NEDs). The accompanying paper set out the Council's view on the need to engage NEDs and a framework for their recruitment and selection.

The Shareholder resolved to agree that:

1. NEDs should be appointed;
2. The number to be appointed should be driven by an analysis of the skills needed;
3. A sub-committee of the Shareholder should take part in the recruitment and selection process;
4. The sub-committee to comprise Councillor Chapman and such other members of the Shareholder group as agreed by the Chair;
5. NEDs should receive a level of remuneration commensurate with their skill so as to ensure recruitment of candidates of the desired calibre ; and
6. The next steps in the process to be worked up by the Directors and advisers in consultation with the Chair and for it to be agreed before the next meeting of the Shareholder.

19. Date of next meeting

The next meeting will be held on 07 March at 6.00pm.

20. Matters Exempt From Publication

The Shareholder resolved that, in accordance with the provisions of Regulation 4 (2) (b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following item of business on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

21. Finance Director's Half Year report

This report was considered in confidential session.

The meeting started at 5.00 pm and ended at 6.30 pm

Chair

Date: 07 March 2019

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ODS Performance Report at Q3 (2018/19)



Introduction

- 1) ODSL and ODSTL commenced trading on 1st April 2018 and this is a year to date report as at the end of Q3 (so performance up to and including December 2018).

Executive Summary








- Service performance has been consistently good all year with one quarter remaining
- However we want to be sure we have a deep understanding of the customer view and make desired changes to the service where we can. We've worked on improving our understanding of Building Services and Streetscene customer satisfaction in more depth – with changes being introduced as a result.
- At the three-quarter year (FY 2018/19), ODS remains on target to deliver this year's Medium Term Financial Plan target of £1.4M profit after tax.
- We are also on track to cover the £0.5M start-up costs in this financial year.
- In addition to this, we predict there will be an opportunity for an additional dividend of £300k subject to approval under the Dividend Policy.
- Progress has been made against all year one objectives set out in the Business Plan
- Whilst managing the day to day business, we have determined the basis of a plan for the future which sets out not only how we will deliver the current MTFP growth targets but build on these so that by FY 2022/23 we will significantly increase the return. A detailed business case is progressing well for future approval by the Shareholder
- Improving our management of health & safety continues to be a priority and we've had a great 83% response rate to a workforce safety culture survey. This will inform our action plan.

Q1 – Q3 update:

Service Performance

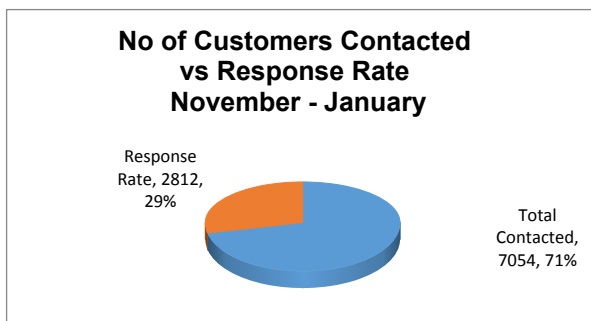
- 1) ODS meet with OCC partners to review the service on a monthly basis. During this meeting we review KPIs, finance and identify any areas requiring particular focus (these include city centre cleaning, establishing a construction pipeline, budget process, etc.).
- 2) We at ODS monitor many performance indicators, thirty eight of which are target driven. The Council focuses on eight key areas: Tenant satisfaction, housing repairs, voids, streets, parks, waste & recycling, highways and car parking. Appendix 2 shows the current performance across measured KPIs year to date at Q3. The Client KPI headlines are in table 1 below.
- 3) We are also on track to deliver the year 1 Business Plan objectives as shown at Appendix 1.

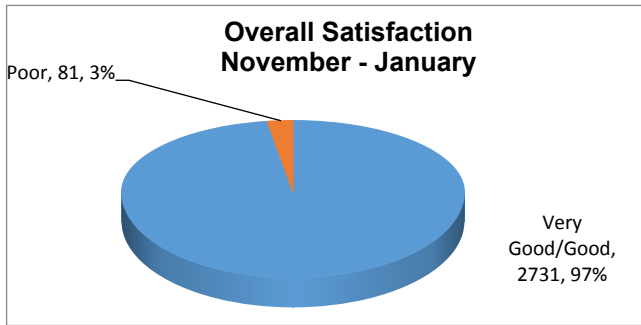
Table 1

| | | | | | | |
|---|--|--|---|--|---|--|
| <p style="text-align: center;">Tenant Satisfaction</p>  <p style="text-align: center;">Tenant satisfaction with repairs is 97.16%; a 2.16% increase from the same period last year.</p> | <p style="text-align: center;">Housing Repair Cost</p>  <p style="text-align: center;">The average cost of a responsive repair is £83.03; an increase of £4.54 from the same period last year.</p> | <p style="text-align: center;">Void Turnaround Time</p>  <p style="text-align: center;">The void contractor turnaround time is 15.29 days, a decrease of 1.87 days from the same period last year.</p> | <p style="text-align: center;">Street Cleanliness</p>  <p style="text-align: center;">All 4800 streets inspected for litter, detritus, graffiti and fly-posting were at Grade B or above.</p> | <p style="text-align: center;">Recycling Rate</p>  <p style="text-align: center;">The recycling rate is 51.99%, an increase of 0.70% from same period last year. Waste per head is 138.67Kg.</p> | <p style="text-align: center;">H&E Completed</p>  <p style="text-align: center;">100% of 24-hour defects and 100% of 48-hour defects were completed on time.</p> | <p style="text-align: center;">Parks Satisfaction</p>  <p style="text-align: center;">Parks satisfaction result is TBC after the next Local Government Inform Survey. Last survey result was 84%</p> |
|---|--|--|---|--|---|--|

Customer Service

- 4) ODS is continuing to focus on customer satisfaction and is using feedback received to prioritise issues, address them and drive through improvement. We have been developing ways to positively encourage feedback on our services via a range of methods. So far this has been successful and the business has used data within buildings and Streetscene to start to deliver improvements (see below).
- 5) **Buildings** – developed an improved interface between contact centre staff and ODS to enable them to handle tenant enquiries more effectively. Identified themes to help us continue to develop and improve the service i.e. customer service training, providing literature to tenants to enable them to proactively manage issues such as damp and mould and to assist them in understanding the level of service and targets that we are contracted to deliver to.
- 6) We are continuing to obtain lots of data from our customers to measure satisfaction and although the response rates could be better there’s enough data to draw conclusions:





7) Work continues on transformation of our repairs and maintenance service and we expect these changes will increase satisfaction over the coming months.

- **Streetscene** – the service continues to meet the KPI’s but we don’t think these reflect the public view of street cleanliness. To address this we have developed, promoted and implemented a bespoke survey for Streetscene focusing on four key areas and have achieved a return of almost 400 responses (see table below) which has given a good baseline to work from:

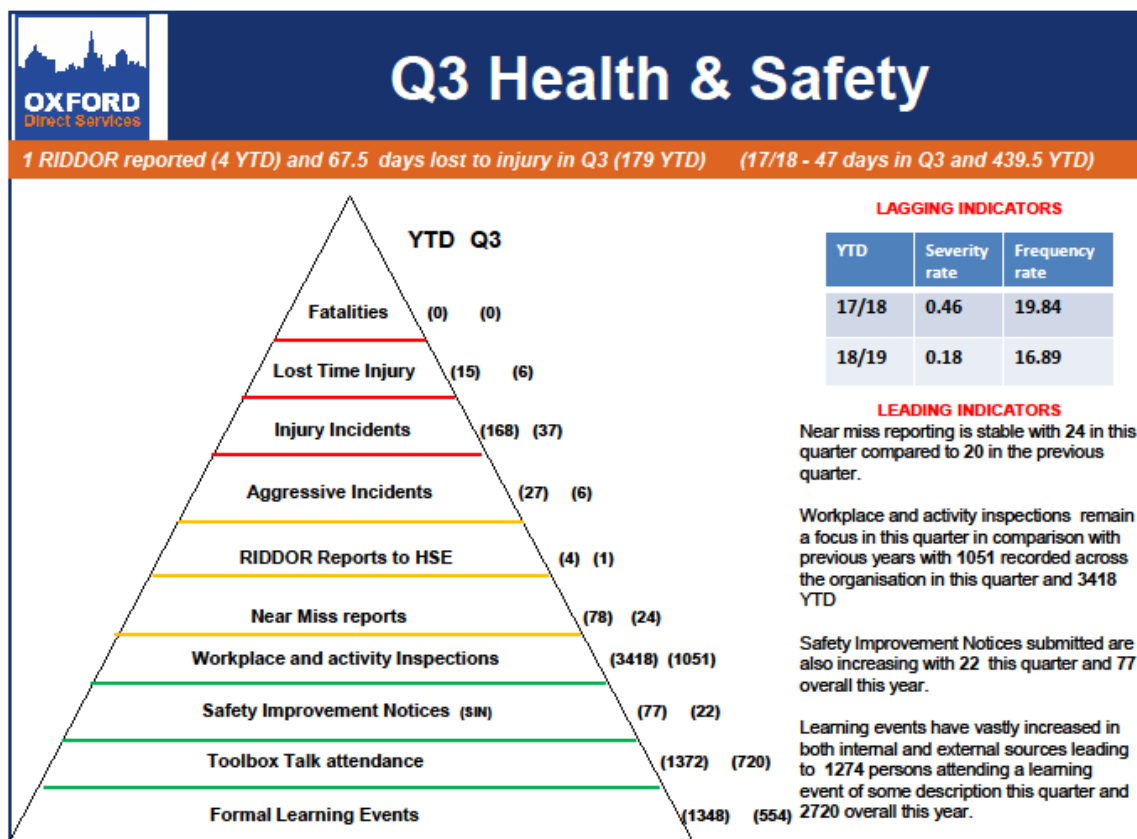
| STREETSCENE SURVEY FEEDBACK | Average Rating (Score 1-5) |
|----------------------------------|----------------------------|
| Cleanliness of my street | 3.54 |
| Cleanliness of the City Centre | 3.44 |
| Frequency of litter bin emptying | 3.35 |
| Satisfaction with public toilets | 2.74 |

- **Concern with city centre toilets** - in response to this we are intensifying the programme of deep cleaning for those facilities. Demand on the toilets, particularly in Market Street, is far beyond the constrained capacity of the site and we will work with our building colleagues to consider what other options are available for us to address this. For some the experience of the city centre toilets is great such as “The toilets for example by the Covered Market are always clean and tidy”, and we need to make this the norm. We are exploring the value of operating managed toilets in Gloucester Green and Market Street and will report back to Members in due course. Any proposal will very likely give rise to additional costs which the Council as Client will need to consider in a future budget round.
- **Rough sleeping** - Perception of the city centre being negatively affected by the prevalence of rough sleeping. We work closely with Safer Oxford on the removal of rough sleeper debris and drugs paraphernalia. We largely have a good working relationship with this group so that we can do our job. However the impact on the City centre toilets is much more difficult to control with the removal of rough sleepers from cubicles being a significant problem. Removal from one facility usually only displaces to another city centre facility.
- **Cowley Road and neighbouring area** – general satisfaction although specific concerns relating to trade waste and litter building up during the day. We are working with colleagues in waste and recycling to address instances where waste is mis-presented (and as such not collected) and are introducing a dedicated resource through a redesign of rounds to collect litter throughout the day.

- **Quality and Cleanliness of Pavements in the City** - there is a continuing programme looking at resurfacing of paved areas with St Aldates due for significant investment in March (Western side between Carfax and Pembroke Street). This will both improve the appearance and safety of the paving but also make the surface easier to clean.
 - **Fly tipping** – where it's our area of responsibility we will immediately address the issue. Where it's other areas we raise with appropriate stakeholder e.g. Safer Oxford, Housing (tenant properties only), etc
- 8) The data being captured will assist us in focusing on prioritising the areas our customers believe are the most important and, in turn, inform work programmes and schedules going forward.
- 9) In addition to the above, Streetscene are working in partnership with schools to develop a litter campaign and want to expand this across all schools in Oxford. We are also working collaboratively across ODS to join up services e.g. the City Council and ODS have won the Team off the Year award (the Recycling & Waste Team) from the Keep Britain Tidy organisation.
- 10) We have also commenced clearing graffiti on the basis we have agreed with the Portfolio holder i.e. let's focus on getting it done, rather than chasing small cost recovery from private householders and small businesses. This has led to some quick wins in Jericho, Meadow Lane and on the Thames bridges.

Health & Safety

- 11) ODS continues to improve on its safety performance against previous years with a third quarter below trend from the same position in last year (see table 2 below). The Board receives a quarterly report on Health & Safety looking at leading and lagging indicators, compliance issues and any initiatives programmed in.



- 12) Following on from the quarter 2 report which highlighted the activities around the capture and analysis of the “Safety Climate” within the organisation, the survey tool has now closed. The survey ran from the beginning of December until the 1st of February and netted a response in excess of 83% of the workforce. With an all industry national average of 61%, our engagement and response was a great success.
- 13) The resulting responses are currently being analysed and will help inform improvements in safety management that is more in tune with the needs and perceptions of our workforce. Initial indications point to gaps in understanding in the reporting of incidents and “near miss” events and the perception of how objective and transparent the ensuing investigations are. We also have work to do around how “user friendly” some of our procedures and processes are in relation to work activities. On a positive note, the physical environment or situational aspects of the organisation relating to the plant, equipment and personal protective wear is highly valued and appreciated.
- 14) The output from this Safety Climate survey (coupled with the scheduled health and safety management system audit which will be conducted by BDO later in February) will help us:
- better understand the perceptions of the workforce
 - work to build more meaningful engagement and communication
 - make safety management a more integrated part of how we conduct ourselves in our work activities every day

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Appendix 1 - Year 1 Business Plan Objectives – Progress

| Objectives | Core services | Revenue Growth | Efficiency in Building Services | Maximise work from OCC | Build ODS |
|---|---|---|--|---|---|
| Culture Evolution – embed Mission, Aims & Values | | | | | |
| Challenges | Balancing commercial / public service work Maintaining and improving customer service Managing the public relations | Need to ensure year 1 company costs + MTFP are covered How to deliver sustainable growth Robust financial & management information | Changing traditional R&M function into modern construction operation | Stakeholders views of ODS capacity / capability Commissioning of works fragmented | Lack of commercial processes / resources / experience Sub-optimal IT systems & infrastructure Finance, HR & ICT leadership lacking Depot portfolio not future proofed & inefficient |
| Solutions | Implement service / support contracts / SLAs / Client functions Gain a better understanding of customer service | Develop a plan for the future Ensure clear financial targets with regular reviews / adjustments Revise ODS procurement strategy Revise/develop the MI suite to drive better decision making and cascade across business B2B –clear sales / resourcing plan in place | Introduce Building services major change programme | Identify and secure key resources / partnerships with construction industry experience Agree/implement a shared & smoothed building works programme Contribute to revising the works commissioning process Get visibility of all potential works to ODS from concept stage | Fully establish the commercial arm Establish and resource change programme / business support Depot rationalisation project commissioned |
| Highlights this period | Q1-Q3 - KPI performance good Repairs & Streets customer service initiatives continue and informing changes in service provision Change in graffiti service Council budget process complete | Q1-Q3 – remain on target to deliver MTFP & set up costs Business Plan refresh agreed in principle – basis is 70% efficiency 30% growth. Working through 5 case model for business case | Building services now in implementation, ‘as is / to be’ process review continues, new target operating model being costed comms/engagement plan drafted / continuing | Business Plan contingent on a £71m programme across 4 years –some of which is HRA pass through Continuing to work with Council on how to commission ODS | Increasing strategic change & commercial resources Focus is on business plan refresh and the business case supporting it Succession plans developing for a new shape to ODS which will support the emerging business plan |

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Appendix 2 – ODS Mid-year performance data

Building Services

| Indicator | Target | Result | |
|---|---------------|---------------|---|
| Decent Home Kitchens in Amount installed (YTD) | 188 Kitchens | 180 Kitchens | ☺ |
| Number of bathrooms installed (YTD) | 195 Bathrooms | 150 Bathrooms | ☹ |
| Void contractor turnaround time | 17 Days | 15.22 days | ☺ |
| Percentage of Gas Services in date | 99.00% | 98.75% | ☺ |
| Percentage of Emergency Gas Repairs completed on time YTD | 99.50% | 100% | ☺ |
| Percentage of Urgent Gas Repairs completed on time YTD | 99.00% | 97.9% | ☹ |
| Percentage of Routine Gas Repairs completed on time YTD | 98.30% | 95.6% | ☹ |
| Tenant Satisfaction with Repairs Service | 95.00% | 96.63% | ☺ |
| Percentage of Emergency Responsive Repairs completed on time YTD | 99.6% | 97.74% | ☺ |
| Percentage of Urgent Responsive Repairs completed on time YTD | 99.00% | 99.29% | ☺ |
| Percentage of Routine Responsive Repairs completed on time YTD | 96.50% | 96.09% | ☺ |
| Percentage of repairs appointments kept YTD | 99.00% | 99.38% | ☺ |
| Number of Electrical rewires YTD | 91 Rewires | 95 Rewires | ☺ |
| Percentage of communal areas passing inspection (Estate officers) | 96.00% | 96.9% | ☺ |

Recycling and Waste, Streetscene, Parks and Open Spaces and Highways

| Indicator | Target | Result | |
|---|-----------|----------|---|
| Household recycling rate | 50.00% | 51.68% | ☺ |
| Amount of refuse waste per household | 315Kg | 259.07Kg | ☺ |
| Percentage of streets with litter levels that fall below Grade B (YTD) | 1.75% | 0.58% | ☺ |
| Percentage of streets with detritus levels falling below Grade B (YTD) | 3.00% | 0.29% | ☺ |
| Percentage of streets with Graffiti levels falling below Grade B (YTD) | 1.00% | 0% | ☺ |
| Percentage of streets with fly posting levels falling below Grade B (YTD) | 1.00% | 0% | ☺ |
| Number of Parks / cemeteries with Green Flag accreditation | 5 Parks | 6 Parks | ☺ |
| Percentage of highways and engineering category 1 works completed on time YTD | Info only | 100% | ☺ |
| Percentage of highways and engineering category 2 works completed on time | Info only | 100% | ☺ |
| Satisfaction for the highways and engineering last larger assessed scheme | 85.00% | 100% | ☺ |
| Satisfaction with line painting and sign shop | 85.00% | 100% | ☺ |

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Agenda Item 6

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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