

Agenda

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Companies Scrutiny Panel

Date: **Thursday 28 February 2019**

Time: **6.00 pm**

Place: **Plowman Room – Oxford Town Hall**

For any further information please contact:

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Companies Scrutiny Panel

Membership

Chair	Councillor James Fry
	Councillor Craig Simmons
	Councillor Tom Landell Mills
	Councillor Richard Howlett
	Councillor Tiago Corais
	Councillor Chewe Munkonge

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AGENDA

Pages

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 MINUTES OF THE PREVIOUS MEETING

To approve the minutes of the previous meeting held on 12 December 2018.

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4 ITEMS TO BE CONSIDERED IN PRIVATE - MATTERS EXEMPT FROM PUBLICATION

Please note that Appendix 3 of the Quarter 3 Performance Report (item5) and the Oxford Direct Services Business Plan (item 6) are exempt from publication under the terms of Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972. Accordingly, to consider this item, the Panel will be required to pass a resolution "That members of the public be excluded from the meeting on the grounds that their presence would involve the likely disclosure of exempt information."

5 OXFORD DIRECT SERVICES QUARTER 3 PERFORMANCE REPORT

To consider the Quarter 3 Performance Report for Oxford Direct Services, which will be presented to the Shareholder on 7 March 2019.

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6 OXFORD DIRECT SERVICES BUSINESS PLAN

To receive a verbal update on progress towards revising the ODS Business Plan.

7 FUTURE MEETING DATES

To note the dates of future meetings, which will be held at 6pm:

17 April 2019

3 July 2019

23 July 2019

17 October 2019

19 November 2019

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.

Minutes of a meeting of the COMPANIES SCRUTINY PANEL on Wednesday 12 December 2018

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Committee members:

Councillor Simmons

Councillor Corais

Councillor Munkonge

Councillor Howlett

Council Officers:

Anita Bradley, Monitoring Officer

Nigel Kennedy, Head of Financial Services

Jennifer Thompson, Committee and Members Services Officer

Housing Company (OCHL)

Stephen Clarke, Director

Jane Winfield, Director

Alan Wylde, Housing Development & Enabling Manager

David Watt, Finance Business Partner

Lindsay Cane, Company Secretary

Also present:

Councillor Mike Rowley, Board Member for Housing, Housing

Apologies:

Councillors Fry and Landell Mills sent apologies.

45. Appointment of Chair for this meeting

In the absence of Councillor Fry (Chair of the Panel) Councillor Munkonge was appointed as Chair for this meeting.

46. Declarations of Interest

None.

47. Notes of the Previous meeting

The Panel agreed the notes of the last meeting as a correct record.

48. Dates of Future Meetings

The Panel noted that the dates of their meetings would align with those of the Shareholder:

- 3 January 2019 - cancelled (as shareholder meeting cancelled)
- 6 March 2019 – final date to be confirmed to align with shareholder meetings on/ around 7 March 2019.

49. Exclusion of the press and public

The Panel resolved to exclude the press and the public from the meeting during consideration of the remainder of the items on the agenda, in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 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. The Panel were of the view that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Panel considered the rest of the business in private session.

50. The future strategic direction of Oxford City Housing Limited (OCHL)

For the purposes of providing a public minute, a summary of the discussion had in private session is provided here.

Directors explained the impact of changes (including those out to consultation) in Government policy and funding for affordable housing, including the abolition of the Council's Housing Revenue Account (HRA) borrowing limit altogether and changes to policy on allowable rents.

This required a change in the OCHL's business plans and the Council's plans to make best advantage of the new freedoms and constraints provided by the changes in policy. However, there was some uncertainty as government policy could be rapidly changed, so the company provided a measure of continuity and contingency in the Council's long term planning. Also some development was best carried out by OCHL.

So it was deemed prudent to retain OCHL as a going concern but revise its business plan to allow the Council and the company to take the opportunities created by these policy shifts.

The Panel recommended to the Scrutiny Finance Panel:

as the business plan impacted on the Council's medium term financial plan and its budget, the Scrutiny Finance Panel should look carefully at OCHL's proposals and the Council's own housing programme, reviewing proposed borrowing and the impact on long term finances for both the Council and the HRA.

51. OCHL Development Programme

For the purposes of providing a public minute, a summary of the discussion had in private session is provided here.

Alan Wylde gave a presentation on the each of OCHL's sites for development. Sites were at different stages in the process: some were still at pre-planning stages; others were at the stage of tendering for building contracts. Some sites had been redesigned to increase the number of units. All sites complied with the policy of having 50% affordable housing: the site at Rosehill would be entirely affordable units. OCHL were discussing options with the Low Carbon Hub for generating low-cost solar power on the Rosehill site.

He reported that 43 homes and flats in Barton Park would transfer to the Council (not OCHL) between January and April 2019.

OCHL had taken 7 homes transferred from the Council's HRA stock. These would be extended to provide larger houses, or on larger plots additional homes would be built, or both. OCHL and the Council's housing team regularly reviewed vacant properties to see which could be redeveloped to increase the social housing stock either through the HRA or through OCHL

OCHL was contracting with Oxford Direct Services to carry out some construction work to allow both companies to test the capacity of ODS to deliver good quality homes on small sites, with a view to scaling up ODS's construction operations.

Key lessons were:

1. Not to underestimate the length of time it would take to get a development from initial scoping of the site to starting work;
2. To engage properly and early with planning services, and make good use of the pre-application advice service to assess initial outline designs;
3. Consider carefully the implications of planning conditions on the speed of delivery as well as on the costs and complexity;
4. All across the construction industry in the south east there were persistent difficulties in finding tradesmen and professional services across all specialities and across all sectors;
5. Procure building services for batches of small sites due to start at similar times to create a more attractive contract;
6. To develop a list of contractors who can provide good quality consistent work;
7. Consider the use of novel building methods including modular homes to give a higher quality build, on constrained sites, or to counteract labour shortages.

The Panel recommended that the Housing Shareholder Group:

- 1) Requests directors to continue to revise the 5-year plan, and also revise the profit and loss account, to take account of actual and likely slippage and the contributory factors.
- 2) That future reports to the Shareholder concerning cash flow management and forecasts should show which housing units are intended for direct sale to the Council's HRA and which would be retained by OCHL.

The meeting started at 6.00 pm and ended at 7.15 pm

Chair

Date:

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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

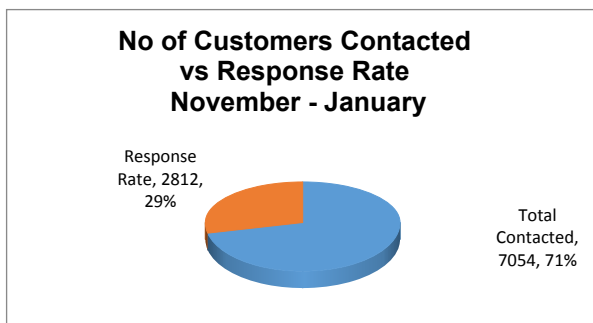
- 1) ODS meet with OCC partners to review the service on a monthly basis. During this meeting we review KPIs, finance and identify any areas requiring particular focus (these include city centre cleaning, establishing a construction pipeline, budget process, etc.).
- 2) We at ODS monitor many performance 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>
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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:

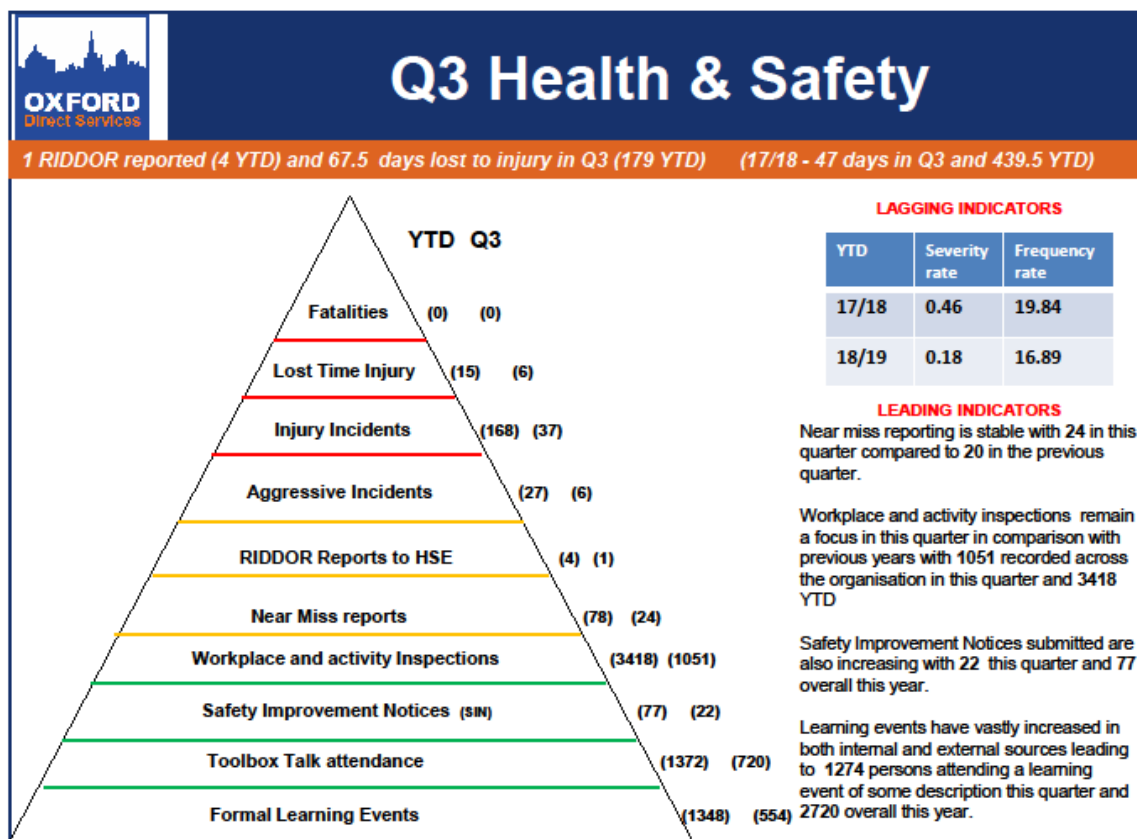
STREETSCENE SURVEY FEEDBACK	Average Rating (Score 1-5)
Cleanliness of my street	3.54
Cleanliness of the City Centre	3.44
Frequency of litter bin emptying	3.35
Satisfaction with public toilets	2.74

- **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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