

**ODS Half Year 1 - 2018/19**

**Introduction**

1. ODSL and ODSTL commenced trading on 1st April 2018 and this is a report at the half year.

**Executive Summary**

* Service performance remains strong
* We are developing our understanding of customer service, with encouraging results in Building Services and have identified opportunities to improve
* At the half year (FY 2018/19), ODS remains on target to deliver this year’s Medium Term Financial Plan expectation of £1.4M profit after tax.
* In addition to this, we are also on target to cover the £0.5M start-up costs in this financial year
* Health & Safety continues to be managed robustly and we are now focusing on ensuring we build a safety culture
* Progress has been made against all year one objectives set out in the Business Plan
* Whilst managing the 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. Proposals have been submitted to the Council’s budget process and what is agreed will emerge with the Council’s draft Medium Term Financial Plan in December.

**Half year update:**

**Service Performance**

1. ODS monitors 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 1 shows the current performance across measured KPIs. The Client KPI headlines are shown in table 1 overleaf.
2. 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.).
3. We have taken a different approach regarding measuring tenant satisfaction (see Customer Service below) and also are looking at different ways to measure satisfaction with street cleanliness. It may be possible to illicit more quantitative and qualitative feedback about street cleansing from OxClean or the Citizen’s Panel and we are progressing these avenues.

**Table 1**



**Customer Service**

1. The ODS Business Plan states that the company achieving its’ purpose will be evidenced by ‘maximising the value we return to the Shareholder’ and ‘delivering best in class services’. Central to this is maintaining and improving our customer service.
2. We are trying to gain a far better understanding of customer perspectives on all ODS work by finding the best ways to engage with them and draw out views which can inform future service delivery. Performance against all ODS KPIs looks good on the surface, but we are looking to increase the richness of our data.
3. Due to the poor level of feedback being provided for housing repairs work, resources have been focused on this area in order to try and obtain robust evidence on the quality of service and at the same time identify opportunities to improve service delivery.
4. As such in the last month we’ve made almost 900 phone calls to tenants (59% response rate) and 300 texts (10% response rate) regarding inspections, kitchen and bathrooms, responsive repairs, gas, electrics and night time call out.
5. Results were very positive:

|  |  |
| --- | --- |
| Overall satisfaction | 97% happy / very happy |
| Appointment kept | 97% |
| Cleaned up afterwards | 100% |
| Helpfulness of staff | 99% happy / very happy |
| Quality of work | 97% happy / very happy |

1. Phoning out is a great way of getting qualitative feedback via ‘additional comments’ - as these sometimes showed contradictions in the overall rating (e.g. “very happy but it did take a while for the job to get done”). Reports are being sent to the business on a weekly basis to ensure that we act on feedback with the Director of Construction & Building Services tasked with ensuring we make changes where required. The key themes are:
* Jobs taking too long
* Customer not being kept informed
* Not being fixed at first visit
* Lack of communication across the board
* High level of customers unhappy with surveyor inspection service (1/3rd). This is happening for a variety of reasons (e.g. service scope not matching expectation of customers, dissatisfaction with the ‘survey then fix’ approach requiring 2 appointments not one).
1. The Building Services Transformation Programme will also tackle service improvement. There are high levels of engagement from staff in this programme and great expectation of positive change coming from them. We have commenced the ‘as is / to be’ process mapping work, with the staff.

**Financial Performance**

1. As at 30th September 2018, we are on target to deliver the current MTFP requirement in year one of £1.4M and the start-up costs of £0.5M. The Finance Director’s report is at appendix 2 and includes financial management reports, summary as follows:
2. Revenue is ahead of target despite on-going programming and delivery difficulties with City Council work driven by a strong capital programme and works for the County Council under the recently awarded S42+ contract.
3. ODS is £0.5M ahead of budgeted profit (Earnings before Interest and Tax) for the first half of the year and expects to exceed the full year budget of £1.3M by no less than £0.3m after fully funding unbudgeted items such as the start-up costs (£0.5M), non-domestic rates increases (£0.1M) and depot repairs (£0.1m).
4. Debtors over 90 days are being reviewed due to some teething problems with the end-to-end operation of the ICT systems and billing and collections processes since the split from the Council. The supporting SLA process will also be reviewed.

**Health & Safety**

1. ODS continues to improve on its safety performance against previous years with a second 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.



1. The inaugural ODS Health and Safety Committee met in September and noted the good practice running through ODS. There is a vast array of information, templates, training documents and an excellent professional team providing advice and guidance to colleagues. The Committee agreed that its efforts were best spent on driving improvements in safety culture and safe behaviours. To this end we are launching a Safety Week in November which will include the launch of the HSE “Safety Climate Tool” This tool measures both the safety culture and climate of the workforce through questioning.
2. This is vitally important to understand the present H&S culture and climate of the organisation and develop our direction of travel to improve safe behaviours. Safety Culture measures the behavioural aspects (i.e. ‘what people do’), and the situational aspects of the company (i.e. ‘what the organisation has’). Safety climate interrogates the psychological characteristics of employees (i.e. ‘how people feel’), corresponding to the values, attitudes, and perceptions of employees with regard to safety within an organisation. With this data we will be able to identify an action plan towards a ‘generative’ (continually improving) safety culture where ‘we all look out for each other’.

**Year 1 Business Plan Objectives – Progress**



**Appendix 1 – ODS Mid-year performance data**



**Appendix 2 – Financial Performance – Commercial in Confidence – Part 2 Paper**

**Appendix 3 – ODS Business Plan Summary**

**Oxford Direct Services**

# **Part 1 - Business Plan Summary 2018/19 – 2021/22**

**Where are we now?**

|  |  |
| --- | --- |
| **The Council’s biggest in-house asset** | **A successful commercial business** |
| * £52m FM company, £4.7m return
* Core services provision
* High quality, value for money
* 700+ employees
* Progressive employment practices
* Significant input to the local economy
 | * Privileged ‘start up’
* Brand authority
* The market is buoyant
* External trading last 4 years

 63% growth |

**The Vision for 2021/22**

ODS will be delivering its purpose of ‘driving value through delivering efficient, value for money services and generating long term sustainable growth in income through external trading.

**This will be evidenced by:**

* Maximising the value we return to the Shareholder:
* Delivering best in class services
* External business – significant expansion
* Return to Shareholder - additional £500k p.a. with ambition for a further £500k p.a.
* Increased market share with current & new customers in our four main service lines i.e. commercial waste, highways & engineering, building and motor vehicle repairs & maintenance
* Product development offering new services, having developed these opportunities during the life of this plan
* A more streamlined Council in synergy with the ODS endeavour

**How will we get there and how will we know?**

* A four year Business Plan, refreshed annually
* Delivering through a combination of growth and efficiency
* More detailed ‘Year One’ key objectives and drivers
* Sets out capital investment requirement
* Performance measured across a Balanced Scorecard

**Key Objectives – 2018/19**

**We will:**

1. Plan and deliver the additional net £60k per annum as set out in the Medium Term Financial Plan
2. Drive efficiency in Building Services delivering £100k per annum savings as set out in the Medium Term Financial Plan
3. Maximise the work ODS gets from the Council
4. Develop an organisation which can support our ambition
5. **Plan & deliver additional revenue growth**
6. Develop a detailed sales plan focusing on the 3 growth areas (but addressing the others commercial service lines as well) and the strategy for growth behind each, factoring in the transitional nature of the first year:

**Commercial Waste:**

* + Deliver an additional net £45k per annum
	+ Key strategy – ‘in fill’ lifts City Centre & Cowley Road

**Engineering:**

* + Deliver an additional net £5k per annum
	+ Key strategy – commence ‘Section 42 plus’ contract

**Motor Transport:**

* + Deliver an additional £10k net return per annum
	+ Key strategy – increase ATF lane utilisation to 5 days per week
1. **Drive efficiency in Building Services**
2. Deliver phase 1 of a whole service review/improvement programme, which in 2018/19 aims to achieve £100k efficiency savings per annum, focusing on:
	* Driving through a root and branch efficiency programme
	* Restructuring the service to best deliver a scheduled and responsive repairs and maintenance service and larger construction projects
	* Developing the estimating, quantity surveying and contracts management capabilities
3. Determine the business case for a ‘design & build’ function
4. Facilitate the delivery of a smooth work programme from the Council
5. **Maximise the work from and value to Oxford City Council**
6. Agree a process giving visibility of all potential works to ODS from concept stage onwards and in particular all building work from the Corporate Property Client
7. Agree and implement a shared Client / Contractor building works programme which smooths out the resourcing requirement and maximises the output and value returned
8. Identify any areas requiring increased contractor capability and develop a plan to bridge any gaps
9. Introduce a first class account management approach in delivering services to the Council
10. **Build an organisation which can support our ambition**
11. Fully establish the commercial arm:
	* Develop the commercial/ financial strategy
	* Appropriate marketing strategy
	* Detailed sales plan
	* End to end sales process
	* Bid writing
	* Scale up / ensure delivery
	* High quality account management
12. Address strategic & advisory support services delivery including:
	* Information Technology - ensure IT is able to support the commercial demands of ODS e.g. investment & fast delivery
	* Finance – secure and embed the financial leadership for ODS
	* HR – design and embed people management environment to support the company to achieve its ambition
	* ODS support services – ensuring the back office can support the growth by investment in technology and ability to scale up