



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

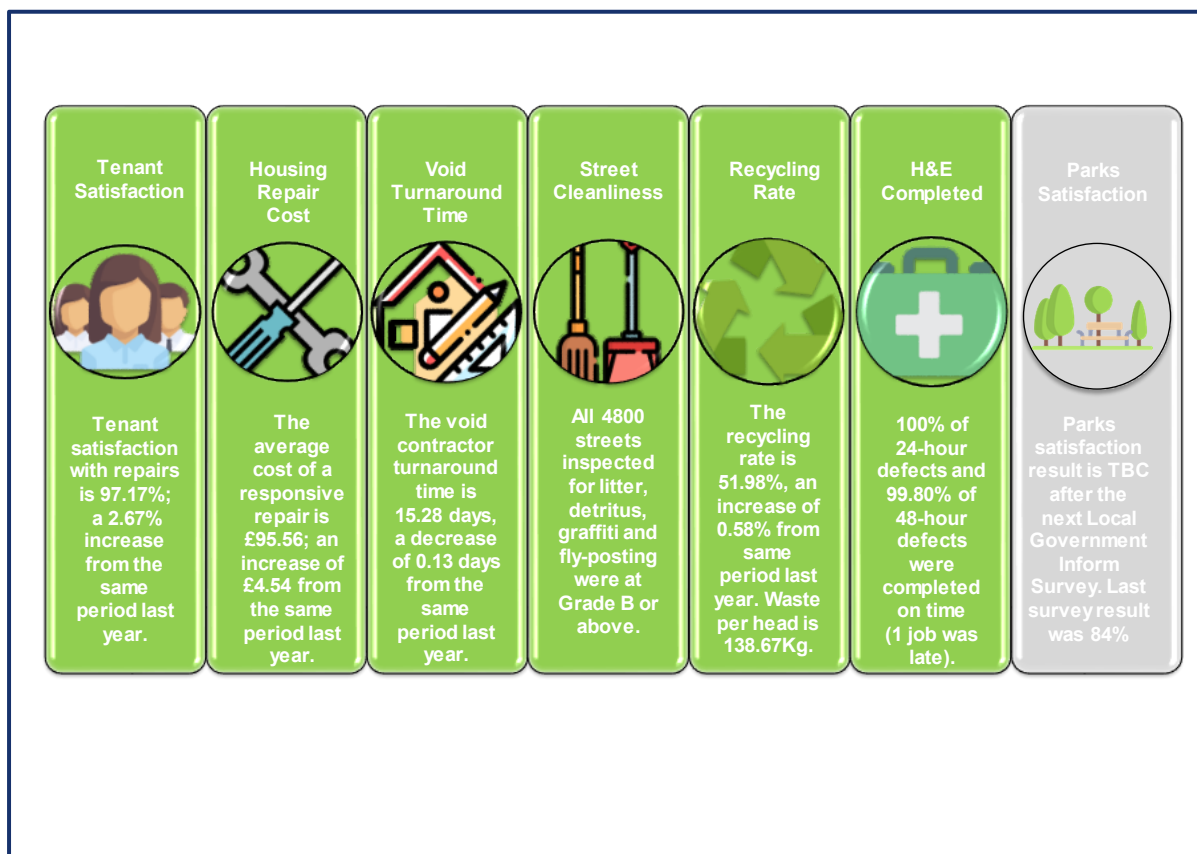
- Service performance remains strong
- We are developing our understanding of customer service, with encouraging results in Building Services and have identified opportunities to improve
- At the half year (FY 2018/19), ODS remains on target to deliver this year's Medium Term Financial Plan expectation 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

- 2) 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.
- 3) 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.).
- 4) 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

- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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

10) 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).

11) 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

12) 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:

13) 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.

14) 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).

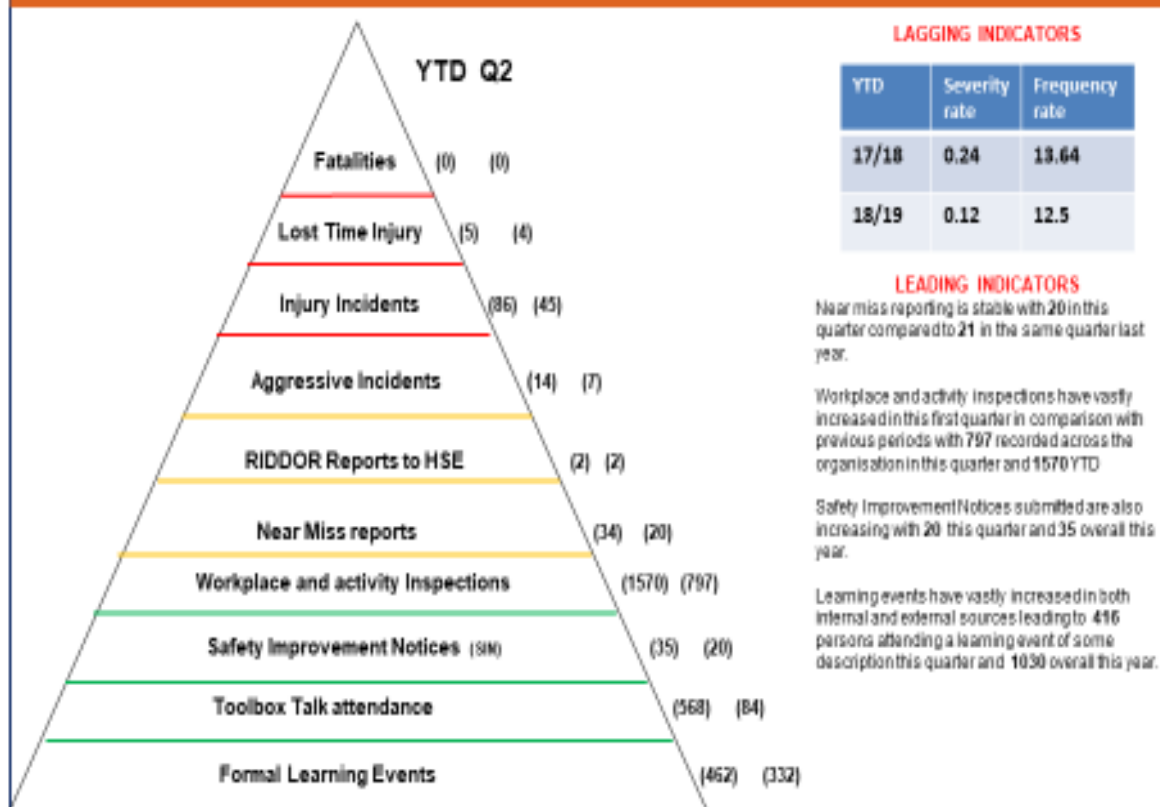
15) Debtors over 90 days are being reviewed due to some teething problems with the end-to-end operation of the ICT systems and billing and collections processes since the split from the Council. The supporting SLA process will also be reviewed.

Health & Safety

16) 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.

Q2 Health & Safety

2 RIDDORs reported and 82.5 days lost to injury in Q2 (17/18 - 85 days)



- 17) 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.
- 18) 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

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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	Q2 KPI performance good Q2 Companies panel report in progress Q2 Shareholder report will be Business Plan refresh but need to play this into Companies Panel Work on going to get a better understanding of customer view Council budget process	Q2 – on target to deliver MTFP & set up costs Business Plan refresh well underway Delays in ODS procurement policies MI – work in progress, dashboard to be finalised	Building services now in implementation, ‘as is / to be’ process review underway, comms/engagement plan in operation	Expanding construction resources from private sector Working with Programme Office on commissioning process £4m construction pipeline identified / in delivery for 18/19	Business Development Director appointed. Weekly pipeline report in place. New bids / tender process in place. Updated market analysis for each service line under development and will form part of new business plan

Appendix 1 – ODS Mid-year performance data

Building Services

Indicator	Target	Result	
Decent Home Kitchens installed YTD	122 Kitchens	111 Kitchens	☹️
Number of bathrooms installed YTD	145 Bathrooms	147 Bathrooms	😊
Void contractor turnaround time YTD	17 Days	15.28 days	😊
Percentage of Gas Services in date YTD	99.00%	99.36%	😊
Percentage of Emergency Gas Repairs completed on time YTD	99.50%	100%	😊
Percentage of Urgent Gas Repairs completed on time YTD	99.00%	99.62%	😊
Percentage of Routine Gas Repairs completed on time YTD	98.30%	98.69%	😊
Tenant Satisfaction with Repairs Service YTD	95.00%	97.17%	😊
Percentage of Emergency Responsive Repairs completed on time YTD	99.60%	99.66%	😊
Percentage of Urgent Responsive Repairs completed on time YTD	99.00%	99.32%	😊
Percentage of Routine Responsive Repairs completed on time YTD	96.50%	96.70%	😐
Percentage of repairs appointments kept YTD	99.00%	99.60%	😊
Number of Electrical rewires YTD	62 Rewires	72 Rewires	😊
Percentage of communal areas passing inspection - Estate officers (September result)	96.00%	97.30%	😊

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

Indicator	Target	Result	
Household recycling rate YTD	50.00%	51.98%	😊
Amount of refuse waste per household YTD	211.00Kg	174.30Kg	😊
Percentage of streets with litter levels that fall below Grade B YTD	1.75%	0%	😊
Percentage of streets with detritus levels falling below Grade B YTD	3.00%	0%	😊
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 YTD	Info only	99.80%	😊
Satisfaction for the highways and engineering last larger assessed scheme (last scheme)	85.00%	93.00%	😊
Satisfaction with line painting and sign shop YTD	85.00%	100%	😊

Oxford Direct Services

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

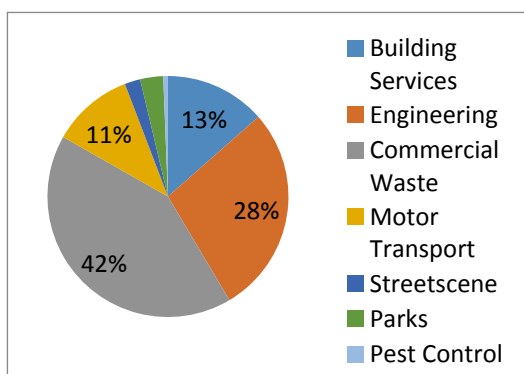
Where are we now?

The Council's biggest in-house asset

- £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

A successful commercial business

- 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

1) Plan & deliver additional revenue growth

- a) 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

2) Drive efficiency in Building Services

- a) 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

- b) Determine the business case for a 'design & build' function
- c) Facilitate the delivery of a smooth work programme from the Council

3) Maximise the work from and value to Oxford City Council

- a) 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
- b) Agree and implement a shared Client / Contractor building works programme which smooths out the resourcing requirement and maximises the output and value returned
- c) Identify any areas requiring increased contractor capability and develop a plan to bridge any gaps
- d) Introduce a first class account management approach in delivering services to the Council

4) Build an organisation which can support our ambition

- a) 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

- b) 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

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