

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Neighbourhoods & Community Scrutiny Panel **DATE** 3 July 2014

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**WARD(S):** All

**PORTFOLIO:** Councillor Swindlehurst –Commissioner for Neighbourhoods and Renewal

### **PART I** **CONSIDERATION & COMMENT**

#### **Interserve Contract – Voids Performance Update**

##### **1 Purpose of Report**

1.1 For Members to receive an overview on Interserve Contract, including updates on progress around the performance of the Voids Service.

##### **2 Recommendation(s)/Proposed Action**

2.1 That the Panel:

- a) consider the progress made in recent months in relation to the major and minor housing repairs, and maintenance and void management services provided by Interserve; and
- b) review the update provided on the Interserve Contract which includes cashable efficiencies put in place for 2014/15.

##### **3 Slough Wellbeing Strategy Priorities**

Priorities:

- Housing – The Voids Service, as part of the Interserve contract, contributes to the provision of better housing standards.

##### **4 Other Implications**

###### **(a) Financial**

Details of the financial implications relating to this report are highlighted in the main body of this report.

###### **(b) Risk Management**

There are a number of risks that should be managed as part of both the wider Interserve Contract as well as the Voids Process which should be managed under the scope of partnership working, performance and contract management. Any

identified risks need to be discussed as part of the statutory consultation process with tenants and this must be conducted before these risks are formally accepted.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Implications arising from this report that need to be considered.

(d) Equalities Impact Assessment

Whilst there is no identified need for the completion of an EIA relating to the content of this report it is essential that this report refers to s149 Equalities Act 2010 in ensuring all voids are identified and stock modelled for potential adaptations.

## 5 Supporting Information

- 5.1 The Contract for Interserve commenced on 1 November 2001 as a 15 year Contract and is due to end on 31 March 2016. (The exception to this is the Building Cleaning element of the contract which is subject to a periodic satisfactory performance appraisal and is based on a one year renewable term as a result of the changes agreed in 2011).
- 5.2 The Interserve Contract encompasses responsive and planned maintenance which is inclusive within the Fixed Service Charge as well as provision for additional exclusive work which is charged in line with the schedule of rates specified in the contract. The Fixed Service Charge is increased each year by indexation (RPIx.) and varied by the volume change mechanism specified in the contract. At the start of the contract in 2001/2 the contract value for the Fixed Service Charge was £5,351,000 per annum in 2012/13 this was 6,493,298. The Fixed Service Charge is split between Housing Revenue Account (hereafter referred to as HRA) and GF on 82.4% and 17.6% basis.
- 5.3 The total spend in recent years with Interserve has been just under £9 million. The additional elements are made up of 'exclusive' works ,capital investment e.g. to meet decent homes standard and other inclusive corporate repairs .There are other works which are not automatically allocated to Interserve and these are procured under the Council Financial and Procurement Procedures. The Contract did offer the opportunity for a cumulative Profit share but this was never fully realised due to the reported significant losses in the early years of the contract
- 5.4 The Interserve Contract has had a number of reviews carried out on it over the years. These included KPMG Housing Maintenance Contract Review in October 2011 and a further review in 2012.
- 5.5 In recent months the focus as part of the Major Contracts Review has been to deliver savings to the General Fund and to provide value for money and part of this initiative has been to work in Partnership to improve services as well as deliver cashable efficiency savings. The focus for HRA has been on service improvements. Interserve responded positively to this and through a number of workshops identified areas for future consideration as well as putting in place savings to be realised at the start of 2014/15.
- 5.6 One of the areas of focus was Voids and the workshops here were attended by Place Shaping, Property Services, Interserve, the Senate, as well as the Assistant Director managing the Major Contracts Review. Interserve have provided an outline of the

progress on Voids to date which is attached as Appendix 1 of this report and key actions taken will be highlighted as part of a presentation at the meeting.

- 5.7 The report provided by Interserve outlines what has been achieved to date as well as areas for further development .This is not an exhaustive list and there is further work to do e.g. identification and treatment of wilful damage, improved options for tenants from the pilots. In relation to Voids there is a further workshop scheduled for 3 July where the action plan will be reviewed and refreshed.
- 5.8 A particular area of focus related to the Voids threshold, whereby under the current Contract any Void that goes over the agreed threshold c£3,300 is chargeable .This is an area which is being monitored and reviewed to ascertain improvements in performance in this area in line with the progress proposals in Appendix 1.
- 5.9 There are obviously further improvements that needs to be carried out in relation to the Interserve Contract and these will be focused on preparing and implementing action plans focusing on continuous improvement ,as well as the re-procurement of the new Contract which is due to commence on 1 April 2016.

## **6 Comments of Other Committees**

- 6.1 This Panel discussed the Voids Service at its meeting in January 2014 and raised concerns about performance at that time

## **7 Conclusion**

- 7.1 This report provides an update for the Panel on progress made to improve the performance of the Voids Service following the concerns raised in January 2014 as well as options for future improvements

## **8 Appendices Attached**

Appendix 1 – Interserve Voids Analysis Report

## **9 Background Papers**

- Report and Minutes: The Voids Process and the Re-allocation of Empty Council Homes (Neighbourhoods & Community Services Scrutiny Panel, 8 January 2014)