

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhoods & Community Scrutiny Panel

DATE: 7th January 2015

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

PART I **CONSIDERATION & COMMENT**

Interserve Contract – Voids Performance Update

1 **Purpose of Report**

For Members to receive an overview on Interserve Contract, including updates on progress around the performance of the Voids Service since the last report in July 2014

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

That the Panel consider the progress made in recent months in relation to the major and minor hosing repairs and maintenance and void management services provided by Interserve

3 **Slough Wellbeing Strategy Priorities**

Priorities:

- Housing – This service is around the Well being strategy in the borough as part of our strategic priority around social housing

4 **Other Implications**

(a) Financial

An outline of the financial implications relating to this report is 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

Risk	Mitigating action	Opportunities
Property	This encompasses joint working including void inspections to identify tenant damage and any liability.	The Council requires its housing stock to be maintained at a good standard as well as encouraging all tenants to work with the council to keep their property in a good state of repair.
Health and Safety	Regular reviews of health and safety including safety audits and rigorous investigation of any incidents.	The Council is committed to a high standard of Health and Safety for its residents good health and safety regimes are essential especially relating to property repairs and maintenance
Financial	Good Standards in Contract Management including performance analysis.	Improvements to the Housing Stock require value for money assessments and an agreed proportion of any savings to be planned and reviewed.

It is important to state on of the risks is about the statutory consultation process with tenants which must be conducted

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

There is no identified need for the completion of an EIA relating to the content of this report. We must by law allude to s149 Equalities Act 2010 in ensuring all voids are identified and stock modelled for potential adaptation.

6 Supporting Information

Background

6.1 The Contract for Interserve commenced on 1st November 2001 as a 15 year Contract and is due to end on 31st 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).

6.2. Arrangements for the re- provision of the contract is already underway .It is the view of CMT that the Corporate Building Cleaning and Maintenance be tendered separately to that of Housing Repairs and Maintenance .Progress on contract re-provision is reported via Contract Re-provision Board and also there was a Members Workshop on the topic on 20th November 2014. Pre market engagement is a key stage in the process of Strategic Commissioning Cycle. Slough hosted an event for suppliers on 9th December 2014 which was attended by over 80 suppliers

The focus for HRA in recent months has been on service improvements. Interserve responded positively to this and through a number of workshops led by Assistant Director (Contracts, Commissioning and Procurement)identified areas for future consideration as well as putting in place corporate building savings to be realised at the start of 2014/15.As reported to the July meeting, one of the areas of focus was Voids and the workshops here were attended by Place shaping, Property Services, Interserve, the Senate.

6.3. An outline of the progress on Voids as an overview and since the July meeting is outlined in Appendix1 of this report and key actions taken will be highlighted as part of a presentation at the meeting.

7. Comments of Other Committees

The NCS Panel discussed the Voids Service at its meeting in January and received a report on progress in July 2014

8. Conclusion

This report provides an update for the panel on recent progress made to improve the performance of the Voids Service

9.Appendices Attached -

Appendix 1 – Interserve Voids Analysis Report – December 2014

10.Background Papers

- NCS Panel report – January 2014
- NCS Panel minutes – January 2014
- NCS Panel minutes – July 2014

Appendix 1

Interserve (IFS) Void Analysis Report

Author Paul Blizzard - General Manager: Interserve (Facilities Services-Slough) Ltd

1.1 Key Points to Note.

The KPI's are our internal figures, not corporate. Interserve's figures do not take the clients key to key times into consideration, the figures relate to when Interserve receive the keys and hand they keys back to SBC upon completion of the void works. The corporate targets for Void Works are;

Value of Works	Priority Times
0 -3k	10 Days
3 – 5k	15 days
5k+	Long term void, date determined by SBC

1.2 Monthly Void Turnaround Performance

Against the above corporate targets, void turnaround performance Feb 2013 – March 2014 has been pretty consistent. The average days has fallen from 12 to 9 days. I have put together all the received voids from Feb14 to Nov 14 to show the average number of days it has taken Interserve to carry out. This is from our first day to the handover day of completion.

February 2014 - November 2014

Value Of Works	Band	Number Of Voids	Average Days
0-3 K	10	129	08.34
3-5 K	15	34	13.00
5K+	Long term void	24	17.88

The table below highlights the progress made to the delivery times in this period. It has been recognised that the emphasis was to shorten the average days spent working on the voids.

Routine Voids		
Month	Received	Average days
Feb-13	10	12
Mar-13	25	12
Apr-13	25	12
May-13	20	12
Jun-13	35	12
Jul-13	29	13
Aug-13	19	11
Sep-	15	9

13		
Oct-13	18	12
Nov-13	21	11
Dec-13	19	13
Jan-14	18	8
Feb-14	19	9
Mar-14	21	9

Since the start of the new financial year Interserve have paid particular attention to the cost of the void as well as shortening the time spent working in the property. The void works are part of the fixed fee, however, the void has a limit of liability and if the threshold, £3,433.00 is reached SBC will pay for the works in their entirety. There has been a fear that the voids have previously been pushed over the Limit of Liability. Working together with SBC we are making the service as transparent as possible in order to reduce cost where possible. Since the new bandings in Feb 2014 to Nov 2014 we have received 129 below the threshold, and 34 above the threshold, with 24 being over 5k. The previous time frame last year we incurred 7 over 5k 30 above the threshold and 199 under the threshold. We always notify the client when they are over the agreed threshold for authorisation. If Interserve survey a property over 5k and foresee any issues, we liaise with the client to request if they would like to proceed if there is any doubt. Spreadsheet Information is sent across to the client weekly, which incorporates all the information above.

Month	Received	Av Days Taken	Average Value
April	21	10	£2,221
May	13	7	£2,518
June	20	8	£2,554
July	16	7	£2,839
Aug	21	9	£2,548
Sep	19	8	£2,656

As you can see from the above table the average days has reduced and the values are competitive. The non Long term Voids are coming in lower than previous and all voids are subjected to approval from SBC before Interserve commence with work. The client informs us via the helpdesk admin, to arrange the pre inspection with the tenant in advance of the arranged transfer date. These are issued to the supervisors as inspections on an agreed date suitable for the tenant and the property has the visual inspection carried out. Once completed all paperwork is sent across to the allocations team. Timing issues that have caused delays have been infestations, asbestos, key-fobs, housing officer assistance approval of refurbishments.

1.3 Monthly Decent Home Void Turnaround Performance

No separate Decent Home void targets have been set for this contract. This is due to the works in the property being undertaken in their entirety. however, we have been working to the national contractor rule of thumb that the priority is between 15-20 days dependant on how many Decent Homes elements are included. It was agreed from the outset that any decent homes void would be treated as a Long Term Void and be taken out of the

reporting process due to it having an impact on the average turn around times; it has been discussed on numerous occasions over the years for them to be included but met by mixed opinions. The current measure is for both streams of work

Routine/Decent Voids Combined time to complete both streams of work			
Month	Received	Average days	Costs
Jan-14	4	30	£4,194
Feb-14	5	37	£4,479
Mar-14	5	29	£3,613
Apr-14	5	26	£3,513
May-14	6	26	£2,762
Jun-14	5	25	£2,702
Jul-14	5	19	£2,857
Aug-14	2	15	£2,572
Sep-14	3	15	£2,700

The above table identifies the vast improvement for the target times. There are two elements to why we have improved.

The Interserve management team are utilising non planned team resources. In the past we have only used the planned team Operatives, we now call on alternative operatives so that we have the flexibility of using more than one operating team per void.

The above table also follows the same direction of travel of the routine voids, the majority are coming below the Limit of Liability threshold, unfortunately there isn't a current percentage measure , and this is in part due to the diligence of the team and using the same process of the routine void (Project 20)

1.4 Project 20

Project 20 has also assisted with the reduction of target times by allowing surveying staff into the property to ascertain what work is needed 20 days before the tenancy ends. This has given the opportunity to pre-order materials, and compliance services, thus reducing unproductive time in the property.

Not all properties are included in the initial stages of Project 20, deaths, no notice to quits etc. These properties are still managed by the same process. Interserve will undertake the pre-inspection at survey stage and detail the possible wilful damage, but will have missed the opportunity to communicate with the resident prior to moving, or have the opportunity of getting the works completed pre-void at no extra cost to Slough. Interserve still deliver the information to Slough regarding possible recharges.

The following values are what have been recorded as wilful damage for possible recharging back to the tenant. On these pre-inspections we liaise with the helpdesk to raise works found and appointments are made for the tenants. It also allows us to visually see if kitchens / bathrooms / heating etc require upgrading. Pre void inspections are automatically sent to the client. However we have not seen any significant changes at

present with tenanted works that are noted, on reflection the client is not looking into the following, i.e. gardens, external structures, internal modifications, because this in turn creates an overall higher cost to the void. However with properties like Deaths / evictions / notice to quit their hands are tied.

June	39k
July	23k
August	33k
September	35k

1.5.1 Innovations for the future

Below are innovations that have already been raised by Interserve as suggestions for improvements.

Advance notice- The best opportunity to reduce void loss is by obtaining advance notice of a tenant terminating their tenancy, receiving the keys on time and taking back a property that

requires little or no repairs. This contractual responsibility must be clearly explained to tenants at the tenancy sign-up stage by Housing

Increase the number days per week that the property can be let. At present the sign up day is on the Friday. If the tenant had flexible sign up days we could tailor the service so that the days to complete would reduce.

Tenants Voice – Allows new tenants to have an input on the refurbishment works or allow them to choose their kitchen, bathroom or decoration vouchers. This would decrease the to let times and the upshot would be that the tenant would have a buy in to their home and treat it well, this would result in minimising turnover and wilful damage

Post Void Survey – This will allow Interserve to capture greater detail from the tenants perspective, it will also allow the tenant to post inspect their own property and give feedback to any areas which they are not happy with the works. Interserve will be able to understand what is important to the tenant and their preferences toward different elements to the void.