

NOTTINGHAM CITY HOMES

REPORT OF THE DIRECTOR OF PROPERTY
SERVICES

THE BOARD
12 MAY 2009

NOTTINGHAM REPAIRS AND MAINTENANCE CONTRACT ANNUAL REPORT 2008/09

1 SUMMARY

- 1.1 The annual report enclosed is a requirement of the R&M governance brief in terms of the Contract Management of the Repairs and Maintenance Contract which commenced in July 2008. Its contents and recommendations were recently presented to and agreed by members of the Repairs Steering Group of which NCC and tenants are members.
- 1.2 As NCH both manage and operate the repairs contract, it is therefore essential that the performance of the contract is transparent and sufficiently robust to meet the Council's expectations with regard to their initial goals for the Contract. This report describes the performance against those expectations from a Contract Management perspective.
- 1.3 To enable Board to have a whole business view on Repair and Maintenance management and delivery, a recommendation is made to prepare a Contract Delivery Annual Report for 08/09 for members of the Tender Evaluation Team.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 Note the contents of this report.
- 2.2 Comment on and agree improvement proposals stated in section 4.1
- 2.3 Reconvene the Tender Evaluation Team
- 2.4 Commission a report in terms of Contract Delivery

3 REPORT

- 3.1 The Repairs and Maintenance Contract won by NCH through competitive tender commenced in July 2008, and will operate for a period of 5 years with a possible extension of 2 years. To ensure required performance and commitments made within the NCH tender submission were / are being delivered, a Contract Management Framework was developed and introduced on Contract commencement.

3.2 The Contract which has budgets (HRA, Management Fee and Capital) amounting to approximately £28.5 million is managed through the Contract Management Team and delivers services across five work streams.

- Responsive Repairs
- Gas Servicing
- Aids and Adaptations
- Void Property Repairs
- Planned Maintenance

In turn the internal NCH Contractor is requested to complete 120,000+ responsive repairs each year, service 26,000+ gas appliances and provide specialist installations in respect of Aids and Adaptations. This work is processed and completed by 400+ operatives operating from a fleet of approximately 340 vans.

3.3 Utilising the Contract Management framework during the last 9 months, the Repairs Steering Group and associated sub groups have remained fully committed to effectively managing the delivery of the Contract, to ensure that we strive to provide our customers with excellent continually improving services.

3.4 Whilst as Contract Managers we appreciate that Contract mobilisation, NCH Audit Inspection, new working practices and measures were introduced within the initial 9 month period and confidence in the robustness of performance data is now more assured, performance out turns delivered to our customers during 08/09 has deteriorated when compared to pre Contract out turn performance for 07/08.

3.5 In recognising this as Contract Managers we have issued a number of default notices in line with Contract requirements, for the failure to achieve agreed levels of performance and the failure to provide VMS (Customer satisfaction) data at required stated intervals.

3.6 Although we have issued these default notices to the internal Contract provider for the period ending March 31st 2009, we do recognise that in month performance for March 09 when compared to February 09 shows measured improvements (detailed in supporting documentation – *Performance and Quality Report March 2009*), and early indications for April 09 show continued improvement across many KPI's. In making this judgement however we also realise that we still have much to do in the delivery of the Contract through 09/10 and beyond.

3.7 Financial management of the Contract again presented challenges for both budget commitment and actual spend during the first operating period. Returns on the HRA element of the Contract were encouraging with a slight under spend of £20,603.61 being reported. This represents a significant improvement on the previous year which reported a

£288,217.46 over spend.

3.8 Effective variation management was also confirmed by NCC members of the Steering Group with order investigation of varied orders representing a refund value to associated budgets of £1,385,593.10 for the 9 month period.

3.9 A significant Contract management achievement delivered during the period to 31st March 2009 was the introduction of the Planned Fencing Programme. This initiative has enabled a further shift from responsive type work to planned type work to be achieved delivering the 6% budget saving for all such type work requested. This and other planned projects has enabled a further shift of £890K to be predicted within 09/10 budgets.

4 PROPOSALS

4.1 To ensure that Repair and Maintenance Services delivered through the Repairs Contract improve on 08/09 the following proposals are made:-

- (i) Contract Management to inform and support the better practice review being completed within Property Services.
- (ii) VMS data collection to be immediately reintroduced to enable monthly reporting to occur.
- (iii) Contract Management progress reports are presented to Board at 6 month intervals
- (iv) Introduction of a joint meeting framework between NCH and NCC for the Aids and Adaptations Service.
- (v) Further programmes of planned works to be developed and introduced.
- (vi) Regular updating of SIP and monitoring of actions to be conducted at Contract meetings.
- (vii) Handy Person provision to be reviewed and brought in line with Contract and Customer needs.
- (viii) Tenant Inspection Team to be utilised to challenge commitments made within the NCH Method Statements.

4.2 Through the introduction of the above proposals and continued challenge through the Contract Management Framework we are confident that the Repairs Contract will achieve:-

- (i) An improvement in performance when compared to the 08/09 operating year.
- (ii) High levels of customer satisfaction ratings for services delivered.
- (iii) The development of improved working practices between NCH and NCC.
- (iv) A further shift from responsive work to that of a planned nature with the financial benefits that this delivers achieved.
- (v) Improved quality in terms of product use, product specification

- and product installation.
- (vi) Continued effective budgetary control of Contract work streams and associated budgets.

5 OTHER OPTIONS

5.1 N/A

6 FINANCIAL & RISK IMPLICATIONS

6.1 Described within the body of the Annual report.

7 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

7.1 Delivering an effective Repairs and Maintenance service is one of NCH's key objectives

8 VALUE FOR MONEY & EFFICIENCY ISSUES

8.1 Described within the body of the annual report.

9 EQUALITY & DIVERSITY IMPLICATIONS

9.1 One of the Councils aims for the contract is Embracing Equality and Diversity. Customer profiling is key to addressing the diverse needs of our customers for the service and the representation within the service workforce will be developed by the inclusion of such pro-active measures as extending the focus of the apprentice recruitment scheme.

10 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1
- *Performance and Quality Report – July 2008 – March 2009*
 - *Performance and Quality Report – March 2009*
 - *Contract Management Framework*
 - *Method Statement Commitment Assessment*
 - *Keeping Promises Report – Cameron Consulting*

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