

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhoods and Community Services Scrutiny Panel
DATE: 18th November 2020
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PART I

FOR COMMENT & CONSIDERATION

REPAIRS MAINTENANCE & INVESTMENT (RMI) CONTRACT UPDATE

1. Purpose of Report

The purpose of the report is to provide a 'Follow on Update' to the Panel following the meeting held on 3rd September, focused on the performance of Osborne's delivery of the RMI contract covering the following points.

- Update on the outstanding repairs backlog.
- Results of the residents survey.
- Findings of the Independent Auditor report.
- An update on Osborne's forward plan as stated on Para 4 of their financial report (page 36). With particular emphasis on their Social Return on Investment plans;
- Plans for the joint Residents/Officer estate inspections.

2. Recommendation(s)/Proposed Action

The Panel is recommended to consider:

- a) The contents of this report
- b) Q2 Performance Report.
- c) The summary report from the Independent Auditors.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

The provision and maintenance of good quality and affordable housing can reduce housing need for local households and contributes to the identified priorities of the JSNA. The RMI is contracted to provide investment into existing council properties through a partnership approach between Osborne and the Council to sustain good quality homes that will improve the safety, health and well-being of the boroughs tenants.

3b. **Five Year Plan Outcomes**

The RMI contract is housing revenue funded from a 30-year business plan that has enabled the investment required to sustain an HRA Housing Asset Management Strategy to meet objective 4 'Our residents will live in good quality homes'. The RMI is intended to focus on making the best use of the borough's existing stock and provide better solutions to the needs and challenges through delivery of services, adopting excellent customer care and safeguarding and working to find these solutions in partnership.

4. **Other Implications**

(a) Financial

The RMI is a 7-year contract with an option to extend for three years. The contract is funded from the Housing Revenue Account and the business plan has set aside £100m for the Contract Administrator to fund the annual expenditure of day-to-day repairs and maintenance, voids properties refurbished for reletting, and the major works programme e.g. kitchens, bathrooms, windows. The total spend can be up to £14m per year.

(b) Risk Management

The Panel is requested to note that the contractual governance offers a formal basis for management of risk through contract management, a framework for discussion intended to seek not just solutions but foster innovation through partnership initiatives. The structure of governance allows for a forum for the raising of issues, discussion on performance as well as commercial initiatives across the breadth of the contract. The levels of escalation and accountability are set out alongside basis for contractual scrutiny by members and residents.

The Table outlines the context of risk management as an update to the risk management shown at the previous scrutiny panel meeting.

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score risk	Future Controls
a) Completion of the backlog of responsive repairs. And management of open repairs.	Uncompleted repairs are leading to complaints. Opportunity to change perception by completing these repairs.	There is a reduction in the number of backlog repairs, this is monitored weekly.	6 Medium	Further dialogue with Osborne over resource management and delivery
b) Osborne Staffing and experience.	Osborne has recently recruited a new Commercial Manager and a new Operations Manager.	Osborne are re-defining structures to meet the demands of the contract.	6 Medium	SBC to review Osborne amended structure.

c) Verification of performance data	Inconsistencies have been identified in the performance data supplied by Osborne.	Each set of monthly data to be fully analysed and updated year to date to be submitted each month.	12 Significant	Methodology for calculating performance to be clearly set out.
d) Resident perception of the service	Although the aspects of the service have improved the volume of complaints and enquiries remains high.	Through contract Governance, resident board involvement. Fortnightly complaint meetings.	12 Significant	Lessons learnt from complaints to inform Osborne's contract improvement plan.

(c) Human Rights Act and Other Legal Implications

The Homes (Fitness for Human Habitation) Act 2018 (the 'Act') adds hazards listed in the governments housing health and safety-rating system (HHSRS) set out in the Landlord and Tenant Act 1985. Tenants will therefore be able to legally compel their landlord to address any of the 29 HHSRS hazards, which ranges from fire safety issues to damp & mould or poor natural lighting and ventilation. The Act came into effect for new tenancies on 1st March 2019, but now applies to all existing tenancies.

(d) Equalities Impact Assessment

The contractor routinely carries out equality Impact Assessments as part of operational service delivery.

(e) Workforce

The workforce delivering the RMI are Osborne direct employees or sub-contracted services. The RMI has a contractual payment framework that offers a monthly establishment fee and thereafter payment is based on the work delivered.

5. **Supporting Information**

The management of the RMI contract sits with the Housing Development and Contracts department and is administered through contract governance, regular management meetings, regular sub-group level meetings, resident board, and continuous dialogue on service issues.

Information Update for Quarter 2 2020/21

Quarter 2 Osborne performance report is attached in Appendix A. Osborne report that KDI4 and KDI5 relating to the contact centre have been significantly improved during the month of October.

Update on the outstanding repairs backlog.

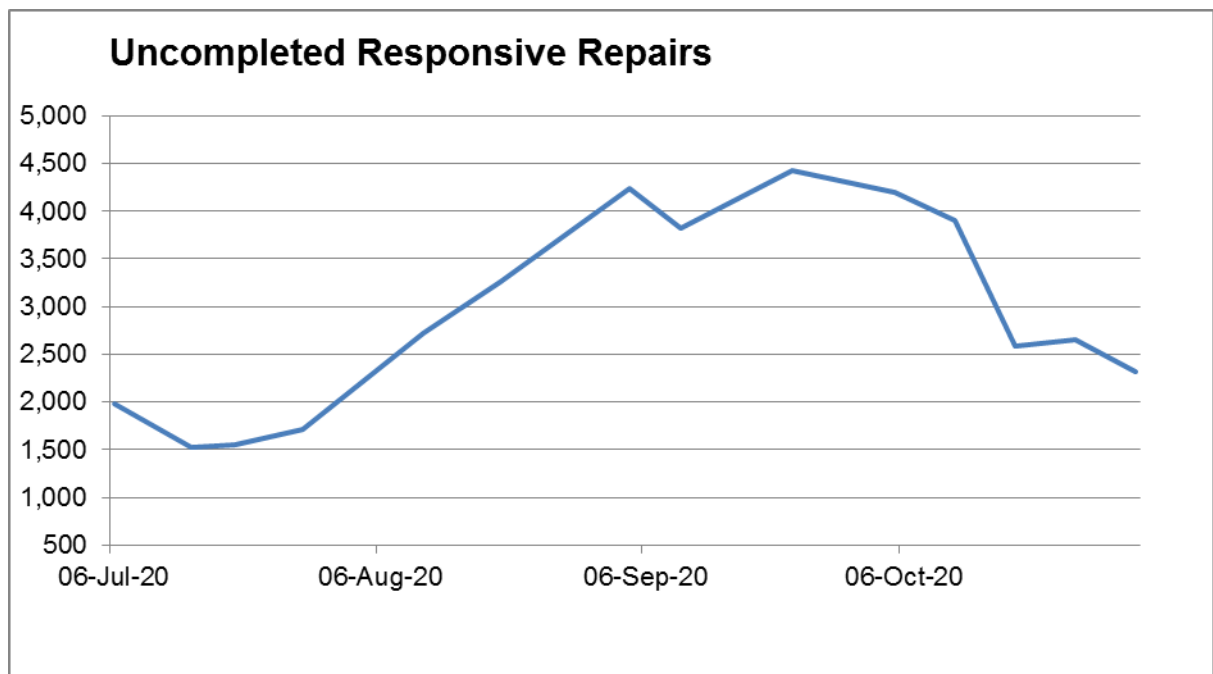
In September, Osborne reported 4243 uncompleted responsive repairs. The level of uncompleted repairs had climbed steadily during national lockdown, then in the following period of easing.

Firstly in September Osborne deployed additional Covid-19 secure processes and assessed that they had the right resources in the right place, to effect a meaningful change.

At the beginning of October, the balance of uncompleted repairs was 4272. The plan to reduce this number involved several activities, many centred on processing information. Osborne identified that one of the key areas for improvement was making sure that as jobs were updated the correct statuses were selected, and when they were completed, they were closed down. To improve this they have carried out separate improvement reviews on the management of emergency jobs, no access appointments and the control of sub-contractor orders.

To further support this review Osborne have been carrying out customer service calls to understand to check that works have been completed to a satisfactory standard. This is something they are continuing to do.

As of 2nd November 2020, the number of uncompleted repairs has been reduced to 2311.



Results of the Residents survey.

The results of the residents survey are still being prepared and will be presented on the 24th of November, these results can be presented at the next scrutiny panel meeting.

Findings of the Independent Auditor report.

The Independent Audit Agent (IAA) is an auditor brought into the RMI contract by both Osborne and Slough Borough Council. Their areas of focus are discussed and agreed by both parties through the Contract Governance at the Operational Management Board meetings which are held monthly.

A summary IAA report has been circulated to the Panel separately.

In brief the report has highlighted the following concerns:

- Data held by Osborne is not always complete or accurate.
- The methodology in calculating KDI's has not been applied consistently month to month by Osborne.
- Data presented by Osborne to the IAA showed further failures in the contact centre than those failures previously recorded.
- Insufficient before and after recording of the cleaning and caretaking service.

Update on Osborne's forward plan as stated on Para 4 of their financial report (page 36). With particular emphasis on their Social Return on Investment plans;

The commitment to supporting people across Slough remains an absolute focus for Osborne. The recognition that the needs of the community are changing and more focus is required to support vulnerable groups with the issues of isolation, unemployment, and wellbeing. These priorities are recognised by the government who is introducing a new public procurement model that takes greater account of the additional social value created by contractors and is to be implemented from 1st January 2021. The objective of this framework (in response to Covid-19) will be to demonstrate explicitly businesses social value contribution to include:-

- supporting Covid-19 recovery, including helping local communities manage and recover from the impact of Covid-19
- tackling economic inequality, including creating new businesses, jobs and skills, as well as increasing supply chain resilience
- fighting climate change and reducing waste
- driving equal opportunity, including reducing the disability employment gap and tackling workforce inequality and promoting community integration

With local lock downs and now a national lock down, Osborne are continually adapting the way they work with community groups to ensure maximum impact.

Osborne's original community investment plan outlines a range of activities, of which some need to be reviewed to best manage reach, risk, and impact. With collaboration with local charitable groups, Slough Borough Council, and the new central policy shared above, Osborne are looking at more impactful initiatives that support the priority objectives.

Equally, Osborne are very keen to measure their social and economic impact to demonstrate value. Osborne has identified a measurement tool, and this is being modified to align with the government requirements of January 2021. From

January when Osborne launch this product, they will be able to provide live, transparent, and accurate data of our social, economic, and environmental impact across Slough.

An example of Osborne's response to unemployment in Slough, saw them collaborate with others to launch an online 'Employment and Wellbeing' course, to build confidence, identify individual strengths and to support career pathways. From February – October 2020, they have worked with 25 learners of which 8 are now in employment and 5 are enjoying volunteering roles.

Plans for the joint Residents/Officer estate inspections.

At the Neighbourhoods and Scrutiny Panel on 3 September further information was requested about how and when estate inspections are carried out. This update will go slightly further than this remit to outline what Housing Officers do after an estate inspection.

At the meeting in September Members were advised that estate inspections by Housing Officers had recommenced after a suspension caused by Covid-19 restrictions and lockdown. Unfortunately the plans to move officers to conduct these inspections were suspended again as many of the Housing Officers have school aged children who were then impacted by requirements for self-isolating when suspected cases were detected at schools. In addition, since Slough moved into Tier 2 of Covid-19 restrictions new, additional Risk Assessments for carrying out site visits have been created.

Housing (People) Services anticipate that officer only estate inspections will recommence from 2 November 2020 focussing on priority estates. These inspections will only involve Housing Officers due to the speed at which they need to be carried out and the number needed to be completed. It is recognised that an officer-only approach does not satisfy the desire to involve residents, elected Members or Osborne staff. Our aspiration is to introduce this type of inspection from early 2021 and work will continue with the Resident's Board to agree how this will be designed and implemented. If possible, we would like to get to a position where some estate inspections are carried out by residents and once we have a programme of joint estate inspections in place we will work with tenants and leaseholders to agree how this might be implemented.

In some instances ward councillors have asked for a site visit to be carried out with Housing Officers, the Repairs and Voids team and/or Osborne staff. These ad hoc arrangements are still possible and where appropriate, will be undertaken instead of an officer only estate inspection.

Once officers have carried out an inspection they either report issues to the appropriate department (usually Osborne or SBC Grounds Maintenance) or take action themselves (for example, to ensure fire exits are cleared of all items). All repair and property maintenance issues are reported to Osborne who then programme them in to be completed within 20 days at the latest. All grounds maintenance issues are reported to SBC Environmental Services for them to action.

A further matter which is being considered is how block or estate-wide environmental improvements should be identified, prioritised and delivered. We believe that identifying individual repairs does not in itself ensure attractive and

functional environments for residents. We believe the process for feeding in the results of estate inspections are key for decision making for both maintenance and investment programmes being worked on and to be delivered by Slough Borough Council.

6. **Comments of Other Committees**

None

7. **Conclusion**

This report has provided key information requested by Members, together with actions taken to reduce the backlog of Responsive Repairs. The report also highlights issues identified by the IAA and the RMI client team in relation to the validity of the data provided by Osborne.

The report also seeks to provide assurance that the clear governance structure and governance arrangements which underpin the contract are being stringently followed to ensure concerns are addressed, and all identified issues are proactively managed through clear action plans and continuous communication with senior officers and members of the council.

8. **Appendices Attached**

A – Osborne Q2 Performance Report

9. **Background Papers**

None