

Appendix 1

SBS Evaluation of 1 year pilot

1. The cabinet agreed that internal repairs would be insourced and undertaken by Southwark Building Services (SBS) for a one year pilot commencing on 1 October 2018.
2. The intention was for a service that was responsive to the needs of our residents and improved on the service being delivered at that time. The new service model should complement the investment programme, avoid duplication and provide efficiencies in service and cost.
3. A business plan financial envelope approved July 2018
4. To measure the effectiveness of this approach the following assessment criteria should form the basis of a robust, open and transparent evaluation

Baseline	Year 1 SLA Targets	Current Position end of July 2019	Action Plan / Targets	Responsibility for plan
<p><u>Customer Satisfaction</u> <i>Prior to new arrangements i.e. up to 30 September 2018</i></p> <ul style="list-style-type: none"> • Maintain customer satisfaction (89 % against 90% target) • Maintain appointments kept (97% against 98% target) • Maintain level of right first time(88% against 90% target) 	<ul style="list-style-type: none"> • Maintain and improve levels (90% rising to 95% wef 1/4/19) • Maintain and improve appointments kept (95% rising to 98% wef March 2019) • Reduce level of repeat visits - increase right first time (85% rising to 90% wef 1/4/19) 	<ul style="list-style-type: none"> • 87.9% achieved • 97.5% achieved • 87% achieved 	<ul style="list-style-type: none"> • Incremental targets requested for satisfaction at 1% per annum • Revision of operatives T&Cs is critical to success of al areas of the plan • Multi-skilled workforce • Culture change programme • Performance management regime • SMS text messaging • Closer working between SBS & contact centre • Supply chain procurement and store purchasing cards • Introduction of 8x8 telephony system to SBS 	SBS/contact centre

<p>Performance (compared to pre contract levels)</p> <ul style="list-style-type: none"> • Maintain ratio of jobs completed 'on time' (94% against 95% target) • Completion of quality control inspections / default notices • Average time to complete responsive repairs • Achieve turnaround time for Voids (average 21 days for minor is and 15 days for temporary accommodation voids) 	<ul style="list-style-type: none"> • Improve ratio of jobs completed 'on time' • Improve Completion of quality control inspections / default notices • 14 days average reducing to 9 days • Improve turnaround times for Voids (to increase HRA income) 	<ul style="list-style-type: none"> • 87% achieved • 92.7% satisfactory inspections but less than 2% of 5% target achieved . 12 defaults to date, lenient approach taken. • 10.1 days achieved, • Minor voids – 23.2 days achieved • TA voids 63.3days achieved 	<ul style="list-style-type: none"> • Further decrease sub contracting by providing works in-house to allow for greater levels of supervision of works • Real time data analysis and action on productivity, number of jobs, scope of jobs, customer feedback etc • Technical skill gap assessment on manager roles • Gap analysis and improvement plan of key contract managers/planners roles. 	<p>SBS</p> <p>SBS/client</p> <p>SBS</p>
<p>Organisational</p> <ul style="list-style-type: none"> • Implement revised pay and grading structure • Implement full Job Costing System • Achieve business plan targets for use of sub contractors • Reduction in 'client side' to achieve budget targets 	<ul style="list-style-type: none"> • Improvement in productivity • Increase ratio of own staff to sub contractors • Further efficiencies across the 'whole system' • Increase value of profitable works outside of LBS contracts 	<ul style="list-style-type: none"> • Existing terms and conditions drive behaviours that are not in line with providing a customer focused, right first time service that avoids duplication and bureaucracy. New T&Cs unlikely to be in place this financial year. • Procurement of supply chain is well advanced. • Client structure to be 	<ul style="list-style-type: none"> • Renegotiate Ts and Cs • Create daily/weekly reports for job allocation • Working with Travis Perkins to provide innovation and collaboration with other DLOs. • Implement phase 3 reorganisation and multi traders • Real time reporting from operatives for feed back on 	<p>SBS</p> <p>SBS/finance</p> <p>SBS</p>

		reorganised by October 2019 – risk if SBS not in a better place.	resident satisfaction. <ul style="list-style-type: none"> Client to be refine light touch approach following reduction in staff numbers 	Client
<p>Financial</p> <ul style="list-style-type: none"> Achieve business plan targets (e.g. come in on budget) Achieve Price Per Property Thresholds Achieve PPV thresholds Regular, reliable monitoring information for corporate monitoring Annually update the business plan 	<ul style="list-style-type: none"> Come in under budget (and achieve a notional RoR) Reduced PPP cost value Reduced PPV cost value Monthly regular, reliable monitoring information Review the business plan based on monthly information Promote capitation (fix or replace) 	<ul style="list-style-type: none"> 18-19 <p>The final reported trading position for SBS was a deficit of £452k which represents 2½% of turnover. This compares favourably to deficits reported for previous years, from a deficit of over £1.5m in 16-17 and £750k in 17-18. There were one-off transition costs of £1.374m which was met from the HRA.</p> <p>The total impact on the HRA, from the areas of activity covered by the new business plan, chargeable contracts awarded to SBS from October 2018 and closing out works ordered before the end on September 2018, is £6.23m. This is in line with the monitoring forecasts prepared at Christmas 2018, where a pressure of £6.059m was being forecast.</p> <ul style="list-style-type: none"> 19-20 <p>For 19-20, additional</p>	<ul style="list-style-type: none"> Implementation of new SBS SAP architecture and training Existing business plan 19/20 uploaded on to SAP – the SAP Budget will be a net Balance of Zero by adjusting the rate of return. Job costing phased implementation with build commencing in June 2019 and testing and parallel running by the end of December 2019. To move the Rag from Red to Amber is dependent on getting the appropriate resource in place to support the system. Modelling of the impact on the Business Plan of the proposed Terms and Conditions. Recast of business plan 19/20, 20/21, 21/22 Quarter 1 (June) reported in Month 4 budget monitor with forecasts. Options appraisal and 	<p>Finance group to report</p> <p>SBS to manage operationally</p>

		<p>investment was made from the HRA to bring the volume of activity covered by the SLA to the 15.5m requested by SBS within their business plan. Additionally a further £0.6m is being made available to cover one-off transitional costs. Including other areas, the total budgeted value of work programmes delivered by SBS is £18m. Presently SBS are forecasting the total costs of delivering requested works is £23.7m. When compared to the budget this is an additional cost to the HRA of £5.7m. Of this value, the Housing and Modernisation Department anticipate the additional works to be £3.0m (including capital works). Of the remaining £2.7m, £0.6m would be one-off funded from HRA reserves, leaving an estimated deficit of £2.0m.</p>	<p>review of PPP/PPV expectations</p> <ul style="list-style-type: none"> • Need to appoint on a permanent basis due to heavy reliance on Interim Resources at Senior Level both on SBS and Client Side 	
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