

Meeting:	Performance and Finance
Date:	22 January 2008
Subject:	By exception: Officers' report on the performance of the decent homes contract
Key Decision: (Executive-side only)	No
Responsible Officer:	Eddie Collier, Head of Property and Infrastructure
Portfolio Holder:	Councillor S Hall
Exempt:	No
Enclosures:	None

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

This report sets out key points in relation to performance issues in the delivery of the decent homes contract.

### **RECOMMENDATIONS:**

- a) That the report, and the proposals for improvement, be noted.
- b) That the Sub-Committee make any additional recommendations for improvement they think fit.
- c) That the Sub-Committee decide whether further action on this topic be required, subject to the options set out in "main options" in the body of the report.

## **SECTION 2 - REPORT**

### Background

In July 2007 members agreed that performance issues would be considered by the sub-committee on a “by exception” basis. The specific criteria for the “by exception” items at committee having been agreed, it was concluded that for the sub-committee to function most effectively key information should be raised and discussed at committee – focusing directly on improvement – and that the reports being despatched to committee should reflect this commitment.

As such this report contains a number of answers, provided by officers, to a set of questions that are identical to those asked for all other “by exception” issues brought up at committee, the intention being that the same quality of information be made available to members on all topics, without the presumption being placed upon officers to provide a great deal of onerous written documentation.

### Current situation

This report is being provided to give members an insight into performance issues identified by the Chairman and Vice-Chairman at a recent meeting.

This report presents officers’ responses to a standard set of questions relating to the issue under discussion.

### Why a change is needed

In performance terms, it has been established that this issue meets the “by exception” criteria established by Performance and Finance to govern which issues are considered by the Sub-Committee. As such, there is a significant need established for improvement.

### Main options

Findings and recommendations pertaining to this issue will be discussed at committee. Members may:

1. Make comments and recommendations as appropriate, and decide to escalate the issue to Overview and Scrutiny, for that committee to commission work on the subject.
2. Make comments and recommendations as appropriate, and resolve to consider the item again only insofar as it meets the “by exception” criteria in the future.
3. As above, but request that performance information on this issue be – where possible – be made available monthly to permit the Chairman and Vice-Chairman to monitor this matter closely.

The option to request that another report to be made available to the next meeting of the sub-committee will not be available, as performance issues are only escalated to this body if they meet the “by exception” criteria on each occasion the committee comes to consider the relevant item.

Other options considered

Not applicable

Recommendation: - that the improvement information presented below be considered by members of the sub-committee, for recommendations to be made and, if necessary, for issues to be escalated to Overview and Scrutiny Committee for their consideration.

**Considerations**

Resources, costs and risks: none

Staffing/workforce: none

Equalities impact: none specific

Legal comments: This improvement plan and resources being added to the project at this stage should avoid the project exceeding agreed time limits. As set out in the report, the project is being closely monitored to ensure project delivery in accordance with the contract terms.

Community safety: none

Financial Implications

None specific to report.

Performance Issues

This report covers a contract that affects BVPIs 184(a) and 184(b).

<b>Issue</b>	<b>Officer comment</b>
How will performance be improved? Is an improvement plan a) in place and b) being followed?	<p>Kier have implemented a detailed improvement plan from 7/1/08, to deliver the 2007/08 decent homes programme and ensure processes are in place to achieve completion of the overall decent homes standard, within the required timescale. The plan is being monitored via daily site inspections for each of the six contract delivery areas within the Borough and the production of weekly performance reports presented to the Service Manager – Major Works.</p> <p>Each element of the plan is open to examination, challenge and monitoring by Harrow. Managers and technical staff within the Major Works section of</p>

	<p>the Property and Infrastructure Division, are seeking continuous sustainable improvements to the current contract performance and significantly improved customer satisfaction levels.</p> <p>The plan will direct resources to deliver the expected outturn under the terms of the contract, thus avoiding a potential breach of contract.</p>
<p>What resources are being put in place to deliver these improvements?</p>	<p>Senior Kier management, up to and including main board members, are fully aware of Kier's inadequate performance in the delivery of the decent homes contract to date.</p> <p>Kier have fully reorganised their project management team and site management teams and the following additional staff have been or are about to be engaged on the contract:-</p> <ul style="list-style-type: none"> <li>• A new extensively experienced director, dedicated to leading decent homes.</li> <li>• A lead project manager, tasked with improving management and performance of the supply chain in particular.</li> <li>• A repairs and maintenance manager, tasked to ensure synergy between Decent Homes and repairs service areas of the partnership contract.</li> <li>• An additional dedicated mechanical and electrical manager, to support the delivery of heating and electrical rewiring works for decent homes.</li> <li>• Kier have also commissioned an external consultant, to ensure that Kier's own internal processes associated with Harrow's decent homes, are raised to and exceed industry</li> </ul>

	<p>best practise.</p> <ul style="list-style-type: none"> <li>• A permanent commercial manager to support the project.</li> </ul> <p>In addition, supply chain resources are being increased to provide additional materials and labour on each site, to ensure resources remain in line with and if necessary, in advance of the contract programme.</p>
How, if at all, will other PIs or services be affected – positively or negatively – either by this performance, or by any redirection of resources to alter this performance?	There will be no additional resources provided by Harrow council for the implementation of this improvement plan. Therefore there will be no negative impact on, or redirection of Harrow services, as all additional services are being provided by Kier.
How are residents and service users impacted?	<p>The customer service currently received within the contract is unacceptably low.</p> <p>These improvements will bring customer service and performance back to expected levels.</p>
How will the success of the improvement plan be monitored?	The continued implementation of the improvement plan, will be monitored by both senior Harrow and Kier staff, at weekly progress meetings.
How are the service / council's finances affected by this performance issue and by the steps put in place to improve performance?	Implementation of the above, together with the additional resources proposed by Kier, will result in a significant improvement to current decent homes delivery. The costs for Kier to provide the increased resources included in the improvement plan, will be contained within the existing contract sum.
	No direct impact.

What impact will there be on partners (statutory and otherwise)?	
------------------------------------------------------------------	--

### SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 10/1/08		
Name: Jill Travers	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 January 2008		

### SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Ed Hammond, Scrutiny Officer, Strategic and Performance  
020 8420 9205: [ed.hammond@harrow.gov.uk](mailto:ed.hammond@harrow.gov.uk)

**Background Papers:**

List scorecards considered

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	N/A
2.	Corporate Priorities	N/A
3.	Manifesto Pledge Reference Number	N/A