



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	9 May 2019
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Revenue Budget Monitoring 2018/2019 - Trading Operational Performance Review - Property Services
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's Trading Operations, for the period covering 1 April 2018 to 1 March 2019.

2. Recommendation(s)

2.1. The Financial Resources Scrutiny Forum is asked to approve the following recommendation(s):-

- ◆ that the 2018/2019 operational performance review as at Period 13 (1 March 2019) for the Property Services Trading Operation be noted.

3. Background

3.1. As part of the Financial Resources Scrutiny Forum information, Financial and Operational Performance Review papers are included as part of a rotating reporting cycle.

3.2. The Housing and Technical Resources Trading Operation comprising Property Services is included within this report as at Period 13 (1 March 2019).

4. Financial Position

4.1. Table 1 overleaf details the financial statement for Property Services Trading Operation as at Period 13 (1 March 2019) and shows an operating surplus of £1.999 million.

Table 1 - Property Services Trading Division 2018/2019

	Annual Estimate £000	Phased Estimate £000	Actual Expenditure £000	Variance	
				£000	%
Direct Labour	21,926	20,123	20,541	(418)	(2.1%)
Direct Materials, Sub Conts & Major Plant	32,507	29,902	27,744	2,158	7.2%
Salaried Staff Costs	10,668	9,715	9,039	676	7.0%
Property Costs	727	627	669	(42)	(6.7%)
Supplies & Services	677	613	561	52	8.5%
Transport Costs	2,933	2,710	2,749	(39)	(1.4%)
Administration Costs	390	359	372	(13)	(3.6%)
Support Charges	5,293	4,305	4,304	1	0.0%
Financing Charges	107	77	73	4	5.2%
Total Expenditure	75,228	68,431	66,052	2,379	3.5%
Total Income	(79,632)	(71,791)	(68,051)	(3,740)	5.2%
(Profit)/Loss	(4,404)	(3,360)	(1,999)	(1,361)	40.5%

5. Personnel Issues - Maximising Attendance

- 5.1. Details of the absence figures recorded across all sections of Property Services from 2010/2011 to 2018/2019 are detailed in Table 2 below. Absence levels for Property Services (April 2018 – February 2019) are compared with previous financial year's attendance levels. Members are asked to note that as at February 2018/2019 YTD absence figure for Property Services overall was 5.16%.

Table 2: Property Services Analysis of Absence - By Section

	Project Services 170 staff, 158.28 FTE		Building Services 741 staff, 717.86 FTE		Housing Investment 12 staff, 10.3 FTE		Estates 32 staff, 28.82 FTE	
	% Absence Rate	Total Number of Days Lost	% Absence Rate	Total Number of Days Lost	% Absence Rate	Total Number of Days Lost	% Absence Rate	Total Number of Days Lost
2010/11	2.69%	1223	4.60%	9402	3.72%	752	-	-
2011/12	2.55%	1072	4.14%	8116	3.84%	721	-	-
2012/13	2.65%	1167	4.72%	8417	2.03%	335	1.39%	107
2013/14	3.76%	1952	3.47%	6313	8.05%	1153	1.06%	84
2014/15	3.97%	1934	4.22%	8203	4.78%	228	2.09%	161
2015/16	3.44%	1622	4.62%	8794	5.09%	241	0.83%	64
2016/17	4.91%	1288	5.03%	5626	7.46%	206	0.52%	22
2017/18	3.14%	1321	5.39%	6191	2.14%	81	2.36%	176
April 2018	2.43%	81	6.50%	989	2.89%	8	0.84%	5
May 2018	1.78%	65	6.34%	1052	0.00%	0	0.15%	1
Jun 2018	2.50%	83	5.67%	852	0.00%	0	2.87%	17
Jul 2018	3.64%	126	5.50%	867	2.84%	8	1.71%	11
Aug 2018	4.92%	180	4.84%	804	8.04%	23	1.93%	13
Sep 2018	5.06%	161	5.32%	768	10.71%	24	4.10%	24
Oct 2018	3.77%	137	5.30%	879	3.57%	10	2.81%	19
Nov 2018	3.41%	120	5.89%	930	0.71%	2	1.56%	10
Dec 2018	3.94%	128	5.85%	885	0.73%	2	0.81%	5
Jan 2019	3.58%	127	5.89%	968	4.98%	15	2.54%	17
Feb 2019	2.99%	92	5.53%	790	0.00%	0	3.29%	19
YTD 1819	3.46%	1300	5.69%	9784	3.06%	92	2.04%	141

Table 3 - Analysis of Absence - by type

	Project Services	Building Services	Housing Investment	Estates
Long Term	65%	61%	63%	34%
Short Term	35%	39%	37%	66%

- 5.2. The Head of Property Services meets regularly with the Executive Director to agree and progress the relevant improvement actions to maintain Property Services performance in this area.

6. Contract/Statutory Performance Indicators

- 6.1. The Contract and Statutory Performance Indicator levels and the number of repairs completed on time for Housing for 2018/2019 as at Period 13 (March 2019) are detailed in Table 4 below, with General Services performance noted in Table 5.

Table 4: Housing Repairs (Period13)

	2017/18 Actual	2018/19 YTD (Financial Period 13)	2018/19 Target
Standby	98.9% 9,111	98.9% 8,298	97%
Emergency	99.1% 16,412	99.3% 15,064	97%
Routine	99.4% 7,546	99.8% 6,374	97%
Repairs by Appointment	98.1% 27,858	96.7% 24,028	97%
Overall	98.7% 60,927	98.1% 54,590	97%

Table 5: General Services Property Repairs (Period 13)

	2017/18 Actual	2018/19 YTD (Financial Period 13)	2018/19 Target
Capital	97.1% 173	92.8% 111	97%
Planned	98.5% 1745	98.6% 2060	97%
Principal Offices	99.6% 521	97.9% 481	97%
Reactive	99.7% 7,500	99.2% 6,550	97%
Revenue	99.5% 3,296	98.0% 3,218	97%
Overall	99.4% 13,235	98.7% 12,420	97%

6.2. Housing Repairs Service Customer Satisfaction

- 6.2.1. Housing Repairs Customer Satisfaction is reported quarterly through Research Resource Scotland and as at 2018/2019 Quarter 3, in total 7,742 surveys had been issued with a response rate of 992 (13%).
- 6.2.2. 90% of tenants were satisfied overall with first time fixes and 90% advised that repairs were completed within target timescales. The overall satisfaction with the Repairs Service provided was 92%.

6.3. Gas Servicing

6.3.1. As at Period 9 there were 20,449 gas maintained properties. Zero properties were out-with safety certificate. A total of 509 properties have been capped and made safe and zero void properties capped.

6.3.2. Housing Services continue to assess these properties to ensure that tenants receive appropriate support. These properties are also checked on an annual basis to ensure they remain safely capped.

Details of the Gas properties are noted in Table 6.

Table 6: Gas Servicing

Area	Total Gas Properties	Capped Tenanted	Capped Void	Total Capped
Cambuslang	1,930	56	-	56
Rutherglen	2,377	77	1	78
Clydesdale North	1,283	25	-	25
Clydesdale South	1,497	30	-	30
East Kilbride	4,219	68	-	68
Blantyre	2,631	57	-	57
Hamilton	3,827	127	-	127
Larkhall	2,685	68	-	68
Total	20,449	508	1	509

7. Capital Works Programmes

7.1. Housing Investment Programme

The Housing Investment Programme continues to make good progress. In 2018/2019 the focus of this programme remains on kitchens and bathrooms, central heating installations, insulation works, external fabric upgrades, window and door replacements, the new build housing programme and energy insulation measures.

7.2. This report will focus specifically on installation progress across the main work streams for both year and programme to date, as well as the feedback received from our customer satisfaction surveys.

7.3. Installation Progress

Table 7 provides a summary of installations across the 3 main work streams of the Housing Capital Programme to Period 13 (1 March 2019), as well as cumulative totals in the programme to date (signed off properties).

Table 7: Housing Capital Programme Completions

	Kitchen & Bathroom	Central Heating	Doors & Windows
Total for Financial Year to Date	8	908	131
Total for Programme to Date	25,836	14,260	9,467

7.4. Work is continuing to ensure that all rentable housing stock meets the Energy Efficiency Standard for Social Housing (EESH) deadline of 31 December 2020. Currently, 90.85% of the rentable housing stock meets the EESH standard.

7.5. New Council Homes

7.5.1. The following projects are currently under development as part of the Councils new housing programme:-

- Heatheryknowe, East Kilbride (18 homes) - on site.
- South Vennel (18 homes) - complete and handed over.
- Morven Avenue, Blantyre (14 homes) - on site.
- St Blanes, Blantyre (20 homes) - complete and handed over.
- East Milton, East Kilbride (30 homes) - on site.
- St Leonards, East Kilbride (60 homes) - on site.
- Kirkton, Carlisle (18 homes) - on site.
- Pentland Gate, Biggar (24 homes) - design team appointed and progressing scheme.
- St Josephs, Blantyre (35 homes) - design team appointed and progressing scheme.
- Law Primary School Site, Law (26 homes) - design team being appointed.

7.5.2. The following projects are being procured for South Lanarkshire Council through HubSW as part of the Councils new housing programme:-

- East Whitlawburn Regeneration (330 homes in total, 230 affordable homes with possible 60 of these being delivered by West Whitlawburn and 100 private sale by CCG) - 138 homes to be delivered by March 2021.
- Auld Kirk (49 homes) - to be delivered by March 2021
- Avon Road (Former Craigbank PS) (39 homes) - to be delivered by March 2021
- Glengonnar Road (20 homes) - to be delivered by March 2021

7.6. Customer Satisfaction

7.6.1. As at Period 13 2018/2019 customer satisfaction is as noted below:-

7.6.2. Central Heating - to date a total of 843 questionnaires have been issued by Research Resource Scotland, with a 26% response rate. Of these, 97% of customers were satisfied with the finished product and 97% were satisfied with their overall experience.

7.6.3. External Doors and Windows - to date a total of 118 questionnaires have been issued by Research Resource Scotland, with a 25% response rate. Of these, 86% were satisfied with their overall experience.

7.6.4. The above results continue to show all satisfaction categories are exceeding the set target of 85% for both service and product.

7.6.5. Customer satisfaction results consist of both statistical and literal information received from tenants in relation to their experience of capital improvement works. Relevant managers review these results which are then used to inform future targeted improvement actions.

8. General Services Works Programme

8.1. Primary Schools Modernisation Programme

Ongoing work continues within the Primary School Schools Modernisation Programme with Building Services currently on site constructing the new school at Walston Primary School and are on site at the Early Learning Unit in Hamilton. Planning/ feasibility is underway for a new primary school at Jackton. Progress continues in line with agreed programmes.

To date:-

- 129 Primary Schools/Nurseries have been completed - 31 of these have been completed by Building Services.
- 3 Primary Schools/Nurseries currently under construction - 2 are being carried out by Building Services.
- 1 Primary School/Nursery is to be progressed.

8.2. Work continues with the Design and Planning for Early Years facilities relative to the 1140 hours programme.

9. Customer Complaints and Enquiries (Property Services)

9.1. The total number of complaints received across the Resource as at Period 13 (1 March 2019) is shown in Table 8.

Table 8: Resource Complaints Across Each Geographical Area

Location	Financial Period 13	Year to Date (2018/19)
	Complaints Recorded	Complaints Recorded
Hamilton	1	76
East Kilbride	2	82
Rutherglen/Cambuslang	6	48
Clydesdale	1	30
Total	10	236

Table 9 provides a breakdown by area of the complaints received by Property Services.

Table 9: Property Services: - Complaints Recorded

Location	Financial Period 13	Year to Date (2018/19)
	Complaints Recorded	Complaints Recorded
Contracts EK	0	1
Design	1	12
Estates	0	7
Factoring	3	33
Home Happening	0	2
Property Maintenance EK/Ruth/Cam/Blan	3	69
Property Maintenance Ham/Lark/C.dale	0	40
Services EK	0	29
Total	7	193

9.2. Table 10 shows a specific breakdown of the primary nature of complaints received across all Property Services operations as an example of the root cause issues currently being investigated.

Table 10: Property Services: - Complaints Recorded by Nature (Period 13 only)

	Unsatisfactory Workmanship/ Material	Delay in Responding	Employee Action/ Attitude	Communication Problem	Customer Perception of Repair	Other	Total
Contracts EK	0	0	0	0	0	0	0
Design	0	0	1	0	0	0	1
Estates	0	0	0	0	0	0	0
Factoring	0	0	0	0	0	3	3
Home Happening	0	0	0	0	0	0	0
Prop Maint EK/Ruth/ Cam/Blan	0	2	0	0	0	1	3
Prop Maint Ham/Lark/ C.dale	0	0	0	0	0	0	0
Services EK	0	0	0	0	0	0	0
Total	0	2	1	0	0	4	7

- 9.3. Members are asked to note that the overall number of complaints recorded by Housing and Technical Resources in Period 13 was 10.
- 9.4. Of the 10 complaints received, Property Services recorded 7 complaints (70% of the total). 86% complaints closed were resolved within agreed Council target timescales. Performance continues to be monitored and reported on monthly at management meetings, with scrutiny further extended to include regular sample audits of complaints received across Property Services.
- 9.5. Analysis of the number of Property Services enquiries received at Local Area Offices and Customer Support from Councillors, MSPs and MPs at Period 13, is shown in Table 11. Of the total number of enquiries received at Period 13, 19 (26%) were received from Councillors, 28 (38.4%) from MSPs and 26 (35.6%) from MP.

Table 11: Property Services Enquiries Recorded Across Local Area Offices and Strategy and Support

Nature of Enquiry	Financial Period 13	Year to Date (2018/19)
	Enquiries Recorded	Total Enquiries Recorded
Councillor	19	220
MSP	28	275
MP	26	191
Total	73	686

10. Employee Implications

- 10.1. None

11. Financial Implications

- 11.1. The level of income received by the Property Trading Operation (which includes contract works and design work) can be affected by the timing of works. This year there have been some areas where income levels have been affected due to the timing of works carried out. These include Early Years, Central Heating programmes, and Growth and Capacities in schools. Additional works help balance some of the shortfall including works on new housing stock.

11.2. The level of surplus shortfall this year is expected to be around £1.425 million. This reflects the lower income from these jobs, offset by a reduction in variable direct costs. Work will continue to progress or accelerate any additional works which can contribute favourably to income levels. This position has been reported to the Executive Committee.

12. Other Implications

12.1. The main risk associated with the Trading Operations' Budget is that the required surplus is not achieved. The risk has been assessed as low given the detailed budget management applied across the Resource. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.

12.2. There are no implications for sustainability in terms of the information contained in this report.

13. Consultation Arrangements

13.1. Regular consultation with Trades Unions regarding employee related issues continues through established forums.

14. Equality Impact Assessment

13.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

Danny Lowe

Executive Director (Housing and Technical Resources)

24 April 2019

Link(s) to Council Objectives

- ◆ Improve the availability, quality and access of housing
- ◆ Improve later life
- ◆ Improve achievement, raise educational attainment and support lifelong learning
- ◆ Ensure schools and other places of learning are inspirational
- ◆ Support our communities by tackling disadvantage and deprivation and supporting aspiration

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 1 March 2019 (Period 13)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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