

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref BL/MH/CM

Date 20/05/20

MEARS Partnership Performance Report

From Brian Lafferty, Head of Business (Housing Property and Projects)

Email hendrym@northlan.gov.uk **Telephone** Michelle Hendry, 01698
524741

Executive Summary

This report outlines Mears Limited Liability Partnership (LLP) performance against its' business objectives, Council priorities and the Housing Repairs & Maintenance service delivery contracts for 2019/20.

Recommendations

It is recommended that the Housing and Regeneration Committee:

- (i) Note Mears LLP's operational performance for 2019/20;
- (ii) Note Mears LLP's year end operational performance for 2018/19
- (iii) Note future reporting arrangements, including the recommendation that future reports on Mears delivery of corporate property repairs and the scrutiny of performance come within the remit of this committee, and that the Scheme of Administration be amended to reflect this position; and
- (iv) Identify areas of activity requiring further detailed consideration by the Housing and Regeneration Committee.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (1) Ensure a housing mix that supports social inclusion and economic growth

1. Background

- 1.1 In 2010 Morrisons Facilities Services Ltd successfully bid to become the Council's strategic partner to deliver housing and corporate repairs over a 10 year period with the contract commencing on 21 January 2011. Mears PLC subsequently bought Morrisons Facilities Services Ltd as a going concern, so now own the 67% shareholding in the Mears Scotland LLP (Mears) strategic partnership and the inherent North Lanarkshire service contract. North Lanarkshire Council owns the remaining 33% of Mears Scotland LLP.
- 1.2 The Council expected the partnership to secure local employment, source local supplies and services, and ultimately secure continuous improvement in the repairs services delivered to North Lanarkshire residents and the council.
- 1.3 A Management Committee consisting of representatives from both Mears and North Lanarkshire Council is responsible for the LLP's governance, which includes operational delivery and management, staffing, financial control and reporting, health and safety, performance monitoring and risk management. The Management Committee meets quarterly and consists of one senior Council officer, one elected member and up to 4 Mears representatives.
- 1.4 Mears' Year 8 Best Value Service Review was completed during the early part of 2018, with the findings reported to the Enterprise and Communities Committee in May 2018. The review identified high levels of service delivery across the partnership and recommended a small number of improvement actions including the in-sourcing of the repairs management function to provide end to end management and control of repairs. It was agreed that the Mears contract would not extend beyond its natural end date of January 2021, although this has subsequently been revised to make provision for annual extensions, potentially up to January 2024, to enable anticipated inclusion of housing and corporate property repairs within the Strategic Enterprise Commercial Partnership. It should be noted that a report is contained on this agenda for approval on these proposals.

2. Report

Performance Indicators

- 2.1 Shortly after establishing and entering into the strategic partnership, the council agreed that a suite of Key Performance Indicators (KPIs) for both the housing contract, and a similar partnership agreement in place with Saltire Facilities Management Services for the repair and maintenance of central heating in council housing, should be developed. It was further agreed that performance against these targets should be reported to committee on a six monthly basis. As such a Partnership Performance report has been submitted on a scheduled basis, with the most recent considered by this committee at its meeting on 19 February 2020.
- 2.2 While the council sold its interest in Saltire in May 2017, the contractual Best Value Service Review completed in May 2019, noted that operational performance continued to be reported via KPIs in the Partnership Performance report. Members are requested to note that performance within the central heating repairs and maintenance contract in place with Saltire to the contract end date of January 2021 (and thereafter any subsequent extension period agreed by the council), is now submitted via a separate report on this agenda. This enables this report to focus exclusively on Mears performance, as described above, and also now including the

strategic performance previously reported through the former ALEOs and External Bodies Monitoring Sub Committee. Appendix 1 provides year to date KPI performance in 2019/20 with comparison figures from the previous year provided in Appendix 2. Further performance outcomes, demonstrating where Mears is supporting The Plan for North Lanarkshire are provided at Appendix 3. Although Mears operational performance to November 2019 was previously reported in February as noted above, this additional report in cycle 2 now brings Mears performance reporting into line with the Strategic Performance Reporting Framework. The next report will be in Cycle 4 and six monthly thereafter.

- 2.3 Mears also undertakes corporate repairs to council buildings. Performance on this aspect of business accounts for approximately 12.5% of overall business by value. A series of performance measures and targets is currently being developed for future reporting following the transfer of the Corporate Maintenance Service. Responsibility for scrutiny and oversight of corporate property repairs currently sits within the Terms of Reference for the Finance and Resources Committee. It is recommended that oversight responsibility transfers to this Committee to allow performance to be considered within the context of the overall Housing and Corporate Property Repairs contract and also reflecting that management responsibility for the overall contract sits with the Head of Business for Housing Property and Projects. Accordingly it is recommended that the Head of Legal and Democratic Solutions makes the appropriate arrangements to put this proposal before Council.

Housing Property and Projects Performance

- 2.4 The timescale in completing emergency repairs for year to date is currently 3.14 hours in comparison with the Scottish Housing Regulator return of 4.38 hours for 2018/19. The 2018/19 Scottish average was 3.6 hours.
- 2.5 The timescale for completing non-emergency repairs for year to date is currently 7.27 days in comparison with the Scottish Housing Regulator return of 7.72 days. The 2018/19 Scottish average was 6.6 days. It should also be noted that repairs carried out right first time has been reported at 98.50% over the same period. The 2018/19 Scottish average for repairs carried out right first time was 92.5%.
- 2.6 Current customer satisfaction level for Local Homes is 95.48% year to date. In 2018/19 it was reported to the Scottish Housing Regulator that 98.63% of tenants were satisfied with the repairs service. The 2018/19 Scottish average was 91.7%. We continue to receive completed surveys online from tenants and also at the post inspection stage of works, undertaken face to face with tenants, by our Technical Officers. Customer satisfaction surveys also continue to be completed by Mears tradespersons following completion of a repair via handheld technology. Customer satisfaction surveys continue to inform action and help ensure that any areas of dissatisfaction are immediately followed up.

Complaints

- 2.7 **Frontline resolutions** - the number of Stage 1 complaints received for 2019/20 have decreased by 14.68% in comparison with the same period last year (see table 1 below). Of the complaints responded to year to date, a total of 53% have been upheld or partially upheld, in the same period last year 54.64% were upheld. A quarterly analysis of all complaints received is undertaken by Local Homes to allow any re-occurring issues to be addressed and associated service improvement actions to be progressed.

- 2.8 **Investigations** – Stage 2 complaints, received for 2019/20 have decreased by 11.11% in comparison to the same period last year (see table 1 below). Of the complaints responded to year to date, a total of 100% have been upheld or partially upheld which is an increase in comparison to 80% upheld or partially upheld in the same period last year. All such complaints continue to be reviewed and monitored via four weekly management reports to ensure procedures are continually reviewed to reduce and prevent complaints being escalated to Stage 2.

Table 1

Housing Property Complaints received via Council	2019/20					2018/19 (for comparison)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Stage 1	29	33	20	11	93	37	32	16	39	124
Stage 2	2	3	2	1	8	2	2	2	3	9
Total	31	36	22	12	101	39	34	18	42	133

Service Delivery Highlights

- 2.9 A sample of service delivery highlights over the period include:
- Can recycling was undertaken to raise funds for St. Andrew's Hospice, Airdrie.
 - A member of staff undertook a fundraising walk for the Foundation Charity.
 - A collection was undertaken to raise funds for Coatbridge Soup Kitchen.
 - A golf day was held to raise funds for St. Andrew's Hospice.

3. Equality and Diversity

3.1 Fairer Scotland Duty

There are no considerations which require to be addressed at this time.

3.2 Equality Impact Assessment

An equality impact assessment has not been completed for this report as this is an update on 2019/20 performance.

4. Implications

4.1 Financial Impact

- 4.1.1 Unfortunately due to additional responsibilities and pressures in responding to the COVID-19 crisis, Financial Solutions are unable to provide the financial performance information for this reporting cycle.

4.2 HR/Policy/Legislative Impact

- 4.2.1 The Year 8 Best Value Service Review referenced above recommended that 12 posts should transfer from Mears to the council to support increased management

efficiency within the repairs service. The employee transfer, under Transfer of Undertakings (Protection of Employment) Regulations, has successfully taken place with assistance from the council's People and Organisational Development service. The savings to MEARS through this transfer are offset through the partnership employing 13 apprentices to the end of the contract period.

4.3 Environmental Impact

4.3.1 Mears LLP continues to positively address environmental considerations through delivering activities which enhance environmental efficiencies and comply with National Home Energy Rating Standard assessment procedures.

4.4 Risk Impact

4.4.1 Risk is managed by a designated Project Manager in accordance with the contract specification and in accordance with the council's agreed approach to Contract and Supplier Management. In addition, the Year 8 review of the LLP provided assurance that there are effective risk management and reporting arrangements in place. Risk is also considered at each Management Committee meeting along with initiatives and activities that support / enhance health and safety practices.

5. Measures of success

5.1 These reports detail the activities which are expected to support delivery of the council's priority outcomes, as well as the organisation's performance against these. This should ensure elected members have sufficient information to assess how Mears' service delivery supports the council in delivering against The Plan for North Lanarkshire, as well as producing a high level of service delivery, legal compliance and customer satisfaction.

6. Supporting documents

- 6.1 Appendix 1 – 2019/20 operational performance year to date;
- 6.2 Appendix 2 – 2018/19 operational performance comparison; and
- 6.3 Appendix 3 – Strategic performance.



Brian Lafferty
Head of Business (Housing Property and Projects)

MEARS OPERATIONAL PERFORMANCE 2019/20 (YEAR TO DATE)

		Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Cat 1a - Emergency Hours (95%)	Total	1515	1465	1250	1526	1492	1336	1302	1474	1395	1401	1269		15425
	% Within	97.62%	95.97%	97.92%	98.43%	98.39%	99.10%	98.08%	98.37%	97.99%	99.50%	99.13%		98.21%
Cat 1b - Emergency Outwith Hours (95%)	Total	1018	854	835	837	996	877	795	870	984	897	814		9777
	% Within	97.74%	97.78%	98.08%	98.92%	98.69%	99.20%	98.87%	96.32%	98.78%	99.67%	99.02%		98.46%
Cat 2 - Routine 3 Day Works (95%)	Total	763	732	734	838	846	772	839	887	745	1020	830		9006
	% Within	99.74%	99.59%	99.59%	99.40%	99.88%	99.61%	99.64%	99.89%	99.73%	99.80%	99.76%		99.70%
Cat 3 - Routine 7 Day Works (95%)	Total	7	9	4	2	1	1	3	3	1	3	2		36
	% Within	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		100%
Cat 4 - Routine 20 Day Works (95%)	Total	2933	3035	2728	2750	3069	2782	2961	2574	2010	2434	2458		29734
	% Within	98.94%	99.28%	99.08%	99.20%	98.50%	98.02%	99.09%	97.55%	99.45%	99.51%	98.98%		98.86%
Empty House Works - 3 Days (95%)	Total	230	248	249	254	280	228	274	294	217	301	337		2912
	% Within	99.57%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		99.97%
Empty House Works -10 Days (95%)	Total	387	366	373	429	453	436	535	421	362	415	402		4579
	% Within	98.97%	99.73%	99.73%	100%	99.56%	97.02%	99.81%	100%	100%	99.76%	100%		99.50%
Routine Works - P9 (95%)	Total	0	0	0	2	0	0	7	3	2	3	0		17
	% Within	N/A	N/A	N/A	100%	N/A	N/A	100%	100%	100%	100%	N/A		100%
Glazing Pilot Works (95%)	Total	89	176	120	142	112	105	128	109	91	124	128		1324
	% Within	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		100%
Priority P - Extended Priorities (95%)	Total	24	23	9	17	9	8	11	10	3	27	19		160
	% Within	100%	100%	100%	100%	88.89%	100%	100%	100%	100%	100%	100%		99.38%
Adaptations – 40 Days (95%)	Total	93	117	93	77	90	73	114	118	68	83	101		1027
	% Within	100%	100%	100%	98.70%	98.89%	100%	100%	100%	100%	100%	100%		98.81%
Rotworks – 40 Days (95%)	Total	73	57	43	44	58	31	59	55	59	57	60		596
	% Within	100%	96.49%	100%	100%	100%	100%	100%	100%	100%	100%	100%		99.66%
Priority T – 1 Day (100%)	Total	324	322	282	354	355	377	406	455	435	504	338		4152
	% Within	96.60%	94.10%	98.23%	93.79%	96.62%	98.67%	99.01%	100%	100%	99.80%	100%		98.10%

MEARS PERFORMANCE 2018/19 - OPERATIONAL PERFORMANCE COMPARISON

		Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Cat 1a - Emergency Within Hours (95%)	Total	1573	1567	1548	1634	1683	1534	1649	1675	1489	1654	1710	1678	19394
	% Within	97.1%	97.5%	96.7%	97.9%	96.0%	97.3%	96.5%	96.1%	96.2%	96.2%	97.4%	99.1%	97.0%
Cat 1b - Emergency Outwith Hours (95%)	Total	937	752	903	869	835	853	783	882	1012	878	919	874	10497
	% Within	97.7%	99.9%	98.8%	98.5%	98.0%	98.7%	99.0%	98.2%	99.2%	97.7%	98.0%	99.1%	98.5%
Cat 2 - Routine 3 Day Works (95%)	Total	828	800	849	805	832	784	817	771	666	869	874	791	9686
	% Within	99.3%	99.1%	98.9%	99.1%	99.6%	99.2%	99.1%	99.1%	99.7%	99.5%	99.1%	99.5%	99.3%
Cat 3 - Routine 7 Day Works (95%)	Total	3	6	0	5	6	8	12	4	2	7	3	5	61
	% Within	100%	83.3%	N/A	100%	100%	87.5%	100%	100%	100%	100%	100%	100%	96.7%
Cat 4 - Routine 20 Day Works (95%)	Total	2713	2824	2694	2642	3249	2384	2846	2534	1723	2251	2521	2593	30974
	% Within	97.5%	96.0%	96.4%	97.7%	98.2%	99.4%	99.3%	99.1%	98.7%	99.2%	98.9%	99.0%	98.2%
Empty House Works - 3 Days (95%)	Total	275	286	240	217	261	199	222	314	232	249	264	231	2990
	% Within	100%	99.7%	100%	100%	100%	99.5%	100%	100%	100%	100%	99.6%	100%	99.9%
Empty House Works -10 Days (95%)	Total	428	441	348	374	369	350	448	354	279	317	317	378	4403
	% Within	98.6%	98.9%	100%	99.5%	99.5%	99.7%	100%	98.6%	98.9%	100%	99.7%	99.7%	99.4%
Routine Works - P9 (95%)	Total	1	1	3	3	1	1	1	1	2	4	1	1	20
	% Within	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Glazing Pilot Works (95%)	Total	156	131	136	144	177	102	192	161	79	135	143	146	1702
	% Within	100%	100%	99.3%	100%	100%	100%	99.5%	100%	100%	100%	100%	100%	99.9%
Priority P - Extended Priorities (95%)	Total	60	38	51	36	23	32	22	15	10	24	43	26	380
	% Within	98.3%	97.4%	96.1%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99.0%
Adaptations - 40 Days (95%)	Total	110	95	102	75	81	87	104	100	77	124	65	104	1124
	% Within	100%	100%	100%	100%	100%	100%	100%	100%	98.7%	100%	100%	97.1%	99.6%
Rotworks - 40 Days (95%)	Total	28	53	52	33	33	34	51	28	49	37	53	71	522
	% Within	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Priority T - 1 Day (100%)	Total	283	293	259	297	322	353	464	460	379	513	374	325	4322
	% Within	95.1%	93.5%	98.1%	92.9%	94.1%	91.8%	95.5%	96.3%	91.6%	96.1%	94.7%	93.8%	94.5%

MEARS – CONTRIBUTION TO THE PLAN FOR NORTH LANARKSHIRE

Service Area	Target Outcome/Purpose	2018/19 Actual	2019/20				Comments
			Q1	Q2	Q3	Q4	
Improve Economic Opportunities and Outcomes							
OBJECTIVE: Provide supported routes out of unemployment or underemployment							
Number of trade and Modern apprenticeships	Contribute to the long-term economic sustainability of North Lanarkshire	47	47	61			
OBJECTIVE: Help current and incoming businesses to grow and create employment							
Number of local suppliers	Contribute to the long-term economic sustainability of North Lanarkshire.	34 suppliers with a spend of £8.1m	34 suppliers with a spend of £1.3m	34 suppliers with a spend of £2.9m ytd			Local supply chain spend. Spend is per quarter (not cumulative).
Improving the Health and Wellbeing of our Communities							
OBJECTIVE: Enable more people to live longer at home and to live as independently as possible							
Safer homes advice and installations	To provide safety and security measures to vulnerable groups such as elderly and victims of domestic abuse.	1692 items fitted to 258 properties	274 items fitted to 93 prop'ties	271 items fitted to 61 prop'ties			
Schools work experience and engagement	Provide young people with an opportunity to get an insight into a possible career	12	3	5			
Recruitment fairs/career talks	Provide young people with an opportunity to get an insight into a possible career and routes to work	9	0	1			

Apprenticeship projects to support local communities	Provides apprentices with the opportunity to work with local communities to add value to facilities as well as work with local groups and events to enable others to deliver community benefits within their area	12	4	0			
Enhance Participation, Capacity and Empowerment Across Our Communities							
OBJECTIVE: Improve community participation and engagement in the planning and delivery of services							
<i>Housing Tenant Conferences</i>	<i>Positively promote the partnership</i>	3	1	0			
<i>Sporting Events</i>	<i>Positively promote the partnership</i>	2	1	0			
<i>Best Value Efficiency Savings</i>	<i>To positively support the partnership, deliver efficiencies to the Schedule of Rates payable via the works agreement.</i>	TBC	TBC	TBC			