

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref BL/MH/EH

Date 25/11/20

Mears LLP: Operational and Financial Performance Monitoring Report for 31 December 2019 and Q2 monitoring as at 30 June 2020

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Executive Summary

This report outlines Mears Limited Liability Partnership (LLP) performance against its business objectives, Council priorities and the Housing and Corporate Repairs and Maintenance service delivery contracts and the financial performance for financial years 2019 and 2020.

Recommendations

It is recommended that the Housing and Regeneration Committee:

- (i) Note Mears LLP's operational performance for 2020/21 for both housing repairs and corporate repairs, from April to September 2020;
- (ii) Note Mears financial performance for financial year ending 31 December 2019 and Q2 monitoring as at 30 June 2020, along with assurance, or otherwise of the financial standing of the ALEO by Financial Solutions;
- (iii) Note that the Head of Business Solutions submits a six-monthly composite report to the Audit and Scrutiny Panel confirming that governance and risk management arrangements are suitably robust within each ALEO;

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

(22) Facilitate a North Lanarkshire wide approach to asset rationalisation, including with communities and partners

(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

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 At a strategic level, the MEARS Management Committee is responsible for governance and oversight of the LLP's statutory responsibilities in relation to service delivery and management, staffing, financial control and reporting, health and safety, performance monitoring and risk management. The Management Committee meets quarterly and comprises up to four representatives from MEARS Scotland and two representatives from the council – with these positions currently filled by the Vice Convener of the Housing and Regeneration Committee and the Head of Housing Solutions. Senior officers from both partners are also in attendance to provide professional, technical and financial reports.
- 1.3 The Council expected the partnership to secure local employment, source local supplies and services, and ultimately secure continuous improvement in the repair's services delivered to North Lanarkshire residents and the council.
- 1.4 Responsibility for operational management of the Corporate Maintenance Service recently transferred from Asset and Procurement Solutions to Housing Property and Projects to improve efficiency and enable alignment with the repairs protocols already in place in housing. These revised arrangements allow for greater consistency and shared practices and resources in areas such as workflow management, mobilisation of IT resources and performance management and reporting.
- 1.5 The corporate property repairs and maintenance works account for approximately 12.5% of overall business by value with housing repairs representing the substantial element of the contract.
- 1.6 The Year 8 Best Value Service Review (BVSR) of the MEARS contract, reported to the Enterprise and Housing Committee in May 2018, included an assessment of the corporate property repairs service including: Revenue Works Orders, capital projects, Client-Contractor liaison arrangements; post-inspections; health and safety; and performance reporting. The review found that works are carried out safely and are conducted in accordance with the job specification, good industry practice and the relevant quality standards. The opportunity was identified, however, to improve feedback and ongoing communication between MEARS and the relevant Services to ensure that the customer was kept up to date on the progress of the repairs. Overall, the BVSR identified high levels of service delivery across the partnership, with only a small number of improvement actions identified, including the need for improved communications as referenced above.
- 1.7 Housing repairs, new build programmes, corporate property maintenance and investment proposals are all currently in-scope for delivery through the new Enterprise Strategic Commercial Partnership. To ensure continuity of service and enable anticipated inclusion of housing and corporate property maintenance within the Enterprise Strategic Commercial Partnership, the Housing and Regeneration Committee at its meeting on 20 May 2020 considered a report recommending that

provision is made for annual extensions to the strategic partnership with MEARS, potentially up to January 2024.

- 1.8 As per the recommendation to Committee on 7 June 2012, it was agreed that a six monthly report be established to detail performance across agreed Key Performance Indicators (KPI's), customer satisfaction and complaints to support the ongoing review and associated improvement actions within the delivery of the strategic partnership vehicles.
- 1.9 In February 2020, the arrangements were revised, and individual Heads of Service now submit a six monthly performance report to the relevant service committee confirming that the ALEO is delivering services as per our recommendations and expectations, and in accordance with the Service Level Agreement of contract works agreement. Colleagues in Financial Solutions provide the financial performance information along with assurance, or otherwise, in relation to the financial standing of the company.
- 1.10 In addition to this reporting, the Head of Business Solutions submits a six-monthly composite report to the Audit and Scrutiny Panel confirming that governance and risk management arrangements are suitably robust within each ALEO. Information is also provided by the Head of Financial Solutions relating to compliance with financial monitoring arrangements and identifying any matters which may result in financial risk to the council. This financial information is reported by exception.

2. Report

2.1 Performance Indicators

- 2.1.1 It was 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.
- 2.1.2 Appendix 1 provides year to date housing performance in 2020/21 with comparison figures from the previous year provided in Appendix 2. Emergency and non-emergency timescales for housing repairs are shown in Appendix 3. Appendix 4 provides year to date Corporate performance in 2019/20. Emergency and non-emergency timescales for corporate repairs are shown in appendix 5. Further performance outcomes, demonstrating where Mears is supporting The Plan for North Lanarkshire are provided at Appendix 6. Appendices 7 and 8 provide financial performance and overall Standing as at 31 December 2019. Appendices 9 and 10 provide Financial Performance and Overall Standing as at June 2020.
- 2.1.3 It should be noted that performance in the first two quarters of 2020/21 have been affected by the impact of COVID19. Housing emergency repairs and legislative compliance works continued to be carried out, however all other non-emergency works were suspended in line with Scottish Government guidance. Non-emergency repairs were issued again on 3 August 2020 and continue to be progressed with Mears. In addition, corporate repairs were similarly affected by COVID19 in the first two quarters of the year, but emergency and compliance repairs were undertaken. Although the improvement in performance is welcomed, this has been artificially improved as a result of the impact of COVID19 on operations. A return to business as usual level of

works being issued, will result in an increase in reported performance as more non-emergency works, with longer timescales to complete, will be raised.

2.2 Housing Property and Projects Performance

- 2.2.1 The timescale in completing emergency repairs for all 3 linked contractors, year to date, is currently 3.01 hours in comparison with the Scottish Housing Regulator return of 4.3 hours for 2019/20. Mears year to date, average emergency timescales are 3:13 hours. The 2019/20 Scottish average was 3.7 hours.
- 2.2.2 The timescale for completing non-emergency repairs, for all 3 linked contractors, year to date, is currently 2.97 days. This is in comparison with the Scottish Housing Regulator return in 2019/20 of 7 days, with the Scottish average was 6.5 days. Mears average non-emergency timescales are 6.77 days. A full breakdown of year to date, emergency and non-emergency performance for all contractors as well as Mears only, is included in appendix 3.
- 2.2.3 It should also be noted that repairs carried out right first time has been reported at 99.25% over the same period. The 2019/20 Scottish average for repairs carried out right first time was 91.9%.
- 2.2.4 Current customer satisfaction level is 96.42% year to date. In 2019/20 it was reported to the Scottish Housing Regulator that 97% of tenants were satisfied with the repairs service. The 2019/20 Scottish average was 91.3%. We continue to receive completed surveys online from tenants and 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.
- 2.2.5 **Frontline resolutions** - the number of Stage 1 complaints received for 2020/21 relating to all of Housing Property and Projects, have decreased in comparison with the same period last year (see table 1 below). This was due to the complaints handling being suspended during the COVID19 lockdown. Of the complaints responded to year to date, a total of 41.18% have been upheld or partially upheld, in the same period last year 63.47% were upheld. 94.44% of complaints within Q1 and Q2 have been responded to within SPSO timescales, in comparison 100% of complaints in the same period in 2019/20. Although complaints were suspended during lockdown, several complaints were logged and responded to. The one failure in timescale reported was due to operational reasons through COVID19. Ten stage 1 complaints were received during Q1 and 2 in relation to Mears, they were responded to within timescale and 6 (60%) were upheld or partially 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.
- 2.2.6 **Investigations** – Stage 2 complaints, received for 2020/21, relating to all Housing Property and Projects service, has reduced in comparison to the same period last year (see table 1 below) due to the impact of COVID19. Of the complaints responded to year to date, a total of 50% of closed cases have been upheld or partially upheld which is a decrease in comparison to 75% upheld or partially upheld in the same period last year. 100% of complaints received as stage 2 complaints were responded to within timescale for Q1 and Q2 of both 2019/20 and 2020/21. There have been 2 stage 2 complaints received in relation to Mears within 20/20/21 to date. Both were responded to within timescales and 1 (50%) were upheld. 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.

2.2.7 Table 1 below shows Housing Property and Projects complaints received via Council between each financial year. The final column shows the total received with the carry forward from the previous year.

	2020/21					2019/20 (for comparison)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Stage 1	5	13			18	44	83	59	38	226 + 2 cf
Stage 2	2	0			2	4	9	6	7	28 + 2 cf
Total	7	13			20	48	92	65	45	254 + 4cf

2.3 Corporate Property and Projects Performance

2.3.1 The timescale in completing emergency repairs for year to date, April to September is currently 7.56 hours. This performance reporting is new for 2020/21 and there are no previous performance targets set to benchmark against.

2.3.2 The timescale for completing non-emergency repairs for year to date is currently 13.99 days which again reflects the availability of labour, who were furloughed during the first two quarters of the year. A full breakdown of year to date, emergency and non-emergency performance is included in appendix 6.

2.4 Service Delivery Highlights

A sample of service delivery highlights over the period include:

- DYW Construction and Engineering event for approx. 300 pupils from various schools.
- Careers fayre St Ambrose High school for approx. 250 pupils
- 266 Safer Homes items to 51 properties.
- NLC Disability Confident event

3. Equality and Diversity

3.1 There are no considerations to complete a Fairer Scotland Duty assessment at this time.

3.2 An Equality Impact Assessment has not been completed for this report at this time.

4. Implications

4.1 Financial Impact

Public Accountability Obligations - Financial Year 2019/20

- 4.1.1 To satisfy the Council's duty to ensure the organisation delivering property repairs and upgrade services on its behalf is financially sound, the Council's Section 95 Officer maintains appropriate and proportionate processes and procedures for scrutinising Mears financial performance.
- 4.1.2 The Council's Legal Agreements with Mears specify the financial information which it must submit to the Council including an annual business plan, quarterly management accounts, audited financial statements etc., to enable Financial Solutions to assess and report any financial risk likely to arise as a result of the Council using Mears to deliver these services.
- 4.1.3 The Council expends both revenue and capital resources annually with Mears to deliver services which assist the Council in achieving its priority outcomes. For financial year 2019-20, the company's budgeted turnover equated to £57m with a net trading profit of £1.738m (3.%) as per Appendix 7. Mears operated a financial year ending 31 December with the majority of its turnover anticipated from housing and property repairs, with the remainder representing capital and other works.
- 4.1.4 As previously advised the contract with Mears includes scope for the Council to receive additional financial benefits including;
- a) A "volume discount", which gives the Council a 6.28% return on the value of relevant works awarded through the partnership. For financial year 2019-20, the Council had budgeted to receive £1.9m however £2.5m was actually received.
 - b) The partnership agreement also makes provision for a Best Value Efficiency Saving (BVES) to be applied to the schedule of rates paid by the Council on 1st July each year. The BVES receivable is dependent on turnover achieved by Mears, with a rate of 2.75% applicable on works to the value of £30m, a further 4.69% applicable on works between £30m and £35m, and any turnover in excess of £35m attracting additional BVES of 7.69%. Recognising the Council's 2019-20 budget of £33.5m for housing repairs, the partnership expected to deliver a minimum benefit of £0.825m.
 - c) Scope also exists for the Council to receive dividends from this partnership arrangement. However, as a result of the previous cumulative negative trading position, there have been no dividends declared to date.
 - d) In return for satisfactory service delivery and effective financial performance through the LLP, Mears PLC is entitled to receive a management fee which comprises both fixed and variable elements, and is partially linked to level of works delivered through the contract.

Financial Performance as at 31 December 2019

- 4.1.5 Based on their audited financial accounts to 31 December 2019, members will wish to note that Mears LLP reported an annual accounting profit of £1.756m on an annual turnover of £56m. Details of performance against budget are on Appendix 7.

- 4.1.6 Although the contract provides scope for the Council to receive dividends from this partnership agreement, the cumulative negative trading position evidenced in the Balance Sheet means that there is no opportunity to declare any dividends.

Overall Financial Standing – Balance Sheet as at 31 December 2019

- 4.1.7 Appendix 8 provides key balances to give members an update on the overall financial standing of the company. Key balances and indicators worthy of specific note include:
- a) As a result of previous year losses, the company had cumulative net liabilities of (£0.942m).
 - b) A comparison of current assets to current liabilities equated to a current net liability of (£0.462m) and a low current ratio of 0.96. A ratio of less than 1 is an indication of an organisation having insufficient resources to meet its obligations, and in this instance, indicated the company continued to rely upon the approved parent company loan.
 - c) The intra Group loan account stood at £0.629m as at 31 December 2019.

Public Accountability Obligations - Financial Year 2020/21

Approved Budget 2020

- 4.1.8 The 2020 budget has been prepared by the LLP, and indicated a profit of £1.588m on a turnover of £54.2m. A revised operational forecast was expected during 2020, however this is no longer being produced due to the uncertainty surrounding operations from the impact of COVID-19.

Financial Performance as at 30 June 2020

- 4.1.9 Based on their financial statements to June 2020, members will wish to note that the company is showing a year to date profit of £0.457m. However, they are currently reporting to the Board a no profit/no loss breakeven position as per agreement with NLC. The budget assumed a delivery of works previously derived run rates which has not been possible to achieve during the pandemic, resulting in the reduced bottom line profit position. Appendix 9 provides further details on financial performance.

Overall Financial Standing – Balance Sheet as at June 2020

- 4.1.10 Appendix 10 provides key balances to give members an update on the overall financial standing of the company as at 30 June 2020. Key balances and indicators worthy of specific note include:
- a) As a result of previous year losses, the company has cumulative net liabilities of (£0.545m).
 - b) A comparison of current assets to current liabilities equates to a current net asset of £1.832m and a current ratio of 1.19.
 - c) The intra Group loan account stands at £2.517m as at June 30 2020.
 - d) The partnership continues to operate under a no profit no loss arrangement under the principles of the defined service agreement which limited the service delivery mainly to emergency works which could be carried out safely in

conjunction with Government advice. The trading remains in line with those principles.

- 4.2 There are no HR, policy or legislative requirements arising from this report.
 - 4.3 There are no environmental impacts arising from this report.
 - 4.4 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.
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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.
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6. Supporting documents

- 6.1 Appendix 1 – Mears Housing Performance 20/21
- 6.2 Appendix 2 – Mears Housing Performance 19/20
- 6.3 Appendix 3 – Housing emergency and non-emergency performance 20/21
- 6.4 Appendix 4 – Mears Corporate Performance 20/21
- 6.5 Appendix 5 – Corporate emergency and non-emergency performance 20/21
- 6.7 Appendix 6 – Mears Contribution to The Plan
- 6.7 Appendix 7 - Financial Performance as at Dec 2019
- 6.8 Appendix 8 – Overall Financial Standing as at Dec 2019
- 6.9 Appendix 9 – Financial Performance as at June 2020
- 6.10 Appendix 10 – Overall Financial Standing as at June 2020



Brian Lafferty
Head of Business (Housing Property and Projects)

Appendix 1 MEARS HOUSING PERFORMANCE 2020/21

		Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cat 1a - Emergency Within Hours (95%)	Total	1342	1486	1874	2095	1718	1291						
	% Within	98.06%	99.46%	97.44%	96.37%	98.66%	99.07%						
Cat 1b - Emergency Outwith Hours (95%)	Total	852	914	1021	904	1036	790						
	% Within	99.06%	99.89%	98.43%	97.12%	97.49%	98.99%						
Cat 2 - Routine 3 Day Works (95%)	Total	3	17	25	87	819	646						
	% Within	100%	100%	100%	100%	100%	99.85%						
Cat 3 - Routine 7 Day Works (95%)	Total	0	0	1	1	4	0						
	% Within	N/A	N/A	N/A	100%	100%	100%						
Cat 4 - Routine 20 Day Works (95%)	Total	38	20	15	699	2227	1578						
	% Within	100%	100%	100%	100%	99.91%	98.67%						
Empty House Works - 3 Days (95%)	Total	104	113	175	264	327	389						
	% Within	100%	99.12%	100%	100%	100%	100%						
Empty House Works -10 Days (95%)	Total	7	184	583	425	523	486						
	% Within	100%	100%	99.83%	100%	100%	100%						
Routine Works - P9 (95%)	Total	1	0	0	0	0	0						
	% Within	100%	N/A	NA	NA	NA	NA						
Glazing Pilot Works (95%)	Total	73	83	100	97	118	107						
	% Within	100%	100%	100%	100%	100%	100%						
Priority P - Extended Priorities (95%)	Total	26	3	28	310	89	14						
	% Within	100%	100%	100%	100%	100%	100%						
Adaptations – 40 Days (95%)	Total	23	3	9	39	57	87						
	% Within	100%	100%	100%	89.47%	98.25%	100%						
Rotworks – 40 Days (95%)	Total	0	0	0	5	46	29						
	% Within	N/A	N/A	N/A	100%	100%	100%						
Priority T – 1 Day (100%)	Total	5	0	4	5	348	358						
	% Within	100%	N/A	100%	100%	99.68%	100%						

Appendix 2 MEARS HOUSING PERFORMANCE 2019/20

		Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cat 1a - Emergency Within Hours (95%)	Total	1515	1465	1250	1526	1492	1336	1302	1474	1395	1401	1324	1355
	% Within	97.62%	95.97%	97.92%	98.43%	98.39%	99.10%	98.08%	98.37%	97.99%	99.50%	99.17%	98.97%
Cat 1b - Emergency Outwith Hours (95%)	Total	1018	854	835	837	996	877	795	870	984	897	880	770
	% Within	97.74%	97.78%	98.08%	98.92%	98.69%	99.20%	98.87%	96.32%	98.78%	99.67%	99.09%	99.61%
Cat 2 - Routine 3 Day Works (95%)	Total	763	732	734	838	846	772	839	887	745	1020	866	628
	% Within	99.74%	99.59%	99.59%	99.40%	99.88%	99.61%	99.64%	99.89%	99.73%	99.80%	99.77%	99.20%
Cat 3 - Routine 7 Day Works (95%)	Total	7	9	4	2	1	1	3	3	1	3	2	0
	% Within	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cat 4 - Routine 20 Day Works (95%)	Total	2933	3035	2728	2750	3069	2782	2961	2574	2010	2434	2635	2070
	% Within	98.94%	99.28%	99.08%	99.20%	98.50%	98.02%	99.09%	97.55%	99.45%	99.51%	99.01%	99.18%
Empty House Works - 3 Days (95%)	Total	230	248	249	254	280	228	274	294	217	301	342	278
	% Within	99.57%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.71%	100.00%
Empty House Works -10 Days (95%)	Total	387	366	373	429	453	436	535	421	362	415	431	384
	% Within	98.97%	99.73%	99.73%	100.00%	99.56%	97.02%	99.81%	100.00%	100.00%	99.76%	100.00%	100.00%
Routine Works - P9 (95%)	Total	0	0	0	2	0	0	7	3	2	3	1	2
	% Within	N/A	N/A	N/A	100.00%	N/A	N/A	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Glazing Pilot Works (95%)	Total	89	176	120	142	112	105	128	109	91	124	141	83
	% Within	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Priority P - Extended Priorities (95%)	Total	24	23	9	17	9	8	11	10	3	27	20	15
	% Within	100.00%	100.00%	100.00%	100.00%	88.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Adaptations – 40 Days (95%)	Total	93	117	93	77	90	73	114	118	68	83	105	81
	% Within	100.00%	100.00%	100.00%	98.70%	98.89%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rotworks – 40 Days (95%)	Total	73	57	43	44	58	31	59	55	59	57	73	45
	% Within	100.00%	96.49%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Priority T – 1 Day (100%)	Total	324	322	282	354	355	377	406	455	435	504	358	333
	% Within	96.60%	94.10%	98.23%	93.79%	96.62%	98.67%	99.01%	100.00%	100.00%	99.80%	100.00%	100.00%

Appendix 4 MEARS CORPORATE PERFORMANCE 2020/21

		Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cat 1 - Emergency (95%)	Total	41	55	105	79	272	209						
	% Within	82.93%	78.18%	81.90%	74.68%	96.25%	96.17%						
Cat 2 - Routine 3 Day Works (95%)	Total	5	4	14	36	111	98						
	% Within	80.00%	100.00%	50%	80.56%	90.99%	75.55%						
Cat 3 - Routine 7 Day Works (95%)	Total	1	1	9	9	51	52						
	% Within	0.00%	100.00%	55.56%	88.89%	96.08%	92.31%						
Cat 4 - Routine 20 Day Works (95%)	Total	64	20	102	251	370	475						
	% Within	100.00%	90%	82.35%	89.64%	96.49%	95.79%						
Programmed Works (95%)	Total	10	6	108	146	110	25						
	% Within	100%	100%	95.37%	81.51%	87.27%	88%						
Cyclic Works (95%)	Total	10	23	28	36	69	42						
	% Within	100.00%	91.30%	92.86%	100.00%	100.00%	95.24%						

Appendix 6 Mears contribution to The Plan for North Lanarkshire

Service Area	Target Outcome/Purpose	2019/20 Actual	2020/21				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	48	46	40			Mears acknowledge the shortfall against the target of 80 apprenticeships between year 4 and year 8, this is monitored through the Governance Board for the partnership. The outcome of the discussions are to be confirmed.
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 £9.2m	30 suppliers with a spend of £498k	45 suppliers with a spend of £1.7m			Local supply chain spend. Spend is per quarter (not cumulative). This is NLC Financial Year (Q1 – April to June, Q2 – July to September)
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.	1135 items fitted to 258 properties	24	30			During lockdown it was highlighted to NLC and Strathclyde Police that we would only emergency referrals would be carried out. 24 non-emergency referrals were received in Q1 and 30 in Q2. Service has resumed in Q3 and Q1 and Q2 referrals are being actioned on a case by case

							priority basis.
Schools work experience and engagement	Provide young people with an opportunity to get an insight into a possible career	11	0	0			Not applicable for Q1 due to the covid 19 pandemic. In line with government guidance we will recommence these activities when it is deemed safe to do so.
Recruitment fairs/career talks	Provide young people with an opportunity to get an insight into a possible career and routes to work	3	0	0			Not applicable for Q1 due to the covid 19 pandemic. In line with government guidance we will recommence these activities when it is deemed safe to do so.

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	10	0	3			Not applicable for Q1 due to the covid 19 pandemic. In Q2 renovation of Kilsyth Nursery after flooding & kitchen refits in St Andrews hospice shops in Coatbridge. Auchinloch community council defibrillator fit due to take place in Q3.
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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	0	0			Not applicable for Q1 due to the covid 19 pandemic. In line with government guidance we will recommence these activities when it is deemed safe to do so.
<i>Sporting Events</i>	<i>Positively promote the partnership</i>	1	0	0			Not applicable for Q1 due to the covid 19 pandemic. In line with government guidance we will recommence these activities when it is deemed safe to do so.
Best Value Efficiency Savings	<i>To positively support the partnership, deliver efficiencies to the Schedule of Rates payable via the works agreement.</i>	£1,359,276	£159,070	£288,008			

MEARS Scotland LLP

Appendix 7

Financial Performance as at 31 Dec 2019

Income & Expenditure	2019	2019 Full year Actual		2018
	Reforecast £m	Actual £m	Variance to Reforecast £m	Actual Outturn £m
Total Sales	57.117	56.094	-1.023	52.404
Total Direct Costs	46.244	44.943	1.301	41.16
Gross Margin	10.873	11.151	0.278	11.244
Operational %	19.04%	19.88%	-27.17%	21.46%
Total Overheads	9.135	9.395	-0.26	8.872
Net Trading Profit	1.738	1.756	0.018	2.372
Profit %	3.0%	3.1%	0.09%	4.53%

MEARS Scotland LLP

Appendix 8

Overall Financial Standing - Balance Sheet as at Dec 2019

Balances / Indicators	2019 Final Outturn £m	2018 Final Outturn £m
Total Fixed Assets	0.149	0.184
Stock	3.323	1.563
Trade & Other Debtors	0.461	0.979
Cash	6.496	8.551
Trade & Other Creditors	-9.461	-10.335
Government Bodies - tax, VAT, NI	-1.281	-2.139
Inter company trading including loan	-0.629	-1.440
Total Net Assets/ (Liabilities)	-0.942	-2.637

Current Ratio	0.957	0.89
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Financial Performance as at June 2020

Income & Expenditure	To June 2020			2020 Full Year Budget £m	2019 Actual Outturn £m
	Budget £m	Actual £m	Variance to Budget £m		
Total Sales	27,166	18,637	-8,529	54,196	56.094
Total Direct Costs	21,653	14,522	7,131	43,304	44.943
Gross Margin	5,513	4,115	-1,398	10,892	11.151
Operational %	20.3%	22.1%	16.4%	20.1%	19.88%
Total Overheads	4,687	3,658	1,029	9,304	9.395
Net Trading Profit	826	457	-369	1,588	1.756
Profit %	3.0%	2.5%	4.3%	2.9%	3.1%

MEARS Scotland LLP

Appendix 10

Overall Financial Standing - Balance Sheet as at June 2020

Balances / Indicators	2020 YTD £m	2019 Final Outturn £m
Total Fixed Assets	0.1400	0.149
Stock	2.223	3.323
Trade & Other Debtors	2.142	0.461
Cash	7.157	6.496
Trade & Other Creditors	-7.879	-9.461
Government Bodies - tax, VAT, NI	-1.812	-1.281
Inter company trading including loan	-2.517	-0.629
Total Net Assets/ (Liabilities)	-0.546	-0.942

Current Ratio	1.192	0.957
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