

**SUPPLEMENTARY REPORTS FOR
SHAREHOLDER SUB COMMITTEE
Tuesday, 11 December 2018 at 7.30 pm
Committee Room 1 - Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

AGENDA

6. Operational and Performance Reports
 - a) Performance Reports and Balanced Scorecard (Pages 2 - 10)
 - b) Customer Service (Pages 11 - 16)

Report of Alex Morris			
Finance Director			
Name of Meeting	Date of Meeting	Agenda item	Reporting Period
Shareholder Sub Committee	December 2018	Finance Board Report	September 2018

Proudly serving Harlow

Management Accounts compared to The HTS (Property & Environment) Ltd Business Plan

1. September 2018 Management Accounts

The overall revenues of £1,963k were £51k below the business plan due to the reprofiling of planned works and resulted in a management accounts net profit of £73k being £20k below the original business plan.

2. HDC Annual Service Charge

Revenues of £1,454k were £35k below the business plan forecast due to change notices in relation to TUPE transfer of Tech Services and Lifts contract. The profit before tax of £47k being £26k below the original business plan.

3. HDC Capital Works

Capital works Revenues of £499k were £16k better than the business plan due to the reprofiling of the work and produced a gross profit before tax of £33k being £2k below forecast.

4. Non HDC Trading

Revenues of £10k in the month relate to sub lease of Mead Park to Kier and Jewson's and produced a net profit of £10k being £7k better than original business plan.

5. Forecast for the year to March 2019

Due to the reprofiling of the HDC Capital Works, the forecast revenues for the year to March 2019 are £23,350k being £821k below the original business plan and a Net Profit before Tax of £1,025k and a retained profit of £820k which is £61k lower than the plan.

The carryover of year two Capital Works is forecast to be £2,542k by the end of March 2019.

HTS (Property & Environment) Limited

Balanced Scorecard 2018/19

Update: September 2018

HTS Balanced Scorecard - Objectives

- ❖ Achieve Pre-tax profit margin of 4.75% by end of FY 2018/19. (50% to shareholder as dividend subject to corporation tax)
- ❖ Borrowing ratio of less than 70% by end of FY 2018/19.
- ❖ Acid ratio in excess of 1.00.
- ❖ Minimum cash reserve of £0.5m by end of FY2018/19.
- ❖ Deliver cashable and non-cashable year on year efficiencies.
- ❖ Deliver a competitive and profitable (minimum margin of 5%) £5.8m capital works programme by end of FY 2018/19.

- ❖ By end of FY 2018/19 deliver external third-party profit of £22.5k before tax.
- ❖ By end of FY 2019/20 deliver external third-party profit of £67.5k before tax.
- ❖ By end of FY 2020/21 deliver external third-party profit of £135k before tax.



- ❖ Invest 500 working days (60k) per annum in corporate social responsibility.
- ❖ To ensure that employees on average receive three days training per annum.
- ❖ Recruit a maximum of 10 apprentices in line with business needs..
- ❖ An agreed-upon succession plan.
- ❖ Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%.
- ❖ Place the customer experience at the heart of how HTS operates.
- ❖ Illustrate an innovation driven and entrepreneurial culture.
- ❖ Equality and diversity targets to monitor:
 - Gender Pay Gap
 - Social inclusion model (CIC)/partnerships with local community organisations
 - Disability Confident Champion (level 3 status)

- ❖ Achieve overall success rate of 95% against the Major & Minor KPI Suite.
- ❖ Sickness absence rate below 3.9% annualised.
- ❖ Health and safety performance below HSE accident incident rate. Attain 500,000 hours reportable accident free.
 - ❖ 100% compliance with regulatory requirements.
- ❖ Value of spend on subcontractors on the ASC to be no greater than 9.5% of the ASC budget.
- ❖ To achieve an overall success rate of 95.25% of customer repairs dealt with Right First Time.



Balanced Scorecard performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Operational Performance	100%	All objectives are on projected to be on target.
Financial Performance	100%	All objectives are on projected to be on target.
Business Growth	100%	All objectives are on projected to be on target.
Culture	100%	All objectives are on projected to be on target.

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Operational Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
To achieve an overall success rate of 95% against the Major & Minor KPI Suite	✓	HTS has successfully achieved this target.
Sickness absence rate below 3.9% annualised	✓	Sickness rate has just marginally exceeded target at 3.96%.
Health and safety performance below HSE accident incident rate. Attain 500,000 hours reportable accident free.	✓	HTS AIR rating is well below HSE breach level.
100% compliance with regulatory requirements	✓	LGSR compliance has been at 100% every month.
Value of spend on subcontractors on the ASC to be no greater than 9.5% of the ASC budget	✓	Subcontractor spend has remained within target of 10%.
To achieve an overall success rate of 95.25% of customer repairs dealt with Right First Time	✓	Customers' feedback from satisfaction surveys has illustrated repairs carried out Right First Time at above target level.

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Financial
Performance

Financial Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Achieve pre-tax profit margin of 4.75% by end of FY 2018/19. (With a min of 50% return to Shareholder)	✓	HTS is projected to achieve 4.75% Pre-tax profit by end of FY 2018/19
Borrowing ratio of less than 70% by end of FY 2018/19	✓	Borrowing ratio has consistently remained below 70%.
Acid ratio in excess of 1.00	✓	Acid ratio is above target.
Minimum cash reserve of £0.5m by end of FY2018/19	✓	Projected cash reserve is on track to achieve target.
Deliver cashable and non-cashable year on year efficiencies	✓	On target to achieve Objective
Deliver a competitive and profitable (minimum margin of 5%) £5.8m capital works programme by end of FY 2018/19	✓	On target to achieve Objective based on projection

**Business
Growth**

Business Growth Summary

OBJECTIVES	PERFORMANCE	COMMENTS
By end of FY 2018/19 deliver external third-party profit of £22.5k before tax.		HTS has actively pursued a number of initiatives thus securing profit from external third-party to achieve target by period end.
∞ By end of FY 2019/20 deliver external third-party profit of £67.5k before tax.		Data to be provided when information available
By end of FY 2020/21 deliver external third-party profit of £135k before tax.		Data to be provided when information available

Culture Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Invest 500 working days (60k) per annum in corporate social responsibility	✓	HTS is on target to achieve this with planned activities.
To ensure that employees on average receive three days training per annum	✓	On target to achieve Objective
Recruit a maximum of 10 apprentices in line with business needs.	✓	On target to achieve Objective
6 An agreed-upon succession plan	✓	On target to achieve Objective
Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%.	⌚	Staff satisfaction surveys to be carried out in the 2018 Q3.
Place the customer experience at the heart of how HTS operates	✓	On target to achieve Objective
Illustrate an innovation driven and entrepreneurial culture	✓	On target to achieve Objective
Equality and diversity: <ul style="list-style-type: none"> • Gender Pay Gap • Social inclusion model (CIC)/partnerships with local community organisations • Disability Confident Champion (level 3 status) 	✓	On target to achieve Objective

HTS (Property & Environment) Ltd
 Summary of Management Accounts
 Month: September-18

	Actual			Month Actual			6 Months Actual to			Forecast		
	14 Months Actual to March 2018			Sep 2018			Sep 2018			Year to 31 March 2019		
	Actual £000's	Business Plan £000's	Variance £000's	Actual £000's	Business Plan £000's	Variance £000's	Actual £000's	Business Plan £000's	Variance £000's	Latest Forecast £000's	Business Plan £000's	Variance £000's
1/ Total (All Activities)												
Sales	23,843	26,159	(2,316)	1,963	2,014	(51)	11,051	12,086	(1,035)	23,350	24,171	(821)
Cost of Sales	(19,999)	(22,095)	2,096	(1,697)	(1,712)	15	(9,304)	(10,273)	969	(20,036)	(20,785)	749
Gross Profit	3,844	4,064	(220)	266	302	(36)	1,747	1,813	(66)	3,314	3,386	(72)
Overheads	(3,279)	(2,805)	(474)	(189)	(206)	17	(1,260)	(1,234)	(26)	(2,229)	(2,228)	(1)
Net Profit	565	1,259	(694)	77	97	(20)	487	579	(92)	1,085	1,158	(73)
Interest	(55)	(65)	10	(4)	(4)	-	(20)	(28)	8	(60)	(70)	10
Net Profit before Tax	** 510	1,194	(684)	73	93	(20)	467	551	(84)	1,025	1,088	(63)
Taxation	(98)	(239)	141	(14)	(19)	5	(89)	(105)	16	(205)	(207)	2
Retained Profit	412	955	(543)	59	74	(15)	378	446	(68)	820	881	(61)
2/ H.D.C.- Annual Service Charge												
Sales	20,143	20,359	(216)	1,454	1,489	(35)	8,757	8,936	(179)	17,472	17,871	(399)
Cost of Sales	(16,599)	(16,738)	139	(1,231)	(1,225)	(6)	(7,203)	(7,349)	146	(14,528)	(14,937)	409
Gross Profit	3,544	3,621	(77)	223	265	(42)	1,554	1,587	(33)	2,944	2,934	10
Overheads	(3,097)	(2,623)	(474)	(176)	(192)	16	(1,182)	(1,150)	(32)	(2,063)	(2,059)	(4)
Net Profit	447	998	(551)	47	73	(26)	372	438	(66)	881	875	6
3/ H.D.C. - Capital Works												
Sales	3,613	5,800	(2,187)	499	483	16	2,222	2,900	(678)	5,369	5,800	(431)
Cost of Sales	(3,400)	(5,357)	1,957	(466)	(448)	(18)	(2,101)	(2,690)	589	(5,119)	(5,380)	261
Gross Profit	213	443	(230)	33	35	(2)	121	210	(89)	250	420	(170)
Overheads	(182)	(182)	-	(13)	(13)	0	(78)	(80)	2	(156)	(159)	3
Net Profit	31	261	(230)	20	22	(2)	43	131	(88)	94	261	(167)
4/ Non HDC Trading												
Sales	87	-	87	10	42	(32)	72	250	(178)	509	500	9
Cost of Sales	-	-	-	-	(39)	39	-	(234)	234	(389)	(468)	79
Gross Profit	87	-	87	10	3	7	72	16	56	120	32	88
Overheads	-	-	-	-	(1)	1	-	(5)	5	(10)	(10)	-
Net Profit	87	-	87	10	2	8	72	11	61	110	22	88

Please Note:

Report of		Title:	
Shakeel Khan		Performance & Quality	
Name of Meeting:	Date of Meeting:	Agenda item:	Reporting Period
Shareholder Sub Committee	December 2018	Members' Enquiries	Information

'Proudly Serving Harlow'

1. Members' enquiries

This report provides a summary of Members' Enquiries and their outcome during the month. HTS received **20** requests from members in September 2018. These enquiries are reviewed daily, and the Customer Service Team have been tasked with advising members of all completions by e-mail within a 10-working day period if passed to other departments and one working day for general enquires.

All members' enquiries were completed within allocated response timescale.

Red Text indicates enquiry exceeding target response time of 10 working days where applicable.

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Waida Forman	29/08/2018	29/08/2018	12/09/2018	Parks & Landscapes – Trees	There is a tree at the Leah Manning Centre by the front car park which is dangerous – it is dead and leaning.	CH86336087 – J.T Arboricultural Services Manager hopes to remove the tree by the end of September 2018.	Email sent 03/09/18
Cllr Chris Vince	30/08/2018	30/08/2018	13/09/2018	Parks & Landscapes – Grounds Maintenance	Please could some of the fly tipping / dumping of green waste be removed from Morley Grove.	CH86413367 – P & L have advised that we will clear what arising we can through the areas with ivy all over will have to be left as it is tangled together. This should improve the appearance and clear some of the areas where residents have obviously been dumping.	Email sent 04/09/18
Cllr Michael Garnett	30/08/2018	30/08/2018	13/09/2018	Cleansing & Environment – Street Cleaning	Please could the excrement by COHO's waste bin in Old Road be cleared up.	CH86424258 – Following a conversation between Councillor Garnett and one of our operatives this area was cleared on 03/09/18.	Email sent 04/09/18
Cllr Chris Vince	30/08/2018	30/08/2018	13/09/2018	Parks & Landscapes – Grounds Maintenance	Alleyway between 13 and 14 The Hornbeams needs attention.	CH86419705 – The brambles have been cut back and we hope that the alley will be attended to by the end of the week. The overgrowth is from the resident's garden and an email has been sent to the housing officer to contact them.	Email sent 05/09/18
Cllr Chris Vince	30/08/2018	30/08/2018	13/09/2018	Repairs & Maintenance – Wet Trades	At Hester House park there is a spike in the ground where a bin was, and an inappropriate word has been burnt into the bench next to it.	CH86412113 – The writing has been planned off of the wooden bench and we have also cut off the metal spike from where the bin was located.	Email sent 06/09/18

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Jean Clark	30/08/2018	30/08/2018	13/09/2018	Repairs & Maintenance – Heating	3 Blackmores – Resident was advised that we would attend on 28/08/19 but no one has attended and there has been no communication either. Please advise as to what is happening.	CH86423838 – The operative did not attend on 28/08/18 due to an administration error. We apologised for this and the lack of communication. An appointment has been made to attend on 12/09/18 and a letter of confirmation will be sent.	Email sent 06/09/18
Cllr Nick Churchill	03/09/2018	04/09/2018	17/09/2018	Cleansing & Environment – Dumped Rubbish	There is a dumped wendy house at the bottom of the stairs leading to 252 Brockles Mead.	CH86832523 – This item was removed on 03/09/18	Email sent 04/09/18
Cllr Chris Vince	06/09/2018	07/09/2018	20/09/2018	Cleansing & Environment – Dumped Rubbish	Please could the bath outside 55 The Hornbeams be collected.	CH87231854 – The bath was collected on 06/09/18 at 2:45 p.m.	Email sent 10/09/18
Cllr Chris Vince	06/09/2018	07/09/2018	20/09/2018	Cleansing & Environment – Dumped Rubbish	Down by the playground behind 220 – 230 Rivermill there is a lot of fly tipping, please could this be cleared.	CH87229887 – All items were cleared on 04/09/18 at 10:25 a.m. on another job ticket that had been reported previously.	Email sent 10/09/18
Cllr Eugenie Harvey	29/08/2018	29/08/2018	12/09/2018	Parks & Landscapes - Trees	Please could you inspect the trees as per attached photos and email at the Leah Manning Centre.	CH86348923 - I have been advised that these trees were pruned on 08/08/18 and I trust that this has been carried out to your satisfaction.	Email sent 12/09/18

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Simon Carter	07/09/2018	07/09/2018	21/09/2018	Parks & Landscapes - Grounds Maintenance	Please advise as to the extent of the landscaping responsibilities for HTS at The Lawns - as per photo	CH87406466 - This area appears to be an outdated feature as the steps do not lead anywhere and there is no path. We can tidy the area on the winter programme which runs between October to March, and the beds will receive a visit once a year to carry out pruning and weeding.	Email sent 13/09/18
Cllr Waida Forman	13/09/2018	14/09/2018	27/09/2018	Cleansing & Environment - Dumped Rubbish	Please could the dumped rubbish be cleared which is in The Hides car park behind the college.	CH88057772 - All items were removed on 14/09/18 at 10:50 a.m.	Email sent 17/09/18
Cllr Michael Hardware	13/09/2018	13/09/2018	27/09/2018	Cleansing & Environment - Litter	Please could Fern Hill Lane have a litter pick carried out.	CH88075874 - Fern Hill Lane was litter picked by 'The Wave' team on 13/09/18, this was previously carried out by the team on 01/08/18.	Email sent 17/09/18
Cllr Waida Forman	13/09/2018	13/09/2018	27/09/2018	Cleansing & Environment - Litter	Please could the green waste and litter be cleared from in front of block 60 Broadfields.	CH88058527 - This was completed on 14/09/18 at 10:30 a.m.	Email sent 17/09/18
Cllr Maggie Hulcoop	13/09/2018	13/09/2018	27/09/2018	Parks & Landscapes - Trees	Please could the large tree at the side of Potter Street Baptist Church Hall be crowned.	CH88056342 - I have been advised by Joshua Tinker, Arboricultural Services Manager that this tree is owned by the church. If they would like us to, we can provide a quote for pruning if required.	Email sent 17/09/18

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Michael Hardware	13/09/2018	17/09/2018	27/09/2018	Cleansing & Environment - Dumped Rubbish	Please could the rubbish that has been dumped by Great Parndon Library recycling point be cleared. Can we also come up with ideas of how we can solve this situation as this keep happening - perhaps a letter to residents?	CH88045254 - All items were removed on 13/09/18. This has now been passed to Janet Jackson at Harlow Council to liaise with the relevant departments.	Email sent to Janet Jackson 17/09/18
Cllr Chris Vince	19/09/2018	19/09/2018	03/10/2018	Parks & Landscapes - Grounds Maintenance	Please could the hedge to the side of 42 Rectory Wood but attended to as it is very overgrown.	CH88724392 - This work will be carried out on our winter maintenance programme which commences in October and runs through to March 2019.	Email sent 24/09/18
Cllr Chris Vince	18/09/2018	24/09/2018	02/10/2018	Cleansing & Environment - Dumped Rubbish	Following a clean-up there is lots of rubbish exposed in the Rivermill area.	CH88592294 - This area was cleared on 21/09/18 at 12:10 p.m.	Email sent 24/09/18
Cllr Maggie Hulcoop	14/09/2018	14/09/2018	21/09/2018	Cleansing & Environment - Building Cleaning	Block 117 - 121a Carters Mead. Resident is concerned about the cleanliness of the block.	CH88163540 - Two inspections were carried out and the area was to the cleaning standards required. The area will be monitored.	Email sent 25/09/18

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Chris Vince	14/09/2018	14/09/2018	28/09/2018	Parks & Landscapes - Grounds Maintenance	Bushes in the alley behind 125 Ladysnot require attention.	CH88167460 - The area is on programmed winter flail work and will be carried out between October 2018 - March 2019. However, we will cut back the obstruction to the footway sooner than this and this work has been passed to the team leader concerned.	Email sent 25/09/18