

SHAREHOLDER SUB COMMITTEE

HTS (Property and Environment) Limited is a wholly owned subsidiary of HTS Group Limited.

**Thursday, 15 June 2017 at 7.30 pm
Council Chamber, Civic Centre**

Members

Councillor Jon Clempner
Councillor Joel Charles
Councillor Andrew Johnson
Councillor Danny Purton
Councillor Mark Wilkinson

AGENDA

1. Apologies for absence
2. Declarations of Interest

Councillors' declarations of interest (if any) in relation to any items on the agenda.
3. Minutes (Pages 3 - 4)

To approve the minutes of the meeting held on 19 January 2017.
4. Matters Arising

Any matters arising from the minutes of the previous meeting.
5. Sub Committee Work Plan

To develop the Sub-Committee's Work Plan for the year.
6. Operational and Performance Reports

To review the latest operational and performance reports:
 - a) Performance Reports (Pages 5 - 14)
 - Operational Delivery and Overall Performance Update
 - Review of Contract Key Performance Indicators – March 2017
 - b) Risk Register (Pages 15 - 16)

c) Balanced Scorecard (Pages 17 - 18)

d) Development and Improvement Training - Verbal Report

7. References from the LATC Board of Directors

None.

8. Matters of Urgent Business

To deal with any matters of an urgent nature.

9. Date of next meeting

Monday 4 September 2017.

**MINUTES OF THE SHAREHOLDER SUB COMMITTEE
HELD ON**

19 January 2017

7.30 - 8.10 pm

PRESENT

Sub Committee Members

Councillor Jon Clempner (Chairman)
Councillor Joel Charles
Councillor Mark Wilkinson

Officers

Graham Branchett, Chief Operating Officer
Adam Rees, Corporate and Governance Support Officer

Additional Attendees

John Phillips, Managing Director, HTS (Property and Environment) Limited
Michael Harrowven, Non-Executive Chair of the HTS (Property & Environment)
Limited Board

50. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Johnson and Purton.

51. **DECLARATIONS OF INTEREST**

None.

52. **MINUTES**

RESOLVED that the minutes of the meeting held on 24 November 2016 are agreed as a correct record and signed by the Leader.

53. **MATTERS ARISING**

John Phillips, Managing Director, HTS (Property and Environment) Limited explained that the figure of £1.151 million included in the HTS (Property and Environment) Limited Business Plan was the estimated level of profit for the 2019/20 financial year.

The figure of £1.5 million was a rolling average level of profit over a three year period. However, the correct figure was £1.7 million.

54. **SUB COMMITTEE WORK PLAN**

The Work Plan was noted.

55. **TRANSITION PLAN UPDATE**

The Sub-Committee received an update on the transition from the current Joint Venture Company to HTS (Property and Environment) Limited. It was noted that insurance had now been secured, the necessary ICT infrastructure was now up and running, and that the outstanding work surrounding pensions had been completed.

John Phillips explained there had been an issue with Kier Harlow providing the required contemporary detail surrounding training of staff. If this issue were not resolved by the completion of the transition it would not impact upon services.

He then provided an update on the fleet arrangements, the supply of equipment, outstanding legal requirements and the introduction of the necessary governance arrangements.

In response to questions by Councillors, John Phillips, outlined the arrangements which would be in place for emergency cover on the day of the transition, ICT data migration and the transfer of outstanding jobs from Kier Harlow to HTS.

RESOLVED that the Transition Plan was noted.

56. **REFERENCES FROM THE LATC BOARD OF DIRECTORS**

None.

57. **MATTERS OF URGENT BUSINESS**

None.

58. **DATE OF NEXT MEETING**

30 March 2017.

CHAIRMAN OF THE SUB COMMITTEE

Report of:		Title:	
John Phillips		Managing Director	
Name of Meeting:	Date of Meeting:	Agenda item:	Status:
Shareholder Sub-Committee	15 June 2017	Subject of Report – Operational delivery and Overall Performance update	Information

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1. Summary

HTS (Property and Environment) Ltd (HTS) went live on 1 February 2017 after the conclusion of a 10 year JVCo arrangement with Kier Harlow Ltd. This sub-committee has received several updates leading up to the mobilisation of HTS and this report is the first opportunity to report to shareholders on how the business is performing over its initial period of operations. Regular updates will be provided to Shareholder sub-committee going forward as the business matures. This report covers operational activity, financial service delivery performance for the period February and March 2017

2. Recommendations

The report is for Shareholder Sub-Committee to note

3. Background

c) Mobilisation/Transition

R&M Operations

Repairs and maintenance operations continued as planned with no major issues. Breakdown of jobs raised in Callsys in February and March as follows:

February '17	March '17
<ul style="list-style-type: none"> • R&M overall – 3975 • Gas - 897 • Emergencies - 405 	<ul style="list-style-type: none"> • R&M overall – 4186 • Gas - 626 • Emergencies - 397

There was a relatively smooth transition, with IT available to 95% of staff on day one and 100% by day 2. Historical Callsys information from the JVCo was being held separately on PC's and was not initially transferred by the previous service provider to allow one source of information to be available to our call handlers. This was due to technical issues that have now thankfully need to be resolved.

The Kier IT file transfer to HTS staff desktops did not progress as smoothly as it should have and some staff were left without information / files / e-mails from the Kier system for a few weeks which did cause some minor transitional problems. Council colleagues were made aware and were able to resolve this relatively quickly with Kier.

Van stocks were not fully in place until the end of February but local workarounds were able to ensure there was no impact on service delivery. We are now able to carry out regular van audits to ensure that both the Callsys and Jewson's system have matching information.

There have also been several errors and time delays experienced on some material deliveries whilst Jewson's become acquainted with our stock profile. This is being dealt with at a local level and improvements are being made. As a result, HTS have been utilising other local suppliers in the interim as a temporary fix.

Fuel

There has been great progress with HTS obtaining our Petroleum Storage Certificate by Trading Standards in time for go live.

The new upgraded fuel pumps have been installed, tested and available for use. This affords us considerable improvements on fuel use controls.

Fuel order placed with Certas energy and delivery received at a considerably lower price than forecourt for:

- 15,000 litres of Diesel at 95.78p/l
- 5,000 litres of gas oil at 48.79p/l

ICT systems

Callsys our IT repairs ordering software was available to all required users in February, however, there were a number of minor issues that still needed to be resolved:

- Raising PO's in the purchasing department
- Production of reports to assist in operational and commercial management
- Payment of subcontractors through Applications for Payment.
- Bulk invoicing of practically complete jobs.

Good progress has been made in sorting out these issues with most now in place.

We utilise Sage software to support both our financial processes and the HR/Payroll function. Key staff have all either during mobilisation or after go live have received excellent training by Sage specialists and the system have been put to the test through initial dummy running and more latterly through progressing actual system functions. To date all is well with no major issues causing problems.

Plant & Small Tools

The new Bosch power tools have been distributed to operatives who require them. Incorrect Jigsaws were supplied and these have now been replaced.

A review is being carried out of other plant that is currently hired to determine if it is more cost effective for HTS to purchase or continue to hire. This includes mobile towers, generators and ladders.

The new compactor has been installed helping to reduce the number of waste loads generated by the waste transfer station, and hence reduce costs required to remove the rubbish generated by the contract.

A new baler has also been installed to help recycle our cardboard and also to help reduce waste disposal costs.

b) Governance and Commercial Compliance

Legal

Services agreements were all in place in good time as were leases for HTS, Kier and Veolia. The Board has been advised of the risks associated with the Services Agreement and an update of the risk register is included on Board agendas going forward.

The Board

A forward programme of Board meetings has been established for HTS and key sub-committees have been set up for:

- Remuneration
- Audit and Finance
- Health, Safety and Statutory Compliance
- Apprenticeships

Meetings of the Board took place in February and March with quarterly meetings scheduled from April onwards and initial meetings for sub-committees have taken place with terms of reference having been signed off by the Board. Alignment of Board meetings have been programmed to dovetail into the Councils forward plan of Shareholder Sub-Committee meetings.

Health and Safety

Significant Achievements This Period:

- H&S inspection event held with Directors and Senior Managers on 22nd March. Initial H&S briefing on completion of H&S inspections, followed by site visits to a range of trades within HTS. Good feedback.
- All Inductions now complete for all areas of the business (only x2 mop up sessions remaining which have been booked)
- Over 750 hours of training completed during the month
- Employee information folders compiled and part way through issuing to all HTS operatives
- Yearly Planner for SHEC, including audits now in place and available on SharePoint

Business Target Areas and Actions taken:

- Understand full extent of the training gaps throughout all trades. Full SHEC training review nearing completion following in depth reviews with; Parks, Cleansing and Gas.
- Quality processes being updated
- Initial contact made with Harlow Council about providing Health and Safety support
- Gain access to TUPE transferred medical records from Kier colleagues
- Review and progress medicals
- Complete Transport and O licence compliance review

Audits

- ISO audit schedule revised for Stage 1 assessment in July and Stage 2 in August.
- Audit plan in place with a Management System Audit in April/May and departmental audits in June/July

RIDDOR Incidents: None

Environment incidents: None

Gas/Electrical incidents: None

Procurement

All front-line subcontractors and suppliers are now on board and being utilised. Any further requirements are being added as and when required. The issues of concern from Jewson are now fully resolved and they have signed contracts. This will allow them to move into the Mead Park store area and commence the lease during the Summer.

c) Performance Update

Financial Performance

Overall

	Actual				Forecast
	Feb-17	Mar-17	Apr-17	Quarter to Apr-17	
	£000's	£000's	£000's	£000's	14 Months to Mar-18
					£000's
Sales	1,498	1,531	1,511	4,540	26,244
Cost of Sales	(1,225)	(1,234)	(1,257)	(3,716)	(22,375)
Gross Profit	273	297	254	824	3,869
Overheads	(220)	(209)	(213)	(642)	(2,525)
Net Profit	53	88	41	182	1,344
Interest		(5)	(5)	(10)	(80)
Net Profit before Tax	53	83	36	172	1,264
Taxation	(11)	(17)	(7)	(34)	(253)
Retained Profit	42	66	29	138	1,011

Revenues of £4,540k in the three months to April 2017 produced a profit before tax of £172k being better than forecast due to additional revenues earned from third party.

Overall a strong performance for the first three months trading and the successful implementation of the HTS (Property & Environment) Ltd business.

The current forecast is for revenues of £26.2m and profit before tax of £1.3m for the first 14 months trading.

Annual Service Charge

	Actual				Forecast
	Feb-17 £000's	Mar-17 £000's	Apr-17 £000's	Quarter to Apr-17 £000's	14 Months to Mar-18 £000's
Sales	1,429	1,449	1,432	4,310	20,359
Cost of Sales	(1,173)	(1,181)	(1,200)	(3,554)	(17,018)
Gross Profit	256	268	232	756	3,341
Overheads	(207)	(196)	(200)	(603)	(2,343)
Net Profit	49	72	32	153	998

The implementation of the annual service charge services has been achieved with a tight control on start-up costs to achieve revenues of £4,310k and contribution of £153k.

Harlow District Council Planned Works

	Actual				Forecast
	Feb-17 £000's	Mar-17 £000's	Apr-17 £000's	Quarter to Apr-17 £000's	14 Months to Mar-18 £000's
Sales	67	68	73	208	5,800
Cost of Sales	(52)	(53)	(57)	(162)	(5,357)
Gross Profit	15	15	16	46	443
Overheads	(13)	(13)	(13)	(39)	(182)
Net Profit	2	2	3	7	261

Revenues of £208k produced a net contribution of £7k and is forecast to achieve revenues of £5.8m and contribution of £261k in the first 14 months trading.

Non HDC Trading (3rd Parties)

	Actual				Forecast
	Feb-17 £000's	Mar-17 £000's	Apr-17 £000's	Quarter to Apr-17 £000's	14 Months to Mar-18 £000's
Sales	2	14	6	22	85
Cost of Sales	-	-	-	-	-
Gross Profit	2	14	6	22	85
Overheads	-	-	-	-	-
Net Profit	2	14	6	22	85

Additional non HDC revenues have been achieved ahead of forecast and have resulted in £22k of revenues and contributions in the first three months trading. This is forecast to rise to £85k by March 2018.

HDC Loan

The initial HDC loan is being repaid over the five years of the contract at £20k per month from March 2017 and c£5k monthly interest paid to Harlow District Council at the end of each month

Start-up costs

The £726k of start-up costs have been capitalised and are being written off over the five years of the contract.

Fixed Assets

HTS has to date invested £573k in new plant and machinery and £287k in vehicles to replace the life expire hire fleet transferred to the company. These assets will be depreciated over the five years of the contract.

Operational Performance

A summary report for both Minor and Major KPI performance for the month of March 2017 is attached within appendix A.

Overall performance in the first 2 months has been good, with only two KPI's being amber marginal in Housing and Grounds Maintenance, further detail relating to this can be found within appendix A. All other KPI's were green.

It is worth noting that several KPI's are measured quarterly so are not available to report at this time.

However, a Q4 2016/17 assessment of street cleaning performance has now been provided by Keep Britain Tidy for the period January '17 to March '17. The assessment period included the final month of Kier operations (January '17) and the first two months of operation by HTS. This showed performance of detritus clearance below the targeted KPI threshold of 8%. Actual performance was measured at 10.81%. The KBT report demonstrated a strong correlation with what actually happened on the ground in this area of activity. The below target performance was due to two key reasons, the breakdown of key sweeping machines in the last month of Kier operations and the initial unavailability of suitable street cleansing hire vehicles to HTS. We now have a full complement of active hired machines out on the streets and expect operational performance to pick back up in Q1 2017/18 to well within KPI targets. We'll report back on this going forward.

We received 6 complaints in February of which 2 were upheld and received 19 member enquiries which were all resolved prior to their respective target dates. In March complaint levels were at 23 with 12 being upheld and 19 member enquiries again all resolved within agreed timescales.

So overall a strong performance was achieved through transition to ensure good service delivery, with the exception of street cleansing that was impacted upon by poor last month delivery by Kier and start up issues for us at HTS.

Planned Works and Delivery of Capital Programme

Business Plans for the Quality sections of the Capital Programme been prepared and submitted to Harlow Council. The pricing element of the tender process is currently being

completed and we expect to be able to commence work on site during late summer once approved by Harlow Council.

Repairs and Maintenance, voids and gas servicing

KPI performance on housing repairs, voids and gas have all been excellent.

Emergency and standard priorities both marginally exceeded the target for February and March, with urgent priorities (5 days) falling slightly below the target with 386 out of 389 jobs completed on target in February recovering to 100% in March.

Gas servicing has maintained 100% compliance.

Both fast track and routine voids continue to be completed within the prescribed timescales with a 100% of the targets being met in February.

Environmental – Street, Cleaning, Grounds, Depot, Waste and Transport

- Street Scene

KPI's for Street Scene are either measured quarterly or annually and will not be reported on until the end of March 2017.

The interim use of spot hired street cleansing vehicles along with some issues of sourcing adequate specialist vehicles has impacted slightly upon operational delivery (see section on street cleansing performance above).

- Grounds Maintenance

All KPIs were met, with the exception of dangerous trees, with 1 tree being attended to outside of the 5 days. Overall this is good performance given the work required in response to the recent storm.

- Waste

HTS has recycled 60% of all waste arising from its operations.

- Transport

Operationally this activity is being delivered in line with our requirement and expectations; we remain in compliance with our 'O' licence obligations.

Trackers have been installed to all owned vehicles and training on the system has been provided. Standard reports are being produced and sent out weekly.

The purchase of the Arval vans went smoothly and are now owned by HTS.

All the owned fleet has been rebranded in HTS colours.

The interim hire of 53No. vans went to plan and all operatives have had access to a vehicle to carry out their duties. The Master Hire Agreement has been signed by HTS with Alphabet (GB) Limited and we have finalised individual lease agreements for each vehicle.

The vast majority of these are now with us and fully operational allowing us to off-hire spot vehicles.

We have also agreed the contract with Essential Fleet Services for the provision of the new sweepers, these are on a much longer lead in period so we continue to hire these vehicles for the time being. Delivery for the new vehicles is planned for late Summer.

Both Transport and Plant Workshops continued to run throughout transition without disruption.

The new green fleet arrived in good time and has been commissioned allow grass cutting to commence on time.

People

The TUPE transfer of 311 employees went very well without any issues. During mobilisation HTS made the conscious decision to run its own payroll arrangements and all employees were successfully paid in both February and March.

Employee briefings are scheduled for May and these will be held quarterly going forward.

Our initial perception from discussions with our employees is that we have a workforce that is both engaged and ready for the challenge of taking HTS forward.

Apprentices – HTS committed to actively take forward plans to employ apprentices. Our Apprenticeship sub-committee approved the first tranche of recruitment to commence this Summer and by working closely in partnership we look forward to 6 apprentices starting with us in September this year. They will contribute to a range of business needs across our organisation from specific trades to finance and business administration. We can guarantee these people a permanent job after them attaining a minimum level of performance during their apprenticeship.

Awards and accreditations

All required key areas of accreditation are in place, including:

- British Safety Council – International Safety Award – Merit
- 'O' Licence
- Petroleum storage certification
- NIEIC electrical certification
- Gas Safe certification
- Living Wage

Report of: John Phillips	Title: Operations Director
Name of Meeting: Shareholders Sub-Committee	Date of Meeting: 15 June 2017
	Agenda item: Review of Contract Key Performance Indicators – March 2017
	Status: Information

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1. Purpose

This report sets out a summary of performance across all work streams within the contract for the month of March 2017.

2. Summary of Performance

A. Overall performance (all KPI's)

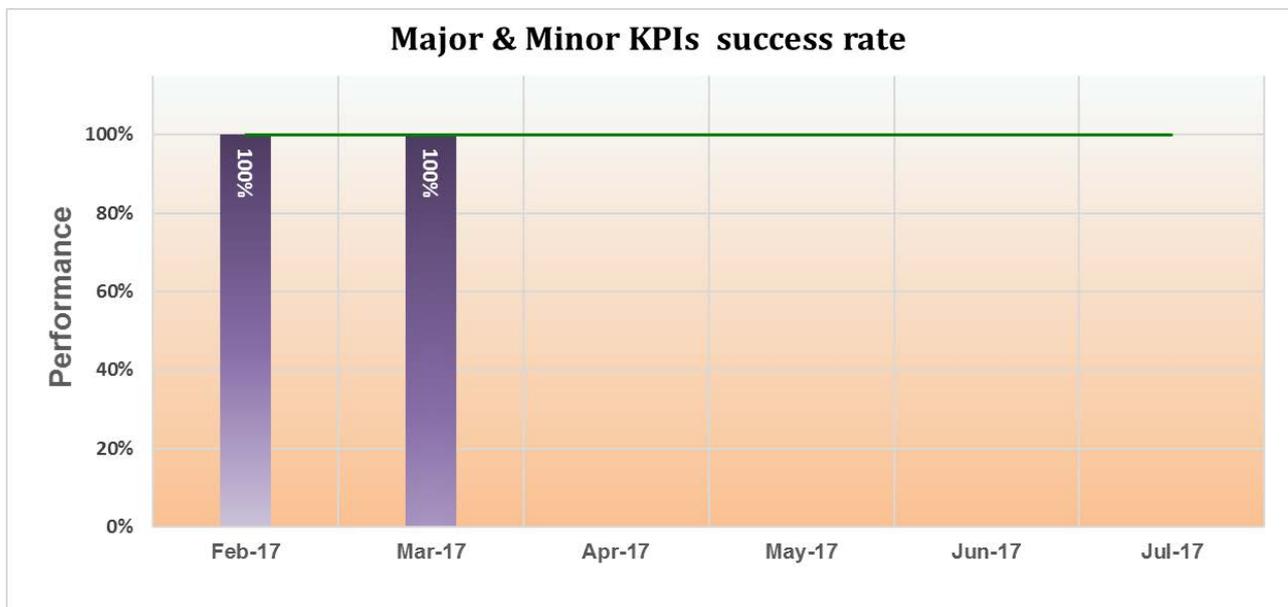
The following charts provide an overview of performance that has been achieved during March 2017. This has been broken down into each service area within the suite of performance indicators.

HTS has achieved an overall success rate of 100 percent against the suite of Major and Minor KPI's that govern the contract. HTS Performance by areas is illustrated below.

Mar-17	Street Scene	Grounds	Housing	Non-Housing	Misc.	Total
Green	0	3	10	0	2	15
Marginal Amber	0	0	0	0	0	0
Amber	0	0	0	0	0	0
Red	0	0	0	0	0	0
Quarterly (Kier)	15	9	8	8	4	44
Total	15	12	18	8	6	59
HTS Success rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The chart below shows KPIs' success rate achieved.

March 2017



During March, all KPIs are in target. We are now measuring Year 1 performance against the revised KPI standards agreed for HTS.

HTS (P&E) Ltd year to date performance will be recorded from April 2017 to align with Harlow Council financial year. The first full quarterly performance for HTS will be provided in the June 2017 report.

B. Notable highlights in performance include:

- Dangerous trees, permanent rectification within 5 working days of the original notification – **Recovered to 100 percent performance following storm Doris**
- LGSR Gas Servicing – **Maintaining Excellent performance at 100 percent**
- Attending to emergencies within 2hour – **Excellent performance at 99.10 percent**

C. Underperforming KPI's

All KPIs are in target.

HTS (P&E) Ltd Mobilisation - Risk Register

Impact	High	4	5	6
	Med	2	3	5
	Low	1	2	4
		Low 2%	Med 10%	High 50%
		Probability		



Updated 5th June 2017

Risk Ref No.	Service Area	Date Raised	Brief Description	Value of Risk (£)	Risk Value (Probability/Impact)		Priority	Risk	Risk Owner	Mitigating Actions
					Probability	Impact				
1	Joinery Workshop	27/10/16	Breakdown of ventilation system in joinery shop not being properly repaired/renovated to last duration of HTS contract	£ 10,000	1	2	2		Steve Ward	Future investment maybe needed to keep operational
2	Compliance	27/10/16	Kier do not provide HDC/HTS with compliance certificates for properties	£ 15,000	2	2	4		SMT	Ensure HDC have requested the appropriate information and records from Kier
3	Capital and Repairs	27/10/16	HTS carry out works still in Kier Defects Liability Period	£ 10,000	2	2	4		SMT	Agree mechanism with Kier/HDC for tracking and recharging Kier
4	Grounds	27/10/16	Kier do not complete tree works on A414 due to commence in November because of road works being carried out	£ 10,000	2	2	4		Mick Jenkins	Agree Methodology with HDC for recharge if this happens. Confirmed Kier will not carry out this work in time. HDC now looking to see if ECC will carry out works as part of traffic improvements. HDC have instructed Kier to carry out works
5	HPS	27/10/16	People's training being up to date i.e. wah, asbestos, manual handling	£ 80,000.00	4	4	16		Stella Dunlop	Gaps in training have been identified and a programme to deliver is being prepared
6	Governance	03/11/16	Fail to follow governance arrangements in place, could lead to unlawfulness	£ -	2	2	4		SMT	Adoption of Governance documents (Business Plan, Articles of Association, Scheme of delegation) support and direct Director responsibilities and actions
7	All	03/11/16	HTS (P&E) Ltd becomes unsustainable as a business	£ -	1	4	4		SMT	Adherence to appropriate financial and governance documents
8	All	03/11/16	Core activities inefficient due to lack of effective processes. New business streams not exploited.	£ -	2	2	4		SMT	Develop and implement key policies
9	Legal	03/11/16	Relevant legislation and regulations not complied with	£ -	1	4	4		SMT	Review of new and impending legislation using risk register
10	HPS	03/11/16	Service Delivery and Resident Communication fail to take account of Member views and political agenda.	£ -	2	2	4		Board	Develop Member Communication Plan to ensure operational plans have buy-in from Members (as part of Business Plan)
11	All	03/11/16	Business or service continuity jeopardised, e.g. IT systems go down	£ -	1	3	3		SMT	Develop Business Continuity Plans with supply chain and contractors
12	All	03/11/16	HTS (P&E) Ltd wins new third-party business, but does not have capacity to deliver	£ -	2	4	8		SMT	Ensure due diligence is carried out in accordance with HTS (P&E) Ltd policy & a clear strategy exists as part of Business Plan

13	All	03/11/16	HTS (P&E) Ltd is unable to win sufficient contracts from parties other than Harlow Council to secure adequate business expansion	£ -	2	3	6		SMT	Develop long-term strategy to secure and develop additional business in addition to work for Harlow Council
14	All	03/11/16	Lack of management information makes partnership unmanageable	£ -	2	3	6		SMT	Ensure agreed list of monthly reports are supplied in correct format by the agreed date
15	Finance/Commercial	03/11/16	Delays, financial loss to Harlow Council and wasted officer time in chasing financial and operational information from HTS (P&E) Ltd	£ -	2	3	6		SMT	Ensure agreed list of monthly reports are supplied in correct format by the agreed date
16	Finance/Commercial	03/11/16	HTS (P&E) Ltd performance reporting is not reliable and cannot be audited due to unclear collection methods	£ -	2	2	4		Neil/Alex	Implement regular auditing of PI collection
17	Fleet	03/11/16	Delay in manufacture of new 7No. Scarabs	£ 14,000.00	3	3	9		SMT	Estimated delivery dates start end of June through to September
18	HPS - Planned works	03/11/16	Failure to agree methodology to move planned jobs to capital works	£ -	2	2	4		SMT	Meet with JP and AM to understand their methodology
19	HR	08/11/16	Possibility of employment tribunal regarding accrued holiday not taken before 31st January 2017	£ 20,000.00	3	3	9		Tim Page	HTS require indemnity against any claims
20	HR	08/11/16	Pension arrangements required for circa 70No. Non LGPS to agree. Could cost more than currently being paid	£ 200,000.00	2	2	4		Tim Page	TP preparing options for next board meeting
21	Operational	12/12/16	Revised methodology for measuring number of jobs completed in target time changed to the date and time the completion is entered into the system, resulting in KPI failure and penalties	£ 30,000.00	4	1	4		Steve Ward	Use callsys and orchard to produce reporting to assist in live reporting
22	Operational/Commercial	12/12/16	HTS/HDC cannot agree on methods of changing priorities will result in KPI failure and penalties	£ 75,000.00	4	4	16		Steve Ward/Neil Rowland	Continue discussions with HDC to resolve
23	HR	28/12/16	Potential employee claims for not being in correct pension scheme since 2013	£ 500,000.00	2	2	4		Tim Page/John Phillips	Either a Kier responsibility or HTS to be indemnified in case of claim
24	Callsys	14/03/17	Callsys needs to be able to produce performance reports for Housing KPI's	£ -	2	2	4		Neil Rowland	Working with Cohesive to develop callsys
25	Callsys	14/03/17	Callsys needs to be able to produce ASC Report	£ -	2	2	4		Neil Rowland	Working with Cohesive to develop callsys
26	Callsys	14/03/17	Callsys needs to be used for purchasing and subcontractor payments	£ -	2	2	4		Neil Rowland	Working with Cohesive to develop callsys
27	Callsys	14/03/17	Callsys needs to be able to produce operational reports.	£ -	2	2	4		Neil Rowland	Working with Cohesive to develop callsys
28	Contract	10/04/17	Loss of Graham Branchett (COO) and Malcolm Morley (Chief Executive) from Harlow Council	£ -	2	2	4		John Phillips	Will new Managing Director have experience of LATC's. Loss of key relationships within HDC.
29	Contract	10/04/17	Increased pension liability of 65K PA if HTS pay 14.1% pension contribution as opposed to 10.6% in services Agreement for 77 employees not currently enrolled in LGPS	£ 65,000.00	2	2	4		John Phillips	Further discussions with HDC and HTS Board to resolve
30	Contract	31/05/17	Average Holiday Pay claim	£ 40,000.00	4	4	16		Tim Page/John Phillips	Discussions ongoing with Union

HTS (Property & Environment) Limited

Balanced Scorecard

HTS Balanced Scorecard - Objectives

- ❖ Achieve Pre-tax profit margin of 4.5% by end of FY 2017/18. (50% to shareholder as dividend subject to corporation tax)
- ❖ Borrowing ratio of less than 60% 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 4.5%) £5.8m capital works programme by end of FY 2017/18.

- ❖ By end of FY 2017/18 secure profitable external third-party revenue of £0.5m before tax to be delivered in 2018/19.
- ❖ By end of FY 2018/19 secure profitable external third-party revenue of £1.5m before tax to be delivered in 2019/20.
- ❖ By end of FY 2019/20 secure profitable external third-party revenue of £3.0m before tax to be delivered in 2020/21.
- ❖ Ensure all third-party works are profitable returning >4.5%.



- ❖ Invest 500 working days (60k) per annum in corporate social responsibility.
- ❖ To ensure that employees on average receive three days training per annum.
- ❖ Recruit apprentices to fill one in three leaver vacancies (in line with business needs) to a maximum of 10 apprentices by end of FY2017/18.
- ❖ 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.

- ❖ Achieve overall success rate of 95% against the Major & Minor KPI Suite.
- ❖ Sickness absence rate below 4% annualised.
- ❖ Health & Safety performance below HSE accident incident rate.
- ❖ 100% compliance with regulatory requirements.
- ❖ Value of spend on subcontractors on the ASC to be no greater than 10% of the ASC budget.
- ❖ To achieve an overall success rate of 95% of customer repairs dealt with Right First Time.