

SHAREHOLDER SUB COMMITTEE

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

**Tuesday, 16 January 2018 at 7.30 pm
Council Chamber, Civic Centre**

Members

Councillor Jon Clempner (Chair)
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 - 5)

To approve the minutes of the meeting held on 18 October 2017.
4. Matters Arising

Any matters arising from the minutes of the previous meeting.
5. Sub Committee Work Plan (Page 6)

To review the Sub Committee's work plan
6. Operational and Performance Reports
 - a) Performance Report and Balanced Scorecard (Pages 7 - 53)
 - b) Risk Management (Pages 54 - 57)
 - c) Complaints Analysis (Pages 58 - 72)
7. Timetable for the Updated Business Plan (to follow)
8. Development and Improvement Plan - Case Studies (Pages 73 - 91)
9. Environmental Improvement Plan - Verbal Update

10. References from the HTS Board

None.

11. Matters of Urgent Business

To deal with any matters of an urgent nature.

12. Date of next meeting

12 March 2018.

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

18 October 2017

7.30 - 8.24 pm

PRESENT**Sub Committee Members**

Councillor Jon Clempner (Chair)
Councillor Joel Charles
Councillor Danny Purton
Councillor Mark Wilkinson

Officers

Simon Freeman, Head of Finance
Andrew Murray, Head of Housing
Jo Maskell, Governance Support Officer

Additional Attendees

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

APOLOGIES

Councillor Andrew Johnson

10. **DECLARATIONS OF INTEREST**

None.

11. **MINUTES**

RESOLVED that the minutes of the meeting held on 15 June 2017 are agreed as a correct record and signed by the Chair.

12. **MATTERS ARISING**

None.

13. **SUB-COMMITTEE WORK PLAN**

Further to Minute 5 (15/6/17), the Sub-Committee considered items for inclusion in its work plan for the current municipal year.

RESOLVED that the following be incorporated into the work plan:

- (a) Regular updates on the progression of HTS (eg. development and improvement of the service, business plan and budget);
- (b) Review the appropriateness of key performance indicators;
- (c) Implementation timetables giving key milestones for the Business and Environmental Plans.

14. **OPERATIONAL AND PERFORMANCE REPORTS**

(a) **HTS (Property and Environment) Ltd Performance Report and Balanced Scorecard**

The Sub-Committee received the second report of its kind, which set out HTS' operation and performance statistics as at August 2017; together with the update report for September 2017 which had been separately circulated prior to the meeting.

The report summarised the results of the monitoring, which highlighted how each service area was performing; drew comparisons between Key Performance Indicators (KPIs) against Year 1 targets; and also summarised the management accounts, which were on track for a retained profit of £854,000 for 2017/18.

Whilst acknowledging the progress made in addressing under-performing KPIs, the Sub-Committee suggested that a more in depth analysis of KPIs might better inform responses.

HTS were committed to providing an excellent service to meet the aspirations of Harlow residents, and were open to eventually exploring other opportunities in the future.

The Sub-Committee noted that since its last meeting HTS had been recommended for British Standards Institute accreditation in three areas; six apprentices had been appointed; Jewsons had moved into the depot and would be fully operational by November 2017; and Cabinet had approved the award of contracts to HTS for certain Phase 2 Business Cases.

RESOLVED that the performance and financial position set out in paragraphs 3 to 10 of the report is acknowledged as follows:

- (i) HTS (Property and Environment) Ltd's achievement of 98.21% against the suite of major and minor Key Performance Indicators which govern the contract;

- (ii) A favourable forward forecast of retained profit totalling £845,000 forecast for the year to 31 March 2018.

(b) HTS (Property and Environment) Ltd Risk Register

The Sub-Committee received a report which outlined the overall management of the risks relating to HTS and included appendices of risk analysis and mitigation recorded by both the Council and HTS.

Work would continue to ensure that risk reporting from the Council and HTS coalesced.

Strategic risks were reported quarterly to the HTS Board and the Council's Joint Performance Review Meeting (JPRM). They were also incorporated in the Council's Corporate Risk Register, whilst financial implications relating to HTS were managed under a separate Corporate Financial Risk Register.

It was noted that, as requested at the last meeting, the risks relating to HTS had been set out to align with the Council's approach to risk management. As such, they would be included in the regular risk management report to each Audit & Standards Committee from where, if necessary, they could be referred on for further scrutiny by the Cabinet.

RESOLVED that the strategic risks as relating to HTS (Property and Environment) Ltd, together with their analysis and mitigation, are noted.

15. **REFERENCES FROM THE HTS BOARD**

None.

16. **MATTERS OF URGENT BUSINESS**

None.

17. **DATE OF NEXT MEETING**

16 January 2018.

CHAIR OF THE SUB-COMMITTEE

Shareholder Sub-Committee Work Plan 2017/18

Title	Thursday 15 June 2017	Wednesday 18 October 2017	Tuesday 16 January 2018	Monday 12 March 2018
Operational and Performance Reports				
Performance Reports	Feb-Mar	Aug-Sept	Nov-Dec	Jan-Feb
Balanced Scorecard	Feb-Mar	Aug-Sept	Nov-Dec	Jan-Feb
Risk Management	Feb-Mar	Aug-Sept	Nov-Dec	Jan-Feb
Other Reports				
Business Plan			Report	Report
Development Plan	Verbal Report		Case Studies	Case Studies
Environment Review			Verbal Report	Report

Agenda Item 5

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REPORT TO: SHAREHOLDER SUB-COMMITTEE

DATE: 16 JANUARY 2018

TITLE: PERFORMANCE REPORT AND BALANCED SCORECARD

LEAD OFFICER: ANDREW MURRAY, HEAD OF HOUSING
(01279) 446676

RECOMMENDED that:

- A** Shareholder Sub Committee acknowledges the performance and financial position set out in paragraphs 7 – 10 as follows:
- (i) HTS (Property and Environment) Ltd (HTS) achieved 96.43 percent against the suite of major and minor KPI's (Appendices A – C) that govern the contract.
 - (ii) A favourable forward forecast of retained profit totalling £854,000 forecast for the year to 31 March 2018.

BACKGROUND

1. This report sets out the operation and financial performance of as at the 30 November 2017. The report is the third in the formal reporting process for the 2017/18 financial year. A performance report for December 2017 will be tabled at the meeting.
2. Performance against the proportion of relevant public land and highways which have unacceptable levels of weed that are visible is below target. This performance indicator is measured independently by Keep Britain Tidy and has dropped to 16.74 percent against the target of 9 percent. HTS (Property and Environment) Ltd carried out weed sprays during April and November each year. It is anticipated that performance will be reviewed as part of the wide ranging review of grounds maintenance activities together with their priorities, targets and measurements. A verbal report on the progress will be made.

SUMMARY OF OPERATIONAL & FINANCIAL PERFORMANCE

3. HTS' detailed performance and service delivery as at November 2017 is outlined in Appendices A - C broken down in to each service area within the suite of performance indicators. The report indicates an achievement of an overall success rate of 96.43 percent against the suite of major and minor

KPI's that govern the contract.

4. Performance against the proportion of relevant public land and highways which have unacceptable levels of weed that are visible is below target. This performance indicator is measured independently by Keep Britain Tidy and has dropped to 16.74 percent against the target of 9 percent. HTS carried out weed sprays during April and November each year. It is anticipated that performance will be reviewed as part of the wide ranging review of grounds maintenance activities together with their priorities, targets and measurements. A verbal report on the progress will be made.
5. In addition, urgent requests for repair works completed within five days from report are below target. Two jobs were completed outside of target time reducing performance to 83.33 percent for non-housing property.
6. HTS was established to deliver repairs and environmental maintenance services previously carried out by Kier Harlow Ltd. In setting up a Local Authority Trading Company (LATC), the Council has created a business that can generate income for the Council, trade externally, and deliver core services to a high standard. The Business Plan and Balanced Scorecard outlining priorities for delivery were approved in November 2016 and details of progress on the delivery of priorities is outlined in Appendix D.
7. The controllable budgets assigned to HTS are managed within an existing Annual Service Charge (ASC) payment, uplifted for inflation. As a result of the in-year transition from Kier Harlow Ltd from 1 February 2017 there is a fourteen month reporting period and totals £20,359,000.
8. In addition, the Cabinet have awarded £5.8 million of Housing Capital Business Cases for 2017/18 as part of the Council's wider Housing Investment Programme (HIP). The new Services Agreement allows the Council to award housing capital works on a year by year basis to this value up to 2020/21.
9. The Sub-Committee noted at a previous meeting that Cabinet had approved the provision of a loan of up to £1.4 million to support the set up costs of HTS. The loan was to cover normal business start-up costs and to ensure that state aid rules were not breached. The loan continues to be repaid at £20,000 per month and the balance as at November 2017 was £994,000. Interest of £4,000 up to November 2017 has been paid to the Council.
10. Current progress and financial forward forecasting for HTS (post the major procurement exercises e.g. fleet, specialist vehicles, insurance and materials) including the repayment of the loan, is outlined in the updated Shareholder statement. A review of trading to November 2017 indicates a projected retained profit being forecasted for 2017/18 of £854,000. This is outlined in

Appendix E.

IMPLICATIONS

Place (includes Sustainability)

As contained within the report.

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

The details set out in the report provide assurances that the financial performance is aligned with the forecasts set out in the HTS Business Plan agreed by the Committee in November 2016.

Author: **Simon Freeman, Head of Finance**

Housing

As outlined in the report.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

As contained within the report.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Amanda Julian, Legal Services Manager, on behalf of Brian Keane, Acting Managing Director**

Appendices

Appendix A – JRPM Review of Contract KPIs

Appendix B – Major KPIs November 2017

Appendix C – Minor KPIs November 2017

Appendix D – Balanced Scorecard

Appendix E – Summary of Management Accounts

Background Papers

None.

Glossary of terms/abbreviations used

None.

Report of:		Title:	
John Phillips		Managing Director	
Name of Meeting:	Date of Meeting:	Agenda item:	Status:
JPRM	4 January 2018	Review of Contract Key Performance Indicators	Information

'Proudly Serving Harlow'

1. Purpose

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

2. Summary of Performance

A. Overall performance (all KPIs)

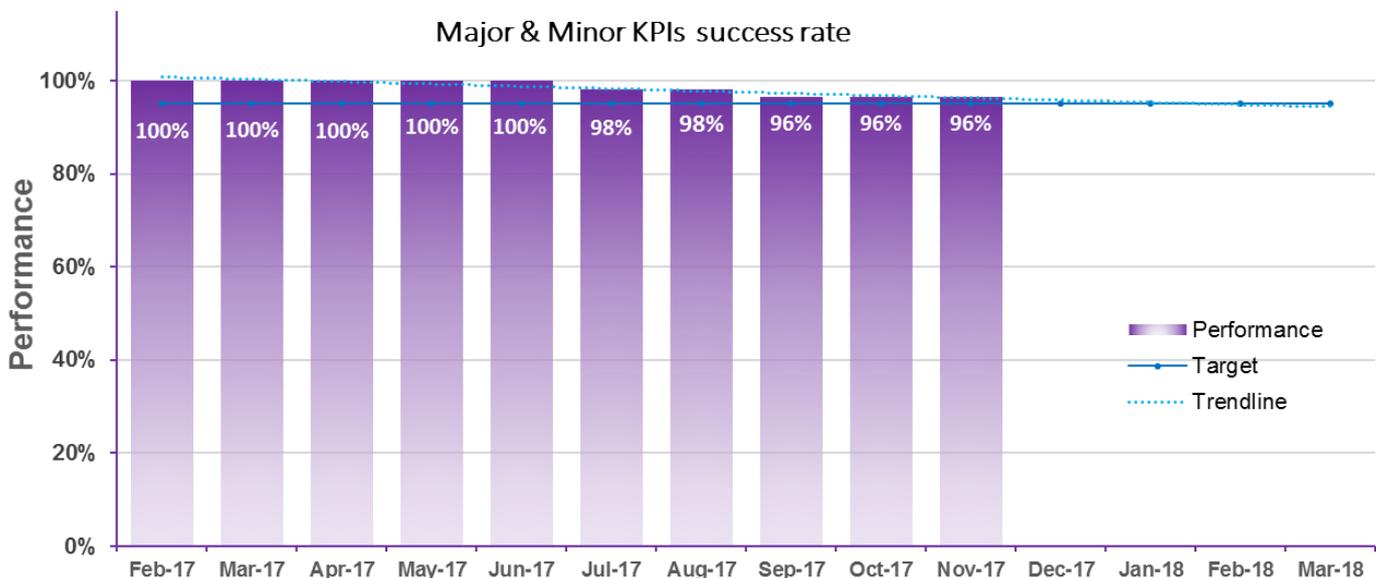
The following charts provide an overview of performance that has been achieved during November 2017. This has been broken down into each service area within the suite of performance indicators.

HTS has achieved an overall success rate of 96.43% against the suite of Major and Minor KPIs that govern the contract. HTS Performance by areas are illustrated below.

Nov-17	Street Scene	Grounds	Housing	Non-Housing	Misc.	Total
Green	13	12	14	5	5	49
Amber (Marginal)	0	0	3	1	1	5
Amber	1	0	0	1	0	2
Red	0	0	0	0	0	0
Total	14	12	17	7	6	56
Success rate	92.86%	100.00%	100.00%	85.71%	100.00%	96.43%

The chart below shows KPIs' success rate achieved.

November 2017



Current performance is measured against Year1 targets. The KPI's that are marginally failing will be monitored closely and their summary will only be included if they fall below an acceptable level of performance.

B. Notable highlights in performance include:

- LGSR Gas Servicing – **This continues to be a success story for HTS and Harlow Council alike, maintaining excellent performance at 100% compliance since contract inception.**
- Complaints – **Complaints continue to decline after initial increase during June/July 2017.**
- Graffiti / Fly posting removal (Non-Offensive / Non-Obscene) - **Excellent performance maintained at 100%**
- Monitor and report the number of abandoned calls that occur in the Call Centre – **Maintaining excellent performance at 3.24% against target of 10%.**
- Average time to remove fly tips – **HTS has consistently performed well thus reducing the average time to 1.43 hours per job against 551 jobs during this quarter**
- Empty full and overflowing litter and dual use bins within 3.5 hours of the report being received – **Excellent performance at 100%**

C. Underperforming KPIs

There were no new underperforming KPIs during November.

Please see below quarterly KPIs which will be updated in December 17 report.

Streets Scene

Amber: QUARTERLY - The proportion of relevant public land and highways which unacceptable levels of weed are visible - KBT (NI 195)

Reason: KBT reports performance dropped to 16.74% against target of 9%.

Corrective action: Weed spray has been carried out as per schedule during April with the next round due in November. This will reduce the weed growth to an acceptable level.

Non-Housing Property

Amber: QUARTERLY – (Urgent requests for repair work completed within 5 working days) from the report by Tenant of Commercial property or other stakeholder.

Reason: 2 jobs were completed outside of target time reducing performance to 83.33%.

Corrective action: Jobs were allocated to operatives but completed just 2 working days outside of the target. They were both plumbing jobs and the team has been advised to utilise the Saturday working option with operations manager's approval to ensure adherence to completion targets.

Introduction

This report shows the latest KPI figures alongside those from the previous reporting period. Performance against targets for the month is indicated using a traffic light system as illustrated on the right. A commentary box for trend analysis is included to ensure a focus on continuous improvement. Current performance is measured against Year1 targets.

Streets Scene

Amber: QUARTERLY - The proportion of relevant public land and highways which unacceptable levels of weed are visible - KBT (NI 195)

Reason: KBT reports performance dropped to 16.74% against target of 9%.

Corrective action: Weed spray has been carried out as per schedule during April with the next round due in October. This will reduce the weed growth to an acceptable level.

Housing Property

¹ **Amber (Marginal):** Urgent requests for service (attend within 5 days)

Reason: There was a high inflow of jobs during this period resulting in 8 jobs completing outside of target time.

Corrective action: HTS completed 799 jobs within target (181 more than last month). Majority of the jobs were relating to heating breakdown which were reported within a short timescale as temperature dropped. The gas team adapted to change by increasing appointments to include weekend slots. This proactive action reduced the number of failed jobs thus HTS missing the performance target only by 0.49%. Similar action will be adopted to meet demand during the busy period.

Amber (Marginal): Appointments Response repairs for which appointments made and kept

Reason: Performance dropped to 92.39%

Corrective action: There was a substantial increase in emergencies and urgent jobs during November which were prioritised as and when appropriate. This had an impact on some booked appointments which were attended to outside their allocated time slot. The relevant teams have reviewed the failed appointments and have agreed to proactively contact tenants in advance to rearrange appointment where absolutely necessary.

KEY TO SYMBOLS

Traffic lights

-  Performance below availability floor. Immediate corrective action required.
-  Performance between target and availability floor. Continuous monitoring and improvement required.
-  Performance just short of target. Continuous monitoring and improvement required.
-  Performance within target. Continuous monitoring of performance.

Non-Housing Property

Amber: QUARTERLY – (Urgent requests for repair work completed within 5 working days) from the report by Tenant of Commercial property or other stakeholder.

Reason: 2 jobs were completed outside of target time reducing performance to 83.33%.

Corrective action: Jobs were allocated to operatives but completed just 2 working days outside of the target. They were both plumbing jobs and the team has been advised to resolve to carrying out such jobs over the weekend with operations manager's approval to ensure adherence to completion targets.

Amber (Marginal): QUARTERLY - Statutory tests for inspections completed prior to due date in accordance with the Council Compliance requirements

Reason: KPI is below target at 98% due to 2 unsuccessful EICR tests and 2 outstanding TMVs.

Corrective action: EICR tests were carried out within timescale but required remedial works for compliance and the TMVs tests are programmed in to be carried out.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Street Scene (10%)						
Routine cleaning of streets KBT (NI 195) Litter, to grade A standard (Wave)	2.1a	Quarterly	4%	1.33% June 17	2.89% Sep 17	Decreased performance.
Routine cleaning of streets KBT (NI 195) Detritus, to grade A standard (Wave)	2.1b	Quarterly	8%	8.68% June 17	6.56% Sep 17	Increased performance.
Average time (in hours) to remove fly tips	2.4	Quarterly	3.5	1.50 June 17	1.43 Sep 17	Increased performance.
The proportion of relevant public land and highways which unacceptable levels of weed are visible - KBT (NI 195)	2.6	Quarterly	9%	6.62% June 17	16.74% Sep 17	Decreased performance. See front of report.
Graffiti / Fly posting removal (Non-Offensive / Non-Obscene)	2.10a	Quarterly	100%	100% June 17	100% Sep 17	Stable performance.
The proportion of relevant public land and highways which unacceptable levels of graffiti are visible - KBT (NI 195)	2.10b	Quarterly	1%	0.44% June 17	0.44% Sep 17	Stable performance.
The proportion of relevant public land and highways which unacceptable levels of fly-posting are visible - KBT (NI 195)	2.10c	Quarterly	1%	0% June 17	0% Sep 17	Stable performance.
Number of breaches of Waste Management License	2.22	Annual	0	0 March 16	0 April 17	Stable performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Customer Satisfaction with Street Cleaning service	2.62	Quarterly	87%	97.44% June 17	90% Sep 17	Decreased performance.
Grounds Maintenance (10%)						
Compliance with Landscape Maintenance requirements	3.1	Quarterly	92.5%	92.54% June 17	94.69% Sep 17	Increased performance.
SSSI (two compartments) to be maintained in accordance with the management plans.	3.7	Quarterly	0	0 June 17	0 Sep 17	Stable performance.
Prevention of dangerous trees reported, inspected and made temporarily safe within 24 hours	3.11a	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance.
Prevention of dangerous trees reported requiring permanent rectification within 5 working days of the original notification	3.11b	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance.
Inspection of trees (not dangerous) reported requiring attention/maintenance within 20 working days	3.11c	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance.
Tree works – work carried out within 80 working days	3.11d	Quarterly	100%	100% June 17	100% Sep 17	Stable performance.
Maintenance of existing playgrounds and hard standing areas.	3.12	Quarterly	99%	100% June 17	100% Sep 17	Stable performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Customer Satisfaction with Grounds Maintenance service.	3.39	Quarterly	87%	100% June 17	95.24% Sep 17	Decreased performance.
Housing Property (60%)						
Attending site to make safe within 2 hours following a report by a tenant or other stakeholders	4.11	Monthly	99%	99.73% Oct 17	99.32% Nov 17	Decreased performance
Urgent requests for service (attend within 5 days)	4.12	Monthly	99.50%	99.04% Oct 17	99.01% Nov 17	Marginal drop in performance. See front of report.
Standard requests for service (attend within 20 days)	4.13	Monthly	95%	99.88% Oct 17	99.74% Nov 17	Decreased performance
Mutual Exchanges Safety (electrical and gas testing inspections)	4.25	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance
Gas compliance (annual servicing completed) for landlord and contractor activity combined	4.11 (i)	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance
Gas Compliance (Contractor Activity only)	4.24	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance
Gas compliance – The number of properties referred for legal action	4.11 (iii)	Monthly	0	9	10	Decreased performance.
Appointments Response repairs for which appointments made and kept	4.15	Monthly	98%	98.11% Oct 17	92.39% Nov 17	Decreased performance. See front of report.
Tenant satisfaction (from questionnaires)	4.16	Quarterly	94%	98.10% June 17	96.83% Sep 17	Decreased performance.
Fast Track Void Works	4.20	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Routine Voids Works	4.21	Monthly	100%	100% Oct 17	100% Nov 17	Stable performance
Non-Housing Property (10%)						
Attending site to make safe within 2 hours following a report by a Tenant of Commercial property or other stakeholder and issues resolved by next day.	5.1	Quarterly	100%	95.83% June 17	100% Sep 17	Increased performance.
Urgent requests for repair work completed within 5 working days) from the report by Tenant of Commercial property or other stakeholder.	5.2	Quarterly	100%	100% June 17	83.33% Sep 17	Decreased performance. See front of report.
Standard requests for repairs and minor adaptations to be carried out within 20 working days of report by Tenant of Commercial property or other stakeholder.	5.3	Quarterly	93%	99.19% June 17	100% Sep 17	Increased performance.
Statutory tests for inspections completed prior to due date in accordance with the Council Compliance requirements	5.4	Quarterly	100%	95.12% June 17	98% Sep 17	Increased performance. See front of report.
Delivery to and collection from Polling Stations.	5.7	In month of election	100%	100% June 16	100% June 17	Stable performance.
Customer Satisfaction with Non-Housing Repairs service	5.14	Quarterly	90%	100% June 17	100% Sep 17	Stable performance.
Depot Services (5%)						

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Response to reactive maintenance and recovery request for the Council maintained vehicles	6.2	Quarterly	95%	100% June 17	100% Sep 17	Stable performance.
Miscellaneous (5%)						
Pest Control: percentage of requestors offered appointments within the 5 working days	7.1	Quarterly	100%	100% June 17	100% Sep 17	Stable performance.
Compliance with Quality Management system	7.12	Bi-annual	0 major and/or 3 minor	July 17 BSI Audit 0 major and 2 minor	Oct 17 BSI Audit 0 major and 3 minor	Stable performance.

Introduction

This report shows the latest KPI figures alongside those from the previous reporting period. Performance against targets for the month is indicated using a traffic light system as illustrated on the right. A commentary box for trend analysis is included to ensure a focus on continuous improvement. Current performance is measured against Year 1 targets

Housing Property (Tenants Services)

Amber (Marginal): Maintaining communal areas in a clean state and carry out cleaning in accordance with the agreed schedules. Each quarter 10% check undertaken of communal areas (of varying types) in accordance with the Upkeep of Communal Areas Method Statement.

Reason: 1 non-conformity identified during inspections.

Corrective action: Mobile cleaning inspections identified 1 non-conformity where the cleansing team missed a task on the cleaning schedule. This has now been carried out and the team reminded of adhering to cleansing tasks and frequencies.

KEY TO SYMBOLS

Traffic lights



Performance below availability floor. Immediate corrective action required.



Performance between target and availability floor. Continuous monitoring and improvement required.



Performance just short of target. Continuous monitoring and improvement required.



Performance within target. Continuous monitoring of performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Street Scene (10%)						
Remove hypodermic or other drug related paraphernalia within 8 Working hours of the report.	2.2	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Repair or replace damaged litter and dual use bins within 2 working days of the report being received.	2.7	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Empty full and overflowing litter and dual use bins within 3.5 hours of the report being received.	2.9	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Remove all reported graffiti or fly posting of a racist or obscene nature removed within 24 hours.	2.11	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Abandoned a) vehicles investigated within 24 hours (BVPI 218a). b) vehicles removed within 24 hours (BVPI 218b).	2.26 (a & b)	Quarterly	100%	100% June 17	100% September 17	Stable performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Grounds Maintenance						
Control vegetation to facilitate the use of footpaths and roads and to maintain clear sight lines.	3.3	Quarterly	93.5%	100% June 17	97% September 17	Decreased performance.
Procure an independent condition survey annually of all hardstanding and play equipment, which are the responsibility of the Council.	3.13	Annually	100%	100% June 16	100% June 17	Stable performance.
Attend any reports of defective or dangerous playground equipment within the urgent response/rectification time. Other reports relating to hard standing areas and playgrounds to be classified as Important or Routine in accordance with the definitions.	3.16	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Provide goal posts to facilitate play, erect at appropriate times in accordance with the users wishes.	3.24	Annually	100%	100% June 16	100% June 17	Stable performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Housing Property (Tenants Services)						
Maintaining communal areas in a clean state and carry out cleaning in accordance with the agreed schedules. Each quarter 10% check undertaken of communal areas (of varying types) in accordance with the Upkeep of Communal Areas Method Statement.	4.3	Quarterly	99%	100% June 17	91% September 17	Decreased performance. See front of report.
HTS (P&E) Ltd shall regularly clean bins and bin storage areas in accordance with the Upkeep of Communal Areas Method Statement.	4.4	Quarterly	99%	100% June 17	100% September 17	Stable performance.
Remove dumped rubbish within 5 working days of notification.	4.7	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Minor adaptations to Tenants' homes at the Council's direction.	4.8	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Grass shall be cut on a three-week cycle in the Council nominated properties and maintained at the cut level height recommended in the Ground Maintenance specification.	4.9	Quarterly	100%	100% June 17	100% September 17	Stable performance.
One off clearance works on circa 70 domestic gardens each year at the request of the Council.	4.10	Quarterly	100%	100% June 17	100% September 17	Stable performance.

KPI DESCRIPTION	REF	FREQ	YR 1 TARGET	PREVIOUS KPI FIGURE	KPI FIGURE	TREND COMMENTARY
Non-Housing Property						
Number of cleaning requests for Non-Housing premises not being carried out to agreed standard.	5.5	Quarterly	1	0 June 17	0 September 17	Stable performance.
Miscellaneous Services						
Collection and seizure of dogs reported to the Council as being stray as required by the Environmental Protection Act 1990s 149 and in accordance with the agreed Method Statement.	7.7	Quarterly	100%	100% June 17	100% September 17	Stable performance.
Monitor and report the number of abandoned calls that occur in the Call Centre.	Not required	Monthly	10%	3.29% October 17	3.24% November 17	Increased performance.
Return of Callsys job number for Repairs via report.	Not required	Monthly	98%	90.48% October 17	100% November 17	Increased performance.

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.



Balance Scorecard performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Operational Performance	100%	All 6 Objectives are on target.
Financial Performance	100%	4 Objectives are on target. Performance will be updated when data is available on the remainder 3 objectives
Business Growth	100%	All objectives are on projected to be on target.
Culture	100%	All objectives are on projected to be on target.

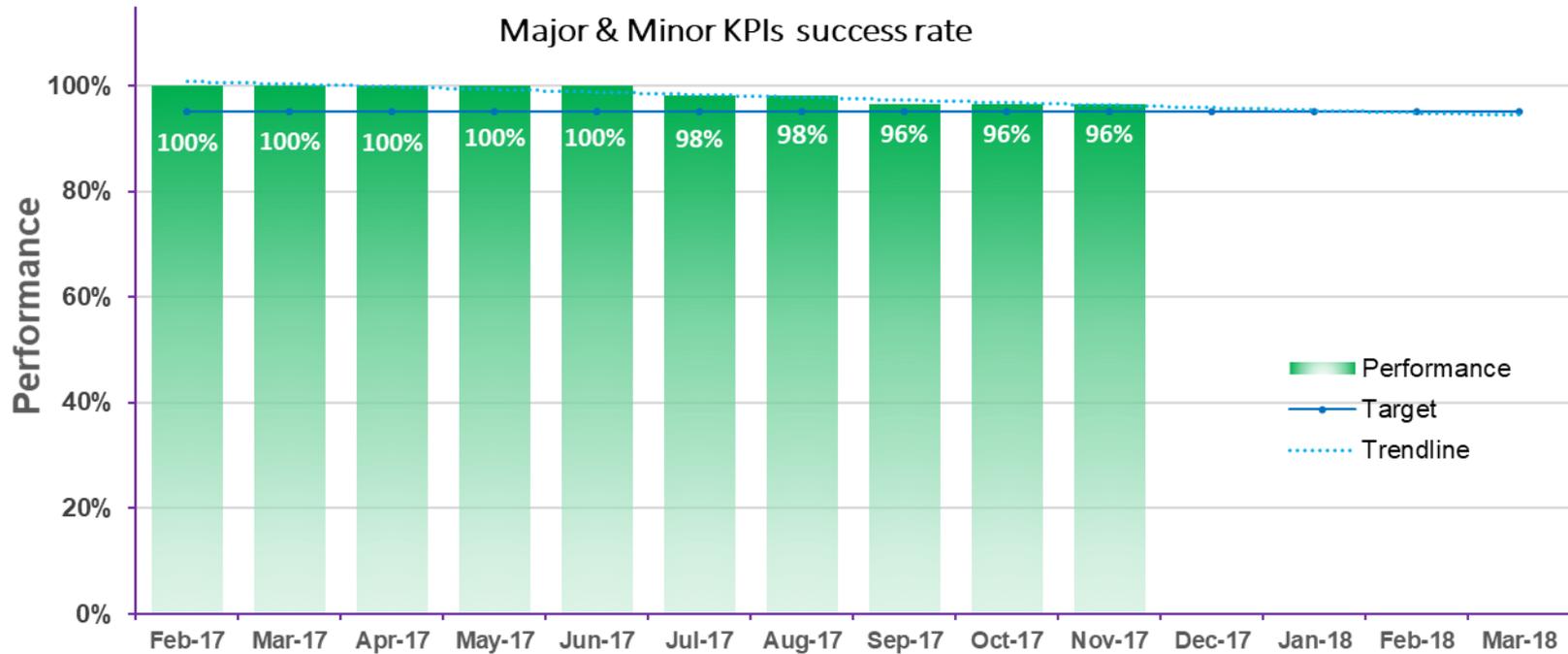
28

Operational Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
To achieve an overall success rate of 95% against the Major & Minor KPI Suite	✓	HTS has achieved 96% of all measurable KPIs to date.
Sickness absence rate below 4% annualised	✓	Sickness absence has remained low.
Health & Safety performance below HSE accident incident rate	✓	HTS Have had one incident since February 2017 and consequently our AIR rating is now 272 for November.
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 10% of the ASC budget	✓	Subcontractor spend has remained within target of 10%.
To achieve an overall success rate of 95% 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.

Operational Performance

❖ Achieve overall success rate of 95% against the Major & Minor KPI Suite.



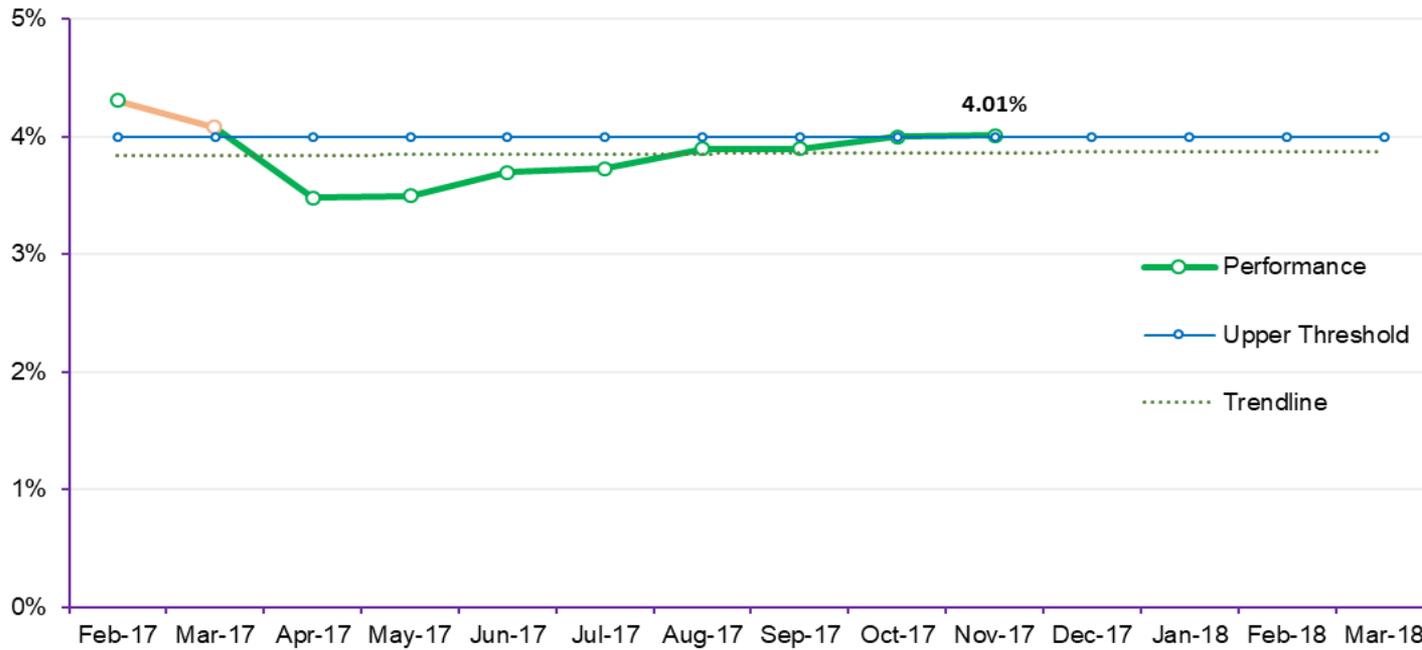
This Chart highlights HTS (P&E) Ltd performance against the Monthly KPIs.

28

Operational Performance

❖ Sickness absence rate below 4% annualised.

Sickness Rate - YTD 2017

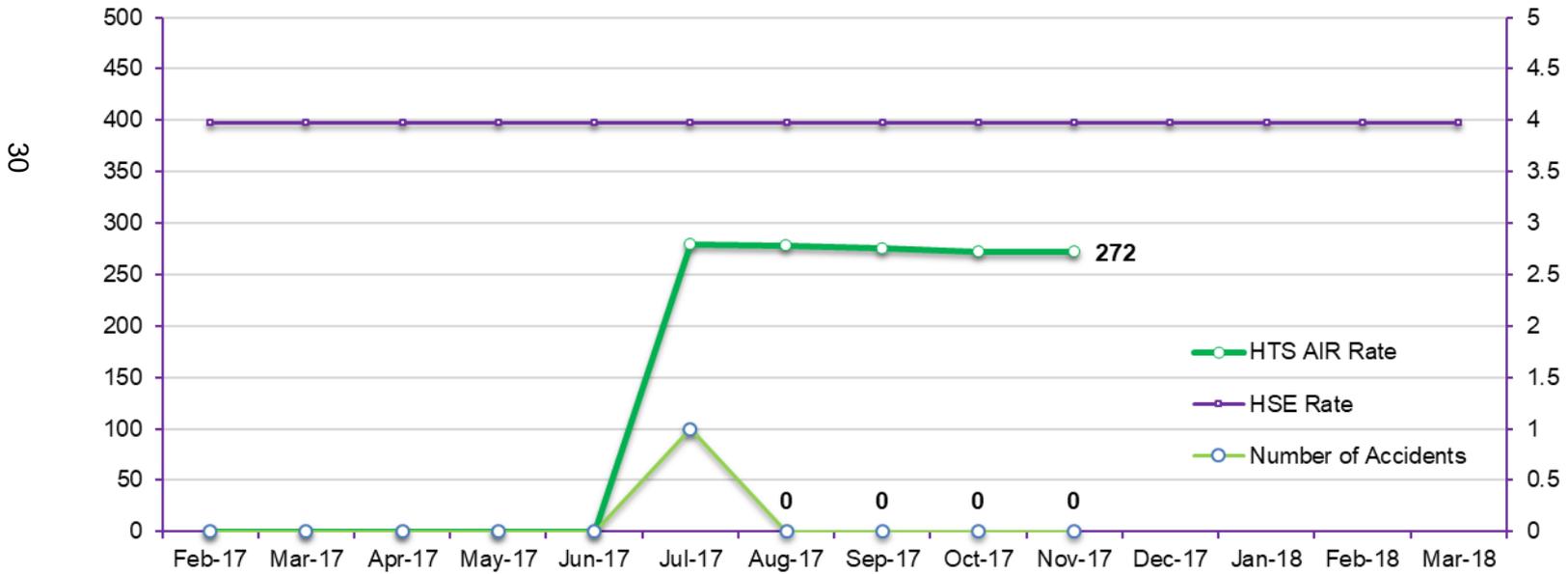


29

Operational Performance

❖ Health & Safety performance below HSE accident incident rate.

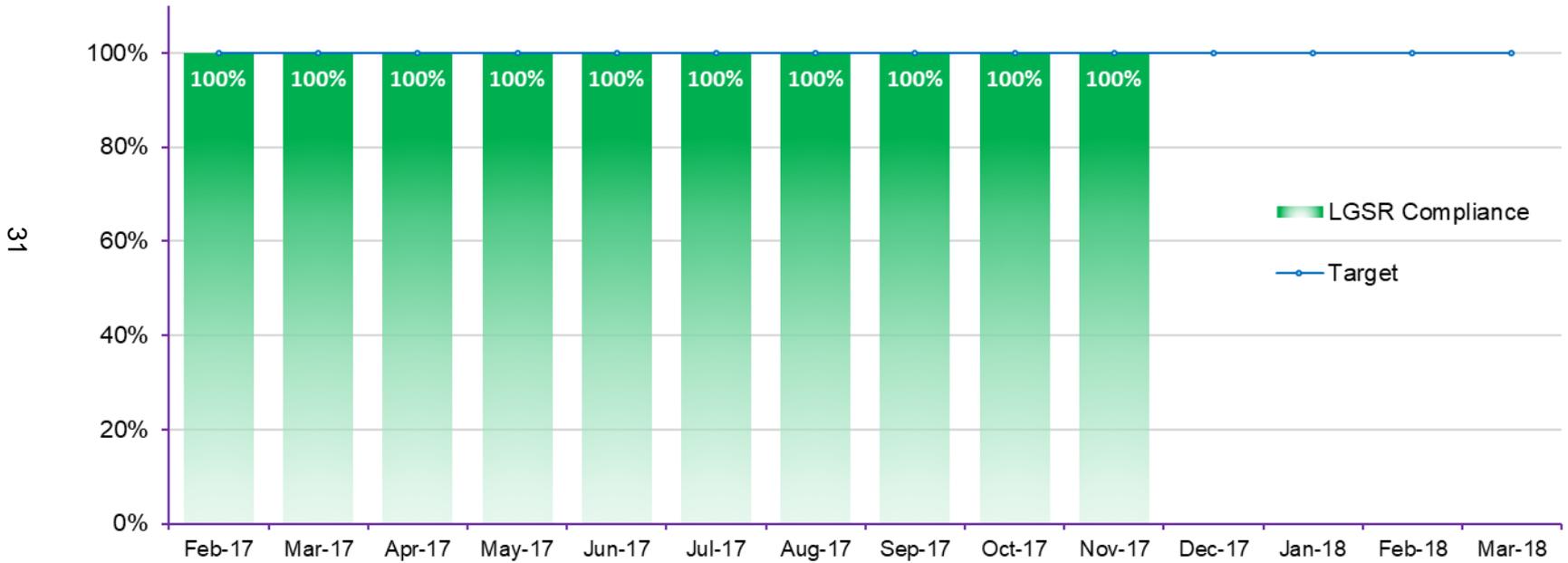
HTS Accident Incident Rate



Operational Performance

❖ 100% compliance with LGSR regulatory requirements.

Regulatory Requirements Performance

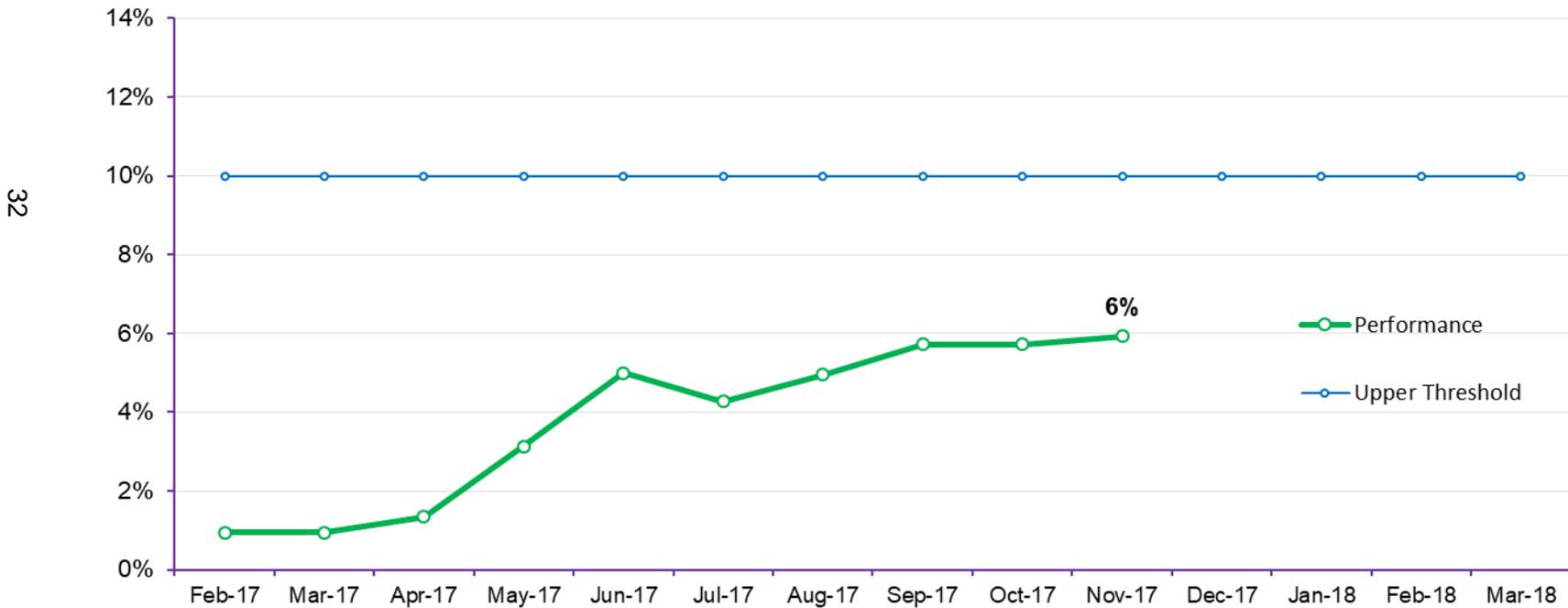


LGSR: Landlord Gas Safety Record

Operational Performance

- ❖ Value of spend on subcontractors on the ASC to be no greater than 10% of the ASC budget.

Sub-Contractors' Spend of ASC Budget



Operational Performance

- ❖ To achieve an overall success rate of 95% of customer repairs dealt with Right First Time.

Right First Time Repair Analysis

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“Right First Time Repair” surveys results are drawn from customer satisfaction surveys and focuses on one specific question, whether the repair was completed right first time. The dissatisfied responses are investigated and findings are shared with the relevant craft teams.

* February 17 data is not available as first month of operations.

Financial
Performance

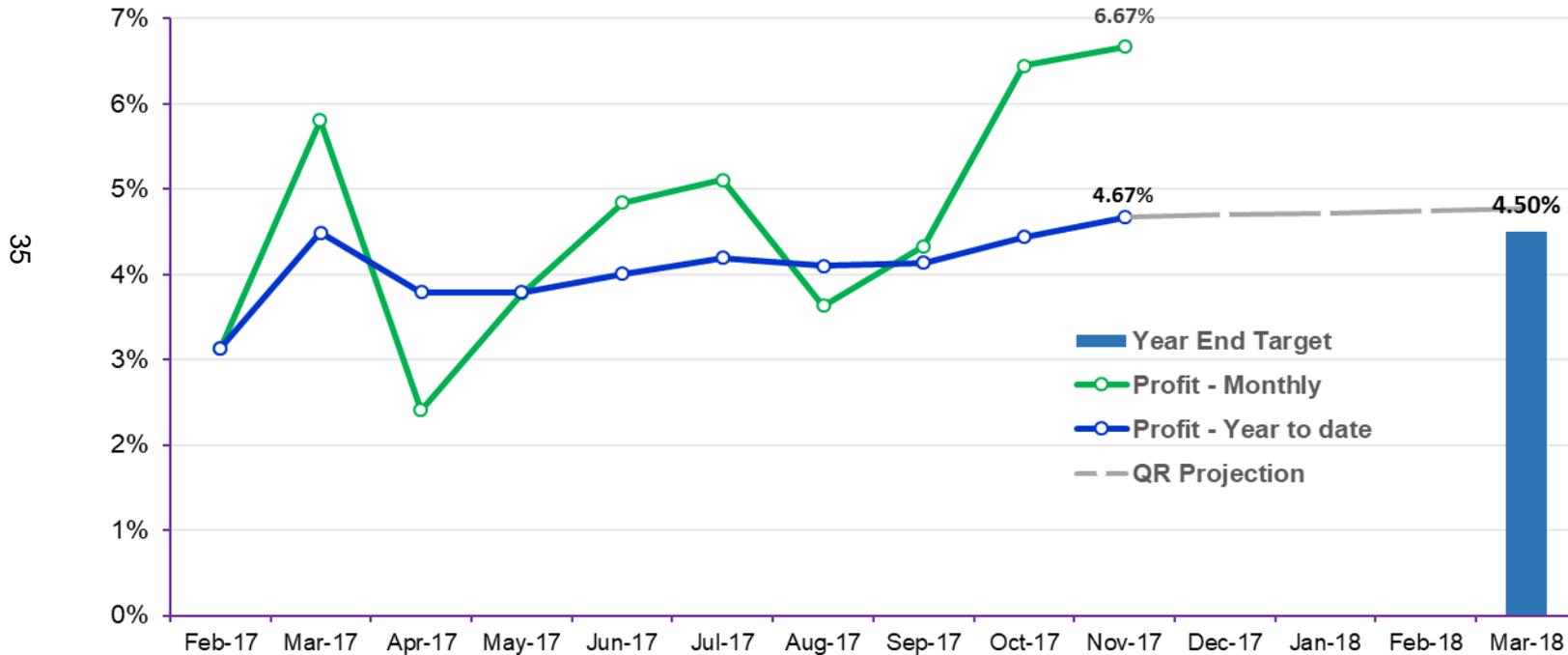
Financial Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Achieve Pre-tax profit margin of 4.5% by end of FY 2017/18. (50% to shareholder as dividend subject to corporation tax)	✓	HTS is projected to achieve 4.5% Pre-tax profit by end of FY 2017/18
Borrowing ratio of less than 60% by end of FY 2018/19	✓	On target to achieve Objective
Acid ratio in excess of 1.00	✓	On target to achieve Objective
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 4.5%) £5.8m capital works programme by end of FY 2017/18	✓	On target to achieve Objective based on projection

Financial Performance

- ❖ Achieve Pre-tax profit margin of 4.5% by end of FY 2017/18.
 (50% to shareholder as dividend subject to corporation tax)

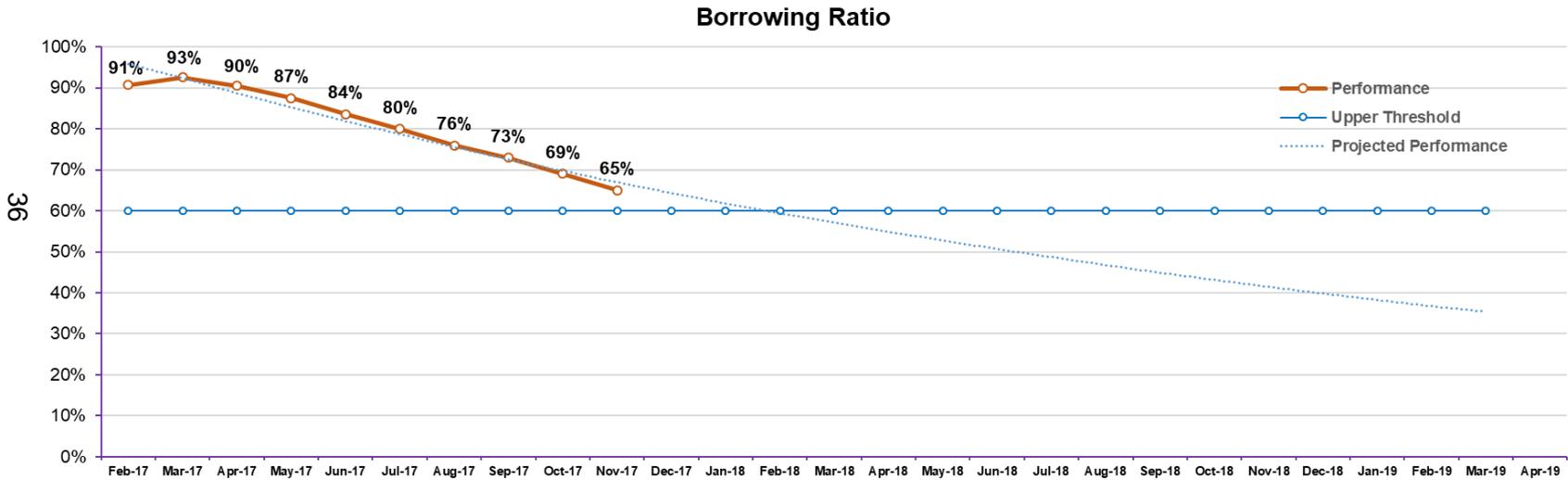
Pre-Tax Profit Margin



HTS is projected to achieve 4.5% Pre-tax profit by end of FY 2017/18.

Financial Performance

❖ Borrowing ratio of less than 60% by end of FY 2018/19.



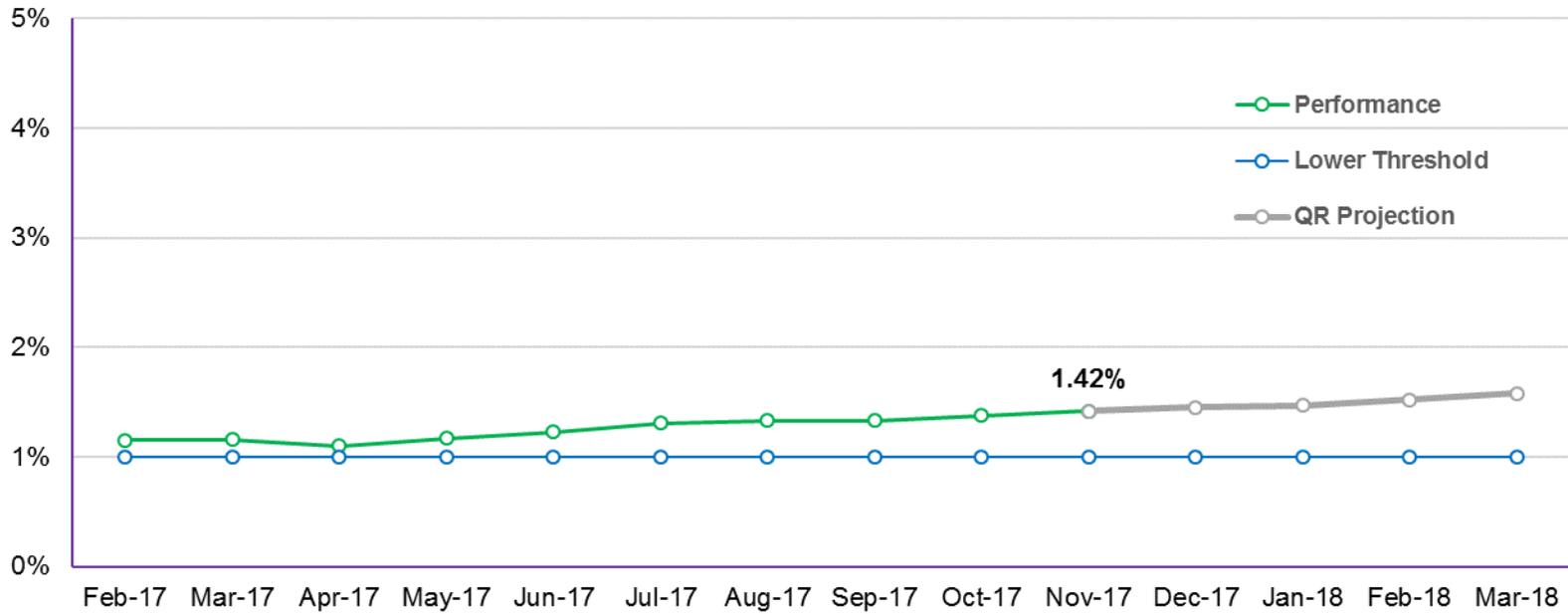
HTS leverage has consistently improved with the borrowing target of 60% against total assets forecast to be achieved by 2019. Borrowing Ratio is calculated as “Total Debt (short & long term)” as a percentage of “Total Assets”. The November 17 performance illustrates that 65% of HTS assets are financed by debt.

Financial Performance

❖ Acid ratio in excess of 1.00.

Acid Ratio

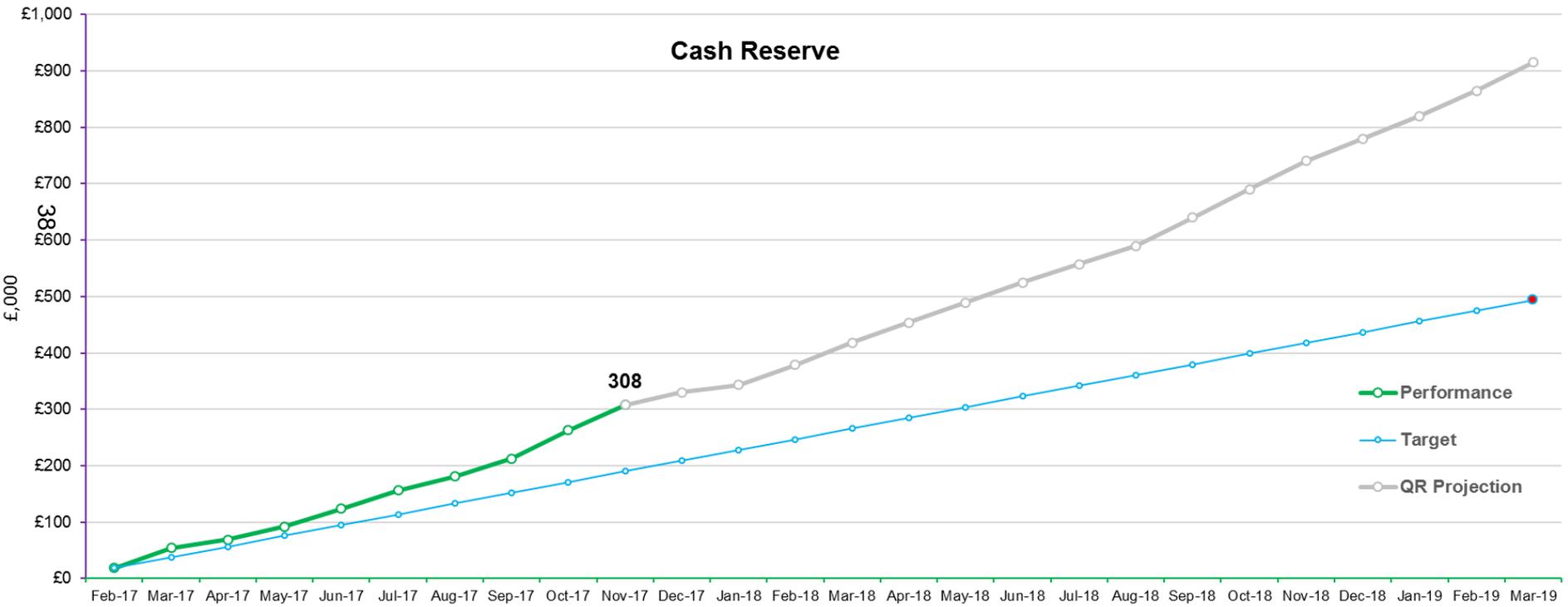
37



The current assets of HTS are weighed against the current liabilities which results in the ratio that highlights HTS liquidity.

Financial Performance

❖ Minimum cash reserve of £0.5m by end of FY2018/19.



Financial Performance

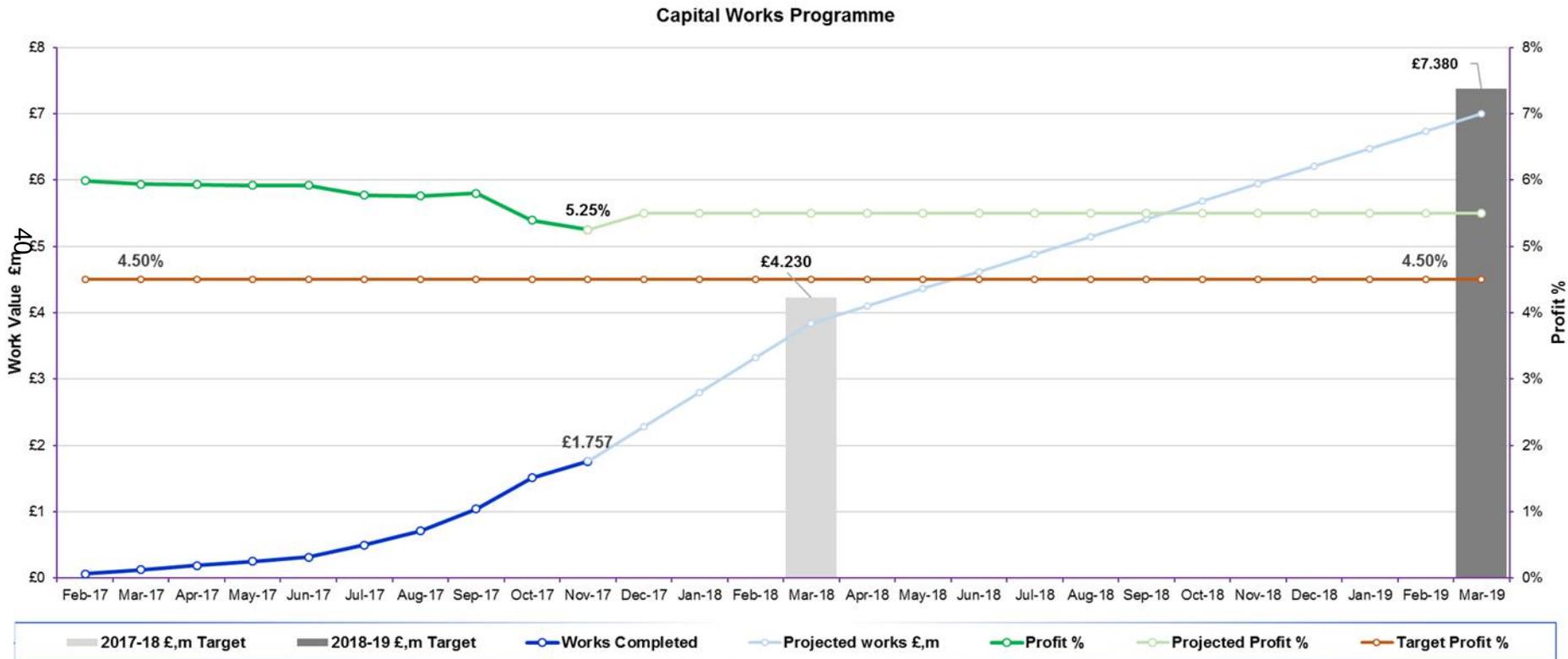
- ❖ Deliver cashable and non-cashable year on year efficiencies.

The following changes have already been implemented and will be developed to detail the value or benefit derived to HTS in respect of efficiency improvements.

- Leases to 3rd Parties
- Development of 3rd party apprenticeships
- SLA's at market rates with HDC benefitting both parties
- Purchasing fuel through Crown Commercial Services framework
- Donations to charities – St Clair's Hospice
- Donations to Harlow College – vans, mowers and sweepers
- Negotiating discounts with suppliers such as Pitney Bowes, Syphol, Tuckwells etc.
- Purchasing Power tools
- Replacing Klix coffee machines to similar at preferential rates
- Involvement with Crucial Crew
- Jewson's discount cards for staff
- Purchasing previously hired plant including towers, generators and cement mixers
- Introduction of environmental green fleet
- Employment of local residents

Financial Performance

- ❖ Deliver a competitive and profitable (minimum margin of 4.5%) £4.23m capital works programme by end of FY 2017/18.



This target has been revised to £4.23m due to the delay in boiler renewal programme. As a result the £5.8M spend has been reduced to £4.23m in the year. The underspend for year 1 has been added to year 2 target thus increasing it to £7.38m. Projected works will be sufficient to achieve target by end of FY 2017/18.

Business Growth

Business Growth Summary

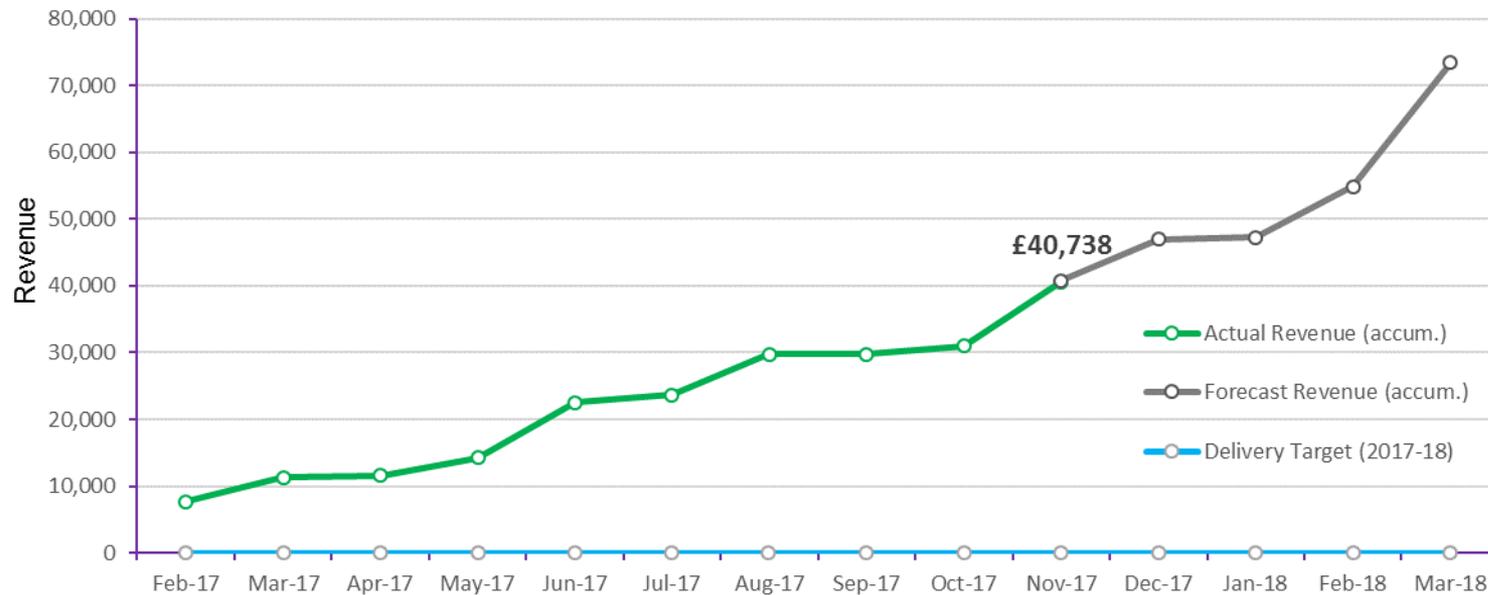
OBJECTIVES	PERFORMANCE	COMMENTS
By end of FY 2017/18 secure profitable external third-party revenue of £0.5m before tax to be delivered in 2018/19		HTS has actively pursued a number of initiatives thus securing external third-party revenue projected to achieve target by period end.
By end of FY 2018/19 secure profitable external third-party revenue of £1.5m before tax to be delivered in 2019/20		Data to be provided when information available
By end of FY 2019/20 secure profitable external third-party revenue of £3.0m before tax to be delivered in 2020/21		Data to be provided when information available
Ensure all third-party works are profitable returning >4.5%.		HTS has been able to achieve third-party revenue without additional costs due to efficiencies realised therefore delivering 100% profit.

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Business Growth

- ❖ By end of FY 2017/18 secure profitable external third-party revenue of £0.5m before tax to be delivered in 2018/19.

Third Party Revenue - 1st year Performance



Third Party Revenue:

- Kier Rent - secured
- Jewson Rent - secured
- HTS Consultancy - secured
- Facilities Management-Claphams - secured
- School works - secured
- Oxford City Council consultancy - Probable



Business Growth

- ❖ By end of FY 2018/19 secure profitable external third-party revenue of £1.5m before tax to be delivered in 2019/20.

- ❖ Target is for 2018/19 financial year.

- ❖ Data will be provided when information is available following previous objective.



**Business
Growth**

- ❖ By end of FY 2019/20 secure profitable external third-party revenue of £3.0m before tax to be delivered in 2020/21.

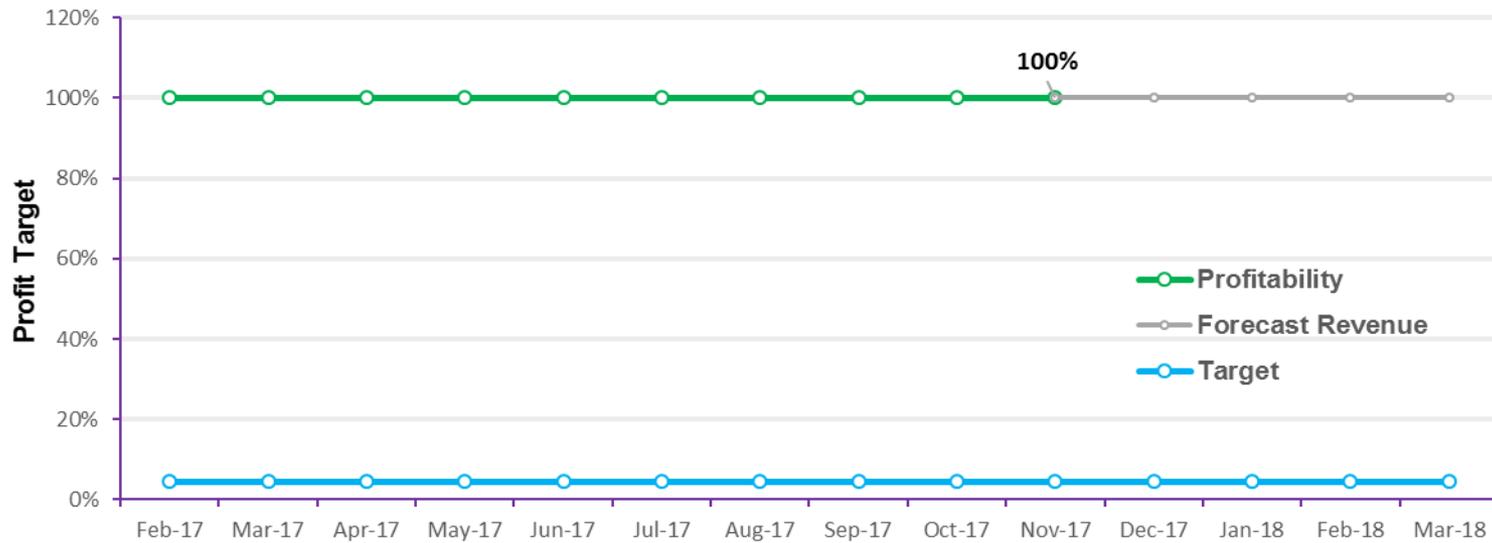
- ❖ Target is for 2019/20 financial year.

- ❖ Data will be provided when information is available following previous objective.

Business Growth

- ❖ Ensure all third-party works are profitable returning >4.5%.

Third Party Revenue - Profitability

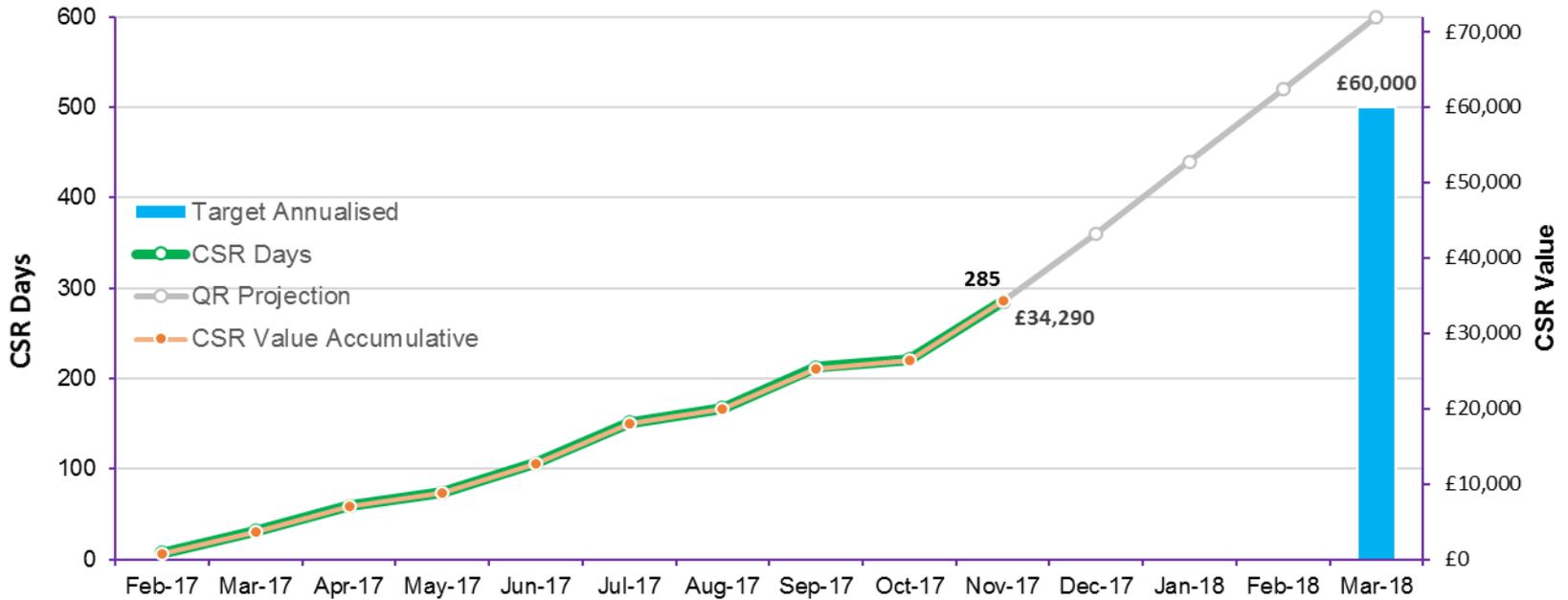


HTS is able to deliver the additional services at no additional costs thus producing a 100% profit.

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 apprentices to fill one in three leaver vacancies (in line with business needs) to a maximum of 10 apprentices by end of FY2017/18	✓	On target to achieve Objective
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 January 2018.
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

❖ Invest 500 working days (60k) per annum in corporate social responsibility.

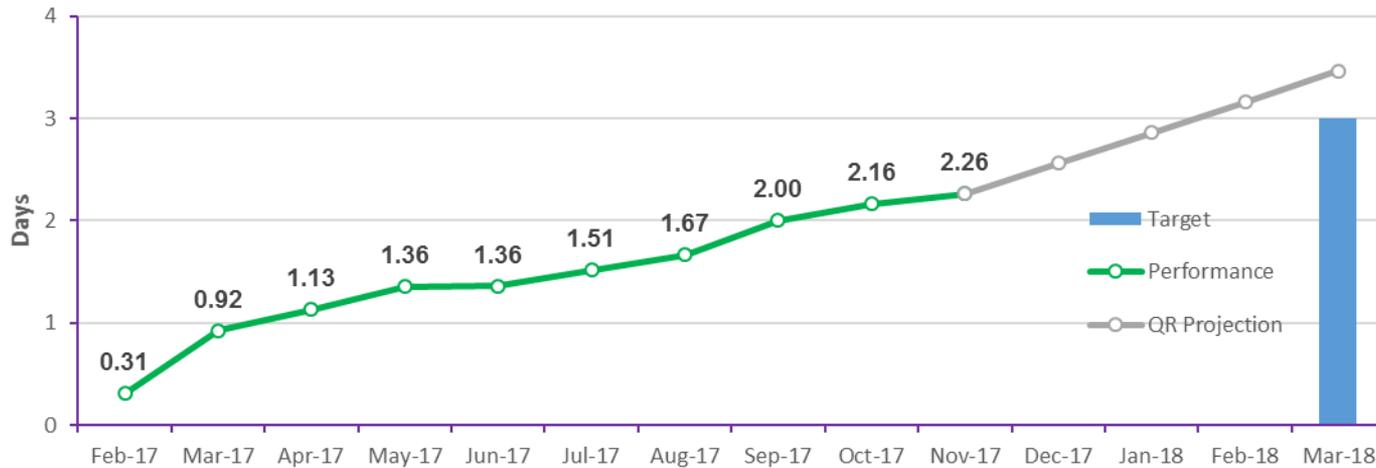


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HTS is working closely with local community by accommodating a high intake of work experience students from September 2017 as well as planned fund raising events to achieve its target.

- ❖ To ensure that employees on average receive three days training per annum.

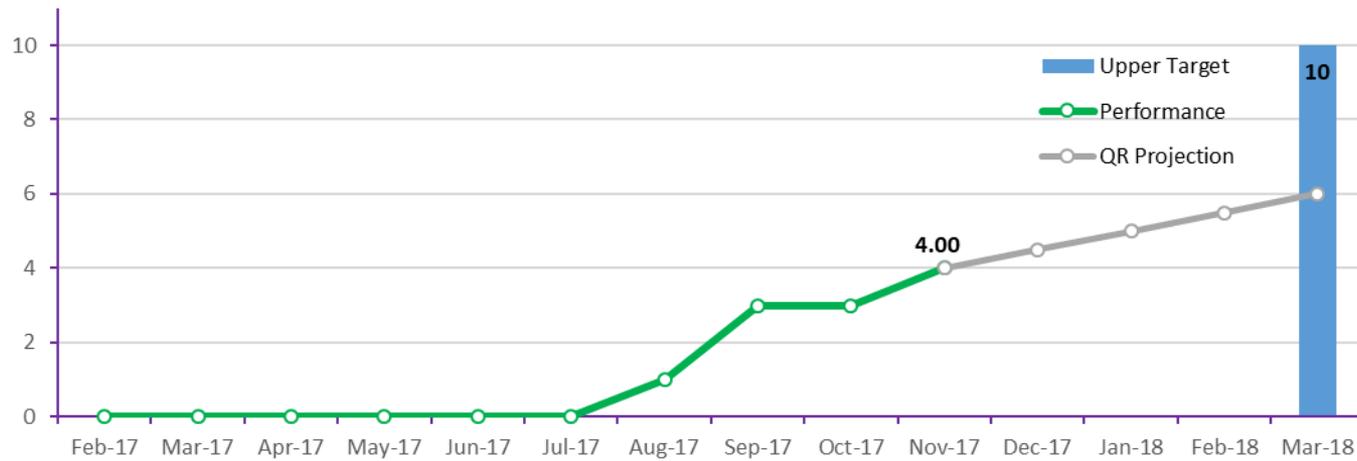
Training Days per employee accumulative



HTS provided 41 days of training during November.

- ❖ 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.

Apprenticeships



Initial proposal is for 6 apprentices including an electrician, carpenter/multi-trade operative, a plant shop fitter, HR apprentice, Business Support Partner and Finance apprentice.

Culture

- ❖ An agreed-upon succession plan.

A detailed succession plan has been completed to illustrate the changes made to date and further plans that need to be developed and implemented.

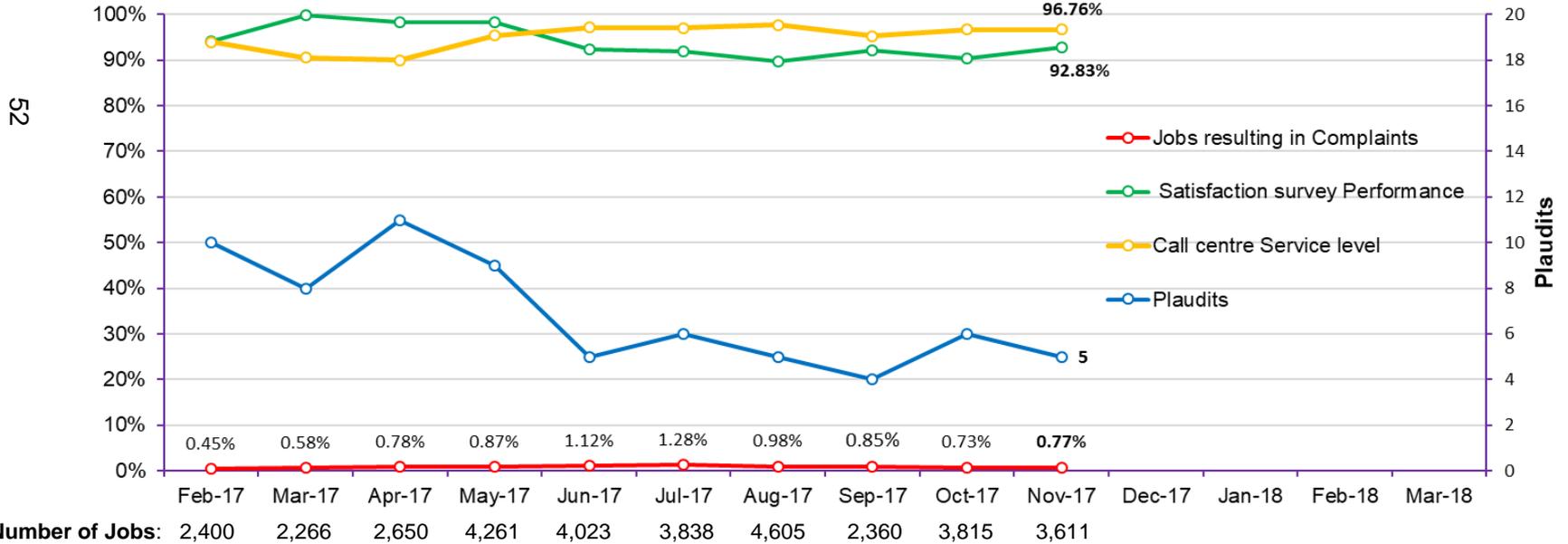
Culture

- ❖ Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%.

Staff satisfaction survey moved to January 2018 following staff appraisals.

❖ Place the customer experience at the heart of how HTS operates.

Customer Satisfaction



Customer satisfaction is measured against all work streams including environment.

- ❖ Illustrate an innovation driven and entrepreneurial culture.

Case Studies developed for the following:

- Van Purchase from Arval
- Van Leasing
- Leasing of new sweepers
- Renovation and use of fuel pumps
- Installation of trackers to vehicles
- Purchase of green fleet
- In house stores relocation through Jewson's
- Sage accounting
- IT investment
- SLA's with HDC for IT and insurance
- Developing the offering of the transport department to service and maintain all vehicles
- Succession planning
- Leases to third parties

REPORT TO: SHAREHOLDER SUB-COMMITTEE

DATE: 16 JANUARY 2018

TITLE: RISK MANAGEMENT

LEAD OFFICER: ANDREW MURRAY, HEAD OF HOUSING
(01279) 446676

CONTRIBUTING OFFICER: STUART MOSELEY, INSURANCE AND RISK
MANAGER (01279) 446215

RECOMMENDED that:

- A** The Sub-Committee notes the strategic risks relating to HTS (Property and Environment) Ltd (HTS) together with their analysis and mitigation.

BACKGROUND

1. The Shareholder Sub-Committee terms of reference includes responsibility to ensure HTS (Property and Environment) Ltd (Local Authority Trading Company) (LATC) risks are adequately defined, monitored and controlled.
2. The HTS transition Risk Register was reviewed by the Sub-Committee in June 2017 with feedback being given that it would need to be updated and aligned to Council's approach to risk management, analysis, mitigation, and reporting.
3. The Council has its own Corporate Risk register which is regularly reviewed by the Senior Management Board (SMB), reported to each Audit and Standards Committee meeting for scrutiny and challenge together with escalations, if required, reported to Cabinet quarterly. Within the corporate risk register, a strategic risk has been identified which relates to the 'Provision of Repairs, maintenance, landscape and street scene services'. This relates directly to the provision of services currently contracted to HTS as impacts upon the Council

HTS (PROPERTY AND ENVIRONMENT) LTD RISK REGISTER

4. The HTS Risk Register monitors its own corporate risks as relates to the business. It's reported to the HTS Board quarterly. The Council's Joint Performance Review Meeting (JPRM) also reviews quarterly, ensuring issues are escalated, if required, to the Sub-Committee.
5. Work has been undertaken to align methodology for risk articulation, analysis

and reporting with that used by the Council. This has resulted in a comprehensive strategic risk review being undertaken by HTS.

6. The Corporate Risk Register in Appendix A includes HTS' strategic risks as at December 2017 following the strategic risks review.
7. Strategic Risks now have clear ownership with Directors taking responsibility for individual risks. While other members of the senior management team may have responsibility for elements of risk control, individual ownership of the risk ensures clarity in coordination of risk mitigation.
8. In addition to the regular quarterly reviews and report to HTS Board and JPRM, strategic risks are subject to major reviews indicated by a target date. This is to ensure they are concurrent with the HTS Corporate Plan.
9. It should be noted there is one risk with a residual risk score of 21 as at December 2017: Information Governance and Data Compliance is required to be addressed with regards to implications from General Data Protection Regulations (GDPR) which come into force on 25 May 2017. HTS intend to liaise with the Council, which already has a GDPR project plan, in order to devise a HTS project plan for GDPR.

IMPLICATIONS

Place (includes Sustainability)

As contained within the report.

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

The financial implications of the current identified risks are set out within the appendix to the report.

Author: **Simon Freeman, Head of Finance**

Housing

As outlined in the body of the report.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

As contained within the report.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Amanda Julian, Legal Services Manager, on behalf of Brian Keane, Acting Managing Director**

Appendices

Appendix A – Risk Register at December 2017

Background Papers

None.

Glossary of terms/abbreviations used

None.

HTS (Property Environment) Ltd Strategic Risk Register

Appendix A

Likelihood	Almost Certain	5	11	16	20	23	26
	Likely	4	7	12	17	21	24
	Moderate	3	4	8	13	18	22
	Unlikely	2	2	5	9	14	19
	Rare	1	1	3	6	10	15
Risk Rate Matrix		1	2	3	4	5	
		Insignificant	Minor	Moderate	Major	Catastrophic	
		Impact					

Objective	Risk Name	Risk	Background	Likelihood	Impact	Risk Owner	Inherent Risk Score			Controls already in place	Residual Risk Score			Foreseeable Risk Score			Additional actions to mitigate risk (4Ts)	Target Date
							Likelihood	Impact	Score		Likelihood	Impact	Score	Likelihood	Impact	Score		
Financial Performance	CR01 - Financial Sustainability	If a sustainable budget is not secured, then HTS will lack financial resilience	HTS has been set up as a LATC, wholly owned by HDC with a five year contract in place. ASC budgets were set with JVCo baseline 2015/2016 and need to be managed going forward to maintain financial sustainability of the company.	Job priorities may impact on KPI achievement, management of client expectations, efficiencies, management of employee sickness, maintenance and replacement of assets, paycales alignment	Pension, failure of KPIs, penalties from HDC, external market wage rates pressures, service delivery	Alex Morris, Finance Director	3	4	18	change notice, job variation meetings, budget monitoring, Joint Performance meetings, JPRM, Management Account meetings, quarterly reviews, cash flow, VCR meetings, auditing of accounts, forward planning on replacement of assets (5 year plan)	2	4	14	2	4	14	callsys interface with orchard to manage job ticket priorities, move to schedule V7 of NHF from 01/04/18,	Annual review
Business Growth	CR02 - Business Sustainability	If the business does not develop and grow, then it will stagnate and ultimately fail	HTS needs to grow business beyond its existing HDC contract in order to develop and survive and meet employee and shareholder expectations for future opportunities	Perception of environmental performance by HDC versus contracted performance, KPI measurement and analysis, delayed capital works, failure to award additional third party works and deliver at profit, capacity to deliver third party services	reputation, bottom line, morale, negative employee culture, productivity and service delivery, business growth, loss of key employees, inability to win new third party contracts, loss of existing third party contracts	Neil Rowland, Commercial Director	4	4	21	Joint Performance Meetings, JPRM, quarterly reviews, balanced scorecard reviews, KPI reviews, weekly performance and productivity reviews, vehicle tracking monitoring, opportunities register, joint board/member meetings, tenant and leaseholder engagement, accreditations	3	4	18	2	4	14	opportunities register, GIS mapping and route optimisation, innovations, marketing materials and presentations and case studies of efficiencies already achieved	Annual review
Operational Performance	CR03 - Operational Delivery	If HTS fails to deliver services on a consistent satisfactory basis, then the business may receive negative perception leading to failure to maintain and extend contracts	Inheritance of an ageing workforce may result in loss of local knowledge and expertise when they leave. HTS requires to resource existing and future employees along with external supplychain to ensure continuous satisfactory delivery of services and third party contracts	Government legislation changes, statutory regulations changes, KPI measurement and analysis, capacity to deliver third party services, resourcing against peaks and troughs and specialist trades, client expectations, perception vs actual performance, budget and seasonal variations, ageing workforce, incentivisation for employees	reputation, bottom line, morale, employee opportunities, morale, negative employee culture, productivity and service delivery, business growth, loss of key employees, KPI penalties	Steve Ward, Operations Director	2	4	14	Joint Performance Meetings, JPRM, quarterly reviews, balanced scorecard reviews, KPI reviews, weekly performance and productivity reviews, vehicle tracking monitoring, change notices, tenant and leaseholder engagement, accreditations, ASC meetings, subcontractor and agency budget monitoring, efficient processes investment, Business Continuity Plan	2	4	14	2	4	14	compliance software, additional employee training, succession planning, continual training and development, apprenticeships, work experience employees, paycales reviews and alignment	Annual Review
Culture	CR04 - Employee Engagement	If HTS fail to engage it workforce, then there are consequences to delivery and success of the business	An engaged and happy workforce is a productive and effective workforce Proudly Serving Harlow/ reflecting the HTS brand.	morale, incentivisation and engagement of workforce, training budgets and resource, quality of external candidates, salary packages, pension/pay flexibility, terms and Conditions of employment	VFM review in year 3, morale, lack of workforce engagement, reduced productivity, accidents, poor attendance, reputation, employee expectations	John Philips, Managing Director	3	4	18	Quarterly employee engagement, monthly union meetings, quarterly staff newsletters, balanced scorecard, staff award scheme, staff discount cards, PPRs, vehicle tracking monitoring, IT investment, asset investment, succession planning, training plans, 1-2-1s and Team meetings, Living Wage employer	3	4	18	2	4	14	employee satisfaction surveys, incentivisation schemes, employee conference and awards, succession plan, flexible working and retirement, future pay reviews, equal pay	Annual Review
Compliance	CR05 - Information Governance and Data Compliance	If HTS does not adopt holistic and robust response to data information and governance, then it may be unable to demonstrate statutory compliance.	An Information Governance Framework is required to ensure information is dealt with efficiently, effectively and in compliance with statutory provisions and regulations. The General Data Protection Regulations (GDPR) applies from 25 May 2018, replacing the Data Protection Act 1998, imposing a much tougher data protection regulatory framework. Also on the horizon is Electronic Data Protection Regulation (EDPR)	GDPR requirement to notify breaches within 72 hours. Changes to Subject Access Requests (SARS). It is necessary to evidence compliance in all areas of GDPR. There are changes to the way consent is obtained and individual's rights over data held about them.	Breach and non-compliance carries risk of enforcement action and increased financial penalties from the Information Commissioners Office (ICO). Reputation would suffer.	Alex Morris, Finance Director	4	4	21	Data Protection Security Policy HR02, IT's Information Security policy, password protection on PDAs. HR, Payroll and Communications: Individual A/C password protection Software password protection e.g. Sage HR & Payroll Document password protection where appropriate Secure office(S) Personal information scanned to secure, individual electronic files	4	4	21	4	4	21	GDPR project required to link to HDC GDPR project. Electronic Database identification required along with establishment of corporate Information Asset Register. Awareness campaign and training with employees. Resolve DPO appointment and possible conflict of interest. Data Impact Assessments required. Cyber Security policy. Paper/Electronic Data clean-up.	Monthly Review

REPORT TO: SHAREHOLDER SUB-COMMITTEE
DATE: 16 JANUARY 2018
TITLE: COMPLAINTS ANALYSIS
LEAD OFFICER: ANDREW MURRAY, HEAD OF HOUSING (01279)
446676

RECOMMENDED that:

A Shareholder Sub Committee notes the report and summary of complaints to the month of November 2017 as set out in paragraphs 2 – 4 as follows:

- (i) HTS (Property & Environment) Ltd (HTS) achieved a ratio of 0.77 percent against a total of transactions to November 2017 of 34,899.

BACKGROUND

1. This report provides a summary and analysis of complaints against HTS (Property & Environment) Ltd for the month of November 2017. This includes the following services:
 - a) Environment
 - (i) Mobile Cleaning
 - (ii) Parks and Landscapes
 - (iii) Street Cleaning
 - (iv) Transport
 - b) Housing
 - (i) Capital and Third Party Works
 - (ii) Responsive Repairs and Voids
 - (iii) Technical Services

COMPLAINTS ANALYSIS

2. The overall number of complaints raised to November 2017 is 357. The number of complaints raised during November 2017 was nine, of which, 20 of these complaints were not upheld. There were seven escalations for the month all of which proceeded to stage two and there were no stage three complaints raised.
3. There has been a marked improvement in the number of complaints particularly around delays to works. The two main areas of development remain as “delays/timescales and communication”. A targeted audit of complaints is carried out fortnightly to identify areas of improvement on the quality of responses to residents at stage one. A detailed analysis of

complaints is outlined in Appendix A.

4. Member enquiries and reports for November 2017 identified 23 enquiries. Member enquiries are now reviewed daily and all were completed within the allocated response time. A detailed breakdown of enquiries and responses is outlined in Appendix A.

IMPLICATIONS

Place (includes Sustainability)

As contained within the report

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

As outlined in the body of the report

Author: **Simon Freeman, Head of Finance**

Housing

As outlined in the body of the report.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

As contained within the report

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific

Author: **Brian Keane, Head of Governance**

Appendices

Appendix A – JPRM Complaints November 2017

Background Papers

None.

Report of		Title:	
Debbie Hardy		Performance & Quality	
Name of Meeting:	Date of Meeting:	Agenda item:	Status:
JPRM	4 January 2018	Complaints	Information

'Proudly Serving Harlow'

1. Synopsis

This report provides a summary of the complaints against HTS (P&E) Ltd. for the month of November 2017. This includes the following services:

- Environment
 - Mobile Cleaning
 - Parks & Landscapes
 - Street Cleaning
 - Transport
- Housing
 - Capital & Third-Party Works
 - Responsive Repairs & Voids
 - Technical Services

2. Findings

2.1 Complaint Auditing

Harlow Council's complaints officer and the customer services team audit for November has been carried out and **NO** variations were identified for the second month running.

The following analysis has been applied to complaints that have been closed within the current reporting period to mirror the mechanism used by the client.

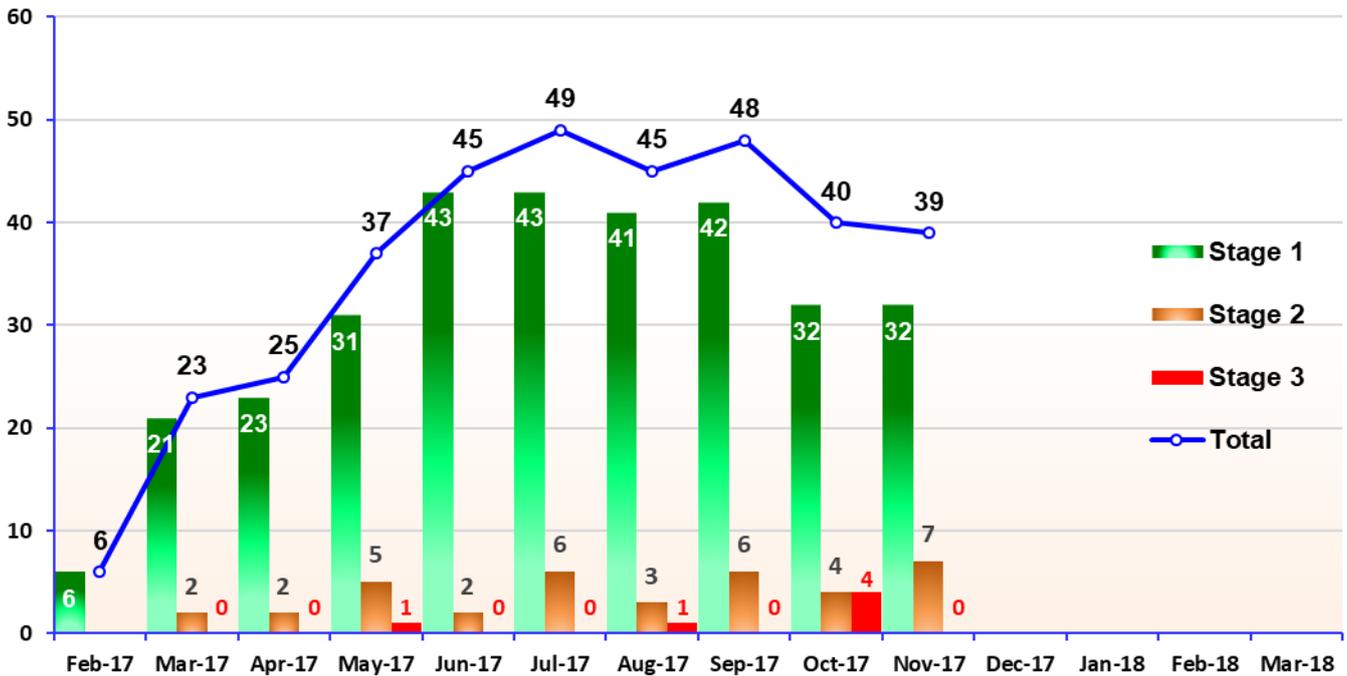
The overall number of complaints completed during November was 39. It should be noted that 20 of the 39 complaints received were not upheld thus leaving a net total of 19 valid complaints in the month. There were 7 escalations for the month, all of which proceeded to stage 2.

Please see below a summary of all complaints as well as total jobs completed since February 2017 for HTS (P&E) Ltd.

Area	Stage 1		Stage 2		Stage 3		Total	YTD (Feb 2017)	YTD, Jobs Completed (>November 17)
	Upheld	Not Upheld	Upheld	Not Upheld	Upheld	Not Upheld			
Environment	2	3	0	1	~	~	6	82	
Housing	14	13	3	3	~	~	33	271	34,899 0.77%
Non-Housing	~	~	~	~	~	~	~		
Total	16 (41%)	16 (41%)	3 (8%)	4 (10%)	0 (0%)	0 (0%)	39	380	

The below chart summarises the volume of all **Upheld** and **Not Upheld** complaints closed over the last month.

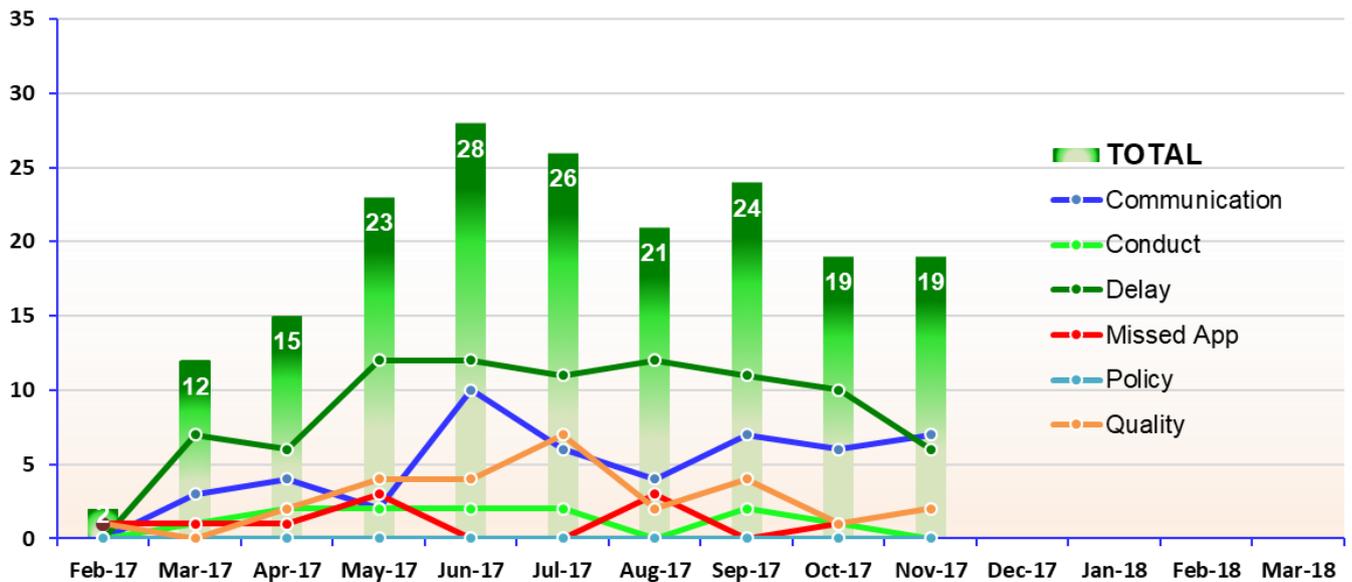
HTS All Complaints Analysis



Upheld Complaints

The chart below shows all **Upheld** complaints over the last month.

HTS Upheld Complaints Analysis



Complaints Investigation and Learning

Following in-depth review of all complaints during September, there has been a marked improvement in the number of complaints particularly around delays to works. November saw a steady decline in complaints in that area to 6 from its peak of 13 in August 17.

The two main areas of development remain as “delays timescales” and “communication” as expected in this industry. Despite the concerns these two areas only account for 0.44% of all housing jobs completed excluding environment. Notwithstanding that all findings are shared with the relevant teams to identify any shortfalls in processes and behaviours.

In addition, performance team now carries out complaints review with Business support team fortnightly to identify areas of improvement on quality of responses to the residents at stage 1. This process is in response to the increase in complaints escalation to stage 2 and 3 where stage 1 response did not fully address tenants’ complaints.

Please see below extracts of 13 complaints that were upheld at stage 1; 6 for delays in work and 7 for lack of communication against 3,611 jobs in November.

Communication

1. Complaint originated as we did not note customers wishes for a pm appointment. Although the work was completed within time scales as a S1, the complaint was upheld due to a lack of communication during the process.
2. Initially requested via enquiry at Contact Harlow, customer was not notified that the grass cutting season had ended, and we did not notify the customer of this. Thus, resulting in a S1 complaint.
3. Wrong trade sent initially, customer wanted pm visits and whilst we booked appointment for between 12.00 and 2.00, our operative arrived at 11.50 so the appointment was missed resulting in the complaint.
4. Initial appointment identified parts required. Follow on appointment made and kept. However, we arrived without the parts to fix the heating as the information had not been noted on our system.
5. Cancellation letter sent to customer to vacate the home as our contractors were carrying out asbestos removal. However, this letter was not received by customer which led to the stage 1 complaint.
6. We have followed the correct procedure & are still within timescales set by HDC but we did change window repair at the last minute without sufficient notice.
7. Due to the poor customer service, you have received in this instance and the time taken for us to respond to and undertake the necessary works

Delay/time scale not met

1. It was necessary to rearrange appointment for the next day at short notice.
2. Fencing repair delayed due to high volume of works outstanding and yet to be carried out.
3. Fencing repair delayed due to high volume of works outstanding and yet to be carried out.

8. Job delayed beyond target time due to the lack of customer care and communication received.
9. Delay in job would have caused the customer an element of inconvenience
10. Due to the lack of customer care and communication received when job completed late.

Complaint Escalation Review

Please see below a summary of complaints escalating to stage 2.

Stage 2 complaints

1. Customer was unhappy with time taken to locate leak from the above property causing substantial damage. the complaint was **upheld** due to poor customer service and the time taken to carry out the necessary works.
2. Customer felt that the stage 1 response did not answer the complaint, however we had carried out the work the customer need but further works were identified during a meeting the complaint was **not upheld**.
3. Customer unhappy with the time taken to carry out works to the door entry system. The complaint was **upheld**. However, the delay was beyond our control as OpenView were waiting for a part for the access panel.
4. Customer unhappy that he did not receive a response to the stage 1 complaint and that he must wait up to 52 weeks for the works to be carried out. The complaint was **not upheld** as the letter had been sent within the time scales for the complaints policy, and the works will be carried out within agreed time frames.
5. Customer unhappy that we arrived ten minutes early for the agreed appointment as confirmed in the stage 1 complaint and will now have to wait again for the works to be carried out. The complaint was **up held** as we arrived early for the appointment.
6. Customer unhappy with the stage 1 response as they felt we had given her incorrect information with regards to the location of the stopcock within the property. The complaint was **not upheld** as the information given within the stage 1 complaint was correct.
7. Customer unhappy with the time taken to repair the heating and feels that we should maintain the system better. The complaint was **not upheld** as we attended within agreed time scales and policies.

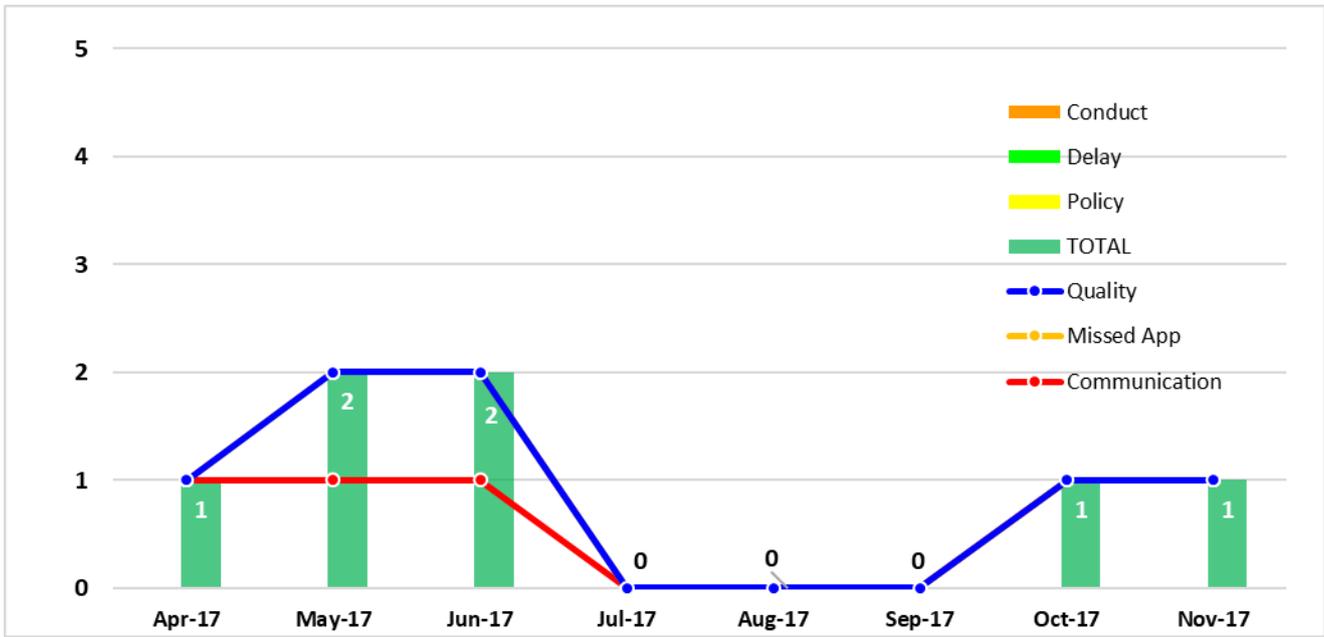
Stage 3 complaints

There were no stage 3's for November.

Gas breakdown complaints review

It should be noted that since April the total number of complaints received against our heating department stands at 24; 17 of these complaints were **not upheld** leaving a total number of valid complaints of 7. This amounts to 0.8 complaint per month which reflects excellent KPI performance.

The chart below shows which areas the complaints were upheld.



Summary:

Complaints report is shared with team supervisors/managers to highlight areas of concerns particularly around quality, however it remains one of the high performing work streams in HTS.

Please see below an overview of ALL complaint areas

Complaint Areas	Capital & Third Party						Response Repairs & Voids					
	1		2		3		1		2		3	
	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld
Communication	1						5	1				
Conduct								2				
Delay							5	8	2	1		
Missed App							3		1			
Policy										2		
Quality		1						1				
Total	1	1	0	0	0	0	13	12	3	3	0	0

Complaint Areas	Technical Services						Environmental					
	1		2		3		1		2		3	
	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld	Upheld	Not-Upheld
Communication							1					
Conduct												
Delay								1				
Missed App												
Policy								1				
Quality							1	1		1		
Total	0	0	0	0	0	0	2	3	0	1	0	0

There were no non-housing complaints during November 2017

Glossary:

Quality of work

Level of service provided and work completed.

Missed Appointment

HTS (P&E) Ltd. missing pre-booked appointments.

Delay

Time taken for repair requests to be carried out/customer's perception of when work should be carried out but generally within priority.

Communication

Advising customers if appointments are going to be delayed or follow on works are required.

Conduct

Customers' perception of all staff at HTS (P&E) Ltd.

Policy

Joint policy arrangements between HTS (P&E) Ltd. and Harlow Council that customers feel both should provide.

3 Members' enquiries

The reports for November 2017 identified **Twenty-three** returns for members' enquiries. Member enquiries are now 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.

Appendix (a): Members' Enquiries

Councillor	Date received at HDC	Date received in admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr David Carter	27/10/17	27/10/17	10/11/17	Planned Works	116 Barn Mead – This address had a heat / smoke alarm fitted and would like to complain that the fitter went into a cupboard without permission and left the area dusty.	CH60991515 – The manager from the relevant department visited Mrs Lanes and apologised for the inconvenience she has experienced. He has also arranged for a manual to be delivered for the heat / smoke alarm.	Email sent 02/11/17
Cllr Michael Garnett	30/10/17	30/10/17	13/11/17	Parks and Landscapes – Grounds Maintenance	Feryngs Close – Residents have asked if the shrub bed could be cleared and grassed over. This would save clearing it twice a year and cut be cut with other grassed areas.	CH61124965 – Our Parks and Landscapes department agree with the proposal and that it is a good idea. This work has been placed on the programme for next year 2018 / 2019 as the programme for removal is already oversubscribed for this year. We will cut the area down and tidy it up in this year's programme 2017 / 2018.	Email sent 07/11/17
Cllr David Carter	30/10/17	30/10/17	13/11/17	Parks and Landscapes – Grounds Maintenance	Pollards Hatch Shops Bushes – Please can the bushes be trimmed that are in the front of the shops.	CH61159896 / CH61121165 – An inspection has been carried out and the work will be carried out in our winter programme which runs between October 2017 – March 2018.	Email sent 07/11/17
Cllr Jon Clempner	09/11/17	10/11/17	23/11/17	Cleansing and Environment – Dumped Rubbish	Please could the rubbish be removed by Fold Croft bus stop – near 105-Fold Croft.	CH61713530 – All items were removed on 10/11/2017 at 8:30 a.m.	Email sent 13/11/17
Cllr Mike Danvers	09/11/17	09/11/17	23/11/17	Repairs and Maintenance – Electrical	Garage light next to 1 East Park is not working.	CH61725185 – A job ticket was raised on 10/11/17 under job reference 954259. This has been raised under an urgent priority and we aim to complete this by the end of the week (17/11/17).	Email sent 13/11/17
Cllr Nick Churchill	09/11/17	09/11/17	23/11/17	Cleansing & Environment – Dog bins	Dog waste bin near the Broadley Road Paddling Pool has been destroyed by youths and bags of waste have been spread around the location.	CH61715325 – The area was cleared on 07/11/17 and a new bin will be installed week commencing 13/11/17	Email sent 13/11/17

Councillor	Date received at HDC	Date received in admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Maggie Hulcoop	13/11/17	13/11/17	27/11/17	Repairs and Maintenance – Roofing	192 Carters Mead – Resident is enquiring about the time factor on removal of wasps next before work can begin on drainage in same area can begin.	CH61924561 – The blocked guttering at the rear of the property was cleared on 30/10/17.	Email sent 14/11/17
Cllr Tony Edwards	06/11/17	06/11/17	20/11/17	Repairs and Maintenance – Glazing	A pane of glass at the front entrance to the bloc 304 Barn Mead is badly cracked and held together with Sellotape.	CH61513525 – A job ticket has been raised under job reference 954625 on 14/11/17. This has been placed on a standard priority (20 working days).	Email sent 14/11/17
Cllr Simon Carter	09/11/17	09/11/17	23/11/17	Parks and Landscapes – Playground Maintenance	There is a dirty sign at Kiln Lane play area which needs attention.	CH61734028 – The sign has been inspected and the team have attempted to clean the sign although some marks could not be removed. The sign will be replaced should the playground be refurbished at any point in the future.	Email sent 15/11/17
Cllr Mark Ingall	14/11/17	14/11/17	28/11/17	Repairs and Maintenance – Electrical / Sub Contractor	The intercom is not working properly at Nicholls Tower.	CH61976748 – A job ticket was raised on 09/11/17 under job reference 954055. This was passed to our contractors 'OpenView' on 14/11/17 to attend and rectify the fault as soon as possible.	Email sent 15/11/17
Cllr Mark Ingall	13/11/17	13/11/17	27/11/17	Repairs and Maintenance – Electrical / Sub Contractor	The entry system for Nicholls Tower is broken and causing a security risk.	CH61976748 – A job ticket was raised on 09/11/17 under job reference 954055. This was passed to our contractors 'OpenView' on 14/11/17 to attend and rectify the fault as soon as possible.	Email sent 15/11/17
Cllr Jean Clark	14/11/17	14/11/17	28/11/17	Cleansing and Environment – Street Scene	Resident is concerned at the lack of maintenance in the Wooding Grove area. Rubbish has accumulated for months and there was one road sweeper but has not been seen for some time.	CH62010764 – The area was last swept six weeks ago and the crew will be in the area again on 21/11/17 which is slightly later than usual due to leaf fall in other areas. We were unaware of the dumped rubbish and would recommend that residents report dumped rubbish to Harlow Council on 01279 446655.	Email sent 16/11/17

Councillor	Date received at HDC	Date received in admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Nick Churchill	15/11/17	17/11/17	29/11/17	Cleansing and Environment – Dumped Rubbish	On the footpath, next to slope leading to 206 Brockles Mead there is some dumped rubbish.	CH62078576 – All items were removed on 16/11/17.	Email sent 17/11/17
Cllr Eddie Johnson	15/11/17	15/11/17	29/11/17	Repairs and Maintenance – Fencing	There is a vandalised wooden fence in Old Orchard. There is only one entrance / exit into the top part of Old Orchard and the vandals used to go down the lane between the back of Old Orchard properties and Abbotsweld School. Please can the fence be reinstated ASAP as residents are worried about vandalism.	CH62084974 – A job ticket has been raised under Call ID 955803 for an inspection to be carried out. This work has been placed on a planned priority which means it can take up to and including 52 weeks although this is rarely the case.	Email sent 22/11/17
Cllr Karen Clempner	20/11/17	20/11/17	04/12/17	Parks and Landscapes – Grounds Maintenance	When will the hedges in Barn Mead by the Salvation Army will be cut. Is there a date in the winter programme? Also, when will the edge by 180 be cut. The resident of 179 also advises that the moss has not been scraped off the path yet?	CH62372629 – We are unable to provide exact dates as these can change according to weather and other variables. Our winter programme moves from area to area and we are unable to ‘jump about’ as this reduces effectiveness. We expect to be in Barn Mead towards the end of the winter programme late February / March 20178 and all hedges on contact will be cut now. The moss (which is outside our scope of works) is being done as a one off and is programmed for this week, I am sorry for the delay. All hard surfaces have been sprayed as per our contract, but moss is particularly resistant.	Email sent 23/11/17
Cllr Nick Churchill	20/11/17	20/11/17	04/12/17	Parks and Landscapes – Trees	There are cherry trees overhanging the footpath next to 154 Hull Grove. Resident reports that part of the tree is dying and shedding branches. Please remove deadwood.	CH62362665 – The cherry trees will have the deadwood removed and a crown lift of 2.5 metres within 80 working days. New enquiry CH62532752.	Email sent 23/11/17

Councillor	Date received at HDC	Date received in admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Joel Charles	20/11/17	20/11/17	04/12/17	Parks and Landscapes – Trees	Please could the large sycamore tree be attended to near 69 the Oxleys.	CH62365262 – We will arrange to sever the ivy to increase the light penetrating the crown within 80 working days. New enquiry CH62533069.	Email sent 23/11/17
Cllr Mark Ingall	20/11/17	20/11/17	04/12/17	Parks and Landscapes – Grounds Maintenance	Bushes outside 75 & 77 Hookfield are very overgrown, please can they be trimmed back.	CH62359669 – The brambles will be cut by the end of November and the shrub bed will be stooled on the winter programme which runs until March 2018.	Email sent 23/11/17
Cllr Bob Davis	28/11/17	28/11/17	12/12/17	Parks and Landscapes – Grounds Maintenance	Please can the hedges be cut in front of the houses in the region of 209 Ladyshot and behind the houses.	CH2890759 – This work will be carried out in our winter programme which runs until the end of March 2018. I am sorry that I cannot give a precise date for this work to be carried out.	Email sent 29/11/17
Cllr Nick Churchill	20/11/17	20/11/17	04/12/17	Parks and Landscapes – Grounds Maintenance and Tree works	Please can the hedge be cut back at the rea of 10 and 11 Taylifers. Also, can the tree be crowned to allow light into the path.	CH62364592 – We have attempted to cut the hedges previously, although with cars parking in front of the hedge it was making access an issue. However, the hedges were cut on 28/11/17. The tree will have the lowest secondary branches removed within 80 working days.	Email sent 29/11/17
Cllr Simon Carter	17/11/17	17/11/17	01/12/17	Parks and Landscapes – Grounds Maintenance	Please can the hedge be cut on the footpath on Edinburgh Way	CH62211409 – SP has advised that this is the responsibility of the company adjacent. She believes it has been passed to Essex County Council in the past but it is not part of the adopted footpath. It shows clearly on the community maps as the responsibility of whoever is in the unit. Harlow Council can serve an overhanging vegetation notice and SP has passed this via email to WH at HDC.	Email sent 29/11/17

Councillor	Date received at HDC	Date received in admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Nick Churchill	26/11/17	27/11/17	08/12/17	Cleansing & Environment – Dumped Rubbish	Dumped rubbish on grass next to bin compound near to 270 Brockles Mead.	CH62752160 – All items were removed on 27/11/17.	Email sent 29/11/17
Cllr Nick Churchill	20/11/17	20/11/17	04/12/17	Repairs and Maintenance – Fencing	Car park opposite 77 Hull Grove – boundary rail has been demolished. Car park opposite 103 and 164 brick water tap surround damaged beyond repairs and needs removing.	CH62361636 – a job ticket has been raised under job reference 956864 and placed on a planned priority which means it can take up to 52 weeks although this is rarely the case.	Email sent 29/11/17

Appendix (b): Analysis of reasons for Upheld complaints

Housing	Communication			Conduct			Delay/Time Scale Not Met			Missed Appointment			Policy			Quality of Work			Total
Stage	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	
Capital & Third Party	1																		1
Response Repairs & Voids	5						5	2		3	1								16
Technical Services																			
																			17

Environment	Communication			Conduct			Delay/Time Scale Not Met			Missed Appointment			Policy			Quality of Work			Total
Stage	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	
Mobile Cleaning																1			1
Parks & Landscapes	1																		1
																			2

REPORT TO: SHAREHOLDER SUB-COMMITTEE

DATE: 16 JANUARY 2018

TITLE: DEVELOPMENT AND IMPROVEMENT PLAN
– CASE STUDIES

LEAD OFFICER: ANDREW MURRAY, HEAD OF HOUSING
(01279) 446676

RECOMMENDED that:

A The Sub-Committee notes the report.

BACKGROUND

1. HTS (Property and Environment) Ltd (HTS) was established to deliver repairs and environmental maintenance services previously carried out by Kier Harlow Ltd.
2. In setting up a Local Authority Trading Company (LATC), the Council has created a business that can generate income for the Council, trade externally, realise efficiencies and deliver core services to a high standard. The Business Plan and Balanced Scorecard, outlining priorities for delivery were approved in November 2016.
3. Within the Balance Scorecard, HTS committed to deliver cashable and non-cashable year on year efficiencies as part of their development and improvement planning. In order to demonstrate this, a number of case studies have been developed to illustrate the activities and achievements. These are outlined in Appendix A.
4. HTS will continue to develop and update case studies in line with organisation and Council priorities.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

As contained within the report.

Author: **Simon Freeman, Head of Finance**

Housing

As contained within the report.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Amanda Julian, Legal Services Manager, on behalf of Brian Keane, Acting Managing Director**

Appendices

Appendix 1 – Case Study Covering Report

Appendix A – Case Study – Improvement and Efficiencies

Appendix B – Case Study – Fleet Strategy During Mobilisation

Appendix C – Case study – Generating Extra Income from Assets

Appendix D – Case Study – Purchase of Green Fleet

Appendix E – Case Study – Local Employment and Support

Appendix F – Case Study – Business Certification and Accreditation

Background Papers

None.

Glossary of terms/abbreviations used

None.

Report of:		Title:	
Neil Rowland		Commercial Director	
Name of Meeting:	Date of Meeting:	Agenda item:	Status:
SSC	18th January 2018	Balance Scorecard	Information

Proudly serving Harlow

Subject of Report – Case Studies associated with Balance Scorecard

1. Synopsis

Within the Balance Scorecard HTS committed to deliver the following:

Financial Performance - Deliver cashable and non-cashable year on year efficiencies

Culture – Illustrate an innovation driven and entrepreneurial culture

In order to achieve this, we have started to illustrate the activities and achievements we have made in more detail by developing case studies.

2. Report

Financial Performance

Previously a list of activities with no detail of the amount of efficiencies achieved, we have now developed a detailed case study that provides an in-depth view of work that has been carried out to date, including an analysis of the savings and benefits this has provided to HTS and HDC.

Culture

Initially we have prioritised and completed the following case studies:

- Business Certification & Accreditation
- Fleet Strategy
- Generating Extra income from Assets
- Green Fleet
- Local Employment & Support

These initial case studies highlight the significant progress HTS has made in these areas and provide the detail of how we have achieved them and the subsequent benefits to HTS, HDC and the people of Harlow

3. Conclusion

HTS will continue to develop and update case studies in line with requirements.

The afore mentioned case studies are enclosed for review and these will be followed with:

-

- Fleet management - incorporating new technologies introduced such as trackers and fleet management system, renovation of fuel pumps and fuel savings, work to HDC vehicles and maintaining HTS fleet of vans and plant.
- Succession Planning
- In house stores relocation via Jewson's Contract
- IT Software and Hardware – Callsys, Sage Accounting, new hardware
- Refurbishment of Mead Park

How have we changed?

Since our launch on 1st February 2017, we have invested in a range of improvements that we believe demonstrate the true nature of our business and define the culture at HTS Group.

Our main drivers have been:

- to serve the local community of Harlow
- to drive cost savings, investments and culture change across our organisation to ensure its long term success, and to support our client – Harlow Council.

We are excited to share these developments with you.

Serving the local community

We are on target to meet our goal of investing 500 working days in Corporate Social Responsibility (CSR) activities – the equivalent of £60,000.

Local Charities: As a Harlow based company, we are passionate about supporting local charities. This year, we have been raising money for St. Clare Hospice in Harlow – a charity that was chosen by HTS Group staff.

We have also donated labour and vehicles to support several local charity events this year. This has included putting up barriers for bonfire night and the Christmas Coca Cola truck, litter picking, moving furniture between venues and opening/closing toilet facilities for various events.

Local Business: We make our services available to local community organisations such as schools and Princess Alexandra Hospital, who benefit from our experience and knowledge of housing repairs and maintenance, capital and planned works, facilities management, environmental and compliance services.

We have implemented a strict policy to ensure all suppliers are paid on time - the majority of our suppliers are from the local area, and we believe this approach is important, not only for our ongoing relationship with them, but also for the benefit of the local community.

One of our goals is to employ locally, and all our apprentices come from Harlow College.

> £8,000 raised

by HTS Group in 2017 for



HTS Group fund raisers handing over a cheque for £5,000 to St Clare Hospice

£100,000

Will be donated by HTS Group towards next year's environmental services in Harlow, including grass cutting, weeding and strimming



Local Education: We have made a number of donations to Harlow College for students to benefit from as they study. Donations include vans, mowers and a sweeper. This machinery is even being used by students to maintain the college grounds!

In 2018, HTS Group directors Tim Page, Alex Morris and Stella Dunlop will be working in three local schools to provide careers advice and promote careers for women in the housing and building industry.

Our Apprenticeships programme has already taken on six people, with four more to come in 2018. Our partnership with Jewson will see them add another two.

Environmental Task Force

We have a team of staff with learning disabilities that are permanently employed at HTS Group. We're pleased to offer our ETF employees a range of opportunities and support they may otherwise not have received



HTS Group donating vehicles to Harlow College

140 students

in our annual work experience programme



10 apprentices

planned placements 2017-18



Investing in our future

Since the beginning of the year, we have been investing in our company, and implementing revenue generation schemes to benefit the organisation.

Our investments include:

- £563,600 over 33 months for new fleet vehicles
- £160,000 in improvements to our office internal layout to support our employee culture and experience
- £100,000 in branded PPE & uniforms
- £70,000 in new power tools
- £18,000 in new petrol fuel tools for ground maintenance
- £5,000 in in towers, cement mixers and generators, saving on long term hire costs
- £4,000 in a vehicle diagnostic instrument, massively reducing ongoing service costs
- We have invested in a new compactor that has enabled us to improve our recycling volume to about 65% of our total waste

We are also successfully leasing space to Jewson and Kier at the following rates:



Rent: £52,100 per annum
Service charge: £24,100 per annum

79



Rent: £18,800 per annum
Service charge: £10,000 per annum

As part of our contract terms with Jewson, they have agreed to contribute a proportion of their turnover to CSR initiatives on our behalf, and up to a total possible value of £14,000.

Savings

Over the past year, we have worked hard to reduce unnecessary costs or outlay. Examples include:

- Replaced a deal that was costing HTS Group £10,000 per annum for vending machines. Our new onsite coffee and snack machines are now free of charge
- We now recycle mattresses by breaking them down and recycling individual parts – at around 180 mattresses a month that previously cost us £10 each to dump, the savings are on-going
- Our approach to fuel purchasing has completely changed – where all drivers previously used fuel cards, they now purchase fuel at our on-site fuel pumps at approx. 20% lower cost. We are also able to provide our green fleet with red diesel, which we can source at around 75% cheaper than our previous supplier



240

mobile phones and PDAs purchased
free for staff to use outside of the office

£160,000

invested in our offices, with new meeting rooms, chill-out areas, kitchens and improved outside areas



We've made a major investment in IT with upgrades to Windows 10, Office 365, servers, cabling & networking

Improving our organisation

We have been enthusiastic about improving the culture of our company. From enhanced T's & C's, to internal promotions, from investment in our building, to improved communications, we are developing a better workplace experience for our people. The previous £1.4m in organisational overhead now benefits the local community and local people.

Our trimmed management team is keen to ensure vacancies are filled from within and all internal applicants are now interviewed. In 2017, around 12 people have been promoted internally.

As part of our new organisation, we had to introduce three new in-house departments before launch:

Finance: We can now react to personnel needs quickly and efficiently, for example over the holiday period, we paid both December and January wages early.

HR: Moving all HR systems in-house has allowed us to work with local recruitment agencies and develop effective local policies and procedures.

Health & Safety

our new SHEC department can operate much more flexibly than was previously possible while still complying with all H&S legislation. With a less regimented approach, they can apply H&S compliant practices to the specific needs of our own local service delivery.

Other organisational changes include:

- A rolling plan to align all staff into the pension scheme
- Standardisation of staff T's & C's
- Improved holiday pay for all personnel – based on the previous 3 months, pay is calculated on the number of hours worked – and HTS Group foot the bill
- Improved staff communications with newsletters, briefings and a move towards a change in culture of collaboration and togetherness

01/02/2018



At our launch anniversary we are planning a staff award ceremony to recognise & reward our people

25%

Discount voucher for all staff for Jewson builders merchants



£40,000

HTS Group contribution to improved holiday pay for all personnel



Working with our Client

As well as providing our services to Harlow Council, we also purchase services from them that we are unable to deliver in-house. These services include:

IT Services
@ £128,904 per annum

Insurance
@ £70,105 per annum

81

This approach benefits Harlow Council by:

- Creating efficiencies
- Providing revenue

... and it benefits HTS Group by:

- Removing any outsourcing requirements
- Helping us to build on our close relationship with the Council

Where we can, we invite Harlow Council staff onto our Health & Safety courses free of charge. For example if we have five free spaces on a course of 15, we offer them to Harlow at no cost. These savings benefit the Council and also further support our on-going relationship.

As a Local Authority Trading Company (LATC), HTS Group was formed by a loan from Harlow Council. As we pay this money back to the council at £20,000 per month, they are making approx. 3.5% based on lower interest payments, or around £46,000 per year.

Members of Harlow Council visiting the HTS Group Head Office at Mead Park



£10,405 saved

by Harlow Council on H&S training courses provided by HTS Group

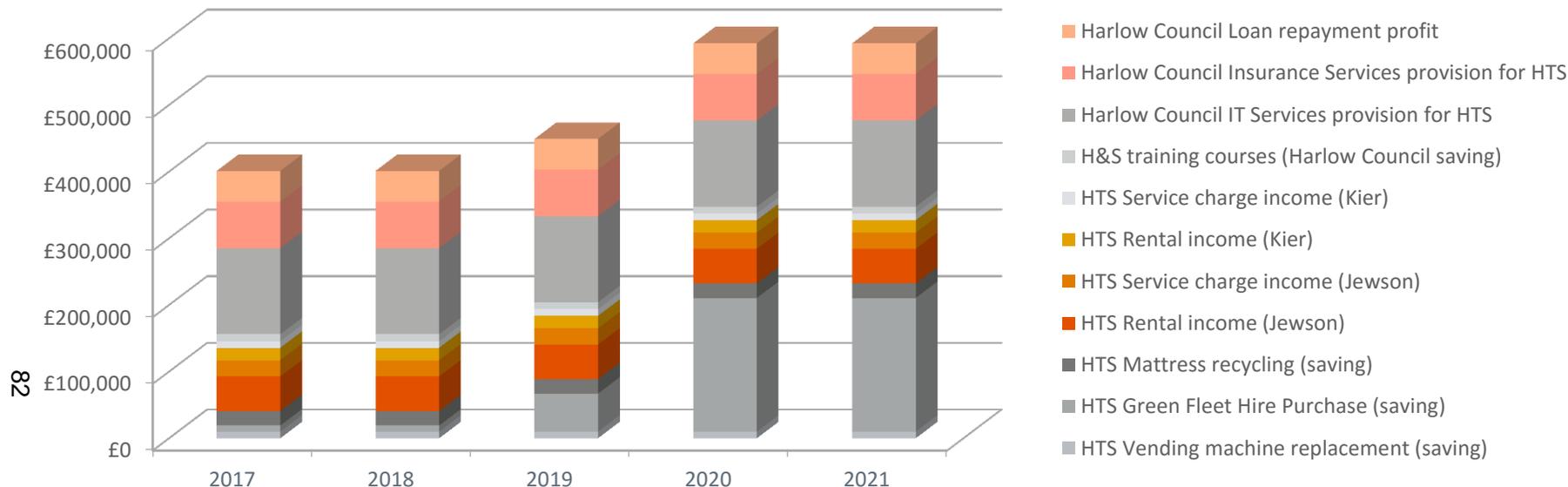


Harlow Council
Working together for Harlow

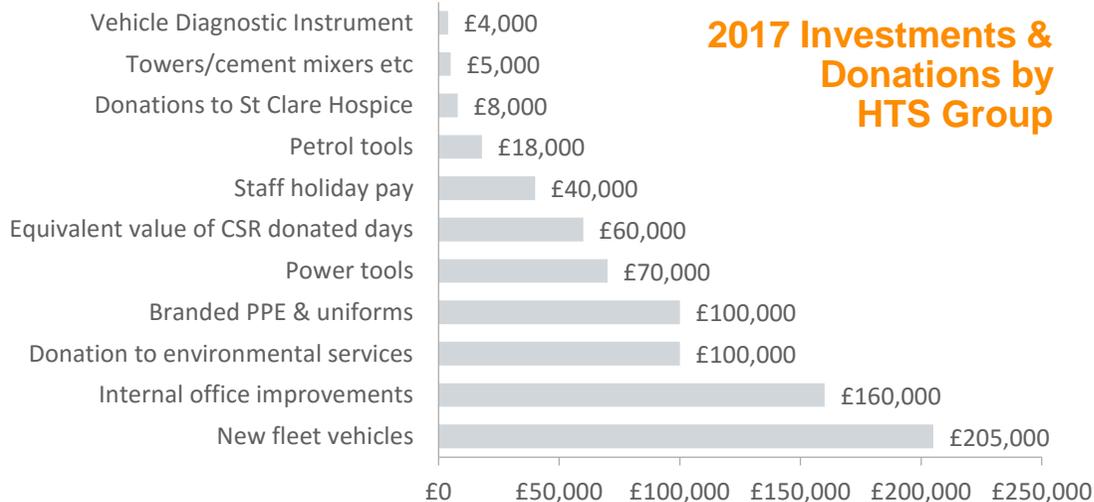


HTS Group
HTS (Property & Environment) Limited
• Proudly serving Harlow •

Savings/Income - HTS Group & Harlow Council



2017 Investments & Donations by HTS Group



Non-cashable Efficiencies

- Supporting local events
- Providing services to local organisations
- Policies to employ locally and promote internally
- Donations to Harlow college
- Careers Advice days in local schools & work experience
- Comprehensive Apprenticeship programme
- Environmental Task Force employing staff with learning difficulties
- Mobile phones for all staff
- IT upgrade for servers, cabling and network
- New internal departments for Finance, HR and H&S
- Range of organisational improvements including T's& C's, pensions, staff communications, rewards and recognition

Our objectives

For the launch of HTS Group on 1st February 2017, it was apparent that much of our fleet needed to be upgraded or replaced. The previous approach had been to run vehicles into the ground and this had resulted in a number of old or unreliable vehicles that had not been looked after and did not present a good impression of our company.

Our approach was to implement a programme that would mean our fleet would:

- Deliver savings to the Council
- Be in good working order and fit for purpose
- Carry HTS Group branding
- Have fast and efficient access to fuel and servicing
- Be well managed and offer data transparency for Harlow Council, HTS Group management and other stakeholders

Aligning to our values

Determining our fleet policy, we made sure we lived by our values and strategy of 'Proudly serving Harlow'. It was important to us that we introduce a fleet of vehicles that were high quality, while offering value for money, that demonstrated the professional nature of our organisation, and that could be relied upon for a number of years.

Our approach

We reversed the previous strategy of hiring/long-term leasing the majority of vehicles and decided to purchase where possible. Vehicles are now replaced on a managed approach, and in January 2018 we will further develop the 5-year forward plan for the entire fleet management.

Working with senior Council members and their procurement department, and managed by a project team that included Martin Bytner, Neil Rowland, Steve Ward and Alex Morris, the programme was planned ahead of HTS company launch.

61

Vehicles purchased from Arval (previously on long-term lease) with full service history



69

New vehicles leased from Alphabet that were previously spot-hires or leased – all with 2017 plates



34

Owned vehicles with 2005 plates or older will be replaced over time



The programme delivered:

- Launch of our on-site fuel bunker, subsidised by Harlow Council; development of our on-site garage with two Mechanics and an Apprentice
- Purchase of a 'Snap-on' diagnostic computer, to evaluate vehicle systems,
- Trackers fitted in all vehicles, supporting safer driving habits, driver education, 'good driver' league tables, journey data
- Full re-branding of every HTS Group vehicle
- On time delivery of all vehicles, including one temporary leased green fleet vehicle until the new tractor was available
- Involvement of local businesses - we now work with the highest quality, best value and most reliable local suppliers and our on-site stores have been rationalised
- Implementation of a new Fleet Management System offering a complete record of every vehicle
- Training courses for all drivers

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Programme benefits

The key benefits to HTS Group of this programme have been cost control, reduced bureaucracy around the procurement process, improved fleet efficiencies and full transparency on all fleet data and records. Additionally, forward planning for future requirements means that the approval process with Harlow Council will become faster and easier.

Additional benefits include:

- MOT Pass rate of >90%
- Ability to respond to all vehicle enquiries, e.g. CO₂ emissions or fuel consumption
- 2 team members have joined the Chartered Institute of Logistics & Transport
- Use of our garage by council and third party vehicles
- We gifted 4 ride-on mowers, a sweeper and two vans to Harlow College for use by their students
- Better treatment of the fleet by our drivers



Two members of HTS Group have joined the CILT with access to libraries, knowledge and training

£4,000 invested

in a diagnostic computer to reduce servicing costs



Entrepreneurial Approach

In finding the best ways to deliver services to customers we have a flexible strategy. We identify opportunities to strengthen the impact we have as a local company, and this includes making the best use of our business assets.

Leasing Premises to Partners

When we started up in February 2017 we conducted a space planning exercise. This worked out the space we would need for our business, as well as surplus space which we could rent out to other businesses with whom we collaborate.

Jewson and on-site Stores: We knew we needed a supply chain partner to provide materials for our housing repairs and maintenance services. We used a tendering process to secure best value, which was won by Jewson. Jewson then needed an on-site supply base and we negotiated a deal to provide this space.

The deal with Jewson provides great value for HTS in the following ways:

- Jewson pay rent £52,100 per year to HTS, which is additional income for us
- Jewson's service charge payments to HTS for utilities etc bring in another £24,100 per year
- Jewson committed to funding 2 additional Apprenticeship places
- 1% of Jewson's turnover with HTS will be used to support CSR/community projects once our spend reaches £1.4m per year

Added value from this partnering arrangement also includes:

- An efficient on-site supply base for HTS trades teams
- A supplier who stocks the right products – supporting our front line services and 'right first time' approach
- Joint working between both HTS and Jewson Buyers' teams, to get the best value for HTS
- Working together on back office efficiencies to reduce overhead costs

£76,200

Additional income to support HTS services



Free

Supply of Toolkits for HTS Apprentices from Jewson



£14,000

To be allocated to local community projects



Kier office rental: Former Harlow partner Kier stayed on good terms after their contract ended, and we agreed to rent them a set of refurbished offices for 2 years. The benefits for HTS are:

- £18,800 per year in rental income
 - £10,000 per year in service charge income
- 08 Use of HTS assets to generate extra income
- Office assets kept in good condition
 - Another business retains a base in Harlow and employs local people

St Clare's Hospice: We work closely with this local charity, and they need storage space for donated goods before they can be placed in their charity shops. HTS and St Clare's are now discussing how we can allocate a separate storage area for them to use. They would pay HTS for use of this space, and we will offer them a preferential rate so that they save money compared to other options.

- This would directly support St Clare's fundraising work
- It will provide them with secure storage
- It will bring in further additional income for HTS
- It would add to the strong and supportive relationship between St Clare's, HTS and the local community

£28,800

Additional income to support HTS services



Our objectives

Before the launch of HTS Group, the green fleet had been leased every year. With no long term investment and an ageing, uneconomical fleet the existing green fleet was being run into the ground.

Our objectives for a new fleet needed to be forward thinking and long term.

We needed to secure a high quality and reliable green fleet that would be cost effective and fuel efficient.

The new fleet programme would also need to:

- Deliver savings over the previous green fleet programme
- Have latest technology to ensure low emissions
- Run efficiently on the latest and cleanest diesel
- Include an externally run training programme for all drivers/operators
- Introduce tracking devices into all vehicles to improve driving standards

Our approach

We negotiated a 33 month lease/purchase programme with Tuckwell Ltd. for 27 tractors, hedge trimmers, mowers and shredders. Tuckwell Ltd. is a reputable dealer that offers a range of high quality brands including John Deere, Yamaha and JCB.

The deal included a 24% discount on RRP and monthly payments of £200,862 – an annual reduction of £9,138 over previous costs.

After 33 months: we will own the fleet and continue to maintain the vehicles, replacing them as required.

After 5 years: the vehicles will be written off but retain some residual value which we will use as down payment to reduce the monthly rental on replacement vehicles.

All vehicles were obtained in time for the start of the cutting season in the second week of March, including the used of a borrowed tractor for an interim period at no extra charge.



£174,902 discount

negotiated with Tuckwell Ltd.
on new green fleet



£476,257 saved

over 5 years compared to
previous lease programme



Managing the programme

The successful rollout of the 3-year programme has included:

- Phase 1 to address priority needs, and Phase 2 that will address ongoing requirements in line with the available budget
- Improved approach to the management of vehicle servicing. No longer based on how long the vehicles have been owned, our updated servicing plans reflect the number of hours a vehicle has been in use
- In-house servicing includes warranty services which are charged back to Tuckwell Ltd. Our on-site mechanics have been fully trained to maintain the green fleet models
- Vehicles are over-wintered on-site and under cover, where they are maintained until the new cutting season
- On-site fuelling with red diesel at 75% cheaper than standard diesel

Benefits

Our green fleet programme has:

- Enabled us to have full cost control over the fleet purchase and ongoing costs
- Provided transparent vehicle usage data due to on-board tracking devices, and full vehicle management records
- Improved reliability of green fleet and associated services for Harlow Council

6 months

period of daily use of green fleet during summer cutting season



8

number of times grass areas require cutting every year



Focus on Local People

HTS was set up to provide high quality services to local people, and to ensure that we support the success of the Harlow community by providing work opportunities, skills and learning.

The positive impact we have on people is as important as the services we deliver, and our Apprenticeship, Work Experience and supported employment programmes are central to our values as a local company.

HTS Apprenticeships Programme

We have an ambitious Apprenticeship Programme for 2017-18, with a target of 10 apprentices in place during this period. By December 2017 we had already filled 6 of these places, and the other 4 will be filled during 2018. The Apprenticeships are in all of our business areas: Trade skills, Electrical, Transport, Business Support, Finance, and HR.

Each one will complete a full Apprenticeship, gaining the qualifications, knowledge and experience they need to excel at their job and move into permanent employment. Our strong working relationship with Harlow College means that their study and qualifications will be carefully managed, as well as their work in our teams. They will be able to develop successful careers, and are part of our strategy for our future workforce. Each of our Apprentices has been recruited because of the enthusiasm, determination and potential they have shown; we are excited and confident that they will succeed.

Apprenticeships through our supply partnership with Jewson

In addition to our own programme, we have agreed with our supply partner Jewson that they will also fund an extra 2 Apprenticeships through the money we spend with them in 2018.

6 Apprentices

recruited in 2017



Our first 6 Apprentices, backed up by HTS Board Members, Harlow Council colleagues and Managers

4 HTS + 2 Jewson Apprentices

due in 2018



Work Experience Programme

During 2017 we set up a large programme of Work Experience placements. This provides important experience and learning for target groups in our communities, supporting their progress to permanent employment:

- 18-19 year olds at college
- Mature adults
- 15 year olds from local schools

Working with Harlow College, we set up a programme for 2017-18 offering 137 work placements.

We take 4 per week, spread across our four departments, and include mature students as well as 18-19 year olds.

For local schools we provide 30 work experience placements during the summer term, each one for 30 hours during the working week.

Corporate Social Responsibility

Schools' outreach: our programmes with local schools provide 'mock interview' sessions with students to help them prepare properly for job interviews. HTS Directors work with school management staff, to help them understand and engage with local business. We tour local primary schools, giving talks to the children about the dangers of building sites – over 1,000 children were included in a 10 day period.

Staff volunteering: our staff donate their time to support and organise events and programmes with local schools, community groups and charities.

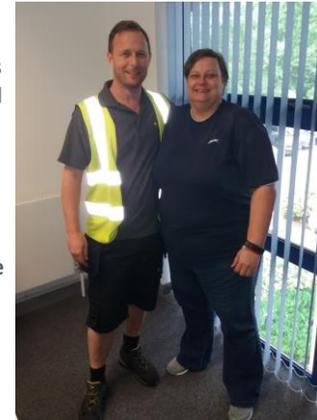
'Disability Confident' employer: we have achieved Level 2 status for this accreditation, providing building access, JobSearch, Apprenticeship places, counselling services and maintaining our Environmental Task Force team. We provide supported employment for people with disabilities.

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Work Experience Placements



Tony Luck was working as a Carer while trying to complete his qualifications as an Electrician. He approached HTS when he was struggling to find a work placement to complete his qualifying hours. We saw his talent and took him on as mature student, placing him with one of our experienced Electricians. Tony quickly repaid our belief in him - on one job he was at the home of an elderly tenant who was ill and collapsed; he used his Carer skills to help her until medics arrived. Tony has now qualified and is one of our full-time Electricians



Electrician Tony Luck, with his Team Leader Jackie Kennedy



Professional Services for our Customers

Our aim is to provide our customers with the best possible services in terms of safety, quality, compliance and protecting the environment.

Our Safety Health Environment & Compliance (SHEC) Manager Stella Dunlop says: *“We made it a priority during 2017 to ensure that our services met recognised standards, so our customers can see that we take their safety very seriously, and our employees know that they are part of a professional organisation”.*

Certifications & Accreditations achieved

CHAS 18001: for health and safety management, to protect our customers, employees and the public.

ISO 14001: for our environmental protection measures, ensuring that we minimise the impact of our work on the local environment.

ISO 9001: to quality assure the standard of work we deliver.

Gas Safe: making sure that our work with gas fittings in homes is safe as well as effective.

NICEIC: ensuring that our electrical works provide the right standard of safety and quality.

Carrying the Standards into Homes

We make sure that these high standards are delivered every day in customers’ homes through the way our teams are organised and managed.

- All employees receive our SHEC Information Folder, to guide them with the right approaches and procedures
- Our employees receive training in the safety, environmental and quality control procedures and checks
- Our supervisors and managers carry out checks and coach our front line staff
- Communication to employees through monthly Toolbox Talks to maintain their awareness and enable them to make suggestions or raise issues
- Subcontractors are required to comply with our standards, and are offered free places on training courses
- Our senior management and Board monitor our performance standards
- Our specialist SHEC staff carry out audits to check that the procedures controls are used properly

Additional Safety Awards



SHEC League Table

and Trophy
for best performing team



100%

Gas compliance
(annual servicing
completed)

