

HIGH PEAK BOROUGH COUNCIL

Report to the Housing Select Committee

19 November 2015

TITLE:	Gas Servicing and Maintenance 15/16 &16/17 Performance Report
EXECUTIVE COUNCILLOR:	Executive Councillor for Community Services
CONTACT OFFICER:	Paul Hare – Assets Manager

Appendices Attached None

1. Reason for the Report

1.1 Following the award of the Gas Servicing and Maintenance contract to Liberty Gas Services Ltd which was approved by Committee in February 2015. The purpose of this report is to inform the Committee on the subsequent performance results. Noting the procurement makes provision to extend the agreement to a third year 17/18 and that this will be subject to performance and to suit the future strategic needs of the Council.

2. Recommendation

2.1 Members are requested to note the contents of this report.

3. Executive Summary

3.1 This report relates to the undertaking of servicing, maintenance and one off type replacements to the domestic gas appliances, the larger commercial units located at the sheltered schemes, solid fuel appliances, TMV (blending valves) in sheltered schemes, ground source heat pumps and properties that currently have no gas supply.

3.2 This report sets out in summary a review of customer care, legally required services and outline financial performance as a result of the new contract.

4. How this report links to Corporate Priorities

4.1 This report supports the priority of providing good affordable housing and providing value for all of its services.

5. Options and Analysis

- 5.1 There is an option to extend the procurement to cover a third year subject to strategic fit with future Council policy and satisfactory performance.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

There are no specific community safety concerns

6.2 Workforce

There are no specific workforce implications

6.3 Equality and Diversity/Equality Impact Assessment

The report has been prepared in accordance with the Council's Diversity and Equality Policy

6.4 Financial Considerations

There are no financial considerations and all works will be financed through the programmed works and cyclical maintenance budgets 15/16, 16 /17 and if required 17/18.

6.5 Legal

The contract was executed under a JCT Measure Term Contract 2011.

6.6 Sustainability

There are no specific sustainability issues

6.7 Internal and External Consultation

The capital programme was subject to consultation with the tenant scrutiny panel and also has been previously reported to the Housing Select committee on the 13th February 2014, agenda item 9.

6.8 Risk Assessment

The CDM 2015 regulations apply to the contract and a CDM advisor is providing H&S assurance and advice as required. Servicing is subject to an ongoing 10% external audit via specialist gas services auditors Icon to offer further compliance assurance.

Dai Larner

7. Background and Detail

- 7.1 Councillors will be aware of the Gas Servicing and Maintenance contract, which was reported at the Housing Select committee on 19th March and subsequently approved for award at the Executive meeting on 26th March 2015.
- 7.2 The gas servicing and maintenance contract carries out an estimated 4,332 services to 3,697 properties on a rolling 10 month cycle. The contract also installs new boilers and central heating systems in response to failures or systems at the end of their lifespan. Gas safety in Council-owned homes is a major issue for the Council as failures in this service are considered a threat to life and property.
- 7.3 In 2013/14 the Council were failing to meet its targets and incurring significant unnecessary costs due to contractor-led replacement of failing boilers as a result of insufficient contract management procedures.
- 7.4 Compliance of the contract prior to May 2014 was inconsistent and contract management was poor. This resulted in poor achievement against performance indicators. The main factors that contributed to this were the Council's: -
- Limited understanding of The Gas Safety (Installation and Use) Regulations
 - Poor understanding of the framework agreement
 - Incorrect version of the framework agreement being used
 - Landlords gas safety records being destroyed
 - Poor contract management
 - No gas safety policy or procedure
 - Meetings not being held with contractor to discuss performance and manage risks
 - Independent auditors requested not to attend meetings
 - Fusion 21 framework managers requested not to attend meetings
 - Performance not proactively managed
 - Poor information on services outstanding, services due by month
 - Duplicate services completed following new installations resulted in added costs
 - Poor use of contractors and HPBC It systems to manage the service.

- 7.5 In response to this performance a review of the contract was undertaken which identified 15 areas of improvement resulting in an immediate action plan implemented in June 2014 to establish robust contract management processes and evidence to support compliance and key performance indicators. The following changes were introduced following the review: -
- ✓ Relationships re-established with Fusion 21
 - ✓ Correct version of framework agreement obtained and briefed to team
 - ✓ Records kept on all services and cross checked
 - ✓ Draft policy and procedure written and staff briefed
 - ✓ Introduced daily monitoring of no access on contractors system and cross referenced with Keystone.
 - ✓ All no access addresses highlighted on a no access board in the main office
 - ✓ Information on properties where the contractor was finding it difficult to gain access shared with other teams to increase options to gain access.
 - ✓ Weekly and monthly meetings resurrected with contractor
 - ✓ Contract meetings agenda and membership agreed
 - ✓ All meetings diarised in staff calendars
 - ✓ No access letters and processes reviewed with the contractor
 - ✓ Daily servicing report introduced with contractor
 - ✓ Servicing dates changed on new installs
 - ✓ Contractor's supervisor attend weekly meetings at the Furness Vale offices
 - ✓ Fusion 21 framework manager now attend monthly meetings
 - ✓ Complaints, compliments and feedback discussed at monthly meetings
 - ✓ Key performance indicators discussed at monthly meetings
 - ✓ Senior managers of contractor attend monthly meetings
- 7.6 Following the implementation of that review, performance increased with 100% of properties having a valid gas safety check certificate in June 2014 and this level of performance has been maintained at 100% every month thereafter.
- 7.7 The recommendations included the secondment of gas qualified repairs team operatives to the gas contract to mitigate the risk and administrate the contract effectively. This staff resourcing has been maintained to support and

implement the new contract.

7.8 The new contract has now been followed by the implementation of a detailed Gas Policy and supporting guidance / procedures.

8.0 Performance

8.1 Members are asked to note that to complement the new contract with the continued deployment of the in-house engineer, significant savings have been achieved. By comparison with same period in the previous financial year and before the contract management changes, the number of boiler failure referrals totalled 257 installs at a cost of £463,345. The total number of full installations in the twelve months since the changes total 127 at a cost of £257,625. This represents an operational saving of £205,720 to the Housing Revenue Account.

8.2 Standards of work have also improved with fewer faults found at internal and external audit.

8.3 The secondment of HPBC staff that are qualified in gas safety allows for a better challenge to the findings of the contractors service engineers. It also helps to determine the extent of repairs and now results in post inspection of all installations. There has been tighter project management and a closer working relationship, with the both the management and engineers from Liberty, which gives a better line of communication for queries and suggestions. The Council's asset management department have been working more closely with the Neighbourhood Team to work proactively together in ensuring a fast and lean approach to escalation for non access properties.

8.4 The process regarding the gas works required in a void property has also become more efficient. Void properties are now inspected by the in-house engineer. This ensures the schedule of works is comprehensive and measured against the newly contracted rates meaning greater cost and time control is now being implemented.

9.0 Conclusions and recommendations

9.1 Conclusion

Officers are pleased to report the implementation and delivery of the new contract has been successful. Supported by a new policy and the continued deployment of specialist Council staff:

- 16 months continuous 100% compliance gas safety certificate performance has been achieved
- Overall the HPBC contract is the best performing in the Fusion21 Framework which tracks the performance of 25 housing providers
- Significant cost efficiencies have been achieved
- Customer Satisfaction with the service is currently 99.08%

9.2 **Recommendation**

Members are asked to note and welcome the performance of the contractor and staff involved in the delivery of a high performing, high quality service.