

Report of	Team	Job Title
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Name of Report	Date of Report	Agenda Item	Status
Quarterly PFI performance report to London Borough Islington	25 October 2010		Information

## **Performance of PFI 1 and PFI 2 Contractor - Partners for Improvement in Islington**

### **1. Synopsis**

This report provides information about the performance of Partners in delivering the PFI1 and PFI 2 contracts for the refurbishment, maintenance and housing management services to 6,436 Council owned dwellings across the borough.

### **2. Recommendations**

2.1 That LBI notes the information provided in this report.

### **3. General Performance – HFI Performance Basket**

3.1 In the PFI1 August performance basket, Partners scored 9.55 for their overall service rating and 7.61 on a year to date basis from 1 April 2010. Scores between seven and nine attract a good rating and those between five and seven are rated satisfactory.

3.2 In the August 2010 PFI2 performance basket, Partners achieved 9.28 for their overall service and 8.74 for the year to date.

### **4. General Performance – All performance Indicators and deductions**

4.1 Partners continue to meet the majority of their targets for contractual Key Performance Indicators (KPIs) for both PFI 1 and PFI 2 contracts. However they did not meet the contractual PFI2 target to respond to 96% of correspondence within 10 working days in April and as a consequence a deduction of £310.51 was made in July. A second PFI2 deduction of £552.53 was made in August when Partners did not meet the target to reply to 96% of complaints within 10 days of receipt.

4.2 In August a deduction of £2000 was levied for Partners' failure to comply with the annual 2009-10 KPI target in handling a case of anti-social behaviour concerning a PFI2 resident.

4.3 Partners have regularly met the KPIs for the PF11 contract and no financial deductions have been made since the start of the financial year.

## **5. Refurbishment Works**

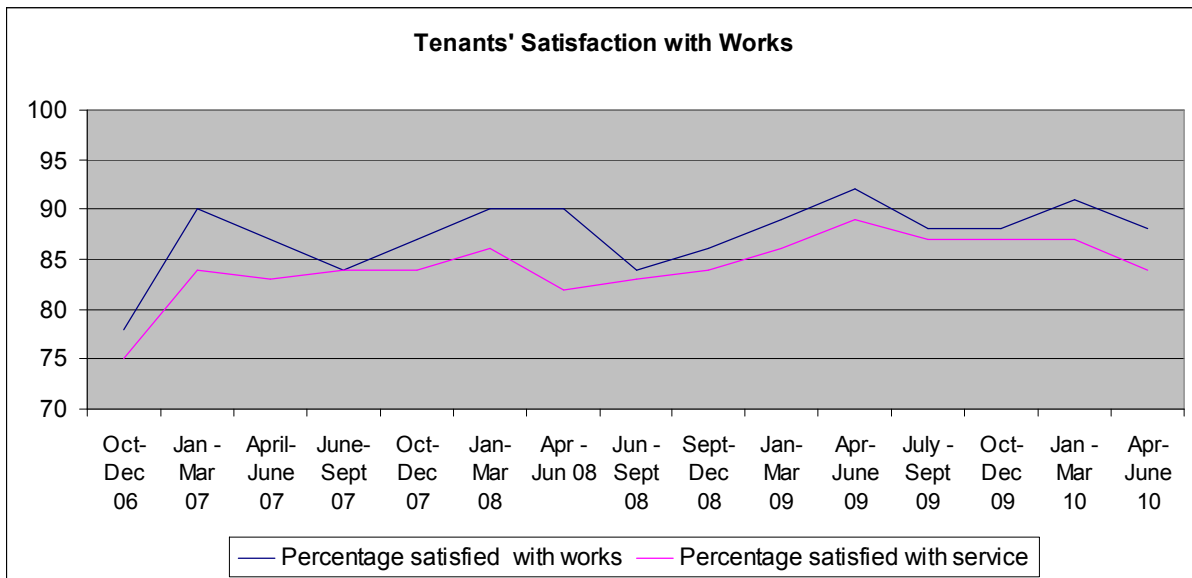
5.1 The refurbishment programme for PF11 has finished.

5.2 Partners refurbishment of PF12 properties is substantially ahead of the contractual milestones. At the end of August 2010 internal improvement works to 2076 tenanted homes had been completed and 592 leasehold dwellings had reached the full availability standard. Partners aim to complete the works by the end of 2011.

5.3 HFI plan to carry out sixty quality checks this year of Partners' refurbishment work. Twenty-four quality checks were completed in July and September 2010. Residents scored an average of 6.89 out of 10 in response to a range of questions relating to the refurbishment experience and customer care. HFI scored an average of 7.07 out of 10 relation to quality of work and health and safety. These results show that works and customer care are satisfactory.

5.4 Partners agreed to re-inspect and rectify lofts to 1077 properties refurbished since the commencement of the PF12 contract, after it was discovered that Partners had not installed loft insulation properly. Partners have nearly completed this process. However there are 181 properties where they have not been given access by the residents. HFI will continue to monitor loft insulation work. HFI is seeking financial compensation from Partners for the period that the properties were not provided with full insulation and is actively negotiating with Partners.

5.5 Recent surveys of tenants by Partners whose homes have been refurbished show continuing high levels satisfaction with the refurbishment works and with the service provided by Partners. For the quarter April to end of June 2010, 88% of tenants were satisfied with the quality of works and 84% were satisfied with the service they received from Partners. These figures show a drop from 91% and 87% respectively from the previous quarter but are well above the contractual target of 69%.



5.6 The last available figures (for January to end of April) show that 87% of leaseholders' were satisfied with works to their homes and 94% were satisfied Partners service.

## 6. Loft Insulation - PFI1

6.1 The PFI1 contract omitted the provision of loft insulation in the properties. HFI has sought the assistance of the Council's Energy Team to find ways of funding this work. The Council is considering the need for insulation schemes across the borough and is evaluating the likely costs of this work.

## 7. Limits on Electrical Works and Kitchens and Bathrooms- PFI2

7.1 The amount of electrical work and kitchen and bathrooms that can be funded from contract fees are capped in the PFI2 contract. The limit for electrical rewiring has now been breached. HFI has challenged the amount of electrical work done by Partners and continues to negotiate with them about completing the remaining electrical work to tenanted homes at an affordable price.

7.2 The contract also limits the number of new bathrooms and kitchens that can be installed in tenanted homes. At the end of September, figures indicate that these thresholds are about to be breached. HFI is negotiating with Partners to seek a means to complete these works.

## 8. Subsidence and Leasehold Insurance

8.1 In the PFI2 contract, the council has the liability for building defects such as subsidence and structural cracking which were not shown in the stock condition survey carried out before the start of the contract. HFI is considering

each case in detail and together with uncovered leaseholders' building insurance costs. Liabilities in the order of £700K have been accepted so far.

## **9. Deconversion and Overcrowding Works**

9.1 The Council has funding from the Government to ease overcrowding by the provision of larger family sized units through the deconversion of smaller flats into bigger homes and/or through the incorporation of unused rooms. Partners and HFI are working together on this project.

9.2 Since the end of July 2 deconversions of 4 flats into 2 larger units has been completed creating 6 extra bed spaces. There are currently 3 schemes on site that will create an additional 10 bed spaces and there are 6 schemes that are currently being commissioned that will create a further 13 bed spaces.

## **10. Leasehold issues**

10.1 Lateral conversions – All PFI 1 and PFI 2 leaseholders living in a laterally converted building in non-spanning flats have been written to, to advise them that their lease has an error and offering to rectify this free of charge. There has been a low level of interest and take up of the offer to change leases. 29 residents out of 240 have asked for their lease to be changed.

10.2 Agreed Maximum Price – The variation to finalise the introduction of Agreed Maximum Price policy and to clarify the position for future bills on PFI1 has been signed. The PFI 2 variation is being drafted.

## **11. Best Value Review of PFI 1 Contract**

11.1 Following a Best Value review of the PFI Contract, Partners in consultation with HFI devised an action plan to raise customer satisfaction and meet customer priorities. The table in Appendix 1 shows Partners progress in implementing their plan.

11.2 Local Authorities are no longer required to carry out Status Satisfaction Surveys so the results could not be validated by this means. Instead Partners conducted their own survey between September 2009 and March 2010 of approximately 700 tenants. It has a confidence tolerance of + or – 6%.

11.3 All the actions recommended in the review have been completed and the summary of the key recommendations of the review are shown in Appendix 1. Most of those recommendations with specific targets have been met. In 2 key areas Partners have failed to meet the targets. These have been carried forward either through the Annual Service Report for 2010/11 or via separate action plans e.g. raising the satisfaction level of ASB.

11.4 Of the 11 key recommendations, 6 have been met or exceeded the target, 3 have remained the same and 2 have not been met.

## **12. Benchmarking and Market Testing of PFI 1**

- 12.1 The PFI 1 contract requires a benchmarking exercise to test the quality and competitiveness of the tenancy and leasehold management services and the ordering of repairs. It is intended, through a comparison of performance and costs with other leading service providers, to demonstrate if the price of PFI1 contract is value for money.
- 12.2. As previously reported the council and HFI did not agree with Partners' benchmarking report. It was agreed to suspend the subsequent benchmarking until the end of August so that an agreement could be reached on achieving demonstrable and significant efficiency savings. Negotiations continue.

## **13. Anti-social behaviour audit**

- 13.1 Following the ASB audit the PFI team carried out in April, Partners and HFI have carried out further analysis of cases and the 09/10 KPI has been finalised. Three cases out of 166 have been agreed as not meeting the required standards. A fourth case is subject of dispute. Although procedures had been followed there was not swift enough evidence gathering and follow up action to stop the ASB and prevent the complainant from suffering longer than was necessary. Technically only two of these cases fall into the year 09/10 however the other two cases that were opened prior to 1<sup>st</sup> April 09 were protracted and continued into 2009 and therefore have been included. A contract deduction of £2000 per case will be levied on Partners for this KPI failure.
- 13.2 HFI is monitoring the action plan (reported last time) drawn up by Partners to address the weaknesses identified by these cases and the wider audit. HFI are also concerned about the low level of resident satisfaction for recipients of the ASB service in the latest survey results. The figures have remained static at around 36% satisfaction over the last two years and this was an area where we had expected improvements as a result of actions in the Best Value Review. Partners advise that their most recent satisfaction results are based on a very small sample of responses (10) but expect that the improvements from their action plan will feed through to more effective case management and customer satisfaction and have committed to raising the satisfaction rate to 55% by 31 March 2011. Partners have also adopted HFI's new ASB satisfaction survey methodology.
- 13.3 The PFI team intends to audit a further sample of cases in December to ensure that improvements are being implemented.
- 13.4 Partners have recently (September) evicted a resident in Hermit Street as a result of anti-social behaviour and HFI welcome this as a positive example of tough action against perpetrators of continued nuisance.
- 13.5. In addition it is noted that as at the end of August 2010, there had been a significant increase in the enforcement actions taken by Partners which have

included acceptable behaviour contracts, notices seeking possession, mediation referrals, referrals for possession and possession orders obtained.

#### **14. Equal Opportunities and Diversity**

14.1 Partners' Diversity action plan is found in Appendix 2. Partners have completed 15 of 19 actions planned to be completed by mid October and a further nine are programmed to be finished by the end of March 2011.

#### **15. Conclusion**

15.1 The Key Performance Indicators show that Partners continue to provide a good housing management and repair service.

15.2 The refurbishment programme for PFI 2 is ahead of plan. Satisfaction with improvement works remains high.

15.3 There is scope for improvement in the handling of anti-social behaviour cases.

Background papers:

Partners for Improvement in Islington contract documents.




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## Appendix 1

<b>Key Recommendation</b>	<b>Success criteria</b>	<b>Outcome</b>	<b>Future action/target 2010/11</b>
R2.Partners to improve the quality of first time responses to reduce the escalation rate of complaints.	Reduce escalation rate (stage 1 to 2 or higher) by 5% points	PFI 1 complaints escalation rate fell from 29% to 24% in the period April –Sept 2009. ☺	Met target. Council has introduced new policy which Partners will review.
R4.Satisfaction survey results indicate that whilst some areas of Partners service are good, overall satisfaction is not good.	Raise overall satisfaction by 5% in Status Survey in June 2010	Overall satisfaction rose from 65% in 2008 to 77% in 2010. ☺	Met target. Target 80%
R15.Repeat repairs, delay in repairs passed from UH to Rydon and poor quality of repair.	Raise satisfaction with repairs service by 5% points in Status survey 2010	Satisfaction with repairs remains at 71% in 2010 ☹	Target 76%
R22.Improve the involvement of leaseholders at final inspection and sign off of Works.	Leasehold survey in place and raise satisfaction with Works.	Increased satisfaction from 78% with the Works to 87% between April 2009 – April 2010 ☺	Met target. Maintain satisfaction level.
R28.Residents unclear who has responsibility for dealing with complaints.	Increase satisfaction scores in the 2010 Status survey by 5% in the category “easy to get hold of the right person	Increased from 57% to 60% in 2010 ☺	Met target. See Partners Annual Report for 2010/11 Raise satisfaction by 5%
R28.Ensure ownership of complaints by named officers and named contact details on all letters.	Increase satisfaction scores in the 2010 Status survey by 5% in the category “found staff helpful”	Increased from 68% in 2008 to 80% in 2010 ☺	Met target. See Partners Annual Report for 2010/11 Raise satisfaction by 5%
R28.Ensure ownership of complaints by named officers and named contact details on all letters.	Increase satisfaction scores in the 2010 Status survey by 5% in the category “ staff were able to deal with the problem	Increased from 65% to 80% in 2010 ☺	Met target. See Partners Annual Report for 2010/11 Raise satisfaction by 5%
R30.Lsitening to residents concerns & dissatisfaction, kept informed, consulted with, being able to contact the right person.	Raise satisfaction with being involved and decision making and being listened to by 5% points.	This has reduced from 48% in 2008 to 44% in 2010. ☹	See Partners Annual Report for 2010/11. Raise satisfaction by 5% from 48%
R32.Consultation and involvement	Increased satisfaction	Not measured in 2008. 51%	See Partners

Key Recommendation	Success criteria	Outcome	Future action/target 2010/11
in the decision-making process	with views taken into account by 5% points in 2010 Status survey.	satisfaction in 2009/10. 	Annual Report for 2010/11. Raise satisfaction by 5%
R33. Residents want to be consulted on anything that affects their home.	Increased satisfaction with views taken into account by 5% points in 2010 Status survey	Not measured in 2008. 51% satisfaction in 2009/10 	See Partners Annual Report for 2010/11. Raise satisfaction by 5%
R35. Low satisfaction with ASB service.	Raise satisfaction from 36% to 46% in Partners' local survey.	The surveys for Q3 and Q4 2009-2010 produced results of 30% 	Target to increase satisfaction to 55%

## Appendix 2 – Action Plan

<b>1. Ensure that everyone can access our services in a way that is appropriate to them</b>			
<b>Desired Outcome</b>	<b>Action</b>	<b>Measure of success</b>	<b>Deadline</b>
Ensure that the complaints system is accessible to all tenants and leaseholders	Introduce a recorded stage zero complaints system	Service alert system is being used as the first part of the complaints system	Completed on 6 September.
	Ensure that complaints satisfaction is monitored by diversity and ensure that the system is being accessed by all groups	Complaints are received from all diversity groups	This is done by LBI as part of a satisfaction survey. Haven't seen any results yet.
Ensure that Partners received feedback from all diversity groups	Analyse 2009- 2010 survey data and ensure feedback is received from all groups	Similar levels of satisfaction are gained across the different diversity groups  <b>Overall satisfaction</b> Sept 09 – 76% Feb 10 - 79%	Complete.  <b>Overall satisfaction</b>  <b>BME</b> Sept 09 - 75% Feb 10 = 76%  <b>Disabled</b> Sept 09 - 75% Feb 10 - 75%  <b>HH with wheelchair user</b> Sept 09 - 86% Feb 10 - 76%

	Set up a youth panel to look at services from a younger person's viewpoint	Partners receive regular feedback from people under 25	Planned for November 2010 Partners Gazette
Monitor the changes Partners makes in shaping services	List what services have been reshaped in 2009-2010.  Consider how services will be reshaped in 2010 -2011.	Partners success in reshaping services is measured	Complete.  August 2010 – this will now be done by Dec 10 alongside the next action.
	Profile Islington's aging population to see how services will need to be shaped differently in the future	Partners are able to shape services for the next 5 years.	December 2010
Ensure the repairs service is accessible	Introduce repairs surgery, consult to make sure done in most accessible way	Residents in all diversity groups can discuss their repair face to face with staff	Planned completion date August 2010. Not met.
	Repairs to repeat over 80s / vulnerable repairs checks	Telephone checks completed including consequent inspections and repairs	Complete.
Test our services' accessibility	Test our response to Domestic Violence and Hate Crime, work with HFI, LBI, ensure staff are clear on procedure and who to refer to	Partners has tested its own systems and is confident they work	Complete. We have procedures and liaise with all other relevant agencies as necessary.

	Test whether, where we know a person is deaf, a BSL interpreter is booked	Partners has tested its own systems and is confident they work	Complete.
	When enforcing tenancy conditions i.e. noise nuisance from laminate flooring, test whether we take into account that disabled people, people with mental health issues, the housebound, may be more sensitive to this kind of nuisance	Housing Management take into account Equality Impact Assessments when enforcing tenancy conditions	December 2010
Benchmark our services	Compare Partners service standards to other providers, and ensure annual report contains comparisons	Partners is clear whether its service standards are in line with other organisations	March 2011

## 2. Encourage two-way communication between all stakeholders

Desired Outcome	Action	Measure of success	Deadline
Ensure that we communicate what arrangements are in place to disabled and other residents	Ensure Partners website is easy to navigate and is kept up to date	Feedback is received from users of the website as to its ease of use	Partners website is up to date. Further suggestions have been received and the website will be further amended by December 2010.

	Consider a resident panel approving leaflets	Feedback is received from users of Partners leaflets regarding its usefulness	Complete. Partners will use Residents Forum for this. Took Formal Complaints and Service Alerts leaflet to the Forum.
	Ensure that residents are kept informed about services they are waiting for (follow up)	Residents are kept informed about services they are waiting for	Complete. Staff were reminded of this in complaints training August 2010.
Ensure that Partners resident involvement structures are representative	Test how representative involvement structures are, including Partners Residents Forum e.g. talk to community groups	Feedback is received from diversity groups	Planned completion date August 2010. Not met
	Introduce specific involvement groups e.g. Street Leaders	More residents are involved in Partners decision making	November 2010
Ensure Partners is managing diversity risks	Review risk register strategy to ensure it is capturing the correct info to manage risks, not just to Partners but to residents	Risks to staff and other residents are managed	February 2011
	Consider introducing a tick box on all surveys 'are you over 75'	Decision is taken to include over 75 box or not	Complete. Partners will use an over 75 box in the future where age is not

			otherwise requested.
	Ensure that staff ask when making appointments whether any special arrangements are needed		Complete

### 3. Promote and encourage equality awareness

Desired Outcome	Action	Measure of success	Deadline
Promote diversity and equality awareness	Introduce Partners Black History month	Partners celebrates Black History month	Complete. Staff event taking place 22 October 2010.
	Ensure that Diversity calendars are available to staff	Staff receive calendars	Jan 2011
	Introduce Equality Impact Assessments (EIAs) into team meetings on current service changes	Individual staff members can input to EIAs	Sessions for managers held on EIAs. Use staff survey to check if used in team meetings.
	Assess what general equalities training and specific impairment training staff have received, and consider whether this is adequate	Partners is able to provide excellent service to people in all diversity groups	Planned completion date June 2010. Not met.
	Consider a Partners Facebook or Twitter system	Take decision as to whether Partners attempts to engage younger residents in this way	Planned completion date September 2010. Not met

Ensure that Partners reaches its 80% targets for collecting diversity data	Quarterly check on whether Partners has sufficient data re; "gathering information on the profile, vulnerabilities and additional support and communication needs of all residents"	80% target is reached by year end	<b>Current results</b> Age – 98.34% Sex – 99.77% Ethnicity – 59.77% (5% increase) National Language – 59.55% (8% increase) Disability – 71.15% (13% increase)
	Partners system cannot record the response 'I don't want to give you my diversity details'. Consider strategies to overcome this preventing Partners reaching its 80% target.	80% target is reached by year end	Housing Management, Works and Gas Teams are now making returns.
	Ask residents to approve / improve the new style diversity form	Feedback from residents about the 'access to services form' is received by Partners	Complete. Received comments from DAI.
	Clarify to residents what Partners does with the diversity info and where it is stored to residents	Information on services that have been changed as a result of diversity information is published	Planned for November 2010 Partners Gazette
Check consistency of data	IQA on personal details across the Partners IT systems	IQA takes place	IQA underway
	Consider whether the 10% annual tenancy audit is sufficient to ensure consistency of data in the diversity data context	Partners is confident that 10% is a sufficiently large annual sample to record the needs of all diversity groups	Complete. Partners believes a 10% annual sample is large enough, especially when

			read alongside the diversity information collection project.
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