

Annual Leaseholders' Conference Mitie Contracts

16 May 2015

An outline of the Mitie contracts in Hammersmith & Fulham

Leaseholders' Conference

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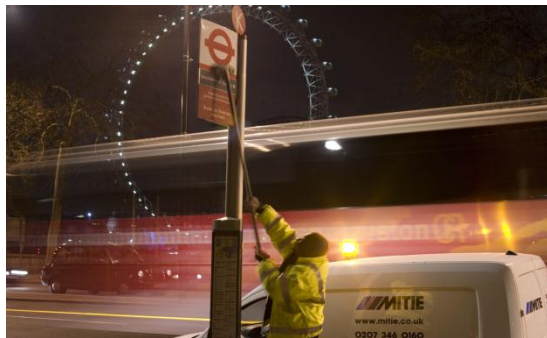
Purpose of the workshop

So you can gain a better understanding of:

1. the H&F contracts with Mitie
2. performance, standards and quality control
3. the management of Mitie and Mitie's direct workforce and contractors
4. leaseholder costs and charges
5. how leaseholders can get involved in the process.

Mitie at a Glance

- The strategic outsourcing and asset management company
- Formed in 1987 – now a leading FTSE 250 Company
- £2.5b Turnover, 72,000+ people
- 6,500 private and public sector clients – London Eye, Marks and Spencer, Rolls Royce, BAA, Microsoft, LloydsTSB, MoJ, and numerous social housing clients
- 25,000 contracts = repeat business
- The contracts with Hammersmith & Fulham are strategically very important



H&F: Outline of Contract



On 1st March 2013, Mitie was awarded the **3 year borough-wide** cyclical planned maintenance programme in a contract valued at c£50m for **external and communal decorative repairs and redecorations for over 7,500 homes**. The contract includes maintenance of the **external fabric and fixtures of the buildings, such as windows, doors, roofs**, walkways, external walls and cladding. Works to communal areas also include the testing and repair or replacement of electrical installations.

On 1st November 2013, Mitie was awarded the **10 Year(+5 year) Integrated Asset Management PARTNERING CONTRACT** for carrying out repairs, maintenance and planned works to all of Hammersmith and Fulham's tenanted, leasehold and hostel properties. The property portfolio also includes non-residential properties such as HRA commercial properties, storerooms, estate garages, some community centres and tenant halls. It will soon include Private Sector Leasing (temporary accommodation).

H&F: Outline of Contract

(Already in place: 3 year painting and planned works)

- 10 (+ 5) Year Contract **£17.7m pa core contract value**
- Repairs Call Centre
- **SCOPE TO ADD ALMOST ANYTHING – WITH NO EXCLUSIONS**

Price Per Property – FIXED COST...

- Responsive Repairs – Systems Thinking 1 job at a time approach
- Gas Repairs, Servicing and Renew all Domestic Boilers
- Annual Property Inspection
- Electrical Testing (every 5 years)

Price Per Block, Price Per Hostel, Price Per Non-HRA Property

- Communal Gas and M&E – **first £450 included**
- Electrical Testing (every 5 years)
- Controlled Access – **first £150 included**
- TV Aerials – **first £125 included**
- Quarterly Estate Inspections (PPB)

H&F: Outline of Contract

Fixed Price Per Void

- 6 types inc Garages

SOR Repairs – many Mitie pay first £125-£450

- Mainly Communal Repairs

Planned Works - SoR and multiple quotations/mini-tenders

- Kitchens & Bathrooms
- Roof Renewals and RWG
- Fire Safety
- Estate Improvements
- Controlled Access renewals
- Insurance Works
- Planned Maintenance, eg relamping programme, drain jetting, etc
- Etc

Streams of Work

- **24-7 Customer Services Centre, 10 hours Mon-Fri core hours**
- **All responsive repairs, servicing and maintenance to tenanted properties & communal areas, including Out of Hours emergency make safe repairs to:**
 - The entire fabric of the building and all systems within it or where the council has an obligation
 - Electrical Services including communal lighting and replacing of lamps/'bulbs'
 - Domestic (gas boilers, etc) and communal heating systems
 - Ventilation systems.
 - Water tanks and booster systems.
 - Controlled Access systems
 - TV aerials
 - White goods (maintenance of appliances in sheltered accommodation)
- **Refurbishment of voids, including rubbish removal and gas testing**
- **Handyperson Services for residents in Sheltered schemes**
- **Compliance Works**
 - Testing of electrical installations
 - Portable Appliance Testing (PAT) testing of sheltered accommodation.
- **Inspection Works**
 - Annual internal inspection of dwellings
 - Estate Inspections
- **Specialist Works**
 - Asbestos Removal
 - Treatment of Japanese Knotweed.
- **All Planned maintenance and improvements**
- **Professional Services and Asset Management Surveys**

Currently Typically Not in the Contract

- The contract gives scope to include a wide variety of works; however most of the list below are currently contracted to others:
- Lifts
- Maintenance and servicing of fire fighting equipment
- Water hygiene inspections & replacement of water tanks
- Asbestos surveys & housing register
- Integrated Reception System
- Lightning Protection Systems
- Maintenance & testing of emergency lighting and automated opening vents
- Blocked bin chutes.
- Thames Water Supply and Drainage
- Fencing unless installed by LBHF
- Day to day Landscaping (both hard and soft)
- Fire Risk Assessments
- Playground equipment inspections and repairs
- Environmental projects
- **Pest control** – this should be referred to Environmental Health. Eradication within individual properties is the resident's responsibility in conjunction with pest control officers where appropriate. Mitie will block up external (not internal) entry points.
- **Street lighting.** Repairs to lampposts and lights above 4m high are to be reported direct to Transportation and Highways on 020 8753 1151 or streetlighting4@lbhf.gov.uk
- Trees in Gardens

Call Centre

Mitie take calls for works that we are not responsible for delivery such as:

- Lifts
- Stairlifts and Ceiling Hoists
- Warden Call Systems
- Fire Alarm Systems
- Automatic Gates and Car Park Barriers
- Sprinkler Systems

The performance of the contractors and quality of the work is managed directly by LBHF

H&F Contract KPIs

KPI	KPI	Upper Quartile (56 London)	Penalty / Incentive	Target Threshold	Dec 2013	Jan 2014	Feb 2014	March 2014	April 2014	May 2014	June 2014	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	YTD
% Gas Compliance	KPI 1	? 99.5%	0.00%	100.00%	98.90%	98.90%	98.90%	99.40%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.98%	99.85%	99.98%	99.98%
% of tenants satisfied with the repairs service	KPI 2	77.00%	0.60%	93.00%	72.00%	77.00%	80.00%	83.00%	88.00%	91.30%	84.00%	85.00%	82.50%	82.22%	84.26%	78.45%	77.04%	81.49%	80.94%	85.87%	83.35%
Average Calendar Days to complete a Void	KPI 4	21.70	0.40%	10.00	20.6	22.3	14.7	12.2	5.04	7.69	5.86	8.07	7.15	10.84	12.06	6.60	7.67	7.86	10.90	12.86	9.18
Right First Time	KPI 5	? 80%	0.20%	85.00%	91.00%	92.30%	91.80%	91.50%	92.20%	86.77%	84.61%	88.09%	92.58%	92.10%	92.78%	93.73%	94.64%	93.74%	93.60%	93.04%	91.98%
Repairs complete (made safe) within Priority (Emergencies)	KPI 6a	? 90%	0.20%	92.00%	95.20%	94.70%	93.70%	97.60%	98.40%	93.92%	95.98%	92.13%	97.28%	95.40%	89.38%	93.58%	97.45%	98.06%	96.72%	95.59%	95.27%
Repairs complete within Priority (Urgent to Routine)	KPI 6b	? 86%		90.00%	90.00%	87.90%	93.00%	93.80%	94.90%	92.05%	96.00%	98.01%	97.41%	97.54%	96.28%	96.14%	95.89%	92.60%	97.60%	94.90%	95.76%
% Appointments kept	KPI 7	? 96%	0.00%	98.00%	87.50%	83.90%	96.90%	98.20%	99.10%	98.74%	99.00%	99.67%	99.45%	98.83%	98.57%	97.83%	99.33%	99.67%	99.04%	99.07%	99.03%

Performance across the board significantly higher than arrangements with previous contractors and almost definitely all Upper Quartile for London

Interesting Headline Statistics

Volume of Orders and Calls (Actual Vs Tendered)

	Tendered pa	Actual 4 months	Variance	Actual 1 Year	Variance
Calls	83000	45000	+63%	102000	+23%
Orders	50000	32000	+92%	82000	+64%

Tendered against indicated fixed cost volumes that are significantly lower than actual volumes
... also when the market was much cheaper.

If tendered in today's market the tender return value would be much higher. Mitie have signed a contract that limits, within reason, price increases to basic inflation(CPI).

Performance, Standards and Quality Control/Assurance



1. Standards, QC and scope of works agreed collaboratively at design stage and verified on site. This optimises success and minimises disputes/claims.
2. Mitie and their supply chain are pre-approved for the given type of work prior to works being undertaken, along with verification of each individual's qualifications/accreditations.
3. Mitie's Performance is monitored by LBHF Project Managers and Clerk of Works
4. Mitie have a national and local Quality Assurance regime in place to QA their workforce and suppliers.
5. Inspection of work by LBHF, Mitie, professional independents, Resident Inspectors, independent and in-house telephone surveys.
6. iKPIs to encourage good performance, although some simply not achievable
7. Three Internal Audits awarded a green and sound:
 - CRM, DPA and Contract Management

Management of Mitie and Mitie's workforce/suppliers



1. Mitie have invested heavily in the service delivery of the H&F contracts
2. Mitie use direct labour and supply chain partners (SCP) - general and specialist sub-contractors/suppliers, many of which are southern partners with Mitie.
3. Mitie also promote and support local supply chain
4. c27% of workforce are LBHF residents
5. Mitie and LBHF have developed commonality schedules of equipment to ensure they are fit for purpose, reliable and easy to maintain
6. Contracts supported and managed by LBHF Project and Technical Managers who monitor and challenge scope, cost, quality and programme
7. Mitie's SCP undertake a proportion of their training with Mitie direct labour and are provided with Mitie ID and corporate clothing.
8. Complaints and complements are monitored and analysed and lessons learnt help shape the service – continuous improvement

Leaseholder costs and charges

1. A redacted copy of the contract is on the LBHF website.
2. Mitie charge via the open competition, competitively tendered pricing matrix and national schedule of rates adjustment as well as procured packages of work under the tendered pricing mechanism. This procurement is independently monitored for Value for Money (VFM).
3. Mitie work with LBHF analyse repairs and prepares Strategic Options Appraisals to propose priorities of refurbishment schemes to optimise VFM
4. Where it provides better VFM for the council and leaseholders, programmes of works are integrated/aligned.
5. LBHF use Independent Quantity Surveyors/Cost Consultants to scrutinise cost estimates, variations and actual costs.
6. Transparency is achieved by following the Section 20 process.
7. Full breakdown for prices from Leaseholder Services
8. Annual inflationary increases based on Sept CPI

How leaseholders can get involved in the process



1. LBHF are engaging an independent leaseholder services professional to review the current processes and propose improvements
2. Get involved in resident consultation and 'meet the contractor' events.
3. You can continue to be involved with LBHF in agreeing the scope of works.
4. You will be invited to participate in site/handover meetings
5. Following feedback, you will soon be provided with a revised booklet that tells you what to expect during planned programmes of work and with contact details of key members of the management and delivery team.
6. Regular coffee mornings on larger schemes for feedback.
7. Join the Estate Inspection team and Resident Inspector team.
8. Participate in Resident Involvement Forum (TRA).
9. Please contact us if there is anything you wish to alert us of or simply discuss.
10. We are working on improved ways to engage: Communication Management Strategy and Commitment to Consult.

Challenges

1. Effective Communication with Residents and TRAs
2. Engaging better with Residents
3. Changing the behaviour of some staff by changing some terms and conditions...
4. Parking
5. Coordination/communication with other LBHF partners – Pinnacle, Quadron, etc
6. Level of complaints high, but considering higher volume = half of previous arrangements!
7. Some areas of works:
 1. Many issues have been going on for several years!
 2. Roofing – very poor condition and high volume of flat roofs requiring scaffolding
 3. Drainage – very poor condition, pipes running through neighbours' properties and complications of working with Thames Water
 4. Condensation
 5. Section 20 consultation delays
 6. Leaks from Leaseholder – right of access difficult to obtain
 7. Quality of work from some staff/sub-contractors
 - Recruiting 1 additional CLO to phone within 10 mins after a job complete
 - Recruited 2 additional dedicated inspectors

Key Successes

1. Restructure: 35% of office staff released through competency based interviews
2. Good working relationships with client teams and key stakeholders, including myriad of 50+ resident groups
3. Engagement with all forums
4. Customer Care Training - although cultural change will take a while
5. Extensive training to all call agents and planners
6. Upskilling operatives to be multi-skilled
7. 100% Compliance in across Gas and all Mechanical & Electrical Services – 1st time ever for H&F
8. Learning from resident engagement, complaints and compliments.
9. Complaints on an improving trend and lower than previous arrangements
10. Joint working with LBHF and the key partners (Pinnacle, etc)
11. KPIs better than previous arrangements and top quartile
12. Delivering strategic integrated repairs and planned works benefits to the Contract.
13. Mitie aims to be seen as not just a contractor but instead an important partner!

In Summary

1. A tough mobilisation
2. Exciting partnering contract which brings a more customer focused, intelligent and efficient way of working – ultimately better value for money
3. Numerous successes
4. There are several key challenges that we are committed to address
5. Developing a culture of continuous improvement and excellent customer service
6. We are keen to work with you and **move forward together** to make this an exemplar service

Thank you...

any questions?

- for individual issues, please visit the appropriate stall.