



Performance Scrutiny Committee Thursday, 26 September 2013

ADDENDA

14. The Property and Facilities Contract with Carillion (Pages 1 - 22)

Following further consideration of the information contained in Annexes 1 and 3 these annexes have been reclassified as not containing exempt information and are now attached for the public agenda.

An **amended** version of Annex 2 has been produced for the public agenda.

All three annexes are attached and it is expected that the discussion will be held in public.

THE ORIGINAL COPY OF ANNEX 2 HAS NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS 'CONFIDENTIAL' BY MEMBERS AND OFFICERS ENTITLED TO RECEIVE IT.

THIS IS FOR REASONS OF COMMERCIAL SENSITIVITY AND THE FINANCIAL RISK TO THE COUNCIL IF THE CONTENTS ARE DISCLOSED.

THIS ALSO MEANS THAT THE CONTENTS SHOULD NOT BE DISCUSSED WITH OTHERS AND NO COPIES SHOULD BE MADE.

This page is intentionally left blank

Carillion Property & Facilities Contract with Oxfordshire County Council A review of the first year of the contract

Facilities Management

Engineering Services

1. Carillion has implemented the target operating model for self-delivery of engineering services to the corporate estate. The supply chain has been used to deliver engineering services to Schools, which has led to some criticism of this part of the service.
 - As part of year 2 improvement plans Carillion will target 80% of works being self- delivered with 100% of the contracted schools service to be self-delivered. Further improvements to the Schools engineering and repairs and maintenance of buildings will be made in the next year should they wish to buy into services offered by Carillion, the service will include:
 - A Single Comprehensive Compliance Package to give Schools and Academies assurance that they are meeting all their Building Asset requirements
 - Full review of all building compliance documentation and records
 - A dedicated regional surveyor to manage the school requirements
 - Free Awareness Workshops to all schools covering, Asbestos Awareness, Water Hygiene, Legal Compliance, Understanding Fire Risk Assessments.

Corporate Planned Preventative Maintenance (PPM) Works

2. Carillion has carried out asset verification (AV) process across the corporate estate, to identify all assets which require maintenance. The total number and location of the assets was not previously known. Carillion is now maintaining 11089 property assets. The service records are stored electronically.
3. A monthly status report is issued to Oxfordshire County Council. The year 2 planned service improvements are focused on up-skilling Engineers to enable them to carry out multiple tasks on a site visit, which will minimise building user disruption, and improve customer satisfaction. It is also intended to provide access to the service records via IT software 'SharePoint' to increase accessibility and efficiency for the Service Stream leads

Corporate Reactive Maintenance Works

4. Carillion is now working on 50/50 planned/reactive works ratio, an improvement from 40/60 ratio during the transition phase. Current attendance within the service level agreement (SLA) is 98% mitigated and 65% unmitigated

5. It is planned to achieve an 80% planned and 20% reactive ratio of work and to support the development of the Forward Maintenance Register (FMR) by providing comprehensive management information (MI) for multiple breakdown activities which will enable future capital work to be programmed to prevent any repeated plant breakdowns.

Regional Surveyors and Facilities Managers

6. In addition to the Facilities Managers, Regional Surveyors have been allocated to the schools and corporate estate, aligned to the Council's Directorates. The Regional Surveyors are responsible for auditing statutory compliance and managing front line service delivery. The Regional Surveyors hold regular meetings with Directorate representatives to report on status, and obtain customer feedback.
7. Carillion recognise that further development work is required with the Facilities Managers to achieve the level of integration to the end user customers anticipated in the tender submission.
8. Carillion intend to integrate the FM Managers and Regional Surveyors to allow audits to be carried out across the work streams, which will identify areas for service improvement, and provide an integrated approach to service delivery across.

Help Desk

9. The helpdesk is based at the partnership office at Cuffas Lea House in Cowley. In the first year an average of 1346 calls per month have been processed by the helpdesk. Following some negative customer feedback, service training for all helpdesk staff has been introduced. The effectiveness of this training will be carefully monitored, all calls are recorded and call listening is carried out by the managers. To ensure all calls are effectively filtered all calls to come directly to the dedicated 0808 number, rather than to the main reception number and then being transferred. Carillion are now receiving positive feedback about the service provided by the helpdesk.
10. During peak times occasionally customers are having to wait too long for calls to be answered. Carillion is investigating two improvements to avoid delay, bolstering the local helpdesk during the identified peak times (08:00-09:00 and 16:00-17:00) and the implementation of a "call bounce" system from the local helpdesk to the Carillion National Service Centre.

Cleaning Services

11. At service commencement Carillion adopted a "lift and shift" approach to service delivery. This allowed sufficient time to understand the quality and challenges of

the service at the point of transfer. Through the service transition period Carillion implemented a series of initiatives to improve the quality within the cleaning service, these initiatives included:

- The implementation of the Carillion “best practice” centre of excellence cleaning standards. All buildings are now cleaned using Vileda mopping system and micro fibre cleaning systems. The use of these products improves the quality of the cleaning and reduces the environmental impact of the service.
- Extensive training provided to cleaners from Carillion Centres of Excellence and Suppliers through workshops, onsite training and tool box talks. Subjects including accident reporting, manual handling, lone worker protocols, COSHH training, product demonstrations, Centre of Excellence working methodologies and cleaning requirements.
- Embedded a working safely Health & Safety culture throughout the service by implementing Tool Box talks, Team briefings, and the Carillion “Don’t Walk By” a proactive system for immediately reporting incidents, near misses, unsafe conditions, and unsafe acts. The system provides H & S data and themes across the estate to allow managers to instigate appropriate changes in the working methodology of the team and suitable training.
- Carillion found a lack of evidence of safe working and reporting practices in the service at the point of transfer. Improve the methodology for reporting accidents and incidents is an important cultural change required to ensure all operatives have a safe working environment. Through this shift the number of reported accidents and incidents has increased, allowing corrective action plans to be developed and implemented.
- The implementation of standard components such as dispensers to enable the cost savings offered in the final tender to be realised. In excess of 1500 dispensers have been fitted across the estate, with approximately 300 remaining to be installed on the smaller sites throughout the remainder of 2013.
- The Implementation of the Carillion best practice cleaning audit regime. The audits are verified by the building manager or an end user
- At the Mill Arts Centre in Banbury Carillion recognised that the specification and service quality did not meet the building user requirements. Carillion worked proactively with Council Officers to agree the placement of a permanent on site caretaker, this action has improved the customer’s feedback on the site via an audit score of below 75% to a current score of 88%.
- Carillion simplified the options for cleaning to schools to a single comprehensive cleaning offer, 33 schools took up the offer, compared to 7 schools at the start of the contract, service commenced on 1st April 2013.

12. Performance improvement; based on the data obtained from the cleaning audits Carillion are able to demonstrate the service is improving. The first series of audits scored 74% this score has risen to 86% at the end of June against an acceptable KPI score of 75%. Carillion has set an internal target score of 90% in year 2. Further improvements in the cleaning service will be made throughout 2013, including implementing a new delivery model with mobile cleaners, improvement of supervisory skills, specific Cleaning Co-ordinator to manage

vacancies and sickness cover and the usage of new Carillion Centre of Excellence products and materials.

13. Carillion will review the condition and status of the cleaning resource rooms, ensuring they are fit for purpose. The cleaning resource rooms will be standardised facility to improve stock control, safe working and raise cleaning quality.
14. Inevitably with such a large scale transfer of staff and the introduction of working practices there have been some issues with service quality in the early stages. Wherever this has been identified meetings have been held with relevant stakeholders to agree remedial actions.

Schools

15. The core contract via the council for schools covers school cleaning, school catering and the undertaking of 7 discreet non delegated maintenance and inspection tasks. All other maintenance and inspection duties are the responsibility of the school. Mouchel, the previous contractor, offered a service direct to schools to cover these duties. Carillion mimicked this offer in the first year of the contract, using local suppliers to deliver the service. Confusion over the service provided and service transition led to dis-satisfaction amongst some schools. In response Carillion has created a single comprehensive maintenance offer that will be self-delivered by local Carillion employed engineers. The offer includes all building statutory maintenance activities a school requires and free education seminars to ensure school building managers fully understand their responsibilities.

Food with Thought (FwT)

Catering Service

16. The adoption of the lift and shift approach to service delivery at the start of the contract was particularly important with a front line service such as FwT, to ensure continuity of service for the final three weeks of the 2012 summer term. This was successfully achieved. It is encouraging to report that Carillion FwT has continued to operate through the first year of the contract without any service failures. The first summer period was used to standardise products and suppliers, including expanding use of local suppliers such as butchers. The continued operation of the FwT training kitchen has been a challenge in the first year. Soon after the contract started in July 2012, Rose Hill School informed Carillion that they required the space the training kitchen operated in to be vacated. The training staff moved out of Rose Hill School on the 18th March 2013 and concluded the training at Cuffas Lea House, although this achieved the goal it was far from an ideal situation.
17. Following this Carillion have investigated a number of alternative sites for the training school, two options are available:

Option 1) Bank Court Chambers, Templar Square, Cowley.

Option 2) Outsource the training to Hospitality Industry Training (HIT). A final business case will be presented to the Property Services Operations Board for approval. Notwithstanding the difficulties Carillion are fully committed to continued training for front line FwT training staff.

18. In early 2013 concerns were raised nationally about the provenance of some meat products, and in particular the contents of products labelled as beef. Carillion undertook independent testing, including the testing of products sourced from local butchers, in addition to the normal food standard checks it carries out as part of the supplier accreditation process. Carillion were delighted to confirm that all the tests from both national and local suppliers contained zero equine DNA. Carillion were able to re-introduce beef to the school meals menu in March. Carillion have invested in a number of initiatives to raise the profile of the FwT service and increase the meal take up, these initiatives include:

- Free School meals for reception children – reception children throughout the 173 No. FwT kitchens were offered free school meals for a week, in conjunction with the launch of the new autumn menu.
- The initiative involved as many as 2,000 children trying a 2 course meal over 5 days, alongside 12,000 children already eating school meals every day. The initiatives generated a positive news story for the County Council.
- Theme days to integrate FwT service with the school curriculum.
- Children in Need – The Carillion FwT team supported Children in Need in November 2012, raising £1052.70.
- Training staff in NVQ Level 2, Food Safety Level 2, Manual Handling, Accident Reporting, COSHH training, Food Safety Refresher, bespoke best practice sharing through on-site training.
- Throughout 2012/13 the school meal uptake has gradually increased, from 35% at the start of the contract to 39.3% at the time of writing this report, with a seasonal high of 43% at Christmas.
- At the start of the contract FwT provided meals to 180 Schools, at the end of March 2013 this number have changed to 174 Schools. This is not surprising as the market is very competitive, with new providers operating in Oxford. The financial risk of retaining the schools in the contract sits with Carillion, and represents no risk to the Council.
- Carillion will be implementing a number of initiatives in 2013 to retain existing schools and attract new schools, which will hopefully include bringing secondary schools into the service. These initiatives include:
 - The development of a new menu selection.
 - Obtain a Bronze Food for Life award for the entire FwT service, demonstrating Carillion's commitment to fresh and nutritious products.
 - The development of easy to understand brochures that effectively describe the FwT offering and nutritional information.
 - The development of a secondary school catering solution in Oxfordshire.
 - Introduction of the Parent Pay Service.
 - The development of an FwT website.

- A re-fresh of the FwT logo.
- Target improved uptake in the existing FwT kitchens through both free meal and paid meals.
- Incorporate The School Food Plan objectives into the FwT offer, working closely with the schools to improve the school meal experience.
- Provide Schools with materials to grow their own vegetable and salad and align with school curriculum. Part of Carillion food plan initiative
- Working with the County Council officers, develop a programme of investment in school kitchens to improve the environmental conditions and raise the catering standards. Carillion is committed to develop and improve the FwT service to all schools in Oxfordshire, with an ambition to become the caterer of choice for the county.

Estates Services

19. The Estates service delivered by Carillion is one area of the contract, where following the initial contract mobilisation, that less progress has been made optimising and transforming the service. As Carillion approached the implementation of the target operating model the proposed, Property Information Management System was changed as the original proposal would not meet all the Councils requirements. This change has delayed the implementation of the system and is currently under discussion between the council and Carillion.
20. A second area for improvement is the fulfilling the Strategic Asset Management Service. To address this and ensure a step change in performance a senior Estates professional is now leading this part of the service supported by Carillion's Head of Estates. To supplement this additional estates professional staff have also been introduced.
21. Whilst recognising a step change in performance is required in this area of service, the following key activities have been completed:
- Developed the Strategic Corporate Asset Management Plan (SCAMP) to:
 - Give an overview of the Council's strategic direction and objectives with the implications this has for its property;
 - Describe how property needs to change and be used to help achieve those objectives
 - Describe the objectives for property that arise with the strategy for each service area
 - Set out the action to be taken, at a high level;
 - Provide a clear statement of the Council's approach to its property
 - Taken responsibility for preparation and delivery of Strategic Asset Management Reports such as (but not limited to) the Capital Asset Programme Board report and project progress reports.
 - Developed a close working relationship with Council officers and Directorate clients to enable the strategic asset management service to be aligned to the Council's corporate and service requirements

- Managed the Capita specialist Workplace team to develop proposals for New Ways of Working/Agile Working in support of more efficient use of property and asset rationalisation. Two Agile working Business Cases have been put forward to the Council; these will become pilot schemes to support the Council in a formal Agile Working Policy.
 - Supported the establishment and development of an Oxfordshire public sector property group promoting and delivering the co-location of public sector services in Oxfordshire.
 - Agreed membership and service working arrangements for the Asset Management group. We have inherent Strategic Technical Knowledge in FM Sourcing (FM Specifications/Capital Projects). A functioning AMG will help driving through immediate savings.
- During the Year the Estates team have concluded the following transactional work:
 - 80 No Lease or Licence Agreements
 - 35 No Leasehold or Freehold Disposals
 - 3 No Leasehold or Freehold Acquisitions
 - 20 No Academy Transfers with a further 5 No. reported to legal
 - Completed Asset Valuations for 2012/13

22. In recognition of the need to significantly improve the estates management service and for Carillion to be more pro-active they are currently working on the following improvement initiatives:

- Carillion needs to fully demonstrate the benefits of the contract, ensuring slick day to day delivery of the services, without the year 1 failures on the delivery of the SSMP programme. Carillion will undertake an immediate review of the asset rationalisation and disposal programme to seek an improvement in the savings profile
- Review the corporate estate occupational cost to reconsider the potential to raise revenue from Oxfordshire County Council's property portfolio as budgetary cuts escalate.
- Develop a working business plan that will complement the approved SAMP to inform estates decisions.
- Take responsibility and be accountable for the Asset Rationalisation programme ensuring tight control, reviewed at the Asset Rationalisation Implementation Group (ARP) and highlighting any risks. Agree with the Council if any projects could be brought forward to ensure there will be no deficit in the programme.
- Deliver the Asset Rationalisation programme in line with the MTFP. Ensure the critical lease surrenders at Clarendon House, Oxford and Windrush Court, Abingdon, in June 2014 are realised to ensure the properties are vacated ensuring the staff are relocated in the retained estate through more efficient and effective use of office space and the implementation of an agile working policy
- Pursue opportunities for efficient and effective use of the wider public sector estate through locality reviews and the Oxfordshire Collaborative Asset Management Group.

- Ensure full and effective delivery of the scope of services to the required service levels and performance standards in line with KPIs 1, 2, 4 and 8.
- Fully implement integrated IT software, including undertaking an extensive data migration and verification process to ensure 100% accuracy of information by December 2013
- Ensure the estimated service charges are invoiced to the tenants. At the end of each financial year ensure OCC receive final accounts.
- Develop a disposals programme to meet capital receipts targets and minimise holding costs. Advise on and carry out freehold and leasehold disposal by means of sale by auction, tender or private treaty of land, property, sealed bid and chattels which have been declared surplus to the Council's needs. Marketing proposals and detailed business cases including recommendations will be provided on each property to ensure properties are marketed as programmed to meet capital receipts targets and minimise holding costs.
- Explore regeneration or redevelopment opportunities in priority locations
- Identify opportunities for additional savings through Locality Reviews and working with partners.
- Introduce a Corporate Agile Working policy to enable additional rationalisation opportunities to be realised beyond 2014/15.
- Service Review methodology – considering wider property related pressures (e.g. Adult Social Care & Children Services)
- Challenge Facilities Management Specifications to drive cost reductions.
- Assign any outstanding health and safety responsibilities and produce comprehensive list of health and safety duties fully assigned to individuals/ organisations.
- Connect Carillion into the core of Oxfordshire County Council and producing a comprehensive communications strategy to inform and engage stakeholders.

Development

In addition Carillion are supporting the council as it develops it's plans for the future of Oxfordshire in a number of areas including:

- Urban renaissance of Oxford's West End
- Supporting delivery of Science Vale UK (in southern Oxfordshire) as an international centre for innovation and enterprise, focussed on Harwell science and innovation campus, Milton Park, Culham, Didcot and Grove
- Developing the Bicester economy with greater emphasis on a high value, high wage, and high tech economy to keep pace with planned housing growth
- Developing the Banbury economy by attracting mid and high-tech industries
- Consider any site assembly opportunities to generate a subsequent enhanced disposal

- Work with partners to explore alternative and more beneficial uses for existing property assets including potential Local Asset Backed Vehicle arrangements

Energy

23. Energy Services is recognised as another area of the contract that requires a step change in performance improvement through service optimisation, this is recognised and accepted by Carillion. Whilst Energy Services are a relatively small part of the contract, they are no less important and at a time when there is increasing pressure on the County Council as a result of price increases and growing regulatory and statutory demands for energy efficiency, renewable energy and carbon reduction. Carillion will move towards a Total Energy Management solution, providing diagnostic asset management, advice & support on all energy matters tailored to their buildings. New buildings can be constructed to high performance levels; it is the older buildings, representing the vast majority of the stock, which are of low energy performance and subsequently in need of improvement if they are to be retained. Their potential to deliver high energy and CO2 savings as well as many societal benefits, focusing on energy efficient buildings can have a pivotal role in a sustainable future for Oxfordshire County Council.

24. All energy saving programmes have been designed to reduce energy consumption and costs. The objective is to maintain the Council's energy costs at 2010/11 levels as far as is cost effective. Carillion are required to reduce energy consumption by 25% over ten years across the corporate estate and carbon by at least 3% year on year across the whole estate including Schools.

Carillion have used the estate-wide energy data to carry out a full benchmarking of energy performance, building by building. This has enabled us to identify those buildings with the highest potential for cost effective energy savings. Carillion have also identified savings in water consumption.

The Carillion proposal is to move to a whole building view rather than a measure by measure approach. Previously the council has identified cost effective measures, such as LED lighting, and installed these across a number of buildings. They now intend to identify all the measures suitable for any one building and to carry them out in one project. Each building will then be performing at its optimum.

Carillion have presented a programme for the corporate estate to be implemented in 2013/14, the programme includes:

- Completion of outstanding projects from 2012/13;
- Feasibility studies for projects for 2013/14;
- Delivery of capital projects for 2013/14

25. A whole building approach was taken developing the 13/14 capital programme and a proposal developed to survey the top 30 energy consuming corporate properties and top 10 schools. The programme of capital projects will deliver an estimated annual cost saving of circa 200k with an average pay-back of 10 years.

This programme has been developed and co-ordinated with the Councils Asset and Energy Strategy team.

26. The 2012 /13 programme development was delayed within the partnership due to a lack of understanding of the governance approvals and it wasn't until late in 2012 early 2013 before a programme was instigated. In early 2013 the Council expressed concern about the forecast under-spend in the energy budgets. Carillion recognise and accept this level of performance is not acceptable, the status of the 12/13 programmes are now complete with exception of one site, scheduled for completion by September 13.
27. The 2013/14 programme is now underway and moving towards Stage 1 approval. Subject to timely approval Carillion will be in a position to complete works all Non Schools work within this financial year. A draft 2014/15 energy programme is already being developed for approval by the Council, Carillion propose to develop the programme of feasibility studies by the end of the 13/14 financial year to give the Council confidence in the delivery of the programme and reduce the risk of underspend.

Schools

28. Carillion have started to engage with maintained schools to understand the interest and scope to invest. There are a number of funding sources available, including Salix / Prudential / SSMP although strict criteria apply to each. Carillion have introduced a process to help the Council understand its approach. Analysis has been carried out to identify the high energy consumers within the maintained schools and a number of schools have been contacted and feasibility studies have been carried out based on the interest registered by the school. For year two Carillion will develop a clear schools engagement programme, and work with the council on the allocated and forecasted budgets within schools.

Display Energy Certificates (DEC)

29. In the first year of the contract Carillion have invested time clearing the DEC backlog from the former Mouchel contract by providing display energy certificates within a large number of school & corporate properties. To date more than 400 DEC's have been provided across the council's portfolio. In addition Carillion has provided a forecast of sites which require on-going annual DEC's. The Carillion Energy team has co-ordinated with the Estates Asset Management team to monitor the estate, linking DEC and the programming to for capital / revenue works through the Programme Management Office (PMO). Carillion have managed the change in legislation for DEC work from January 2013. All schools and corporate property now receive a complete site survey, a copy of the DEC certificate for display and an advisory report identifying measures to reduce energy consumption. All back-log work is now up-to-date, and all required DEC's have been forwarded to the council for sign-off.

Bureau

30. The Carillion Energy Bureau conducts measurement and analysis of utility data on behalf of the Council. Carillion validate utility bills for payment and produce monthly reports to enable the Council to accurately forecast annual utility spend. Consumption anomalies are investigated and the data is used to inform more efficient use of the corporate estate, through behavioural awareness or energy management projects. Through the mobilisation and transition of the contract the Bureau has faced a number of challenges in meeting requirements of the contract. These can be summarised as follows:

- Data migration – At the outset the data quality, structure & migration created a number of challenges setting up the bureau which exceeded the councils expected timescales
- Utility & Data reporting – System limitations has meant that reporting has required more manual intervention than originally intended leading to delays in submitting reports with the appropriate granularity and how the Bureau reported and managed the utility data
- Data analysis and forecasting – the impact of points one and two led to further issues in supporting OCC in data analysis, data forecasting and management of the corporate and schools estate.

31. In addressing these issues the Bureau has carried out continuous data cleansing and updates, addressed system issues and incorporated robust manual interventions. The Bureau has now reached a position where a stable data set is maintained for OCC and reports are now been delivered directly from the Bureau. The reporting schedule has been reviewed and refined with OCC to meet the current reporting requirements and reports will continue to be developed and further enhanced going forward.

32. A number of issues have been raised by OCC in relation to data analysis and forecasting. In particular utility use and spend forecasting and the year-end measurement and verification consumption report. In these specific cases joint working has taken place to deliver the required information and identifying any gaps in reporting and information management process. This is an on-going improvement and steps have been taken to provide a more integrated approach between the collection and management of utility data and the use of that data in informing energy decisions and in developing energy reduction programmes.

Service Improvement for Year 2

- Fully implement agreed Measurement and Verification reporting in accordance with the International Performance of Measurement and Verification Protocol (IPMVP) to allow absolute transparency on energy efficiency progress
- Define and deliver fully the agreed Behaviour Change Programme, integrating more effectively with the Carillion and OCC Facilities Management team.

- Work closer with the Design and Construction team to drive energy considerations in all OCC projects.
- Review energy system capabilities and development requirements to enhance reporting efficiencies.
- Automatic Meter Reading (AMR) installation programme – to install AMR devices to cover 99% of the overall electric and gas portfolio.
- Improve CRC reporting – increase reporting scope to include more generated fuels to reduce the over carbon purchases.

Design and Construction

33. The Design and Construction (D & C) teams initial focus was on establishing a local supply chain and delivering the significant amount of work that transferred from the outgoing service provider for completion over the summer period, under the traditional operating model.
34. In July 2012 work at various stages transferred to Carillion for completion. The team reviewed the work in progress via a due diligence process (WiP) and reported on the actual v planned status of the critical projects. The WiP Due Diligence report produced by Carillion is still being discussed. Carillion contend that assumptions in the contract about stages of completion were not as stated at transfer from the previous service provider – Mouchel. This is being discussed between Carillion and Turner and Townsend the consultants who advised and evaluated tender returns
35. Several additional projects which did not form part of the due diligence became urgent because of their delivery timescales, particularly projects from the Basic Need programme with pupil place requirements for September 2012, but also the Schools Access Initiative (SAI) programme for pupil specific adaptations to schools and School Structural Maintenance Programme (SSMP) projects that were logistically dependent on the school holiday period for safe delivery. These projects were deemed Summer Critical, and required prioritisation – of the additional 12no. projects, all were delivered before the September deadline as required and within budget.

Critical projects delivered included

- Bayards Bulge Class (included significant unforeseen asbestos works)
- Woodstock Phase 1. 1No additional classroom, refurbishment of 2No others and toilet suitability adaptations for September 2012
- Windmill conversion of ICT room to deliver 1 additional classroom for September 2012
- SAI works at Stonesfield, Dunmore, Finstock, St. Christopher's, Horspath and Nettlebed schools
- SSMP works at Cheney School, Faringdon Academy, St. Francis School. Design works were prioritised to deliver boiler projects prior to the autumn

heating season. None of the SSMP programme had been designed prior to transfer and therefore was in significant delay.

36. The condition based programmes SSMP, Direct Schools Grant (DSG) and Environment & Economy Repairs and Maintenance (EERM)) were significantly behind the required design programme. Carillion have ensured the delivery of these programmes, within budget and ensuring value for money. The condition data upon which these programmes were developed was significantly out of date, thereby requiring extensive investigation/development to ratify the scope of the projects. Circa 100 projects were commissioned within one month of transfer, the majority of which had little or no design. To enable the projects to progress to the required timescales, Carillion worked with OCC to prioritise these programmes, balanced with the other programmes listed above. As a result of the starting position, transitioning to the new operating model, etc., there was a significant under-spend within the condition based programmes. This was highlighted and acknowledged by OCC as a risk prior to transfer.

37. The under-spend was:

- SSMP circa £1.7million
- DSG circa £900k

38. Whilst the under-spend was not favourable, the governance undertaken for these programmes ensured improved accuracy of project budgets at the newly aligned gateways of Stage 1 and 2.

39. All projects remained within the agreed budgets. Carillion are demonstrating greater cost certainty throughout the project lifecycle, which was one of the Councils main objectives in changing to this delivery model.

40. After a year of to some degree “fire fighting” within the D & C team Carillion are happy to report that the delivery of this year’s programmes of work is well underway, for example the 2013-14 SSMP programme has either already delivered or committed 80% (c£3.5mill) of the Programmed Works up to August 2013. The remainder of the SSMP Programme will be delivered by the end of October 2013. Carillion will commence drawing down on the 2014-15 Programme Development fund in November 2013, and contingency expenditure release from October 2013 onwards.

41. In total Carillion developed and or delivered a total of 150 No D & C projects across the following programmes:

- Basic Need Programme – 15 Projects (Value c £15m with c£1.7m completed to 1st July 2013)
- Capital Minor Works and Directorate Direct – 18 Projects (c£250K)
- Schools Structural Maintenance Programme – 27 Projects (c£2.3m)
- Direct Schools Grant – 29 Projects (c£400K)
- Environment and Economy - 33 Projects (c£250K)
- Temporary Removals – 3 Projects (c£120K)
- SAI – 12 Projects (c200K)

42. Incrementally through service transition phase the D & C team have been moving to the new contractor led operating model. The Service Delivery Plan for D&C has been produced and amended based on comments from the Council. Carillion await official sign off from the OCC Contract and Performance Management team. Carillion are working to the SDP in its current form. The multi-disciplinary design team that transferred from the previous service provider were restructured to meet the needs of the new contract. As part of this re-structure the capability of the team was assessed with specific training needs and development plans implemented. In addition a Design service improvement plan (SIP) was implemented as it was quickly recognised that the quality of some of the TUPE transferred staff needed to be raised in many areas, not only to suit the operating model, but to ensure that Carillion can offer the correct advice and design solutions to OCC. In addition, the plan focused on the development and establishing processes including a Project Manager (PM) toolkit. Extensive training has been undertaken, in particular focused on the Assistant Project Managers (APM's) and Project Managers (PM's) who all now have detailed training plans, this strategy will complement new PM appointments, with the focus on service improvement.
43. To support the implementation of the providers manual CAD 3D modelling and Revit software have been introduced across the multidisciplinary design teams. These will improve standardisation of specification, reduce risk and shorten design programmes, speeding up delivery. In addition, and in support of this approach a standard pallet of materials, a cost data base, and schedule of rates for the partnership are under development. A Design Quality Index (DQI) has been adapted and implemented to suit the contract. This has been implemented across all projects over £250k. Feedback to date has been positive on all projects. The providers manual has been developed during the transition phase, the first draft will be available by the end of September, in accordance with the discussed programme. A true evaluation of the cost of projects that have been carried out from inception through to completion will need to be carried out, as many of the projects completed so far have transferred from the previous old operating model.
- 44. The 2013/14 programme consists of the following;**
- Programmed and Committed Work - 220 Projects - Value c£14.9m
 - Un-programmed/Not Committed – Value c£2.9m
 - Basic Need Programme – 12 Projects (Value c £10m to be completed to 1st July 2014)
 - Project Management, QS and CDMC services only of the Basic Need Projects at Bayards Hill, Woodfarm. (Carillion are not responsible for the construction of these projects as they were procured through the Councils existing framework contracts).
 - Project Management, QS and CDMC services of S106 new school projects outside of exclusivity. (2No)
 - Project Lead for Diocese Projects (4No)
 - Capital Minor Works – 4 No Projects (c£250K)

- Schools Structural Maintenance Programme – 45 No Projects (c£4.8m) Contingency and 2014/15
- Development c£1.1m
- Direct Schools Grant – 50 No Projects (c£1.4m). £575K Un-programmed
- Environment and Economy – 54 No Projects (c£1.3m). £300K Un-Programmed
- School Energy Reduction Programme 7 No Projects (c£250K). Further programme to be identified (c£250k)
- Non Schools Energy Reduction Programme Projects TBC (£363K)
- Energy Revenue Fund 12 No Projects (c£163K). Further projects to be identified
- Prudential Energy Fund 2 No Projects (£250K)
- Salix Energy Fund Projects TBC (£250K)
- Temporary Classroom Removals – 3 No Projects (c£150K)
- Temporary Classroom Renewal – 1 No Project (c£135K)
- SAI – 3 No Projects (c£60K)
- Food With Thought Kitchen Replacements and Upgrades (13 No Projects currently identified c£200K)
- Food With Thought Kitchen Extraction Upgrade (Projects TBC based on Condition Survey's c£130K)

45. In addition to the service improvements already outlined, the following improvement initiatives are planned for year 2 of the contract:

- Agree proposed amendments to Schedule 21 Contracts as proposed by OCC.
- Update of the Service Delivery Plan to suit proposed model enhancements and cascade to team via training and presentations. OCC currently reviewing SS1 and SS2 Scopes.
- Providers Manual Development and Completion. Reviewing and agreeing all OCC/Carillion proposed documentation and amendments to suit the new model.
- Automation of Task Order Commissioning, Tracking and Reporting.
- Develop a “leaner commissioning process” for Task Orders with OCC > Development of a Unique Programme Numbering System (UPNS) to suit OCC Funding Streams (Completed)
- Develop a Work Breakdown Structure to automate cost allocation against UPNS system via Oracle. (Completed)
- Develop Geneva Projects for Monitoring and Reporting of Project and Programme Status.
- Development of a basic suite of Programme Dashboards to suit OCC needs based on Geneva Projects
- Embed Geneva Projects Reporting and to look to enhance the solution e.g. Corporate Landlord
- Function via on-line commissioning and virtual Programme Management Office.

Communications and Sustainable Communities

46. A Communications Manager was appointed by Carillion for mobilisation of the contract. During this period, the communications lead launched and continually supported internal communications, helping to promote and encourage a 'One Team' approach with staff. A key communication tool was the introduction of 'Partnership News'; an internal newsletter allowing staff across the Carillion Partnership to receive regular communications on the contract developments and key announcements from the Leadership Team. The communications lead dealt with local media enquiries, managing the responses provided on behalf of Oxfordshire County Council. There were a number of enquiries and press coverage successfully managed in the first year of the contract, including the horse meat scandal at the beginning of 2013.
47. In April 2013, a new Communications and Member Liaison Lead was appointed, to improve communication, and develop and the Member Liaison Service. A communications planner for the Partnership has now been created, working closely alongside Oxfordshire County Council's Internal and External Communication Teams. The planner includes a breakdown of external and internal communications, Sustainable Communities project marketing as well as outlining communication mechanisms aimed at promoting our services to schools. The communications plan covers the year ahead, is updated monthly and re-circulated. Monthly targets are highlighted within this planner and achievements will be monitored monthly as part of the communications review. This planner is supported by a Press Release Plan which highlights key headlines from projects within the Partnership to achieve positive media coverage across Oxfordshire. Councillor Nick Carter, portfolio holder for property and facilities has reviewed both the communications and press release planner and is in full support of its content.
48. In addition to the communications planner, a Member Liaison Communications Planner has been developed, and approved by the departments leadership team. The objective is to provide consistent, communications for Members across Oxfordshire on all Property and Facilities work and services, and introduces the following communication tools:
- Member Enquiries: Communications and Member Liaison Manager to manage enquiries from Members across Oxfordshire
 - Partnership Introduction Booklet: A booklet providing a complete overview of the Carillion Partnership
 - Locality Meetings: Communications and Member Liaison Manager (and other Partnership representatives) to attend Oxfordshire's locality meetings
 - Members Open / Action Day: Open day for Members to meet Partnership staff and gain further knowledge of the contract, coincided alongside an action day whereby Members will be invited to see Partnership work at first hand
 - Locality Spotlight reports: Quarterly review for Members. Detailing the project and community work the Partnership is carrying out within each locality

- Schools Communications: Document to be created to illustrate the work being carried out in schools
- Performance Scrutiny Meeting: Annual report providing an overview of the contracts performance against targets
- Member Evaluation: six monthly questionnaires; to allow members to review the effectiveness of the communications methods
- Carillion are confident that the introduction of these new communications mechanisms will ensure the development of clear communication messages both for our internal and external customers.

The Year Ahead

49. Carillion are on track to continue to deliver the financial savings required by the Council. The areas for service improvement are clearly identified throughout this report which will continue to develop the service through to maturity.

Unison Liaison

50. Carillion have worked collaboratively and proactively with Unison throughout the contract mobilisation, transition and optimisation phases of the contract implementation. Quarterly liaison meetings have been held involving the Unison Branch Secretary, Carillion HR and the Carillion Partnership Director. A number of issues have been addressed throughout the year, including; none or part payment of members typically due to system or administrative errors. Two grievances have been submitted against Carillion. Following full and detailed investigations neither of the grievances was upheld.

9 September 2013

This page is intentionally left blank

Section	KPI / OPI No	KPI / OPI	Sub KPI	Measure / Method	Freq.	Target / Penalty	Adjustment Freq.	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Comments	
Overarching KPIs	KPI 1	Strategic Asset Management - Estate financial efficiencies and other benefits realised in accordance with the asset strategy and requirements of the related implementation programmes (including asset rationalisation, locality reviews, new ways of working)	Delivery of Agreed ARP within the agreed timescales	Review of baseline ARP against actual delivery annually (% of programme complete within council year)	Annual	100%	Annual	G	G	G	G	G	The ARP has been reviewed and will go through the change control procedure including approval by EELT. The deficit against the MTFP savings has increased.	
	KPI 2	Strategic Asset Management - Estate size reduced in accordance with requirements of the asset rationalisation programme and of other strategic programmes	Delivery of Agreed Disposals Programme within the agreed timescales	Review of baseline Disposals Programme against actual delivery annually (% of programme complete within council year)	Annual	100%	Annual	G	G	G	G	G	On programme - no Academy conversions were scheduled for completion in August. The reported Disposal Programme for 2013/14 is £6,573,000 and comprises 21 properties. There have been no completions in August leaving the total amount outstanding £6,473,000.	
	KPI 3	Contract Management Quality	n/a	Scored and justified against 15 criteria under KPI 3 Model. Agreed and justified monthly between Carrillon and OCC	Monthly	75%	Quarterly	73%	80%	80%	80%	87.50%	Reviewed and agreed with Trevor Askew, concerns still to be resolved are financial governance reporting and resource provision for Strategic Estates.	
	KPI 4	Performance Levels achieved as set out in the Scope of Services and Requirements, including the completion of all activities delivered in Annual Task Orders	All activities completed to the performance standards as set out in the Scope of Services for Service Stream 2	Service Stream Leads review the service in month against the criteria in the KPI 4 model	Monthly	95%	Quarterly	100.0%	84.0%	100.0%	100.0%	100.0%		
			All activities completed to the performance standards as set out in the Scope of Services for Service Stream 3	Service Stream Leads review the service in month against the criteria in the KPI 4 model	Monthly	95%	Quarterly	97.0%	97.0%	98.0%	98.0%	98.8%	Excluding Energy Score for August	
			All activities completed to the performance standards as set out in the Scope of Services for Service Stream 4	Service Stream Leads review the service in month against the criteria in the KPI 4 model	Monthly	95%	Quarterly			99.6%	99.3%	99.4%		
			All activities completed to the performance standards as set out in the Scope of Services for Service Stream 5	Service Stream Leads review the service in month against the criteria in the KPI 4 model	Monthly	95%	Quarterly			94.3%	98.6%	98.9%		
			All reactive repairs orders responded to and completed within the pre-defined period (Service Stream 1d and 4c)	Service Stream Leads review the service in month against the criteria in the KPI 4 model	Monthly	95%	Quarterly		97% (27 Failures)	98% (24 Failures)	100%	94%	In the month 541 jobs completed 24 not attended on time and 10 not completed on time. Labour morale issues through a restructure within the Engineering team has increased the number failures in August	
	KPI 6	Ad-hoc Task Orders delivered to time and budget (related to Clause 9.3 of the Scope of Services for SS Q) excluding those activities already measured in KPI 4, 12 and 13	Delivery of Agreed Programmes within the agreed timescales	Review of baseline programme against actual delivery quarterly (% of programme complete within council year)	Quarterly	100%	Annual				86.70%	92.10%	160 Projects are planned as part of DSG, E&E and SSMP programmes, 63 projects are complete or in progress, 5 are behind programme by more than 10 days.	
			Delivery of agreed programmes to the agreed budgets.	Review of baseline programme against actual delivery quarterly (tolerance of programme spend within council year)	Quarterly	5% (tolerance)	Annual			-10.49%	-10.17%	-7.35%	£5,977m SSMP 100%, DSG £1,975m, £522 contingency spend. E&E £1,597m budget, £180k contingency still to be committed, no forecast overspend on these budgets. Capital Minor Works potential overspend of £195k if all projects to be complete, agreed change to programme required.	
	KPI 7	Customer Satisfaction	Percentage of customer satisfaction at feasibility stage	Average Percentage Score of volume of agreed Serv Excel Surveys that are returned by end users.	Quarterly	80%	Quarterly							Serv Excel Rollout in September
Capital Project Customer feedback			Average Percentage Score of volume of agreed Serv Excel Surveys that are returned by end users.	Quarterly	80%	Quarterly								Serv Excel Rollout in September
SAM & Estates management customer feedback			Average Percentage Score of volume of agreed Serv Excel Surveys that are returned by end users.	Quarterly	80%	Quarterly								Serv Excel Rollout in September
Non schools Facilities Management customer feedback			Average Percentage Score of volume of agreed Serv Excel Surveys that are returned by end users.	Quarterly	80%	Quarterly			95%	95%	100%			Serv Excel Rollout in September. 10 helpdesk surveys completed in August, 6 excellent and 4 very good responses
Schools Facilities Management customer feedback			Average Percentage Score of volume of agreed Serv Excel Surveys that are returned by end users.	Quarterly	80%	Quarterly			95%	95%	100%			Serv Excel Rollout in September. 10 helpdesk surveys completed in August, 6 excellent and 4 very good responses
KPI 8	Office Efficiency	Implementation of an Agile Working Programme (to be determined)	Review of baseline Agile Working programme against actual delivery annually (% of programme complete within council year)	Annual	100%	Annual	A	A	A	A	A	This is being led by OCC. Programme yet to be agreed but Pilot Projects identified.		
KPI 9	Reduction in number of reportable accidents or incidents	Accident Frequency Rate reduction from agreed baseline	Reportable accidents measured against the number of operative employed x 100,000 on a year rolling average	Monthly	0.42	Annual	0	0	0	0	0			
		All Accident Frequency Rate	All accidents measured against the number of operative employed x 200,000 on a year rolling average.	Monthly	31.58	Annual	38.6	35.3	33.24	23.6	18.5		Annualised figure is set in July for the next year, 33.24 was the final Annualised AFR for the 1st year of the contract, agreed target for year 2 is 31.58. Improved performance and increased labour hours have contributed to the improved figures	
		Increase in the number of near misses reported	Number of Don't Walk By Cards submitted each month	Monthly	56 per month	Annual	107	105	48	132	132			
KPI 11	Asset register (building and fixed assets) and associated condition data is current with no backlog	Ensure all key data on the ePIMS is accurate as far as reasonably practicable and up to date within 10 working days of receipt of document/information from Legal Services, Estates Transaction Team or other Parties. Ensure continuous access to the ePIMS Database so that relevant staff can access information. Provision of reports based on accurate data.	Timely updating of information, with reports produced to demonstrate appropriate activity.	Quarterly	95%	Annual	R	R	R	R	R		ePIMS system not in place, rectification plan being implemented to complete by November. Progress is in line with expectations. Management of the documents via the existing manual interface.	
		The "AMM" for schemes over £250k is within a tolerance of no more than 20% under or 10% over the RMM (excluding council / customer derived changes)	Number of projects outside tolerance vs total number of projects	Quarterly	100%	Annual				94%	100%			

KPI 12	All Capital Programmes (except those projects classed as high risk which are measured in KPI 13) developed and delivered to time and budget	2b Task Order completion date achieved on time and in full. The output in the Task Order is available for use by the user.	Number of projects outside tolerance vs total number of projects	Quarterly	70%	Annual	100%	87.80%	August has been a real pressure month with a large spike of works to be completed. 33 projects completed, with 4 projects completing late. Wheatley Centre, ICT issue delayed project by 2 days, Littlemore EIH and Five Acres, handed over 1 week late due to late materials. St Michaels School delayed.			
		Defects – the assessment of the number of defects at RIBA Stage L (Converted to a % score)	Assessment of defects by the Carillion Project Manager to give score. Feed into KPI 12.2 model	Quarterly	85%	Annual			No projects completed to RIBA Stage L. First projects to be completed and reported at the end of September.			
		All projects designed in accordance with the Councils design standards and design quality indicators	The number of non-conformances versus the total number of Task Orders taken through a stage gate	Quarterly	85%	Annual	100%	100%	100%	75%	100%	Only 1 DQI completed in August
KPI 15	Meet Food Standards For Food With Thought	All school meals served to the standard required in the scope of services	No. of meals served not to the standard of the contract standard / No. of the meals served	Monthly	97%	Quarterly			97%	97%	100%	Total Meals Served in July = 256995, 6833 non compliant meals to scope of service. Failure causes - full meal selection not available for whole service, use of disposable cutlery and staff training to minimum standard not in place. No issues with statutory food compliance. No meals served in August.
		Social Economic regeneration	The generation of jobs and employment opportunities for MEET.	1 apprentice per £1m of profit.	Quarterly	100%	Annual	2	2	2	2	2

Planned Maintenance	OPI 02	Re-lamping	No failure to carry out testing, maintenance and repairs	Failure to complete the re-lamping task within the agreed SLA, penalty applied per call out.	Monthly	£ 10.00	Quarterly		1 failure			0 failures 13 jobs received in August	
	OPI 03	Fire detection and fire fighting systems	No failure to carry out testing, maintenance and repairs	Activities not completed in the following month of the CAFM due date.	Monthly	Fire Fighting Equipment - £50 per site Fire Detection Equipment £125 per missed visit	Quarterly					0 failures 39 visits completed in August	
	OPI 04	Lifts, Hoists and Conveyance Systems	No failure to carry out testing, maintenance and repairs	Activities not completed in the following month of the CAFM due date.	Monthly	£ 166.67	Quarterly					0 failures 18 visits carried out in August - 16 Lifts and Two hoists	
	OPI 05	Security, Access and Intruder Systems	No failure to carry out testing, maintenance and repairs	Activities not completed in the following month of the CAFM due date.	Monthly	£ 100.00	Quarterly					0 failures 7 visits completed in August	
	OPI 06	Standby Power Systems Maintenance	No failure to carry out testing, maintenance and repairs	Activities not completed in the following month of the CAFM due date.	Monthly	£ 500.00	Quarterly					0 visits in the month	
	OPI 07	Control of Asbestos	No failure to carry out identification, tagging, monitoring and removal of asbestos in compliance with all the legislative requirements		TBC	£ 1,000.00	TBC						N/A
	OPI 08	Water Hygiene	No failure to carry out bi-annual Legionella Risk Assessments, produce detailed reports thereof, provide water hygiene services, inspect systems and plant and provide reports on any anomalies detected	Biennial inspection not carried out in following month of inspection due date	Monthly	£ 500.00	Quarterly			1			1 failure although not KPI deductible as booked to be completed within 5 days of following month 35 visits completed in month
	OPI 09	Statutory maintenance and inspections	No failure to identify and carry out all relevant statutory inspections and maintenance including Public Health, Hygiene, Fire Inspections	Activities not completed in the following month of the CAFM due date, excluding maintenance and inspections identified in separate OPI's	Monthly	£ 100.00	Quarterly		3 failures		2		2 failures, 1 on hold due to suspected asbestos, 13 booked within timescales set and 72 completed visits
	OPI 10	Portable Appliance Testing	No failure to provide PAT testing on a site	Activities not completed in the following month of the CAFM due date. Charge made per site	Monthly	£ 10.00	Quarterly		4 Failures		1		1 failure with penalty 2 booked to be completed within the 5 days of following month and 10 completed in month
	Reactive Repairs	OPI 11	Total FM - Hard FM	No failure to carry out repair works (interim solution or permanent rectification) as requested in accordance to the priority of the repair orders	Failure to complete the reactive task within the agreed SLA, penalty applied per call out.	Monthly	Category A & B - £500 Category C, D & E - £100	Quarterly		3 failures		10	
???	OPI 12	Cleaning - Cleaning	Service Provider to clean all buildings in accordance with SCAs to the agreed frequency and consumables fully replenished	Daily activities are not completed by 8.30am the following day, weekly activities are not complete by 8.30am the following Monday	Monthly	£0.06m2 - Corporate Estate £0.08m2 - Schools Estate	Quarterly						No Failure
???	OPI 13	Helpdesk	Non availability of help desk facilities	Non availability of help desk facilities per hour	Monthly	£ 19.32	Quarterly						No Failure
???	OPI 14	CAFM	Non availability of CAFM	Non availability of CAFM facilities per hour	Monthly	Bid price / 365 days / 24 hours	Quarterly						No Failure

Section	KPI / OPI No	KPI / OPI	Sub KPI	Measure / Method	Freq.	Target / Penalty	Adjustment Freq.	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Comments
	KPI 5	CO2 emission and energy use	Agreed Energy Consumption reduction target set each year for reduction based on developed programmes of work at minimum Stage 1 and investment parameters agreed with the Council. (Overall objective to remain at 25% less Energy Consumption by 2021/22 based on the 2010/11 baseline.	Savings will be demonstrated on a project by project basis, with data normalised based on International Performance of Measurement and Verification Protocol (IPMVP)	Annual	TBC	Annual +1						All Energy KPI's are to be agreed between Service Stream leads to ensure they meet the councils objectives and measure the performance of the activities undertaken
			Agreed Carbon reduction target set each year for reduction based on developed programmes of work at minimum Stage 1 and investment parameters agreed with the Council. (Overall objective to remain at 25% less Carbon reduction by 2021/22 based on the 1990/91 baseline.	Savings will be demonstrated on a project by project basis, with data normalised based on International Performance of Measurement and Verification Protocol (IPMVP)	Annual	TBC	Annual +1						All Energy KPI's are to be agreed between Service Stream leads to ensure they meet the councils objectives and measure the performance of the activities undertaken
			Percentage Achievement of behavioural change programme milestones agreed each year		Monthly	TBC	Quarterly						Behavioural Change Plan to be agreed and signed off. Measurement can then commence.
Service Stream KPI's	KPI 10	Reduction in repairs backlog for school and non school estate	The non-schools repairs backlog value to be reduced each year by the Service Provider	Condition Data report of Backlog Maintenance	Annual	TBA	Annual						Baseline to be agreed and measurement method. Meeting to be arranged with Roger Dyson
			The schools repairs backlog value to be reduced each year by the Service Provider	Condition Data report of Backlog Maintenance	Annual	TBA	Annual					Baseline to be agreed and measurement method. Meeting to be arranged with Roger Dyson	
	KPI 14	Statutory Compliance achieved each year for the entire estate	All registers to be up to date	All compliance inspections uploaded to Sharepoint within 28 days of month end. Asset renewals works completed are input into Geneva and Asbestos Database within 3 months of project / inspection completion (Final Account)	Quarterly	100%	Quarterly						SharePoint System Operational from Monday 16th September. Measure to be captured from October 1st.

This page is intentionally left blank