

REPORT
MANCHESTER CITY COUNCIL
PROGRESS REPORT

Committee: Resources and Governance Overview and Scrutiny Committee

Date: 6 September 2007

Subject: Manchester Working Limited Joint Venture

Report of: City Treasurer

PURPOSE OF REPORT

To update Members on the progress of the Joint Venture Company – Manchester Working Limited.

RECOMMENDATIONS

Members are requested to note the progress of the appointment and implementation of Manchester Working Limited following the signed Framework Agreement to provide services to the Council and Northwards Housing Limited.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

The creation of the Joint Venture has secured the employment of a significant group of ex-Council staff that will continue to provide revenue works for the Council.

The Committee has asked that the impact on the Council's revenue budget over the coming years being kept under careful review.

FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET

None directly, although the Joint Venture is responsible for delivery of elements of the Council's Capital Programme.

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IMPLICATIONS FOR

Equality	Environment	Anti Poverty	Employment
No	No	No	Yes

1 BACKGROUND DOCUMENTS

1. Report to Executive Advisory Committee for the Management of Contracting Services, Hospitality and Trading and Market Functions – November 2004.
2. Report to Finance and General Purposes Overview Scrutiny Committee – July 2005.
3. Report to Finance and General Purposes Overview Scrutiny Committee – 25 May 2006.
4. Report to Housing Options Corporate Board – Recommendations Report 22 August 2006.
5. Report to Finance and General Purpose Scrutiny Committee – 14 December 2006

2 PROGRESS UPDATE

On 1 September 2006 549 operatives transferred from the City Works to the Manchester Working Limited.

2.1 Service Delivery

2.2 The three main areas, Public Buildings, Responsive repairs and Decent Homes remain predominately on target to deliver the planned programmes of work. Northwards Housing Limited Decent Homes programme has increased due to a delay in release of 07/08 funding. The process for developing Public buildings (in particular) schemes on the Asset Management Plan is being reviewed to improve the flow of work to Manchester Working Limited (and other frameworks); whilst improve the aggregation of schemes wherever appropriate.

2.3 The quality of service delivery remains on target with few complaints in comparison with the quantity of work being undertaken. Tracked complaint levels show an untypical sharp rise to responsive maintenance to Northwards Housing in June 2007.

Month	Total no of Complaints	Total no of orders placed	Percentage Ratio
January 2007	4	6700	0.06%
February 2007	7	5602	0.12%
March 2007	4	5322	0.08%
April 2007	6	4106	0.15%
May 2007	31	4571	0.68%
June 2007	177	4431	3.99%

An investigation into this has concluded that this level of complaints is within the tolerable levels set out in the contract by virtue of the Performance Mechanism. Furthermore, the method of collating and collecting these complaints has recently changed. New methods have made it easier for tenants to make complaints. Of the 177 complaints made in June 69 were found to be justified.

- 2.4** Service Performance Measurement – measured performance was predominately on target from September 2006 to March 2007. A contractual grace period was in place until 31st March 2007 for the following service streams: Repairs to Public Buildings, specialist capital repairs to Northwards Housing, specialist services to MCC Housing, Programmes of work to public buildings such as the Asset management Plan and Disability Discrimination Act.

Since April 2007, IT implementations of Manchester Working Limited and Council systems have caused a temporary delay in the ability for the new systems to produce the necessary data to measure performance. Additional resources (during this time) have been allocated to ensure that the service quality remains on target and temporary performance indicators monitor the situation.

- 2.5** The ‘Securing Local Economic Advantage’ performance indicators have been unaffected by the new IT systems.

Percentage of sub-contracts placed with local companies	80.84%
Percentage of material supply contracts placed with local companies	75.60%
Work placements accepted by local schools	50

- 2.6** Service development – Plans have been agreed to trial a planned preventative maintenance regime with the City’s libraries (except central). This approach reduces the need for high numbers of unplanned reactive repair works being ordered and allows Manchester Working Limited to plan the works in accordance with statutory requirements. Furthermore, this approach increases the efficiency of the workforce and will dramatically reduce the number of vehicle journeys back and forth across the City.

2.7 Human Resources

- 2.8** The total number of employees at the date of transfer was 570 (549 transferring from City Works and the remainder came from Morrison Facility Services); this has now reduced to 558 employees. All 12 apprentices started in September 2006 remain and a further 12 will be recruited in September 2007. A current recruitment programme has identified the need for a further 17 positions across the company.

2.9 Community Projects

- 2.10** There are 17 separate community initiatives and projects, either planned or completed (see attached list). These include working with residents, the Police, youth clubs, various schemes with local schools, the Children’s new hospital

appeal and ex-cell (a group who help to rehabilitate and offer work placements for ex-offenders).

2.11 Financial –Trading Summary

	June 2007 (£,000)	Actual Year to date (£,000)	Budget Year to date (£,000)	Full Year Budget (£,000)
Revenue (Turnover)	£4,357	£13,857	£14,550	£52,945
Operating Profit	£206	£945	£999	£3,647
Repairs & Maintenance		£2,050	£2,755	£10,255
Public Buildings		£2,528	£2,379	£15,150
Decent Homes		£9,279	£9,416	£27,540

2.12 Office Locations

2.13 By September 2007 all the new office locations will be operational. The locations are:

Currently occupied: Universal Square, Ardwick – 90 staff including company management, human resources, financial and IT services.

To be occupied: Hendham Vale, Harpurhey – 56 staff to be located including co-location with 47 staff from Northwards Housing Limited and 8 staff from The Wolseley Group.

2.14 Conclusion

2.15 The partnership continues to work well between all the parties, the Council, Northwards Housing Limited (Northwards Housing Limited) and Manchester Working Limited. Considerable efforts from all parties have helped to move the joint venture through a testing time as a result of the implementation of multiple IT systems. Throughout this time the quality of the service delivery has remained at the required levels and the joint venture is on-target to achieve the goals set in its business plan.

2.16 Future Changes

2.17 Into the second year of the joint venture and the appointment of a new managing director. Mr Des Morris has been selected to succeed Bill Coghill.

The strategy of this appointment was outlined to the Council as part of the tender selection process and preceded the selection of Morrison Facility Services. The rationale being that the present managing director has provided the requisite continuity and stability from the early stages of procurement through to the completion of the first year's operational delivery.

With Manchester Working Limited having achieved a level of business stability, it now enables a locally based appointment to be made. This will leave more time for the present managing director to focus on growing the company. In particular, to focus on locally managed schools and the development of an asset based facilities management service solution to both the Council and Northwards Housing Limited.

Mr Morris commences employment with Manchester Working Limited on 3rd September 2007, and over the months of September and October, a phased and structured hand over will take place.

List of Manchester Working community projects

Project	Detail	Communities Served: IMPACT / JVC	Status
Manchester Residents Association Community Awards 2007	Sponsoring champagne reception at the annual Community Awards and making a donation of £2k towards the cost of the event.	IMPACT & JVC	Approved
MCC Road Safety Campaign	Sponsored MCC's Road Safety Campaign for schools where literature was produced and distributed to children across Manchester.	IMPACT & JVC	Approved
Police Communities - Anti-Bullying & Vandalism campaign	Sponsorship of literature for Temple Square Primary School. The community has a number of issues pertaining bullying inside and outside school. (School recommended by Northwards). Cost £1240.	IMPACT	To be approved
Dam Youth Club – Roof Renovation	Donation of labour and support from supply chain to value of £5k. Club currently raising funds to carry out works.	IMPACT	Approved
Reading Buddies & Numeracy Mentoring	8 volunteers will be trained to go into local schools. EBS to get back to us with dates. They have now introduced a cost per volunteer for training and CRB checks.	IMPACT & JVC	Ongoing. Cost to be approved.
Enterprise Challenge at North Manchester High School for Boys – 16 May 07	Working with EBS (<i>Education Business Solutions</i>) to introduce young people to the concept of enterprise to schools. We took part in an Enterprise Challenge Day that saw pupils running their own imaginary manufacturing/retail companies.	IMPACT	Completed.
School Work Experience	EBS will be arranging schoolwork experience for us to cover the school placements season (March-October).	IMPACT & JVC	Ongoing.
Adults Work Experience	We are talking to Groundwork about commencing adult placements in September for the intermediate labour market.		In discussions.
Supporting Social Enterprise (Centre for Facilities Management)	We have actively been liaising with the Centre for Facilities Management, a social enterprise set up to help local communities establish their own enterprise. D Keogh has offered his services to support and advises them and their contacts on the principles of tendering. We attended an	IMPACT & JVC	Ongoing.

	information day last month for the community and since then have received a few follow up phone calls from local people.		
Learn Net (Community Centres in Northwards)	Learn Net has forwarded their Business Plan and a request of items for us to consider in terms of how we can assist. In discussions with them.	IMPACT	In discussions.
Football Tournament 2007 (MWL & Northwards)	MWL and Northwards are joining forces to host a community football tournament. We are looking at a summertime event.	IMPACT	In discussions.
Community Fun Day at Cringle Fields, Burnage	MCC's Environmental Campaign invited us to assist in organising a community fun day / football tournament at Cringle Fields On 6 May 07. MW sponsored an ice-cream van to distribute free ice creams to visitors on the day.	JVC	Completed.
Educational Projects	We are keen to continue working with EBS in the delivery of educational projects within schools. They have presented us with a number of initiatives (some mentioned above) and we will continue to support them in their activities where feasible to do so.	IMPACT & JVC	Ongoing.
IMPACT Framework Partners Charity Football Tournament 2007	MW to host a charity event bringing all framework partners and our full supply chain partners together to compete in a charity football tournament. This is taking place 8 June at Power League, Whalley Range.	IMPACT & JVC	In progress.
Ex-Cell	MW is working with Ex-Cell to rehabilitate and offer work placements for ex-offenders.	IMPACT & JV	In progress
Bird Screen (Environmental Project)	MCC's Environmental Campaign asked us to build a bird screen for Blackley Forest. MW's apprentices created the screen and received a lot of praise and recognition for their efforts. We even made the papers! A plaque will be placed on site by MCC to say MW donated the screen and Wolsley the materials.	IMPACT	Completed. Plaque to be re-erected.
Interview Skills workshops at St Peter's RC High School 11 May 07.	Working with EBS (<i>Education Business Solutions</i>) to enable pupils to practice their interview skills.	IMPACT	Completed