

**REPORT FOR: Tenants', Leaseholders'  
and Residents'  
Consultative Forum**

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**Date of Meeting:** 11<sup>th</sup> December 2013

**Subject:** INFORMATION REPORT – Head of  
Asset Management's Report

**Responsible Officer:** Lynne Pennington  
Divisional Director of Housing

**Exempt:** No

**Enclosures:** Appendix 1

## **Section 1 – Summary**

This report sets out a range of information and discussion items that the Interim Head of Asset Management would like to bring to the attention of the Tenants', Leaseholders' and Residents' Consultative Forum (TLRCF)

**FOR INFORMATION and DISCUSSION**

## Section 2 – Report

### Updates from previous discussions and new items for information

#### 1.0 New Contract Benefits And Quality Heating

1.1 Quality Heating began taking calls for domestic heating and hot water breakdowns direct from tenants on 5<sup>th</sup> June 2013. Generally this change has gone extremely well and any problems that did arise were resolved quickly by Housing and Quality Heating staff working closely together. To date feedback from tenants has been very positive and the number of compliments received far outweighs complaints. This applies to both aspects of the service-installation and breakdown/servicing. Of course the busiest time of the year for heating and hot water breakdowns is now beginning as the weather gets colder, but with tenant satisfaction at 98% the feedback to date indicates tenants will receive a more effective and prompt response to these problems over the winter months by calling Quality Heating direct.

1.2 The new contract arrangements put in place during 2011 included provision for wider social benefit including training and apprentices. So far changes to the ways major works contracts are procured and our new responsive repairs contracts have brought considerable support to the local economy. Work to improve investment in Harrow through the supply chain and in providing opportunities for training and work placements continues but so far we have seen a number of opportunities developed. However we aim to further develop these opportunities over the next 12 months. So far we have seen:

- a) 2 work placements on the Francis Road scheme through Thomas Sinden, work placements provided by Quality Heating, 1 Work Placement on the kitchen and Bathroom Contract through Mulalley's and 1 work placement on the recent enveloping scheme with Axis Europe.

Responsive repairs contracts-targets set through contract appraisal meeting?

- b) Contributions to the local community through pay back from contractors. Examples are the installation of a new kitchen facility in the Community Centre at Woodlands and the work undertaken by Slade in refurbishing the food bank; football tables provided by Quality Heating at Pinner Hill Community Centre.
- c) Kitchen installations managed through a local supply chain with a subcontractor in the Stanmore area, local storage facility created in Harrow
- d) Local employment opportunities created for trades people and labourers with many of our contractors both current and in the

- 12/13 capital programme.
- e) Apprentice opportunities created with 2 contractors, Thomas Sinden and Quality Heating
  - f) In responsive repairs one of the 4 main contractors is based in Harrow, whilst the other 3 are medium sized firms that maintain a local base.
  - g) 90% of the responsive repairs contractors' spend on supplies is with local suppliers.
  - h) Further advantages to the local community are the engagement of 3 apprentices planned for June 2013. Our contractors are also supporting local students at training colleges to gain experience on void repairs.

## **2.0 Void Properties**

2.1 The June TLRCF report focussed on improvements in void turnaround time from the Asset Management perspective, but TLRCF members asked for a progress report on the improvements to the whole voids process which includes Housing Needs and Resident Services as well.

2.2 Officers in Asset Management, Resident Services and Housing Needs have been led by Jacky Souter to work together to improve existing procedures across the whole void process. This work has led to an improved understanding of the overall process so that all staff involved in the process can see how their individual actions impact on the bigger picture for void management. The outcome of this work has been very successful with a significant improvement in performance which brings us to a position where every indication is that we will meet, and possibly exceed the more challenging target by the end of the financial year.

2.3 To put this achievement into perspective the performance for 2012/13 was 36 days against a target of 21 days. This poor performance obviously raised concerns and in response we reduced the target for 2013/14 to 18 days and introduced the steps described above to bring about a positive change. The figures for June were beginning to show an improvement at 25 days, but the second quarter figures as at the end of September are really good at 9 days. However it is important to bear in mind that fluctuations in the rate that voids come up can affect this figure and the number of voids in August and September was very low. If the void rate increases suddenly it could have a detrimental effect on turnaround times as contractors find it difficult to bring in additional resources promptly where there is a significant change in demand.

2.4 Nevertheless performance for the first 6 months of the year is an average of 19 days. This demonstrates that if the improvement is sustained we will end the year below the 18 day target. Further updates will be brought to future TLRCF meetings.

### 3.0 **Asset Management Strategy and the Better Homes Standard**

- 3.1 In June Cabinet agreed the consultation draft of the Asset Management strategy. Following consultation with HFTRA the strategy is now being finalised and work is already underway to deliver a number of the objectives set out in the strategy. The strategy will be a live document that is reviewed annually. However now the strategy is complete the more detailed operational plan that will determine how we deliver the strategic objectives over the next few years is being developed. One of the key strategic objectives is to develop the new Better Homes Standard for Harrow that this can help us deliver the capital programme more efficiently, and better meet tenants and leaseholders needs and aspirations from 2015 onwards.
- 3.2 The Better Homes Standard will replace the old “Decent Homes standard” and determine how we deliver the programme of improvements in future. There are some hard choices to be made and it is really important that we capture tenant and leaseholder views in designing the standard.
- 3.3 Some of the ideas previously discussed have been:
- Delivering future capital programmes in a more integrated way so that we look to undertake a wide range of improvements in a street or block at the same time –rather than for example improve bathrooms one year and undertake external works or upgrade kitchens the following year.
  - Taking in to account the long term future of individual homes and undertaking options appraisals for any homes that require extensive works and/or may not be suitable as social housing in the medium to long term.
  - Including works on the capital programme that were excluded from the “Decent Homes Standard” such as replacing roofs where necessary
  - Giving tenants (and where appropriate leaseholders) more choice in determining both priorities and the design of those elements that are to be improved. For example should we be offering individual tenants a choice between baths, showers and wet rooms to meet individual needs?
- 3.4 All of these changes would come at a price as resources to deliver the capital programme will continue to be limited. This of course means that if we choose to commit more resources to doing more improvements in one area, there will be a knock on effect on another area of the programme where we either do less work, or delay starting elsewhere.
- 3.5 TLRCF members are therefore asked to give their views on what would be a good method to consult on the new model to ensure tenant and leaseholder views are captured in the design of the new standard. Wider consultation would need to include discussion on what standards we aim for and what the consequences of doing more in one area may be on reducing standards, or frequency of work in another.

## **4.0 Joint working with the London Fire Brigade**

- 4.1 Our partnership working with the London Fire Brigade to improve the safety of residents continues. In particular we are continuing to develop opportunities to install sprinkler systems where people are deemed to be at high risk from fire. We completed the analysis of our sheltered housing schemes to determine which scheme was the highest risk and as a result selected Watkins House as the scheme where we will undertake a pilot installation. This work is now at the design stage and once we have a clear cost and have identified funding we will consult with tenants of the scheme.
- 4.2 In conjunction with this project we are also looking at individual high risk tenants on a case by case basis with a view to installing local systems in their homes. A demonstration of the system we are considering using will be taking place shortly before TLRCF.

## **5.0 Capital Programme 2014/15**

- 5.1 Whilst we are preparing to begin consultation on the new standards to begin from 2015/16 we have a draft programme for 2014/15 based on existing standards and priorities. This is included at appendix 1.
- 5.2 As previously reported to TLRCF our aim is to seek Cabinet approval, in February 2014 for a 4 year programme as an alternative to agreeing each programme on an annual basis. We have recently submitted our capital bid to enable us to move this forward.
- 5.3 The advantages of working in this way include being able to procure those elements of the programme that will be required every year (i.e. heating, windows, doors, kitchens and bathrooms) on a longer term contract giving us both better value for money and more consistency in delivery. This new way of working should also help us to spend less time on tendering and procuring contracts and more time on managing the contracts to ensure tenants and leaseholders receive even better services from the Asset Management service.
- 5.4 Our intention is to ask Cabinet for approval of the 4 year programme under a small number of broad headings that will ensure that we have the maximum flexibility to adapt future programmes as needs and priorities change.
- 5.5 Asset Management is currently negotiating with British Gas to establish an insulation programme which would be part funded from the Energy Company Obligation (ECO) funding collected from everybody's fuel bills. Under this scheme British Gas would complete cavity wall insulation in the hard to treat cavities (where the cavities are narrow or not easily accessible) and make a start on external wall insulation where no cavities exist. We plan to complete negotiations by the end of December as the works must all be completed by March 2015 to qualify. Currently we are seeking clarity of which elements we would have to fund and looking to see how works would be completed alongside our main programme.

## 6.0 Staffing Updates

6.1 Since the last TLRCF meeting there have been a number of staffing changes in Asset Management that may, in the short term, have had a negative impact on the delivery of services. However we would like to reassure tenants and leaseholders that we are actively recruiting to vacant posts and that any gaps should be filled shortly.

- 6.2 At the end of August 3 key people left the service. These were:
- Paul O'Callaghan – Project Manager- Research and New Initiatives
  - Rory White –Contracts Surveyor
  - Marlon Farr- Senior Planned Investment Officer

To date only one of these posts has been filled and at the beginning of October we welcomed Scott Causer as the new Project Manager- Research and New Initiatives. Recruitment is underway for the other 2 posts and if there is any news a verbal update will be given at the meeting.

## 7.0 Financial Implications

7.1 Any financial issues are contained within the body of the report.

## 8.0 Equalities Implications

- There are no equalities implications associated with this report.
- No Equality Impact Assessments have been carried out.

## Section 3 - Statutory Officer Clearance

Name: Dave Roberts	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 27 November 2013		

## Section 4 - Contact Details and Background Papers

### Contact:

Maggie Challoner  
Interim Head of Asset Management  
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**Background Papers:** None

## Appendix 1.

Budget Description	2013/14		2014/15		2015/16		2016/17		2017/18	
	No. dwellings	£	No. dwellings	£	No. dwellings	£	No. dwellings	£	No. dwellings	£
Capitalised Salaries		£317,000		£317,000		£317,000		£317,000		£317,000
Major Voids		£76,870		£76,870		£76,870		£76,870		£76,870
Kitchens / Bathrooms / Rewires	384	£1,542,000	578	£2,400,000	626	£2,600,000	675	£2,800,000	600	£2,649,380
Health and Safety	3	£200,000	3	£200,000	3	£200,000	3	£200,000	3	£200,000
Boiler / Heating	275	£871,230	347	£1,100,000	379	£1,200,000	473	£1,500,000	500	£1,600,000
Enveloping		£1,523,660		£1,330,200		£1,589,470		£1,673,990		£2,408,130
Enveloping Francis Road	78	£1,000,000	0	£0	0	£0	0	£0	0	£0
Door Entry	52	£512,500	52	£512,500	52	£512,500	52	£512,500	52	£512,500
Lifts	1	£207,500	1	£207,500	1	£0	1	£0	1	£0
Sheltered Warden Voids		£51,250		£51,250		£0		£0		£0
Structural Issues		£256,250		£256,250		£256,250		£256,250		£300,000
Garages		£61,500		£61,500		£61,500		£61,500		£61,500
Aids and Adaptations		£615,000		£615,000		£615,000		£615,000		£615,000
Capitalisaiton Responsive Repairs		£142,500		£142,500		£142,500		£142,500		£142,500
Develop Wider Housing Initiatives Pot		£256,240		£256,240		£256,240		£256,240		£256,240
<b>Council Funded Expenditure</b>		<b>£7,633,500</b>		<b>£7,526,810</b>		<b>£7,827,330</b>		<b>£8,411,850</b>		<b>£9,139,120</b>
Grant Funded Extentions										
<b>Total HRA Capital Programme</b>		<b>£7,633,500</b>		<b>£7,526,810</b>		<b>£7,827,330</b>		<b>£8,411,850</b>		<b>£9,139,120</b>