

**REPORT FOR: TENANTS' AND  
LEASEHOLDERS'  
CONSULTATIVE FORUM**

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**Date of Meeting:** 8 November 2011

**Subject:** **INFORMATION REPORT – Asset  
Management Update**

**Responsible Officer:** Lynne Pennington, Divisional Director  
Housing Services

**Exempt:** No

**Enclosures:** None

**Section 1 – Summary**

This report sets out to update the forum on progress made in the Asset Management Team and review current performance.

**FOR INFORMATION**

## **Section 2 – Report**

### **Structure**

#### 2.1

Following a second recruitment exercise for the role of Head of Asset Management, Derek Stewart has been appointed and he joined the Council on the 15<sup>th</sup> August 2011. He has a wide range of experience working in the Housing Sector for both Local Authority's and Housing Associations.

#### 2.2

Later in the report under section 2.9 an update is provided on the procurement process for the new repairs service. It is however clear the changes planned will require the council to strengthen the client side as it will need to perform a range of functions that are currently provided by the contractor or consultants. Some examples include Quantity Surveyors, Clerk of Works, Service Excellence / Improvement and Gas. Work is under way to quantify the new structure, but it is estimated there will be 5-6 new roles in the revised Asset Management Team.

### **Responsive Repairs**

#### 2.3

The performance scorecard for Asset Management shows at the end of August that tenant satisfaction with works carried out in their home had risen to 91% and well above the target of 88%. However the number of appointments made and kept for the same period had fallen to 93.7% and the target is 95%.

#### 2.4

The average cost of a repair has also increased from £116 to £124, however if you take out of the calculation the work that could be described as capital and tends to be more expensive, the average cost actually drops to £108.

### **Gas Safety**

#### 2.5

Health and Safety of the council's tenants and leaseholders is a top priority and gas safety is a key element of this obligation. The council has a target of 100% of all properties to have a current gas safe certificate [CP12]. At the end of August the performance stood at 99.12%. Kier have performed well in this key service area and all outstanding properties are in the council's no access procedure and they are given the highest priority. We only have 7 properties that have a CP12 outstanding for more than one month.

## **Voids**

### 2.6

The average time taken to relet an empty home is generally very good at below 24 days and at half way through the financial year the council would expect to have had 150 voids. In fact there has only been 134. However the average cost of each void is of concern. The budget was set using an average cost of £1,464, but in reality the average costs have been £2,267 which is putting a lot of pressure on the bottom line. This year the council has had over 10 voids where the cost to relet the unit has been in excess of £5,000. In response a new approvals process has been installed and all voids over £2,000 will need Head of Service sign off to proceed and any void estimated to be over £5,000 will need Divisional Director sanction to proceed.

## **Capital Programme**

### 2.7

Work is well under way to procure and deliver the 2011/12 capital programme. The annual budget is £11,176,000 which is made up from £6,360,000 for this year and a carry forward of £4,816,000 from 2010/11. It is a large programme and the key elements are as follows:

- Kitchen renewals - £1,275,000
- Bathrooms - £1,300,000
- Adaptations - £1,100,000 [council stock]
- Enveloping - £1,296,000

In a number of the programmes we are going out to competitive tender using an on line system called BRAVO. The kitchen renewal programme has been issued and 46 expression of interest have been received. The council is very hopeful that very competitive prices will result and we will be able to do more renewals within the existing budget. Progress on the programme delivery will be monitored by the Asset Management Improvement Group.

### 2.8

The major project at Francis Road continues, but the site start date is now projected to be March 2012. Leaseholder consultation has been complete and the project is now with the planners for final approval. A Project Progress Group has been created to ensure residents are kept fully informed and this meets monthly. Design drop in events have also been established to ensure the consultation process meets all residents needs.

## **Procurement of New Contracts**

### 2.9

At its meeting on the 8<sup>th</sup> September the Cabinet agreed not to extend the current Repairs and Maintenance contract with Kier that terminates at the end of June 2012. The decision was taken to move to delivering the service via a network of smaller local contracts which it is felt will deliver a more responsive service to tenants and leaseholders at more competitive rates which will enable the council to deliver a much improved service.

## 2.10

A Project Board has been created to oversee and ensure the project is delivered as approved by the Cabinet. The board has three portfolio holders, a member of the opposition, a tenant / leaseholder representative and several senior council staff. The board will be meeting monthly.

## 2.11

The contracts to be tendered are as follows:

- Responsive repairs for the East, West, Central Harrow and Corporate
- Domestic gas and boiler servicing and repairs
- Larger gas boiler servicing and repairs [e.g. sheltered housing]
- Adaptations
- Framework contracts for major investment works such as kitchens, bathrooms, roofing, windows and doors.
- Lifts
- Warden Call
- CCTV
- Emergency lighting and fire detection

## 2.12

The timescale to deliver this complex change process is tight and the following dates are key:

- W/C 3<sup>rd</sup> Oct 2011– OJEU notice published [ European Advert]
- W/C 28<sup>th</sup> Nov 2011– Short listed contractors invited to tender for the contracts
- Jan – Feb 2012 – Detailed tender evaluation completed
- March 2012 – Contracts awarded after Cabinet approval on the 8<sup>th</sup> March 2012
- April – June 2012 - Contract mobilisation

The plan is aimed to start the new contracts from the 1<sup>st</sup> July. However if there is any slippage the Cabinet have approved a possible extension with Kier for 3 months, but every effort will be made to avoid this. In order to focus on the responsive contracts being ready for the 1<sup>st</sup> July the frameworks for planned works will be procured during the spring / early summer 2012.

## 2.13

It is important tenants and leaseholders are involved in this important process and this will happen in the following ways:

- Housing Fair [ took place in April]
- Resident panel meetings taking place monthly
- Articles in Homing In
- Residents to be part of the contractor evaluation panel
- Informal consultation with leaseholders and formal consultation letters distributed
- Membership of the Project Board
- Reports to TLCF

### **Section 3 – Further Information**

All relevant information is contained in the report, but further progress reports will be made to the TLCF in the future

### **Section 4 – Financial Implications**

The report has highlighted the following financial implications:

- The increase costs of void works to empty homes and the new approval process that has been put in place to manage costs
- The increase in the client side by 5/6 new roles, which has received Cabinet approval
- The procurement of new contracts for the repairs and maintenance service, which again has Cabinet approval

### **Section 5 – Equalities implications**

Equality Impact Assessments have been carried out for the repairs procurement.

### **Section 6 – Corporate Priorities**

The report incorporates the following corporate priorities:

- Keeping neighbourhoods clean, green and safe:  
**The new repairs contracts / capital programme**
- United and involved communities: A Council that listens and leads:  
**Tenant and leaseholder involvement in the new repairs contracts**
- Supporting and protecting people who are most in need:  
**Provision of the repairs service**
- Supporting our town centre, our local shopping centres and businesses:  
**Allowing local contractors to apply to deliver the new repairs contracts**

Name: Donna Edwards

on behalf of the  
Chief Financial Officer

Date: 18 October 2011

## **Section 7 - Contact Details and Background Papers**

**Contact:** Derek Stewart, Head of Asset Management 0208 424 1075 or 07919 697637

**Background Papers:** None