

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

Date of Meeting: 29 February 2012

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

Responsible Officer: Lynne Pennington – Divisional Director
Housing

Exempt: No

Enclosures: AMT structure chart.

Section 1 – Summary

This report sets out to update the forum on progress made in the Asset Management Team on the repairs procurement exercise, 12/13 works programmes, Harrow house warmers, performance and tenant cash back.

FOR INFORMATION

Section 2 – Report

Procurement update

2.1

Previous update reports have been given to the forum in November 11 and January 12. The current position is 8 contractors from the 12 invited to tender for the 3 housing contracts and the corporate contract have submitted a tender. The tenders have been evaluated and the recommendation for contract awards will go to the Cabinet on the 8th March. A panel of tenants, leaseholders and residents have been part of the evaluation process in assessing the quality and customer service aspects of the tenders. In order to get through to the final stage of price opening the contractors had to score 60% plus on the quality assessment, of the 8 there were 4 who passed this threshold.

2.2

The current contract partner, Kier was invited to tender, but they chose not to submit a tender.

2.3

The tender for the 3 star gas contract have been issued to 8 contractors and the closing date for submission is the 6th March 2012. As with the repairs tender a panel of tenants, leaseholders and residents will be involved in the tender appraisal. A report will go to Cabinet in April with a recommendation for contract award.

2.4

Work is also under way on the framework contracts we plan to put in place for major works, such as kitchens, bathrooms, windows, lifts etc.

2.5

As this is a quickly moving process a verbal update will be given at the meeting.

Staffing update

2.6

The formal consultation with the staff in the Asset Management Team started on the 5th January and was due to end on the 2nd February 2012. Following a request from the GBM union the closing date was extended until the 8th February.

2.7

Following approval from the Project Board on the 15th February the new staffing team in Asset Management will increase from 27 roles to 34 roles. The growth is due to the fact a number of functions that the contractor currently carries out under the partnership arrangement will now move in house. A copy of the new structure is enclosed for information.

2.8

During March we plan to complete the job matching, ring fencing and assimilation process. In April any selection interviews will be held. The new structure will become live from May, but we expect there will still be some further recruitment to complete before we have a full staffing complement.

Performance update

2.9

Responsive repairs

The performance scorecard for Asset Management shows at the end of December that overall tenant satisfaction with works carried out in their homes was at 88%, which is exactly on target. The number of appointments kept was just below the 95% target at 94.3%. Repairs complete first time was well above the 82% target at 89.4%.

2.10

Gas safety

Health and Safety of the council's tenants is a top priority and gas safety is a key element of this obligation. The council has a target of 100% of all properties with a gas supply to have a current gas safe certificate (CP 12). At the end of December 99.52% had the required certificate. 14 properties have not had the certificate for longer than a month and were actively being pursued via the no access policy.

2.11

Voids

The average cost of a void at the end of December was £2,237. The number of voids did reduce as expected due to the holiday break. The approval process is in place for the larger voids and the increase in expenditure is being contained in the overall revenue budget for 11/12. Performance is back on track.

12/13 Programmes

2.12

Ex Decs

There is some confusion over this programme and consequently a new 5 year plan is to be created, which will be shared with the TLRCF at it's meeting in May 2012

2.13

Capital Programme 12/13

Work is underway on the capital programme for next year, which is driven by the stock condition database and when we have more detail it will be shared / discussed with HEFTRA. Some of the headlines budgets are as follows:

- £2,352,350 – Enveloping (includes Francis Road)
- £1,500,00 – Kitchen and Bathrooms

- £850,000 – Heating and Boilers
- £600,000 – Council Adaptations
- £350,000 – Structural and Drainage
- £150,000,000 – Carry forward
- £100,000 – Fencing Programme

Overall the capital investment budget is a little under £9,000,000

Tenant cash back

2.14

In April 2011 The CLG announced the new scheme of “tenant cash back” which Grant Shapps, the Housing Minister said “could lead to tenants receiving cheques in the post worth thousands of pounds” The proposal was tenants would be paid to carryout low level repairs.

2.15

TPAS have given the idea cautious support as they support any idea that encourages people to do things for themselves, but they also have some concerns on how practical it will be in the real world.

2.16

Pilot Projects

As the proposal is radical the Government has supported 3 pilot projects to test the idea. The pilots were due to start in October 11 and report in April and October 12. Three Housing Associations / Groups agreed to be in the pilots and the success has been mixed.

2.17

Hastoe HA has not yet started the pilot as it has not been able to agree the process with their insurance company. There are real issues and risks surrounding liability for injury or damage.

2.18

Together Housing Group has 35,000 homes and has signed up 20 tenants. The Group had planned a large pilot, but due to concerns from their insurance company and the Health and Safety Executive it has been reduced to a very small pilot.

The less ambitious approach has been to focus on areas with poorly maintained housing and high demand on it’s housing management services and offered to reward tenants living there who could demonstrate they were sticking to the terms in their original tenancy agreement.

The agreement includes stipulations of works that should be carried out by the tenant, such as keeping the garden clear of rubbish etc. Together Housing Group plan to use the carrot of financial reward to improve tenancy conduct.

The payment will be £60 over 6 months split into three payments of £20.

2.19

Home Group has 51,000 homes and has signed up 160 tenants for the pilot, the target was 250, but it has not proved to be as popular as first thought. Home found the best way to recruit was via face to face contact with Housing Officers.

Again they have had legal and insurance issues, but have managed to progress the pilot by requiring tenants who take part to have home contents insurance with an element of personal liability cover.

The Home Group pilot is split into 3 different parts of the UK with 3 different types of reward. In Cumbria the reward for sticking to the agreement is a 4 week rent payment holiday. In Middlesbrough the reward is cash or B+Q vouchers, with half in advance and the second half in 6 months time. In Braintree the reward is paid in arrears, first half after 6 months and the second payment in another 6 months time.

In total they all will pay approx £400. In all cases they have excluded flats to avoid risks to tenants living above or below

A number of repair types have been excluded as the risks are too high, they include, gas, electrics and nailing or screwing into walls and floors.

2.20

Although not part of the official pilots, **Bromford Living** has developed a scheme which they have called the Home Rewards Club (HRC). Membership offers the opportunity to do some of their own repairs and housing management in return for £500 over 12 months. Bromford feel this will be paid for out of savings they make.

The aim is to reduce dependency and improve self reliance of the tenants.

2.21

Other landlords such as **Northumberland County Council** have argued strongly against such schemes as they feel tenant cash back has to be so restrictive that it will not empower tenants raise standards, offer choice or reduce costs.

They feel most tenants would prefer the landlord to provide a first class service, which engages tenants in the management and improvement of the service and is accountable to them.

2.22

The issue will need to be considered by elected members in the near future and the views of the TLRCF are requested so it will inform their deliberations.

Harrow House Warmers

2.23

The council has been successful in securing £68,500 funding from the Department of Health's Warm Homes Healthy People Fund. The campaign was launched on the 16th January as part of the Big Energy Week. The campaign is designed to help vulnerable and isolated people to improve their

warmth in the home. The scheme can offer free loft insulation and cavity wall insulation along with advice on fuel debt, tariff switching and benefits. Full details are available on the council's website.

2.24

The project is being lead by the council's climate change team and all types of tenure are eligible. There a number of strands to the project:

- The climate change team can refer cases to insulation schemes for free loft insulation, including top ups and cavity wall insulation. Funding is primary from the energy companies (EDF) and from the council via the affordable warmth budget.
- CAB will provide assistance on debt advice, changing suppliers and benefits
- Age UK will provide a range of voluntary support such as befriending, handyman etc.

2.25

In the first 4 weeks of the project 8 referrals have been received. A verbal update will be given at the meeting.

Section 3 – Further Information

3.1

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

Section 4 – Financial Implications

4.1

The report has highlighted the following financial implications:

- The procurement of the new repairs contracts and the AMT restructure, which have cabinet and project board approvals.
- The tenant cash back proposal may have a financial cost depending on how far the council embraces the scheme.
- The 12/13 programmes have been produced within the guidelines given for the annual budget.

Section 5 - Equalities implications

5.1

Equality Impact Assessments have been carried out for the repairs procurement and the Asset Management Team restructure.

Section 6 – Corporate Priorities

Please identify which corporate priority the report incorporates and how:

- Keeping neighbourhoods clean, green and safe: The new repairs contracts and Harrow House Warmers
- United and involved communities: A Council that listens and leads: Tenant, Leaseholder and Residents being part of the repairs contract evaluation process. Consultation over the tenant cash back scheme
- Supporting and protecting people who are most in need: The repairs contracts. Harrow House Warmers
- Supporting our town centre, our local shopping centres and businesses: Encouraging local supplier to tender for the repairs contracts.

Name: Donna Edwards



on behalf of the
Chief Financial Officer

Date: 16 February 2012

Section 7 - Contact Details and Background Papers

Contact: Derek Stewart – Head of Asset Management – 020 8424 1075 or 07919 697637

Background Papers: None