

**HACKNEY HOMES Ltd
Board Meeting**

Monday 14th July 2008 at 6.30pm to 8.45 pm

**The Chief Executive's Conference Room, 1st Floor,
Christopher Addison House, 72 Wilton Way, Hackney E8 1BJ**

Part A Meeting (Open to the Public)

Distributed to:

Hackney Homes Board Members:

Rupert Tyson (Chair)
Alice Burke (Vice Chair)
Audrey Villas (Vice Chair)
Asim Bhattacharyya
Jonathan McShane
Feryat Demirci
Samantha Lloyd
Marie Photiou
David Larkin
Danny Sutcliffe
Linda Kelly
Brian Marsh
Afolasade Bright
Karen Dodds
Terry J Edwards

Hackney Homes Executive Directors:

Charlotte Graves (Chief Executive)
Neil Isaac (Director of Finance & Resources)
Gary Penticost (Director of Property Services)
Peter O'Kane (Interim Director of Quality and Strategy)
Robin Smith (Programme Director – Woodberry Down Regeneration)

Hackney Homes Officers:

Sue Poulter
Sunil Desai
Brian Madden
John Newton
Trish Hall
Daniel O'Connell
Pat Ronayne
Tom Hunt

Stakeholder Representatives:

Jamie Carswell
Tim Shields
Fiona Fletcher – Smith
Stephen Tate
Nimisha Patel
Amanda Kelly
Winston Brown.

Housing Partners:

John Ferman (Pathmeads)
John Newbury (Mouchel)
Elliot Brooks (Pinnacle)

HACKNEY HOMES Ltd Board Meeting 37

Monday 14th July 2008 at 6.30 pm to 8.45 pm

The Chief Executive's Conference Room, 1st Floor, Christopher Addison House, 72 Wilton Way, Hackney E8 1BJ

A AGENDA Part A (open to the public)

Item	Presenter	Subject	Status	Duration	Time
1.	Chair	Welcome/Apologies/Introductions	Information	2 mins	6.30-6.32
2.	Chair	Declarations of Interests	Information	1 min	6.32-6.33
3.	Chair	Questions received from the public	Information	2 mins	6.33-6.35
4.	Chair	Minutes of Monday 23 rd June 2008 (Part A) and Matters Arising	Decision	5 mins	6.35-6.40
5.	Chair	Hackney Homes' Chair Report	Information (Verbal Report)	5 mins	6.40-6.45
6.	S Lloyd B Marsh S Lloyd	Report back from Committees a) Audit and Finance Committee Meeting 7 th July 2008 b) Hackney Homes Standards and Ethics Committee Meeting 8 th July 2008 c) Hackney Homes Joint Committee Meeting 10 th July 2008	Information (Verbal updates)	15 mins	6.45-7.00

7.	C Graves	Chief Executive's Report	Information (Report)	15 mins	7.00-7.15
8.	G Penticost	Repairs Service - Overview:	Presentation	20 mins	7.15-7.55
		<ul style="list-style-type: none"> • Presentation; • Questions & Answers Session. 	Q & A Session	20 mins	
		BREAK		5 mins	7.55-8.00
9.	C Graves	Project Excellence	Information (Report)	20 mins	8.00-8.20
10	G Penticost	Lift & Door Entry Systems Report - Update	Information (Report)	5 mins	8.20-8.25
11	Chair	Any Other Business	Information	5 mins	8.25 – 8.30
12	Chair	Date of Next Board Meeting: Monday 18th August 2008 at 6.30pm, Christopher Addison House	Information	1 min	8.30 – 8.31

Please Note: Hackney Homes will not be holding a Part B (Not Open to the Public) Meeting on Monday 14th July 2008 as there are not any confidential and/or commercially sensitive agenda items to consider.



Hackney Homes Ltd

ITEM 4

Part A minutes of Board of Directors, held at Christopher Addison house, 72 Wilton Way Hackney E8 1BJ

On 23 June 2008 at 7.30PM

Present	<p>Board Members Rupert Tyson (Chair) Alice Burke (Vice Chair) Audrey Villas (Vice Chair) Samantha Lloyd Asim Bhattacharyya Brian Marsh Marie Photiou Danny Sutcliffe Afolasade Bright David Larkin Karen Dodds Linda Kelly Terry J Edwards Jonathan McShane Feryat Demirci</p>	<p>Hackney Homes Officers Charlotte Graves Neil Isaac Gary Penticost Peter O’Kane Robin Smith Pat Ronayne Sunil Desai Tom Hunt</p>	<p>Stakeholder Representatives (Hackney Council) Stephen Tate Nimisha Patel</p> <p>Housing Partners Representative John Newbury -Mouchel</p> <p>Member of the Public Eric Cato</p>
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	Part A – Open to the Public	Action	Date
1. Welcome/Apologies/ Introductions	<p>Apologies were received from the following:</p> <ul style="list-style-type: none"> • Jamie Carswell <p>Introductions: The Chair welcomed the following to the meeting:</p> <ul style="list-style-type: none"> • John Newbury representing Housing Partners, Mouchel • Mr Eric Cato, a member of the public. 		



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<p>5. Hackney Homes Board Member Resignation - Resolution</p>	<p>The Chair informed the Board that Natalie Pace resignation has created a vacancy. A process of recruiting will commence once the Board passes the resolution. Board Members were encouraged to inform potential candidates to apply when the application process starts.</p> <p><i>Hackney Homes Board passed the resolution to:</i></p> <ul style="list-style-type: none"> • <i>Accept Natalie Pace's resignation;</i> • <i>Instruct Hackney Homes officers to begin process of recruiting for a new Hackney Homes Independent Board member;</i> • <i>Invite Board Members to volunteer to sit as panellists on the Hackney Homes Board Member Interview Panel.</i> 	<p>C Ramsay</p>	<p>TBC</p>
<p>6. Hackney Homes' Chair Report</p>	<p>The following issues were highlighted:</p> <ul style="list-style-type: none"> • Major inroads made into youth participation in the Borough. • The Chair reported back on the CIH Harrogate Conference. Alice Burke, who also attended the conference, said that all delegates networked and discussed relevant issues regarding ALMOs and other Housing matters. • Board Members were invited to attend a Picnic organised by Hackney Homes Communications Team. The event will be held on the 27.06.08 at lunch time. • Woodbury Down event- Board Members were invited to Woodberry for an event on the 5th July 2008. <p><i>The Board noted the Hackney Homes Chair Report.</i></p>	<p>S Raphael R Smith</p>	<p>TBC TBC</p>
<p>7. Report back from Committee: Hackney Homes</p>	<p>Alice Burke, Chair of the Human Resources Committee informed the Board of the following :</p> <ul style="list-style-type: none"> • Consultants reduced from 37 to 20. 		



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On 23 June 2008 at 7.30PM

<p>Human Resources Committee Meeting- 4th June 2008</p>	<ul style="list-style-type: none"> • Leasehold job vacancies will be sent soon. • The Board said that they expected appraisals to be completed by 30.06.08 • E&D Training for the Board must be completed. • The new Hackney Homes advert received positive feedback from Board. They said that it was inspiring and hoped it will encourage residents to be more involved in Hackney Homes activities. <p><i>The Board noted the report back from the Hackney Homes Human Resource Committee Meeting of 4th June 2008.</i></p>	<p>Governance</p>	<p>TBC</p>
<p>8. Chief Executive's Report-Strategic Overview (Including Woodberry Down Report-Appendix 1)</p>	<p>The Chief Executive highlighted the following :</p> <ul style="list-style-type: none"> • Board meetings must cover issues central to the performance of Hackney Homes. The issues to be covered at every Board meeting must include Performance and Financial Overview as well as Budget Update. • The Chief Executive informed the meeting that Hackney Homes is enhancing strategic relationships with the Council as well as Housing Partners. The Housing Partners are now part of the extended Hackney Homes executive team. • Board meetings must cover issues central to the performance of Hackney Homes. The issues to be covered at every Board meeting must include Performance and Financial Overview as well as Budget Update. • The Chief Executive informed the meeting that Hackney Homes is enhancing strategic relationships with the Council as well as Housing Partners. The Housing Partners are now part of the extended Hackney Homes executive team • Board was also told that the changes to RLG and Panel were not 		

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On 23 June 2008 at 7.30PM

achieving the results intended. A fundamental review of the system is required.

- The Chief Executive said that there must be a coherent thread between RLG and Panels on one hand and the Board. This relationship must encourage a better working relationship with the ultimate aim of achieving Hackney Homes objectives.

INSPECTION PREPARATION

- The Chief Executive outlined the key task facing Hackney Homes in preparing for inspection.
- Board was informed that staff across Hackney Homes are working very hard to ensure that the next inspection achieves the expected result. The Chief Executive said that the various improvement plans now include the requirements of the Audit Commission's Key Lines of Enquiry (KLOEs)
- Achievement of the 2 stars and the £225m that comes with it must be emphasised.
- She added that the achievement of the 2 star rating will help the improvement of services.

REPAIRS AND MAINTENANCE

- The Board was informed that the Chief Executive and other officers met with first year apprentices. The meeting was informed that about 260 applications were received for 6 posts. Hackney Homes is working with partners to see if more apprentices can be placed in training.

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- The Board was informed that feedback from the Steering group is promising and resident involvement was encouraging
- Gary Penticost informed the Board that Hackney Homes' appreciated residents' participation in procuring maintenance contract. The process is on course to meet the contract start date of 1st September 2008.

LEASEHOLD AND RIGHT TO BUY

Pat Ronayne informed the meeting that the Right to Buy scheme continues to attract interest. The following points were highlighted:

- Meeting told that 37 formal offers were made to tenants with 12 sales resulting.
- New service standard to come out soon.
- Rent strategy to be tabled at the Board
- Resident survey to be conducted over June.
- Preparation is underway for a Major Advice Day scheduled for September.

ESTATE CLEANING AND GROUNDS MAINTENANCE

Tom Hunt highlighted the following to the Board:

- Performance is being maintained at 92%-94%.
- Hackney homes are recruiting for Estate Cleaning and Grounds Maintenance Manager and Business Development Manager positions.
- **Board was also informed that tree maintenance was experiencing problems and increase complaints because no money was allocated during Resourcing Our Priorities (ROP).**

	<p><u>WOODBERRY DOWN UPDATE</u> The following issues were highlighted:</p> <ul style="list-style-type: none"> • All Board Members were invited to Fun day scheduled for Saturday 5th July at Rowley Gardens. • Council and Berkeley finalising the S106 agreement for the Old School Site. Development will start about three (3) months after planning permission is granted and the agreement is signed. A report to protect retailers and landlords from sub-standard retail occupation will be presented to the July. • Decanting and rehousing is almost complete because only 3 tenants remain. • On the Horston and Sherwood Houses Kick Start site 5 tenants remain. 2 have accepted the offer of new homes. 2 leaseholders agreed to sell with repurchases to complete soon. • Delay on demolition is due to one tenant in Dean House delaying moving. Lawyers are dealing with issue while attempts are made to persuade the tenant to move voluntarily. <p><i>The Board noted the Chief Executive's Report- Strategic Overview including the Woodberry Down update.</i></p>		
<p>9. Hackney Homes Performance Overview</p>	<p>The following issues were highlighted :</p> <ul style="list-style-type: none"> • Repairs monitoring information will include all repairs in addition to DLO. • The Chair said that residents are not happy with how certain departments are responding to calls from residents. He expected a response from officers on this issue. • NI will report back progress next month 	<p>NI</p>	<p>14.0.08</p>

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On 23 June 2008 at 7.30PM

Telephone system and customer service

- Answering continues to be at almost 90% of external calls being answered with 96% of these within 5 rings.
- Hackney Homes working to improve settlement rate at Stage 1
- NI working together with AD of ICT at Hackney Council to find ways to improve the system.
- Board was informed that transferred calls may record as missed calls if they are not answered after the transfer.
- Board Members urged officers to look at other organisations outside Hackney on ways to minimise the problems with the telephone system.
- Stephen Tate from Hackney Council said that the Council and Hackney Homes are cooperating on ways to improve the system.
- Board Members suggested the following measures to improve service:
 - a) more time and resources must be allocated to complaints.
 - b) residents expected from Hackney Homes Officers to be courteous when responding to calls.
 - c) First person to receive a call must take ownership of issues. This ensures that the enquiry is not passed around too many people resulting in no one taking responsibility of the call.

Rent Collection and Arrears

- Rent arrears remained constant despite the April rent increase.
- Meeting was informed that rent collection target was exceeded with the achievement of 98.13%.

	<p><u>TMOs</u></p> <ul style="list-style-type: none"> • Board was informed that Hackney Homes is working hard to improve the performance of TMOs that are not performing as expected. • The TMO Regulation Team is monitoring the work in progress. <p><u>Property Services and Asset Management Division</u></p> <ul style="list-style-type: none"> • The Board informed that the division is now subject to revised criteria for performance. • Meeting was further informed that urgent repairs continued to perform well at 85% despite the revised criteria for performance. <p><i>The Board noted the Hackney Homes Performance Overview report.</i></p>		
<p>10. Financial Overview and Budget Update</p>	<p>Neil Isaac informed the Board that the report contained updates on the Outturn position for 2007/08 for Council's HRA Delegated Budgets and Hackney Homes own budgets from the Management Fee.</p> <p><u>Outturn position 2007/8</u></p> <ul style="list-style-type: none"> • The Board was informed that Closure of HH accounts for 2007/8 has been completed. • The Board was also informed that the underspend resulting from the budget was returned to Council's HRA. This ensured that HH has a break even position at the year end. • The initial audit of Hackney Homes accounts by external auditor, Baker Tilly is expected to show no major concerns. The report will be presented at the Audit and Finance meeting scheduled for 7th July 2008. • The Board was informed that Delegated budgets will be overspent by about £1m because of the Repairs and Maintenance overspend. 		

	<p><u>Budget monitoring 2008/9</u></p> <ul style="list-style-type: none"> • Impact of recent fuel increases will impact on the delegated budgets. • Draft outturn from 2007/8 will be reviewed to assess the impact on repairs overspend. • Audit and Finance Committee and Board will receive reports on the conclusions in due course. • Board Members agreed that any problems with the budget must be picked up during the year rather than at the end. Board should be made aware of discrepancies. • The Chief Executive informed the Board that the Management Team will put extra financial controls and update Board <p><i>The Board noted the report.</i></p>		
<p>11. Establishment of the Service Improvement Committee</p>	<p>The Chief Executive outlined the need for the establishment of the Service Improvement Committee. She said that the Committee will allow nominated Board Members to consider in detail operational service areas and service improvement.</p> <p>Board members highlighted the following :</p> <ol style="list-style-type: none"> a) The reporting mechanism must be clear. b) Committee must recommend matters to the Board for decision. c) The Board should only debate matters recommended from the Committee if there are differences in opinions. 		

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	<p><i>The Board agreed to the following:</i></p> <ul style="list-style-type: none"> • <i>establishment of a new Service Improvement Committee</i> • <i>nomination of the Service Improvement Committee Members.</i> <p><i>The following Board Members were nominated to the Service Improvement Committee.</i></p> <ul style="list-style-type: none"> • <i>Terry J Edwards</i> • <i>David Larkin</i> • <i>Alice Burke</i> • <i>Afolasade Bright</i> • <i>Linda Kelly</i> • <i>Brian Marsh</i> • <i>Marie Photiou</i> • <i>Rupert Tyson</i> • <i>Audrey Villas</i> 		
<p>12. Mediation Services</p>	<p>Pat Ronayne outlined the plan to find alternative ways to provide mediation services. The following points were highlighted:</p> <ul style="list-style-type: none"> • The Board Members promised their full support to the plan to engage residents to volunteer and minimise costs of providing mediation services. • Linda Kelly suggested the use of law centres, voluntary services and outside bodies who will welcome the publicity. • The Chief Executive informed the Board that Hackney Homes involved in ongoing talks with the Council on the issue of how to fill the gap left by the closure of Mediation Services. • A suggestion was made to the Board to incorporate the mediation task 		

	<p>into Estate Managers' job description.</p> <ul style="list-style-type: none"> • The Board will receive an update on the progress. • Pat Ronayne told the Board that the cost to Hackney Homes of using alternative services has not been determined. Hackney Homes is however hoping they will use the £50 000 paid to the Council for providing Mediation Services prior to the termination of the arrangement. • Board to receive an update on Mediation Services <p><i>The Board noted the Mediation Services Report.</i></p>	PR	TBC
<p>13. Audit Commission Documents- Agreeing process on refreshed documents</p>	<p>The Chief Executive informed the Board that about 300 documents will be submitted to the Audit Commission. She further informed the Board that some documents required minor changes but other needed substantial review and Board agreement.</p> <p><i>The Board agreed to:</i></p> <ul style="list-style-type: none"> • <i>delegate to the Chief Executive agreement to minor changes and updates;</i> • <i>delegate to the Chief Executive the decision as to whether refreshed documents should be referred to the full Board or relevant Board Committee.</i> 		
<p>14. Any other Business</p>	<ul style="list-style-type: none"> • The Board was informed of concerns by residents that contractors were not listening to residents' concerns. More feedback to residents to understand what's going on is important. • Linda Kelly invited all Board Members and staff to the North East Neighbourhood Compact presentation event on 16th July 2008. 		



Hackney Homes Ltd

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On 23 June 2008 at 7.30PM

15.	<p>Date of next Board Meeting: Monday 14th July 2008 at 6.30pm Christopher Addison House.</p> <p>The Board noted the date of the next meeting.</p>		
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Signed as a true record of this meeting _____ Chair Dated _____

Title of Report: Chief Executive's Report – Strategic Overview	
Decision Making Body: Hackney Homes Board	Date: Monday 14th July 2008
Classification: FOR INFORMATION	Report of: Chief Executive – Charlotte Graves
Item Previously considered at:	On Which Date: N/A
Report Author: - Charlotte Graves Chief Executive	Appendices: Appendix A Woodberry Down Update

Report Outline:

<ul style="list-style-type: none"> • Paragraph: 1.0 - Summary of Report; • Paragraph: 2.0 - Recommendation to the Board; • Paragraph: 3.0 - Inspection Preparation • Paragraph: 4.0 - Workplace meetings with repairs operatives • Paragraph: 5.0 - Repairs and Maintenance • Paragraph: 6.0 - Neighbourhood Panels • Paragraph: 7.0 - Finance and Corporate Services • Paragraph 8.0 - Grounds Maintenance, Caretaking and Cleaning • Paragraph 9.0 - Woodberry Down Update

If you have any questions about this report, please contact Charlotte Graves on 0208 356 3671 or email Charlotte.Graves@Hackneyhomes.org.uk .

1.0 SUMMARY OF REPORT

1.1 The purpose of this report is to ensure that the Board has an overview of activity in Hackney Homes and current issues of importance.

2.0 RECOMMENDATION

2.1 The Board is asked to note the contents of this report.

3.0 INSPECTION PREPARATION

3.1 We have collated the majority of the documents required to send with our self assessment to the Audit Commission and these are being reviewed / refreshed as necessary.

3.2 We are working on a first draft of the self assessment which will then be reviewed by the executive management team and service heads. A near final draft will be shared with our colleagues in the Council for comment before being circulated to the Board for comment in August and presented to the Board for sign off in early September.

3.3 All Hackney Homes managers are finalising work to demonstrate the progress made in response to the original Audit Commission inspection report and the Audit Commission's Key Lines of Enquiry. At this Board meeting the Board is asked to consider in detail the progress made in respect of the repairs service.

4.0 WORK PLACE MEETINGS WITH REPAIRS OPERATIVES

4.1 This month I have attended a number of workplace meetings with the front line repairs operatives. These have been extremely useful in identifying practical areas where we can improve services to tenants and leaseholders e.g. supply of materials and programming of work.

5.0 REPAIRS AND MAINTENANCE

5.1 Improvement of Services Repairs and Maintenance is covered under a separate report on the Hackney Homes Board Agenda.

6.0 NEIGHBOURHOOD PANELS

6.1 Senior managers attended Shoreditch Neighbourhood Panel and Stamford Hill Neighbourhood Panel respectively. The Board does need to be aware that the Tenant and Resident representatives (TRAs) have expressed concern about follow-up on issues raised at Neighbourhood Panels and TRA's. We are putting processes in place to ensure that issues raised at Neighbourhood Panels are clearly recorded and actioned.

7.0 FINANCE AND CORPORATE SERVICES

7.1 The Audit and Finance Committee on 7th July will consider a number of reports including:

- Budget monitoring;
- Procurement items;
- The Internal Audit annual report;
- The report from Baker Tilly on the audit of the financial accounts for 2007/08;
- The HRA Medium Term Financial Plan;
- The Value For Money Programme for 2008/09; and,
- The Repairs and Maintenance VFM report.

7.2 A verbal update of the key issues arising will be made to the Board on the 14th of July. Elements of this agenda (for example the annual accounts) that may require a formal Board approval will be reported to the Board in August or September.

7.3 Investigations into the overspend on the repairs budget are still continuing, progress will be reported to the Audit and Finance Committee on the 7th of July, a further update being made to Board on the 14th.

8.0 GROUNDS MAINTENANCE, CARETAKING AND CLEANING

8.1 Audit Commission Inspection

8.2 In addition to drafting the 1st issue of the Self Assessment Document, Estate Environment has been developing a strategy to ensure that they are fully prepared for the inspection.

* All staff will be visited by the Head of Service a minimum of three times to update on Inspection progress, give advice on how to address Inspectors, should they be spoken to and gain the views of staff.

* Two Operative Forums are being introduced each consisting of twenty staff to discuss issues relative to Estate Environment's performance and methods of working. These staff would be our first choice to meet inspectors in any required forum.

* Ad hoc, unannounced estate visits by various senior managers to ensure standards are high when Inspectors arrive.

* Undertake a review of all documentation to ensure evidence is up to date and relevant.

8.3 Restructure

The Estate Cleaning and Grounds Maintenance Manager and Business Development Manager posts have been advertised with varying degrees of success.

8.4 The Business Development Manager post had a good quality response shortlisting is currently being undertaken.

8.5 The Service Head has requested that a further advert is placed to explore the market place for more strong candidates for the Estate Cleaning and Grounds Maintenance Manager post.

8.6 The trades unions have returned their comments regarding all other Job Descriptions and these will be evaluated in the near future.

8.7 Enhanced TRA's

Following two difficult meetings with approximately 20 TRA Chairs, Members and officers, the Chief Executive has committed to revisiting the ETRA process. This does not mean that we shall return to the Estate Committee arrangements but does mean that we will critically examine the current process with a view to making it more efficient and easier to manage.

8.8 Community Payback Scheme

Executive Team considered a report on the above subject which detailed the operational arrangements and expected outcomes from employing youth offenders on particular projects on our estates.

8.9 The Team were told that offenders would be initially screened for suitability and would then be closely supervised by Probation Service staff who would also be qualified trades people.

8.10 Subject to clarification regarding insurance the Team accepted the proposal which will run concurrently with the same scheme being introduced by Hackney Council.

8.11 Enforcement

Several meetings have been held with the Councils' Enforcement Team regarding how the scheme would work as Hackney Homes do not have delegated authority to issue Litter Enforcement fines.

8.12 While Estate Environment staff will be trained to gather evidence and act as witnesses, Hackney Council will have to issue tickets and lead on any Court action that may be necessary.

8.13 Implementation has been delayed as there is a need to co-ordinate with Waste Management to ensure the schemes are compatible. There is also a further discussion to be had regarding the Enforcements Teams ability to undertake this work and the likely costs.

9.0 Woodberry Down Update

9.1 Please see attached as Appendix A to this overview.

CHARLOTTE GRAVES
CHIEF EXECUTIVE
HACKNEY HOMES

WOODBERRY DOWN UPDATE

KICK START SITES

The Section 106 agreement for the Old School Site is currently being finalised between the Council and Berkeley Homes following agreement by the Planning Sub-Committee on 2nd July to an adjusted educational contribution. Once the planning permission is issued on the signing of the Agreement, we expect development to start about three months later.

DECANTING AND REHOUSING

Decanting and re-housing remain on programme. Of the 212 tenants and 37 leaseholders in the original four kick-start sites only 2 tenants remain, all of whom have accepted an offer of a new home and are currently in the process of being moved. Two leaseholders remain, with repurchase of one of these in process which is scheduled to complete during July08.

On the Horston and Sherwood Houses Kick Start site, there were 46 tenants and 19 leaseholders. There are now 5 tenants remaining, of which 3 have accepted the offer of new homes. 2 leaseholders remain and all have agreed arrangements to sell, these repurchases are likely to complete shortly.

On the Pewsham House site, there were 24 tenants and 6 leaseholders. All the original six leaseholders have been repurchased. Nineteen tenants have been re-housed to date. Of the remaining five, 4 have accepted offers of new accommodation, this leaves 1 tenants awaiting allocation of a new home

DEMOLITION

Seven blocks have been demolished comprising 154 properties. Following the completion of the decant of Oakend House, that block is expected to be demolished during July 08. One tenant remains in Dean House who has delayed moving, this case is now with LBH legal. While efforts continue to persuade the tenant to move voluntarily to mutually agreed decant accommodation. A date for a court hearing set for 25th June 2008 was adjourned when the tenants failed to attend the hearing a new date as been set for 31st July 08 at 2pm.

INTERIM REPAIRS

A limited range of repairs to properties in phase 3 and basic decent homes works are planned for phases 4 and 5. This is to compensate for Woodberry Down properties not being included in the Decent Homes Programme, and is additional to normal work undertaken through the Reactive and Planned Maintenance funding streams. Funding for interim repairs has been profiled for 2009-11 at a cost of £17m. Contingency options should a lower level of funding be available are currently being developed.

The business case and RP2 CPC report for the procurement of the interim repairs contractor will be presented to CPC in July 2008. Once this has been agreed an OJEU notice can be issued.

Members of the WDRT and Hackney Homes Property Services are conducting a tour of the estate on the 9th July with resident representatives to identify Health and safety issues

MASTERPLAN

The Masterplan has been resubmitted to the Council, who are treating the revisions as a new application. We had been advised that September Planning Sub-Committee is the likely date for reconsideration.

RSL / DEVELOPER PROCUREMENT

Despite speculation in the media about the position on house building, all the shortlisted developers have submitted detailed initial financial bids for the Competitive Dialogue for Phases 2-5.

Reviews by Frosts Associates indicates that, excluding CLG gap funding, there may be a deficit on the most advantageous consortium combination, although detailed checking and clarification is continuing and any deficit figure are being treated with extreme caution. Reasons for the deficit appear to be reduced sales value due to current economic climate, and recent building cost inflation in the vicinity of the Olympics. We are working with the Council, CLG, the Developers and the RSL's to find good solutions that fit current economic circumstances as well as when we return to a more buoyant market.

ITLA PROCUREMENT

STUF (Strategic Urban Futures) has been appointed preferred supplier following a resident-led selection, and took over from FIRST CALL on 1st July.

CONSULTATION

FUNDAY

Hundreds of residents attended The Annual Community Funday on Saturday 5th of July at Rowley Gardens. There were many activities for young and old including, dance performances from Nemesis, messy arts activities, bird box building, as well as information from a number of partners including Hackney Homes repairs service, the resident participation team, Age Concern and the Walking Together programme. The Funday also provides an ideal opportunity for residents to find out more about the regeneration of Woodberry Down, with the Masterplan model being displayed and members of the team available to answer questions. Members of staff from Skinners, the Learning Trust and the Academy architects were also present and this gave many people the opportunity to see the plans for the future Skinners Academy at Woodberry Grove. The Chair presented prizes for the football and for correct entries in the Community Quiz.

WELL LONDON

WDRT will be hosting the Community Action Workshop in partnership with the Well London Programme on the 8th of July.

The Well London programme will be investing £300,000 over the next three years in local community led projects that tackle, poor diet, lack of physical activity and poor mental well being. The CAW follows on from the Community Café that was held in May 2008. The Community Café attracted over 50 residents and the street interviews over 30 residents who gave us their opinions, knowledge and perspective on local life.

WOODBERRY WORKS

New Courses start in July. We are currently working with the first cohort to assist them into employment. We are meeting with construction companies to discuss apprenticeship / labouring opportunities. Several graduates have enrolled with Hackney Community College to undertake level 2 / 3 training in their chosen field of construction.

NEW YOUTH CLUB

Youth Club Project Team have met to set out the competition framework and time scales for the competition process for a new youth club on the site of the church hall working with the Diocese of London.

Title of Report: Property Services Directorate - Improvement of Services Repairs and Maintenance Services	
Decision Making Body: Hackney Homes Board	Date: 14th July 2008
Classification: For noting by the Board	Report of: Director of Property Services
Item Previously considered at: None	On Which Date: N/A None
Report Author: Gary Penticost Report drafted by the Repairs and Maintenance Improvement Team led by Jim Paterson and comprising of Paul Munday and Brian Madden	Appendices: Appendix 1: Programme of Presentations to Board Appendix 2: Presentation Repairs and Maintenance - Addressing the Recommendations of the Audit Commission Appendix 3: Value for Money Benchmarking Review Responsive Repairs

Report Outline:

- Paragraph: 1.0 - Summary of Report;
- Paragraph: 2.0 - Recommendation(s) to the Board;
- Paragraph: 3.0 - Background;
- Paragraph: 4.0 - Audit Commission Report Recommendation;
- Paragraph: 5.0 - Repairs Improvement Project;
- Paragraph: 6.0 - Value For Money Benchmarking Review;
- Paragraph: 7.0 - Strategic Financial and Operational Issues
- Paragraph: 8.0 - Impact Upon The Hackney Homes Business Plan;
- Paragraph: 9.0 - Impact Upon The Hackney Homes Risk Register;
- Paragraph: 10.0 - Consideration of the Hackney Homes Equality & Diversity Strategy 2006 and Action Plan 2007 - 2010;
- Paragraph: 11.0 - Consultation Process & Findings;
- Paragraph: 12.0 - ICT Implications;
- Paragraph: 13.0 - Human Resources Implications;
- Paragraph: 14 - Financial Implications;
- Paragraph: 15 - Legal Implications / Advice;
- Paragraph: 16 - Other Related Decisions / Guidance.

1.0 SUMMARY

- 1.1 This is a comprehensive report, which documents the extensive work carried out over the past twelve months designed to address key areas of service improvement and to introduce measures to provide the basis of the provision of three star asset management and property repairs and maintenance services. The report is intended to provide the basis for a series of specific presentations to the Board over the next six months on the key issues concerning the development, management and operation of the Property Services Directorate. A proposed timetable for the delivery of these presentations is set out in **Appendix 1**.

- 1.2 The aim of the report is to provide a review of the current operational position of the Property Services Directorate, which consists of the Asset Management and Building Maintenance divisions. The intention being to establish progress against a number of previously developed action plans and identify where additional resources may be required to ensure, as far as reasonably practical, that this area of Hackney Homes meets the requirements to achieve a minimum two-star rating at the Audit Commission inspection scheduled for November 2008.
- 1.3 The Asset Management division is now operating in a well structured and innovative manner with evidence available to meet the requirements of the Audit Commission inspectors. There is a strong partnering ethos and sector leading arrangements with constructors, which have led to significant, demonstrable value for money cost savings verified by consultant quantity surveyors and the Hackney Homes Value for Money team. In the longer term it is planned to expand the division to include some existing planned maintenance and contract compliance staff resources from the Building Maintenance division. This has improved the ability to have a strategic view of planned maintenance as part of the overall asset management responsibility.
- 1.4 There is a willingness on the part of the London Borough of Hackney (LBH) to re-address the financial structures relating to the Building Maintenance division. This would allow the development of more appropriate monthly management accounting. Initial discussions have taken place with LBH with the aim of agreeing that the external costs of repairs, including materials, sub-contractors and other direct repair costs, should be transferred to be part of the Arms Length Management Organisation's cost base. This would give Hackney Homes increased budgetary control as to how it manages repairs and maintenance.
- 1.5 An overriding concern highlighted by the Audit Commission recommendations was that Value for Money (VfM) could not be demonstrated in the areas of responsive repairs and void works. This issue was identified by senior management as being essential to the future success of Hackney Homes, as a result significant support, involving external consultants (Housemark and Just Housing) and the Hackney Homes Value for Money team have produced reports and information demonstrating that Hackney Homes Building Maintenance and the Asset Management division are delivering VfM.
- 1.6 From the actions taken to date, and the evidence collected, the Property Services Directorate is heading in a positive direction in preparation for the Audit Commission inspection in November 2008.
- 1.7 The structure of the report is set out below.

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Sections 1, 2 and 3 provide a summary and the background to the report together with two recommendations for consideration by the Board.

Section 4 sets out the steps taken to rectify issues identified by the Audit Commission during their inspection process in April 2007 are outlined.

Section 5 of the report sets out progress on the implementation of an improvement plan for responsive repairs designed to implement a performance management framework as the means of achieving the aims and objectives of Hackney Homes and at the same time securing best value in the delivery of repairs and maintenance services.

Section 6 summarises the details of an extensive benchmarking project undertaken as part of a Best Value Review process of the housing repairs and maintenance service together with proposals arising from the review and an associated action plan.

Section 7 sets out a summary of the key strategic financial and operational issues to be addressed by Property Services division over the next 12 months.

Sections 8 to 16 set out the implications of the report on existing Hackney Homes policies and practices as applicable

Appendices 1 to 3 are as follows:

- Appendix 1: Programme of Presentations to Board
- Appendix 2: Presentation Repairs and Maintenance - Addressing the Recommendations of the Audit Commission
- Appendix 3: Value for Money Benchmarking Review Responsive Repairs

2.0 RECOMMENDATIONS

- 2.1 This report is for information on the progress of the service improvement programme and the benefits achieved to date. The Board is therefore invited to note the report.
- 2.2 It is proposed to establish a series of presentations to the Board on the key issues affecting the development, management and operation of the division. It is recommended that approval is given to the proposed programme outlined in **Appendix 1** of this report.

3.0 BACKGROUND

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- 3.1 The Property Services Directorate of Hackney Homes consists of two sections, a trading section 'Hackney Homes Building Maintenance' (Hackney Homes Building Maintenance) and the Asset Management section. Hackney Homes Building Maintenance was previously part of the LBH Direct Labour Organisation (DLO) "Hackney Trading Services". At the time of the creation of Hackney Homes as the Arms Length Management Organisation (ALMO) for LBH the DLO was subsumed into the Directorate of Property Services leading to a lack of clarity over the trading status of the organisation.
- 3.2 As with many other DLOs there had not been clear orientation towards a customer care or equality & diversity culture. The successful provision of an internal local authority service had led to staffing arrangements suiting internal delivery systems rather than the effectiveness of the business.
- 3.3 Since becoming part of the ALMO there has been a concentration within Hackney Homes Building Maintenance on achieving a cultural change. This has been achieved through increased training opportunities, a commitment to management engagement with the staff and workforce, the development of a business ethos, and a considerable reduction in staffing costs.
- 3.4 Through the Asset Management division there has already been successful delivery of large scale Decent Homes works which have included significant innovation in the way projects have been managed and funded, without specific Government Decent Homes allocation.
- 3.5 Government funding for the Decent Homes programme is dependent on achieving an Audit Commission rating of 'two stars'. At the time of the last inspection, in March 2007, Hackney Homes was rated as achieving one star with promising prospects. Much of the following information concentrates on what has been undertaken since then and what remains to be completed ahead of the planned inspection in November 2008.
- 3.6 The total amount spent each year on repairs and maintenance (planned, responsive, capital and revenue) is over £28million - equivalent to approx 30 per cent of the annual HRA expenditure. Over 150 people are involved in delivering the service. During 2007/8 over 74,000 repair orders were completed. The costs and operation of the service were naturally a focus of attention by the Audit Commission as part of their inspection in April 2007.
- 3.7 Following their inspection the Audit Commission made a number of recommendations, which identified that there was scope for improving the performance, quality and value for money of repairs

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and maintenance work on the existing housing stock and for reducing whole life costs. In responding to these recommendations two important courses of action were initiated.

- 3.8 Firstly, a team of senior officers in the division established a systematic programme of work designed to respond directly to all of the Audit Commission's recommendations. This activity was grouped under the heading of the Repairs and Maintenance Improvement programme forming part of the overall Service Improvement Initiative. Secondly, a detailed Best Value Review of all repairs and maintenance services was conducted as part of the Value for Money (VFM) programme for 2007/8.
- 3.9 These initiatives have addressed longstanding issues. They form part of an extensive change management programme that has included: the replacement of the former direct labour organisation (Hackney Trading Services); a reduction in staff numbers and the realisation of a cost saving of £1m in revenue costs per annum from 2007/8; the tendering of several major contracts covering repair and maintenance works and supply of materials; and the drafting of important policy documents.
- 3.10 The approach adopted therefore has concentrated upon the best ways of rectifying major problems focussing particularly on their causes and alternative solutions. While there is still more that can be done, management and staff are focused on making sure that each of these significant changes is fully implemented and the improvements are fully secured.
- 3.11 The organisation has changed and in so doing has addressed major problems. These changes are being consolidated to ensure the benefits are fully secured. Our prime objective is to build on the new arrangements and establish ourselves as a best in class provider.

4.0 AUDIT COMMISSION REPORT RECOMMENDATION

- 4.1 The Audit Commission inspection of March 2007 identified a number of key concerns relating to the Property Services Directorate. In particular the following summary comments were made:

“There is a lack of integrated information on internal property condition including the presence of asbestos and weak delivery of cyclical painting programmes. The standard of responsive maintenance service offered is low; the quality of empty properties offered to customers does not meet the agreed lettable standard and the aids and adaptations service is not managed effectively”.

“There are service areas where current practices are not delivering Value for Money – for example the procurement of voids works.”

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However the report also said:

“The prospects for improvement are promising because recommendations set in the previous inspections have been mostly delivered and a track record in delivering improvement is evident with a positive trend in key performance indicators.”

The inspection report included a number of recommendations; those relating to the Property Services Directorate are scheduled below:

R1: Implement an improved responsive repairs strategy, which will:

- Increase tenant satisfaction
- Achieve more jobs completed on first visit
- Improve Value for Money

R2: Improve the management of empty properties (voids), which will:

- Increase tenant satisfaction with the quality of homes offered to let
- Improve Value for Money

R3: Produce a revised asset management strategy, which will:

- Allow the development of robust stock data and informed investment plans
- Give greater clarity on financial requirements

R4: Implement an integrated resident involvement strategy, which will:

- Increase customer satisfaction
- Achieve engagement from a wider range of residents

R5: Establish and embed clear, relevant and consistent standards for Hackney Homes' service planning at all levels, which will:

- Achieve demonstrable outcomes that benefit customers
- Ensure robust performance management

The Audit Commission made the issue of improvements to the delivery of responsive repairs their principal one recommendation in the July 2007 report. Accordingly a new Repairs Policy and related policies were drafted and approved by the Board at their meeting on 17th September 2007. Our response to the recommendation and its four elements is attached at **Appendix 2.**

The Audit Commission set out four elements in relation to their principal recommendation. These elements are set out below together with the

steps taken to respond fully to the recommendations are summarised below.

Audit Commission Recommendation, *R1 Implement a Responsive Repairs Strategy*, consists of four parts:

1. *Reducing the types of repairs which are currently listed as the responsibility of tenants in the Tenants' Handbook such as glazing of internal doors and have these carried out by Hackney Homes;*

This recommendation has been fully met. The Repairs Policy reduces the number of repairs that are the responsibility of tenants. Included in the policy is glazing of internal doors, which is now the responsibility of Hackney Homes not the tenant.

2. *Making it easy for vulnerable residents to have repairs carried out which they need but are unable to do themselves;*

This recommendation has been fully met. A Vulnerable Tenants' Repairs Policy has been established as part of the Repairs Policy to ensure that repairs are delivered quicker and in accordance with the specific needs of the tenant as soon as an individual tenant is identified as being vulnerable. Detailed work is continuing in relation to populating a comprehensive register of vulnerable tenants by Housing Services division.

3. *Re-charging residents for repairs that are their responsibility but which Hackney Homes carry out for them or which are caused by their neglect or deliberate damage;*

This recommendation has been partially met. A Recharge Policy has been introduced as part of the Repairs Policy. The approach adopted in its introduction is designed to ensure consistency of application across the Borough. Repairs and maintenance and voids recharges are to be pursued via sub accounts financial process and client (LBH) approval is awaited to secure an appropriate amendment to the existing IT system.

A total amount of £500 of responsive repairs and £10,000 voids recharges have been identified since the introduction of the new policy. A procedural note is to be drafted by Finance division clarifying the process to be followed once recharges have been referred by Property Services Directorate. The amount of the repairs to be recharged appears disappointing and a review of the approach adopted is underway. It is intended to present a report on this matter at the next meeting of the Board in August in accordance with our proposed programme.

4. *Reducing the variations of works orders to agreed reducing targets.*

This recommendation has been substantially progressed. In association with the introduction of the Fair Pay Scheme new composite Schedule of Rates (SOR) codes were drawn up to replace 1300 codes used under the previous payment and bonus scheme. This has enabled a more accurate specification of works and a related reduction in the level of variation orders.

Accordingly data for 2007/08 and 2008/09 compared with former years shows a step change in performance e.g. the **level of variation orders** has dramatically reduced from **71%** to a recorded level of approximately **30%** currently. It is anticipated that this figure will reduce further to a target of **20%** by the end of the current financial year. It is important to note however that the implementation of the composite codes to the SAFFRON system has yet to be commenced and in consequence data is being implemented currently on a manual basis.

The Audit Commission anticipated that the following benefits would arise from the recommendations:

- *Increased tenant satisfaction with the repairs service;*
- *More effective works specifications resulting in more jobs completed on first visit;*
- *Improved value for money*
- *The implementation of this recommendation will have high impact with medium costs*

Clearly there is a need to evaluate these expected benefits by reference to financial and operational data for 2007/8 and 2008/9. For example it is the intention to conduct surveys of residents in receipt of additional repairs and to run reports identifying the levels of take up. Before and after comparisons will be made following the complete implementation of the composite SOR codes on the financial systems together with an assessment of the effectiveness of multi-skilling operatives to identify whether performance in relation to specifications and on repairs 1st time has been achieved. In addition a value for money review will be conducted to confirm that better specification of jobs has resulted in budgets going further in relation to the costs for the respective years 2007/8 and 2008/9.

We have the following evidence to support our implementation of the measures designed to achieve the benefits identified by the Audit Commission:

- A Hackney Homes Repair Policy;
- A Revised Tenants Handbook;
- Publicity campaign material, including Hackney Homes News articles and presentations to Neighbourhood Panels;

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- The introduction of Saturday and late appointments;
- Monthly residents' satisfaction figures – analysed and lessons learnt from the data collected;
- Mystery shopping results;
- A report on repairs refused to tenants because they are not included in the new policy and how we learn from these;
- A completed training schedule for multi-skilled operatives;
- An intensive programme of regular presentations to operatives to engage them in the improvements;
- Vulnerable Tenants Repairs Policy;
- A Tenants 'password' scheme now appears on job orders;
- Recharge Policy and related forms/ presentations/ spreadsheets;
- Tenant Satisfaction Surveys – additional repairs;
- Cost comparisons - pre-post revised repairs policy VO levels 07 & 08;
- VFM Team and Independent consultant report on benchmarking value for money in repairs.

5.0 REPAIRS IMPROVEMENT PROJECT

5.1 There had been concerns around the viability of the trading organisation (now Hackney Homes Building Maintenance), both before and at the time of the formation of Hackney Homes.

5.2 An independent consultant D E Angus undertook a detailed analysis of the trading operations and his report (Angus Report) of October 2005 developed an improvement plan with recommendations covering:

- Options appraisal for the repairs service
- Procurement of maintenance partners
- New structure for Property Services
- Implementation of a materials management system (TASK)
- Improved procurement of materials supply
- Rationalising of Property Services office and depot accommodation
- Introduction of post inspection regime
- Review of vehicle fleet
- Review of Fair pay scheme
- Review and rationalisation of IT systems
- Performance improvement

It was unfortunate that many of the improvements were either only just complete or in the process of being implemented at the time of the March 2007 inspection.

5.3 As a result of the failure to achieve two-stars in March 2007 and taking into account the inspection recommendations a Service Improvement

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Group (SIG) was established to analyse the inspection outcomes, put in place a programme to address the identified weaknesses, and meet the requirements of the recommendations. This has involved the creation of Service Improvement Action Plans with three control documents particularly relevant to the Property Services division. The first and second documents deal with the specific requirements for Hackney Homes Building Maintenance and the Asset Management divisions respectively and the third covers the Audit Commission Key Lines of Enquiry (KLOEs). Progress against each of these action plans has recently been reviewed. The small numbers of outstanding issues, and the shortcomings in available evidence, have been identified and are being addressed by the SIG.

5.4 Working with the SIG the divisional head of Hackney Homes BM instigated a Repairs Improvement Plan to address the issues identified in the Service Improvement Action Plans and at the same time completes the outstanding items from the Angus report. All relevant actions will be finalised ahead of the Audit Commission inspection in November 2008.

5.5 In particular to achieve the recommendations of the Audit Commission the following have been implemented:

- A reduction in the types of repairs which were listed as the responsibility of the tenant (e.g. glazing of internal doors)
- Making it easier for vulnerable tenants to have repairs undertaken
- Recharging residents for repairs that are their responsibility
- Reducing the variations from initial works orders
- Developing a clear policy to differentiate between lettable voids and those requiring major works (to be included within the Decent Homes programme)
- Understanding the reasons for void refusals
- Increasing the involvement of residents and engaging with tenants and leaseholders at a level that suits individual preferences
- Improving reliability of performance data and developing a clearer understanding of the operational costs of the building maintenance division, allowing the delivery of Value for Money (VfM) to be demonstrated. The review of the repairs performance data highlighted some omissions in reporting of work undertaken for TMOs and work undertaken by contractors as opposed to Hackney Homes' own staff. These omissions are being corrected. However the first draft of the revised data appears to reduce the overall level of performance. In order to maintain a consistency in data reported over time the overall repairs data will be analysed in the performance report to distinguish between the in-house repairs team and external

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contractors. The performance review work is ongoing and will be reflected in the first quarter performance report.

- 5.6 Compliance with asbestos requirements is improving and although this will not be completed by the time of the inspection there will be a robust set of data to illustrate progress. The approach to reporting on gas servicing and properties with current Gas Safety Certificates now meets the expected 'anniversary' criteria and independent assessments by Corgi rate the service as reaching very high standards.
- 5.7 While the items above have already been implemented or will be completed ahead of the inspection it is clear that any business must encourage on-going change and improvement to maintain best practice and be able to deliver innovative services. As a result a number of additional activities are on-going, such as a further review of the staffing structure, a proposed change to financial arrangements, the introduction of a telephone communication project and an update to the operatives 'Fair Pay Scheme'.
- 5.8 Our intention is to go beyond the Audit Commission's basic recommendations in order to deliver and secure a three star service. We have assessed the Repairs Service against the latest edition of the Audit Commission's Key Line of Enquiry. The results of the assessment are summarised below:

KLOE 3 Stock Investment

- Speed and efficiency – we have carried out a project for operatives to carry imprest stock on vans. The results are being considered by Hackney Homes Procurement Board and the scheme is being rolled-out to the whole responsive service by August 2008.
- The completion of repairs to a high quality at the first visit – by using reports from our Technical Audit Team measures and surveys are being introduced to maximise our performance.
- We have introduced multi-skilling and analysed its impact (see Appendix B Review of "Fair Pay Scheme" author Jim Paterson)
- Through the introduction of a more structured approach to joint inspections with residents' representatives and regular inspections we are able to ensure the necessary repairs are carried out within target time-scales.

KLOE 30 Access & Customer Care

- User focus/satisfied users/canvass users views – we analyse and act on all feedback, including complaints, satisfaction surveys and TRA issues on Respond. We publicise all the ways

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in which residents can feedback their views on service performance.

- We hold regular staff briefings to ensure wide staff knowledge. We have revised the script that the Repairs Contact Centre use and have held training sessions for staff on the improved approach.
- Appointment times are designed to meet the requirements of users – we have published the availability of new Saturday and late appointments
- Systems have been designed to facilitate reporting using appropriate technology. We have made it possible to easily report repairs on- line. The new IHMS system will include a diagnostic tool for the Repairs Contact Centre. We plan to pilot the use of hand held technology for inspectors and surveyors.
- Refused access – we are working more closely with Housing Management Partners to resolve problems arising.
- Clear service standards – were published in June 2008 as part of the Service Standards booklet.
- Outreach surgeries are to be held on a number of estates to provide information to tenants on the operation of the repairs ordering process. In addition repairs orders will be taken and ordered at these meetings and carried out in accordance with job scheduling arrangements. It is planned to develop this approach to provide a multi-disciplinary team of tradesmen to undertake urgent works on request. All surgeries will be held in liaison with the local TRA.

KLOE 31 Diversity

- We have carried out Equalities Impact Assessments on the new repairs policy and associated procedures. We also hold regular outreach surgeries, road shows and fun days to underpin our approach in a user friendly way.

KLOE 32 VFM

- An extensive benchmarking review has been undertaken to compare our costs with Housing organisations based in London and throughout the UK. A summary of the report is shown in section 6 below and the report is attached at **Appendix 3**.
- New initiatives including:
 - ⇒ the introduction of the Fair Pay Scheme;
 - ⇒ Optitime work scheduling procedures;
 - ⇒ standardise/simplified specification of works via composite SOR;
 - ⇒ partnered procurement of new supply chain;
 - ⇒ performance monitoring; and

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⇒ the introduction of a bespoke telephone communication project

have been subject to options appraisals to determine the most effective way forward. Following implementation a VFM review of outcomes and service delivery benefits will be carried out.

- 5.9 An overriding concern highlighted by the Audit Commission recommendations was that VfM could not be demonstrated in the areas of responsive repairs and void works. This issue was identified by senior management as being essential to the future success of Hackney Homes and as a result significant support, involving external consultants (Housemark and Just Housing) and the Hackney Homes Value for Money Team have produced reports and information demonstrating that Hackney Homes Building Maintenance and the Asset Management division are delivering VfM. This matter is considered in Section 6 below.

6.0 VALUE FOR MONEY BENCHMARKING REVIEW

- 6.1 The benchmarking review was undertaken to compare the performance of Hackney Homes with other ALMOs and local authority service providers. The aim of this review was not only to ascertain how Hackney Homes is performing in relation to local and national standards but also to identify significant differences and to ascertain the reasons for those differences.
- 6.2 The desired outcome from this project was to benchmark the cost for the services provided and to provide an assessment of the value for money derived. When comparing the information gathered for Hackney Homes with other Councils/ALMOs it was evident that there is a wide range of comparable and measurable elements that lent themselves readily to effective comparison. The approach followed was as follows:
- Baseline data on a wide range of service indicators was collected and analysed;
 - The data was compared and contrasted with four performance indicators datasets, namely HQN, APSE, Checkmate and HouseMark.
 - Unique/individual benchmarks were also used as appropriate.
- 6.3 An external consultant (Just Housing) provided advice, critical appraisal and support to the benchmarking process and in relation to:
- Planning, organisation and delivery of repairs, maintenance and minor works projects;
 - Shaping the services under consideration around the legitimate expectations of stakeholders and end-users;

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- Incorporating and embedding best practice;
- Demonstrating robustly that Best Value is being achieved
- Maximising organisation and procurement efficiencies;
- Benchmarking and subsequently emulating the characteristics of other service providers in this field considered to be operating at optimum levels.

6.4 The key outcomes of this benchmarking review are:

- An objective evaluation by the external consultants (Just Housing) of whether Value for Money is being achieved and efficiencies maximised based on the comparison of Property Services performance with a suite of performance indicators;
- Objective assessments of the quality of services provided, i.e., are they fit for purpose and how do they compare with best in class;
- Recommendations on quantifiable improvements both cashable and non-cashable efficiency savings;
- Alternative options to the current provision of key activities as deemed to be appropriate;
- An assessment of the local market place based on the available recent market testing.

6.5 The actual level of attainment under four broad headings shows **median** (lower inter-quartile) is achieved. With reference to historic trends in performance indicators, had this exercise been undertaken on the 2005/06 or previous data, an overall score of **lower quartile** would have been recorded.

6.6 The benchmarking report not only shows median performance but also that a sustained continuous improvement regime is in place. Looking at the patterns of the trend data, the consultants consider that it is reasonable to assume that this trend will replicate in future years. Providing some of the deficient indicators are tackled systematically and quickly, **it is to be expected that the DLO will move in the median (upper inter-quartile) range in 2008-09**. Performance at a local level compares favourably on most occasions to the peer group reviewed and for the benchmarks in question.

6.7 The Just Housing report concludes” **that considerable improvement can be seen across the vast majority of indicators from former years and comments in the Audit Inspection reports**”. The DLO does compare better in the local market than nationally. This is logical as the costs and logistics of operating within the London market are more demanding. Improvements can be made and an improvement plan is in place to address the remaining shortcomings and to introduce measures designed to achieve a **three star** performance level.

- 6.8 A comprehensive tendering exercise was carried out in 2006/7 of all building maintenance contracting requirements with one contractor emerging as the successful bidder. As part of the benchmarking project a detailed VFM review taking a selection of the respective schedules of rates or both the contractor's responsive repair costs and the DLO costs under the Fair Pay scheme was undertaken. The outcome of the exercise showed that on average the DLO charges were almost 3% lower than those of the contractor.
- 6.9 The Best Value benchmarking process demonstrates that a positive response has been made to the Audit Commission inspection reports. This is particularly important at a time when experience in London and elsewhere in the UK indicates that there is an emerging trend of retaining any in-house expertise and capacity unless there is no alternative option. Given the possibility of technical and craft worker skills shortages it is important to recognise that the state of the construction industry must influence the manner in which Hackney Homes procures maintenance services in the next decade.
- 6.10 Hackney Homes should consider a delivery model that achieves the required customer outcomes irrespective of the procurement route. The implementation of the proposed action plan is designed to build upon the significant improvements made with a view to providing the platform for high quartile/three star performances by 2009. Following the implementation of the improvement plan an options appraisal of the DLO is to be carried out in early in the New Year in association with the Procurement Strategy.

7.0 STRATEGIC FINANCIAL AND OPERATIONAL ISSUES

7.1 Finance and Costs

- 7.1.1 As a result of the initial set-up arrangements of the ALMO the finance controls are driven by budget, and spend against budget, rather than having strong commercial focus or the ability to create and manage budgets. It does appear that there is now a willingness to re-address the financial structures for Hackney Homes Building Maintenance, to allow the development of more appropriate monthly management accounting.
- 7.1.2 Costs are regularly monitored against budget, and full year forecasts and re-forecasts carried out, alongside virements (re-alignments) of budgets. LBH and Hackney Homes use the same financial ledger (Cedar) with a "divisional" split having taken place on creation of the ALMO. This is not uncommon for ALMOs created and split from their respective Borough Councils.

- 7.1.3 The ALMO's cost base has been set up to include all the labour and salary costs of managing LBH's housing stock (including the staff and operatives of the Building Maintenance division), funded through a management fee from LBH. All the materials, sub-contractors, and other direct external costs associated with delivering that service, are accounted for directly within LBH, and hence are managed as delegated budgets by Hackney Homes. This makes financial and performance monitoring of the Building Maintenance division and of the repairs jobs carried out by the ALMO more difficult than in peer group organisations.
- 7.1.4 The DLO section of the Building Maintenance division should be assessed as a trading account. It should be monitored on its ability to trade successfully as a contractor, rather than alongside the other Hackney Homes budgets as a series of cost codes as at present. Its full job charges should be monitored separately by the client (including operative labour). This would allow VfM to be assessed far easier and effective benchmarking against other independent contractors (or sub-contractors). Initial discussions have taken place with LBH with the aim of agreeing that the external costs of repairs, including materials, sub-contractors and other direct repair costs, should be transferred to be part of the ALMO cost base. This would give the ALMO increased arms length budgetary control as to how it manages repairs and maintenance.

7.2 Issues with Staffing Structures

The restructuring resulting from the Angus report and improvement work has left three issues to be addressed:

- i. The creation of a more highly resourced responsive repairs section incorporating an increased element of in-house voids activity – this is almost complete through the recent relocations to Florfield Road.
- ii. To deal with the timely production of accurate monthly financial information it has been agreed that a suitably qualified appointee will be employed to lead a new finance and resources section of the Property Services Directorate. This post will be located in the Florfield Depot, will have operational responsibility to the Director of Property Services but their line manager for financial and probity purposes will be the Hackney Homes Head of Finance.
- iii. The existing Hackney Homes Building Maintenance structure incorporates a number of posts covering planned and responsive repairs where individuals act in the client role of identifying, planning and monitoring delivery, while at the same time heading the operational teams who undertake the work. This removes the

possibility of strategic planning of the work, which should be undertaken and appropriately accounted for within the asset management division. In addition there are contract compliance issues that could arise from the existing arrangements. It is anticipated that this issue will be resolved after completion of the 2008 inspection.

7.3 Accommodation

For the Building Maintenance division to work efficiently and effectively it has been clearly understood for a number of years that a single location for operational purposes (even if the divisional director and Asset Management were based elsewhere) is essential. It is essential that LBH and Hackney Homes work closely to ensure that the appropriate infrastructure is put in place to secure the tangible benefits that would result from the development and establishment of a single operational base. This appears within sight as a result of various relocations to the Florfield Road depot, which are almost complete. If Hackney Homes wishes to retain a successful in-house maintenance organisation, the importance of maintaining a single, within Borough, operational location, cannot be overstated.

7.4 Procurement

Historically there has been a variety of procurement arrangements, including a large number of small local contractors who provided services that may have been better regulated had they been delivered through a larger organisation. An exercise was undertaken and appropriate contracts entered into except that two contracts provisionally agreed with the successful bidder were subsequently not able to be concluded. This has meant that many of the smaller locally based contractors have continued to be controlled through relatively low level staff in the Building Maintenance division. This remains a considerable weakness but new procurement processes are in hand with appointments expected to be made in September before the inspection in November. Moreover a Directorate procurement strategy is being drafted for consideration at a future meeting of the Board.

7.5 ICT

7.5.1 It is the intention that the existing systems 'Saffron and TASK' will be replaced by CIVICA – using the Universal Housing and Servitor (a repairs module) Social Housing applications, the implementation is planned over the next 1 – 2 years.

7.5.2 The Building Maintenance and Asset Management divisions were involved in the selection process and detailed consideration has been given as to the suitability of these products where they are considered

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likely to impact. It will be essential to the success of this project that adequate and experienced resources are allocated to the implementation and transfer.

7.6 Materials

7.6.1 Just over a year ago we concluded a procurement process designed to streamline and improve the purchase of materials. However a RP5 report on the procurement reveals that the resultant arrangements have proved to be unsuccessful due to the quality of the materials supplied and the performance of the five suppliers appointed. The RP5 report recommends that two elements of the procurement – carpentry and plumbing supplies should be re-tendered at the earliest opportunity to avoid continuing disruption to services. It is proposed to address the most effective means of procuring materials as part of the procurement strategy currently being drafted for consideration at a future meeting of the Board.

7.7 Transport

Under the auspices of LBH all our transport fleet requirements were tendered in March 2007. The resulting arrangements have improved the efficiency of the organisation's transport at an economic cost. The efficiency of the organisation has been improved further by the installation of tracking devices in each vehicle resulting in improved repair response times for tenants.

7.8 Strategic Vision and Future Modernisation Plans

7.8.1 While rapid progress has been made since the Angus report of 2005 there remains the opportunity to further improve the operation of both elements of the Property Services Directorate. This can be achieved through:

- the identified changes to staffing arrangements
- improved financial control and reporting
- proactive and on-going monitoring of the Fair Pay scheme
- the careful management of the introduction of the new IT systems

7.8.2 From the actions taken to date, and the evidence collected, the Property Services Directorate appears to be heading in a positive direction as it prepares for the Audit Commission inspection in November 2008.

7.8.3 In the longer term the ability of Hackney Homes Building Maintenance to demonstrate VfM and compete with external organisations will be dependent on improved efficiency, continuously improving performance and costs that can be effectively benchmarked. To achieve the long

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term aim of three-star performance the organisation must be able to deliver consistent high level performance, learn from other exemplar organisations and provide innovative customer focused services.

8.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

8.1 Not applicable

9.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

9.1 Not applicable

10.0 THE HACKNEY HOMES EQUALITY & DIVERSITY STRATEGY 2006 ACTION PLAN 2007 – 2010

10.1 The report meets the aims / objectives contained within the Hackney Homes Equality & Diversity Strategy 2006 and the relevant target(s) contained within the Hackney Homes Equality & Diversity Action Plan 2007 – 2010).

11.0 CONSULTATION PROCESS & FINDINGS

11.1 Not applicable

12.0 ICT IMPLICATIONS

12.1 Not applicable

13.0 HUMAN RESOURCES IMPLICATIONS

13.1 Not applicable

14.0 FINANCIAL IMPLICATIONS

14.1 Not applicable

15.0 LEGAL IMPLICATIONS / ADVICE

15.1 Not applicable

16.0 OTHER RELATED DECISIONS / GUIDANCE

16.1 Not applicable

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APPENDIX 1 - Board Presentation Programme

Date of Board	Issues	Related Documents
14 th July 2008	Repairs and Maintenance – Addressing the recommendations of the Audit Commission	Value for Money Benchmarking Review Responsive Repairs
18 th August 2008	<ul style="list-style-type: none"> • The Management of Empty Properties • Review of the Fair Pay Scheme • Rechargeable Repairs 	Report on the Review of the Fair Pay Scheme Rechargeable Repairs Policy
8 th September 2008	<ul style="list-style-type: none"> • Procurement Policy • Procurement of Materials 	Procurement Policy Document RP5 Report on the Procurement of Materials
20 th October 2008	<ul style="list-style-type: none"> • Resident Involvement Strategy • VFM/Benchmarking 	Report on the Implementation of the Resident Involvement Strategy HouseMark Outturn Report for 2007/8

If you have any questions about this report, please contact Jim Paterson on 0208 356 6899 or email jim.paterson@hackneyhomes.org

APPENDIX 2 - Presentation to Board

Slide 1

REPAIRS AND MAINTENANCE

Addressing the Audit Commission
recommendations

Slide 2

Audit Commission recommendations

- There are three recommendations affecting R&M
 - Implementing a responsive repairs strategy
 - Improving the management of empty properties
 - Implementing an integrated resident strategy
- And for each we will
 - Review what we have done
 - Outline what remains to be done
 - Identify when it will be concluded
 - Provide evidence in support

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Slide 3

Implementing a responsive repairs strategy

- Reducing the types of repairs which are currently listed as the responsibility of tenants in the Tenants Handbook such as glazing of internal doors and have these carried out by HH.
 - This recommendation has been **fully met**. A Repairs Policy approved in September 2007 has reduced the number of repairs that are the responsibility of tenants.

Slide 4

Implementing a responsive repairs strategy

- Making it easy for vulnerable tenants to have repairs carried out which they need but are unable to do themselves
 - This recommendation has been **fully met**. There is a vulnerable tenants repairs policy which means that repairs will be delivered quicker where it is identified that an individual is vulnerable.

Slide 5

Implementing a responsive repairs strategy

- Recharging residents for repairs that are their responsibility but which HH carry out for them or which are caused by their neglect or deliberate damage
 - This recommendation has been partially met
 - A recharge policy has been introduced.
 - Consistency of implementation has to be tested.
 - The total identified for recharge is voids £10,000 and repairs £500
 - A procedure note is being considered

Slide 6

Implementing a responsive repairs strategy

- Reducing the variations of works orders to agreed reducing targets
 - This recommendation has been substantially progressed
 - New composite SoR are ready for use
 - The benefit of this will be a more accurate specification of the work and a reduction in VO's
 - The number of VO's is down from 71% to 30% currently with a target of 20% by year end

Slide 7

Implementing a responsive repairs strategy

- Anticipated benefits
 - Increased tenant satisfaction with the repairs service
 - More effective works specifications resulting in more jobs completed on first visit
 - Improved VFM

Slide 8

Anticipated benefits

- More effective works specifications resulting in more jobs completed on first visit
 - Before and after comparisons to be made following
 - Implementation of new fair pay scheme
 - Composite SoR codes
 - Multi-skilling operatives

Slide 9

Anticipated benefits

- Improved value for money
 - Before and after review of the specification of jobs and the SoR has resulted in similar jobs costing less enabling more work to be done for the same budget (non cash benefit)
 - Pre and post comparisons of costs of repairs policy (Sept 07 compared to Sept 08) will demonstrate the impact

Slide 10

Evidence in support

- New repairs policy
- Revised tenants handbook
- Vulnerable tenants policy
- Saturday and late appointments
- Monthly residents satisfaction figures
- Training of multi skilled operatives
- Recharge policy
- Reduction in variation orders
- Independent report on benchmarking VFM

Slide 11

Repairs improvement project

- Restructuring
- Fair pay scheme
- Depot accommodation
- Sickness and absenteeism
- The changing the culture programme
- Quality of work
- Analysis of post inspection repairs
- Technology
- Evidence in support

Slide 12

Repairs improvement project

- Future improvements
- Service improvements are being achieved through
 - Continuing to review the performance of the fair pay scheme
 - The introduction of a vehicle tracker control system
 - By placing a major emphasis on operatives to provide quality work rather than quantity

Slide 13

Repairs improvement project

- The benefits
 - Centralisation at Florfield will provide a more consistent service delivery model
 - Vehicle tracking will provide effective control of the use of HH vehicles
 - Fair pay will improve productivity
 - The emphasis on quality will improve jobs that are completed right first time

Slide 14

Value for money

- Benchmarking results
- Tenant satisfaction/participation review
- Empty property review
- Evidence in support

Slide 15

Other improvements to performance

- Repairs policy impact assessment
- Nine months fair pay review
- RP5 materials report
- Procurement strategy
- Evidence in support

Slide 16

Gas servicing

- Although the Audit Commission identified gas servicing as an area of strength there are 4 issues which will add value
 - Improved VFM from the restructure
 - Addressing the CORGI inspection issues
 - Addressing inconsistency of appointments
 - Learning from satisfaction checks

Slide 17

Key strategic and operational issues

- Finance and costs
- Staffing structures
- Accommodation
- Procurement
- ICT
- Strategic vision and modernisation plans

Slide 18

Strategic vision and modernisation plans

- Changes to staffing arrangements
- Improved financial control
- Proactive and ongoing monitoring of the fair pay scheme
- Careful management of the introduction of the new IT systems

APPENDIX 3: Value for Money Benchmarking Review – Responsive Repairs

Title of Report: **Value for Money Benchmarking Review
Responsive Repairs**

Decision Making Body:
**Audit & Finance Committee
Board**

Date:
**7th July 2008
14th July 2008**

Classification: **For approval**

Report of: **Director of Property
Services**

Item Previously considered at:
Report Author: -
Brian Madden x2304

On Which Date: N/A
Appendices:

Report Outline:

Bullet Point List of all headline topics which MUST be discussed in the report.

- 1. Summary**
- 2. Recommendation**
- 3. Background and Approach**
- 4. Main Findings**
- 5. Key Areas Targeted for Improvement**
- 6. Action Plan**
- 7. Conclusion**

If you have any questions about this report, please contact Brian Madden on 0208 356 2304 or email Brian.Madden@hackneyhomes.org

1.0 **SUMMARY**

The purpose of this report is to set out details of an extensive benchmarking project undertaken as part of the Best Value Review of the housing repairs and maintenance service; to seek approval for the proposals arising from the review; and the endorsement of the resultant action plan

Since the last inspection significant progress has been achieved to address the recommendations of the Audit Commission. Service improvement groups have been established, tasks allocated and change has been or is being implemented.

Two benchmarking reports have been undertaken, one by HouseMark and another by independent consultants (Just Housing) and commissioned as part of the Best Value Review process. These studies record the progress of the

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service improvement programme noting that ***the actual level of attainment under cost, time and quality headings shows median quartile performance is being achieved.*** With reference to historic trends in performance indicators, had this exercise been undertaken on the 2005/06 or previous data, an overall score of **lower quartile** would have been achieved.

It is important to distinguish clearly between **charging** information and **cost** information. For the purpose of the external comparisons using HouseMark and other external organisations **charge** information has been used throughout due to the inability to ascertain **actual cost** information. The main points arising from a detailed benchmarking review published by HouseMark is as follows:

(1) HouseMark Financial Analysis

- **The charge of *Responsive and Void repairs per property at £394*** places us at the head of the **ALMO** peer group for 2006/7 and 2007/8. This figure is derived by dividing the total cost of responsive and void repairs by 23,871 properties = £477 per property adjusted for inner London cost factors (x 0.826) = £394 per property.
- ***The charge for responsive repairs (excluding voids) is further analysed into the average charge of each repair. At £125 per property in 2006/7*** we compare favourably with most of the other organisations in the peer group being 5th out of 15 in respect of the average. In 2007/8 preliminary indications show a further reduction in this to **£102** which would improve our position in the peer group.
- ***The cost of direct staff involved in responsive repairs administration as a cost per property.*** Significant improvement is shown in 2007/8 (**£92**) due to the effect of the cost savings arising from the restructure of Property Services division in 2006/7 (**£107**).
- ***The administration costs as a % of the repairs spend;*** In 2006/7 this total was **65%** however in 2007/8 this has reduced to **38%** due to the restructure cost savings and therefore represents a significant improvement. This measure is a good indicator of the efficiency of the repairs administration systems.

(2) HouseMark and Just Housing Key Performance Indicators

The main points arising are as follows:

- 2007/08 and 2008/09 data contrasted with former years shows a step change in performance e.g. the ***level of variation orders*** has dramatically reduced from **71%** to a recorded level of approximately **30%** currently due to the revisions to the Fair Pay scheme. It is

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anticipated that this figure will reduce further to a target of 20% by the end of the current financial year

- A number of service indicators require attention. In particular, **performance on the ratio of emergency and urgent repairs in contrast to routine** which should move closer to a **60/40 split** from the 2006/7 level of **50/50**.
- **The number of repairs completed within target time** is **97%** and represents a good performance with a ranking of 6th (2006/7) and 7th (2007/8) in the peer group. This indicator is based on telephone call-backs to tenants on completed jobs.
- **Jobs completed per employee at 2.27 jobs** in 2006/7 are at a relatively low productivity level when compared with other national indicators. However following the revisions to the Fair Pay scheme in 2007/8 preliminary indications show an improvement of up to **3.6** jobs comparing with a national average of **4** jobs
- **Tenant satisfaction with repairs and maintenance** is derived from a STATUS survey and is shown as **59%** in 2006/7. This is an unacceptably low figure and necessitates significant improvement at the earliest opportunity (see improvement plan in Sections 5 and 6 below).
- The BVR indicates a large number of good and best practice activities are undertaken by the DLO comparing favourably with two and three star ALMOs.

This not only shows an effective median performance but also Just Housing state that” **a sustained continuous improvement regime is in place**”. Their benchmarking report notes that “**considerable improvement can be seen across the vast majority of indicators from former years and comments in the Audit Inspection reports**”.

The structure of the repairs and maintenance function through the use of in-house and external contractor resources provides for effective continuity and sustainability of service in the face of increasing competition for skilled tradesmen from external factors. For a growing number of housing organisations the current skill shortage is beginning to have an effect on service delivery. The existing pool of medium to large sized contractors is tending to focus its attention on planned maintenance and capital work where the logistics are simpler and profit margins are greater. Smaller contractors are struggling to build the organisational capacity and capability to fill this gap.

However improvements in productivity and innovation cannot be generated without recourse to an innovative and persistent change management

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programme. The continued success of the R&M service will ultimately rely on improved efficiency, cost control and performance management.

A comprehensive tendering exercise was carried out in 2006/7 of all building maintenance contracting requirements with Kier the successful bidder. A VFM review taking a selection of the respective schedules of rates of both Kier's responsive repair costs and the DLO costs under the Fair Pay scheme showed that the DLO compared favourably with the private sector contractor's schedule of rates items and sub-contractor costs. Kier withdrew their bid at post tender negotiation stage.

The conclusion of the benchmarking projects and the competitive tendering process is that ***the direction of travel is positive and shows continuous improvement on most occasions, however there is a need to address a number of service critical indicators over the next year to continue to progress to a three star performance.***

It is to address these service indicators that this summary of repair and maintenance key issues has been prepared.

2.0 RECOMMENDATIONS

1. Members note the details of the benchmarking value for money review on housing repairs and maintenance in particular: the outcome of consultation and comparison exercises; assessment of competitiveness; and the assessment of the value for money derived from the direct labour organisation (DLO).
2. It is recommended that Members note at the end of the benchmarking value for money project the Just Housing report concludes " ***that considerable improvement can be seen across the vast majority of indicators from former years and comments in the Audit Inspection reports***". ...Clearly improvements can be made and an improvement plan is in place to address the remaining shortcomings and to introduce measures designed to achieve a **three star** performance level.
3. It is recommended that Members approve the proposals for the improvement of the service arising from the review and the action plan which sets out the programme to achieve these proposals
4. It is recommended that following the implementation of the improvement plan an options appraisal of the DLO is carried out in early in the New Year in association with the Procurement Strategy.

3.0 BACKGROUND AND APPROACH

3.1 Background

Following their inspection in 2007 the Audit Commission made a number of recommendations, which identified that there is scope for improving the performance, quality and value for money of repairs and maintenance work on the existing housing stock and for reducing whole life costs. In responding to these recommendations the Director of Property Services initiated two important courses of action.

Firstly, a team of senior officers in the division established a systematic programme of work designed to respond directly to all of the Audit Commission's recommendations. This activity was grouped under the heading of the Repairs and Maintenance Improvement programme forming part of the overall Service Improvement Initiative. Secondly, a detailed Best Value Review of all repairs and maintenance services was conducted as part of the VFM programme for 2007/8.

The total amount spent each year on repairs and maintenance (planned, responsive, capital and revenue) is over £28million - equivalent to approx 30 per cent of the annual HRA expenditure. During 2006/7 over 54,000 repair orders were completed. The most recent council stock condition survey showed a need for £102 million of investment over the period 2004/5 to 2009/10.

From transfer to the ALMO, the Direct Labour Organisation (DLO) has provided a responsive repairs and maintenance service. Part of the service was subjected to open market competition in 2006, which enables comparison of prices with the local market place. The DLO also provides Paint, Gas, Boiler House and Electrical services **all of which were won in competition with external contractors as part of a major procurement project undertaken IN 2006.**

The organisation has responded positively to a recent Audit Commission report¹ and can evidence continuous improvement across a range of key service indicators. The DLO employs a total of 197 income generating operatives and has 70.6 (FTE) deployed purely on responsive repairs. It had a turnover for all services in 2006/07 of just over £11.8m. This includes income generated from external contracts, capital works and core housing maintenance. A surplus of £2,445,350 was achieved in 2006/07 based, in part, on fees generated by the technical consultancy section in relation to the management of capital works. Accordingly, in comparison to other internal maintenance teams, for the purposes of benchmarking, this would best be described as a 'large' size organisation.

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The responsive teams are segregated the service into two areas; voids and responsive maintenance. Best practice in the sector validates this approach as the attempt to merge differing works processes required can be problematic. A reasonably broad range of indicators is collected in order to gauge effectiveness. Notwithstanding this, there are some areas of service that are not currently measured that would benefit from being included.

Competition in the market place is known and the review has taken account of a general view on the supply side of the market. On a more local level, tenders were received in 2006 for parts of the repairs service. This provides robust local benchmark data as well as an indication of the market 'appetite'. Whilst the DLO did not tender for this contract, it does enable accurate benchmarking against their costs.

A number of peer organisations have contracted out their service delivery of repairs and maintenance, often on a partnering basis. Whilst the ethos of partnering is commendable, experience in the sector has shown that the perceived advantages are seldom grounded in the reality of delivering repairs and maintenance services on a multi site basis. As such, the external consults indicate that Hackney Homes should arrive at a **“delivery model that achieves the required customer outcomes irrespective of the procurement route”**.

The provision of a repairs and maintenance service is not an end in itself, but a means of contributing to the council's strategic objective of meeting housing need - by effective use of the council's stock. As a housing provider the council therefore needs to keep the stock in good and safe repair so as to maximise its lettable life and to reduce future maintenance liabilities. Repairs and maintenance is just one element of the management of the council's housing stock, and service delivery is integrated with estate, tenancy and leasehold management services.

3.2 The Role of Benchmarking in the Best Value Review

Since the formation of Hackney Homes in April 2006 there has been a transformation in the operational and financial performance of housing services. This step change in the delivery of economic, efficient and effective services is evidenced clearly by the significant improvement in benchmarking data supplied by **HouseMark** over the two years 2006/7 and 2007/8 compared with data for 2005/6 and earlier. The much improved benchmarking position has been secured by:

- Significant improvements in service delivery and major cost savings achieved through a range of specific initiatives including value for money and service improvement projects;

- The establishment of a value for money culture throughout the organisation, which is growing year on year;
- A rigorous approach to the collection, recording and dissemination of cost and performance data by the Value for Money team and the Performance Team;
- The development of a questioning approach to comparative data provided by external organisations together with a desire to understand the relative importance of different areas of the business with a view to assessing the efficiency of each business area;
- An understanding of the relationship between cost and performance and a genuine willingness to compare quality and performance with others;
- Using benchmarking data effectively by: identifying inefficiencies prior to remedial action; setting VFM targets in a three year programme approved by the Board; and ensuring that the product of the VFM/improvement projects are linked to the budget and business planning processes.

3.3 The Search for More and Better Comparative Data

The review of the information collected for HouseMark comparisons enabled a number of preliminary observations to be made. HouseMark maintains an extensive database of housing management and KPI data for local authorities, ALMOs and other housing organisations but only a relatively small proportion relates to key housing maintenance information. For the purposes of the Best Value Review it was important to consider ways of securing a great deal more data to effect a truly comprehensive comparison with other ALMOs and local authorities. This would also be required for the purposes of the next inspection by the Audit Commission to demonstrate a robust approach to the benchmarking process in particular as a means of forming an assessment of the value for money being obtained.

This was essential for two reasons. Firstly, indicators in housing maintenance may be high or low for good reasons. The medians given in the HouseMark returns were not treated as 'norms' and the indicators were not considered as an end product in themselves. They are intended as volume indicators to be set alongside the detailed information collected with the comparative figures initially providing only a broad indication of the value for money achieved.

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Secondly, it is difficult to compare performance in respect of major repairs and improvements with other authorities or service providers. This is because of the differing stock profiles, stock condition, the differing maintenance strategies reflecting local priorities, methods of procurement and packaging of work, the local markets for construction work and different methods of funding applied, etc.

Comparison was therefore required against best practice and benchmarks sought from national organisations including the Audit Commission and supplemented where available with inter-authority or similar comparisons. A principal and unique source of this data was identified as **Just Housing**. This organisation maintains a unique database comprising: **HQN, APSE, Checkmate** and unique/individual benchmarks derived from comparable local authorities.

Clearly a desired outcome from the Best Value Review was to benchmark the cost for the services provided and to provide an assessment of the value for money derived using the best comparative data available. When comparing the information gathered for Hackney Homes with other Borough Councils/ALMOs it was evident that, in addition to the HouseMark information, the Just Housing database contained a wide range of comparable and measurable elements that lent themselves readily to effective comparison. In consequence the organisation was commissioned by the Director of Property Services and his management team to conduct a bespoke VFM benchmarking review using their database on the basis of the approach outlined below.

3.4 The Approach Adopted

The approach adopted was as follows:

- Baseline data on a wide range of service indicators set out in a VFM Benchmarking template was collected and analysed.
- The data was compared and contrasted with four performance indicators datasets, namely HQN, APSE, Checkmate and HouseMark together with unique/individual benchmarks used as appropriate.

An external consultant – Graham Coupar was appointed by Just Housing to provide advice, critical appraisal and support to the benchmarking process and in relation to:

- Planning, organisation and delivery of repairs, maintenance and minor works projects;
- Shaping the services under consideration around the legitimate expectations of stakeholders and end-users;

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- Incorporating and embedding best practice;
- Demonstrating robustly that Best Value is being achieved
- Maximising organisation and procurement efficiencies
- Benchmarking and subsequently emulating the characteristics of other service providers in this field considered to be operating at optimum levels.

Just Housing's findings were incorporated in the benchmarking section of the Best Value Review including:

- An objective evaluation of whether Value for Money is being achieved and efficiencies maximised based on the comparison of Property Services performance with a suite of performance indicators.
- Objective assessments of the quality of services provided, i.e., are they fit for purpose and how do they compare with best in class;
- Recommendations on quantifiable improvements both cashable and non-cashable efficiency savings;
- Alternative options to the current provision of key activities as deemed to be appropriate;
- An assessment of the local market place based on the available recent market testing.

Having ascertained benchmark performance it is essential to compare against the local market place. In part this is achieved via the benchmarking activity but is also supported by contrasting cost indicators against recent tenders received in open competition by Hackney Homes.

4.0 MAIN FINDINGS

4.1 Overview

Section Four of the Just Housing report brings together time, cost and quality performance. It then benchmarks the DLO against other peers, not all of which have an in-house team. The measurement of interest is the customer experience in terms of outcome irrespective of who delivers the service. The measures are both at national and local level.

Quartile performance is split into low (bottom 25%), median (lower inter-quartile) 25 to 50%, median (upper inter-quartile) 50 to 75%, and upper quartile 75%+.

The actual level of attainment under four broad headings shows median (lower inter-quartile) is achieved. With reference to historic trends in performance indicators, had this exercise been undertaken on the 2005/06 or previous data, an overall score of lower quartile would have been recorded.

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This not only shows median performance but also that a sustained continuous improvement regime is in place. Looking at the patterns of the trend data, it is reasonable to assume that this trend will replicate in future years. Providing some of the deficient indicators are tackled systematically and quickly, it is to be expected that the DLO will move in the median (upper inter-quartile) range in 2008-09.

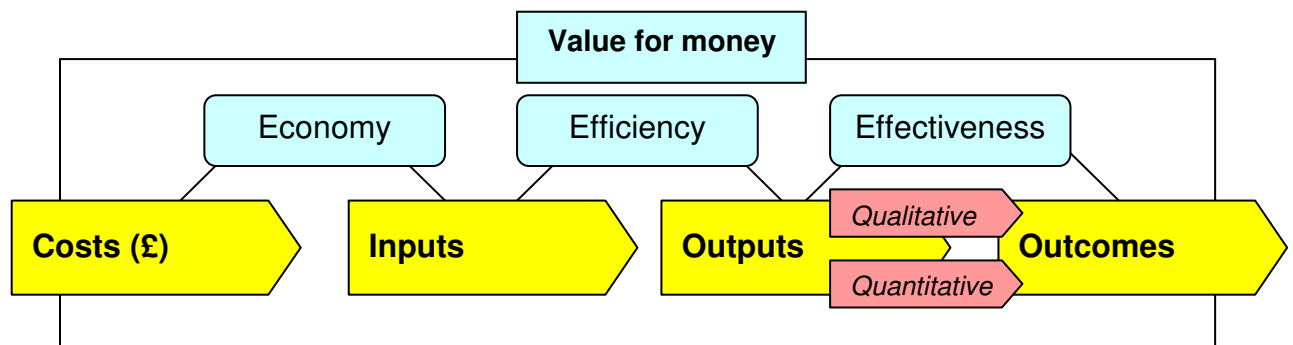
Performance at a local level compares favourably on most occasions to the peer group reviewed and for the benchmarks in question.

4.2 Contextual framework

As an exercise, this review is a *strategic engagement* with the service, looking at how the service is managed and delivered, contrasting this to peers and best practice. The review was designed to provide an impartial and systematic challenge.

The review is both descriptive and reflective in the sense that it presents ‘the facts’ and draws conclusions about where good practice and divergence from good practice exists. It also notes any barriers identified that need to be dismantled to improve performance and customer service.

The Audit Commission (Housing Inspectorate) has defined what value for money represents in the context of housing services as being ‘*high when there is an optimum balance between relatively low costs, high productivity and successful outcomes*’². This was further defined by a ‘value chain’ linking the variables:



In considering efficiency, the above sets this in a wider context and shows the pivotal role this has in obtaining value for money. This model also reflects the twin-pronged approach of the review, looking at qualitative inputs and outputs and then assessing quantitative issues, primarily delivered through benchmarking key aspects of the service and engaging with the local market.

Value for money Within Housing Services – Supplementary Guidance Note (October 2005). The Audit Commission (Housing Inspectorate).
 If you have any questions about this report, please contact Jim Paterson on 0208 356 6899 or email jim.paterson@hackneyhomes.org

In assessing the relative value and efficacy of the DLO it is important to have a clear understanding of the operating environment within which it exists.

The environment within which local authority and housing association property maintenance is carried out requires particular methods of management and execution. This coupled with the requirements of Best Value has placed new and additional requirements on housing maintenance services to carry out a range of asset management related activities consistently well.

In its construction employment and training forecast for 2005-2009, the Construction Industry Training Board (CITB) have forecast a rise in construction employment during the period and expect there to be an absolute shortage of carpenters and joiners, electricians, plumbers, technicians, managers and clerical staff. Most of these skills form the backbone of any responsive and competent maintenance service. Moreover, the Royal Institution of Chartered Surveyors (RICS) noted that 380,000 construction employees are required in the period 2007 to 2010 with 87,000 'new recruits' to the industry required every year to offset the ageing workforce profile of the industry. This highlights the magnitude of the problem of skills shortages throughout the industry. The potential impact of this to the organisation cannot be overstated. The London market remains buoyant and predictions³ are for this position to deteriorate in the short / medium term. Moreover, the local market brings its own complexities and challenges.

For a growing number of housing organisations the current skill shortage is beginning to have an effect on service delivery. The existing pool of medium to large sized contractors is tending to focus its attention on planned maintenance and capital work where the logistics are simpler and profit margins are greater. Smaller contractors are struggling to build the organisational capacity and capability to fill this gap. Recent experience indicates that there is an emerging trend of retaining any in-house expertise and capacity unless there is no alternative option. This can be on the basis of integration into one organisation or by retaining a client/ contractor relationship. This trend is due partly because housing organisations are:

- Becoming more aware of the role that an internal trading arm can play in acting as a buffer against the market and growing skill shortages. The market predictions, as noted below, show real tensions that an internal team – if effective, can off-set;
- Aware that they should be able to exercise greater control and influence on a service provider with which there are greater linkages.

From the above, and knowledge of the acute technical and craft worker skills shortages that are developing, it is considered that the state of the

RICS forecast of growth to the London market (2006) as a result of the London Olympics and continued expansions at Heathrow airport.

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construction industry must influence the manner in which the organisation and surrounding housing providers procure maintenance services in the next decade.

Direct Labour Organisations (DLO's) have, over the past 20 years, increased their turnover but their share of the market has reduced. This has primarily been a result of an increase in the number of competitors entering the market and latterly by an increase in stock investment that lends itself more readily to contracting out.

The political environment within which local authority and housing association maintenance is carried out requires particular methods of management and execution and this together with low levels of profitability (compared with other types of building work) are often evidenced by the reluctance of private sector contractors to tender for housing maintenance work.

Both nationally and regionally, the current and forecast level of public, private and housing association investment in housing and other activities, together with a shortage of skilled operatives, is creating a number of tensions against which an efficient DLO can act as a buffer and market regulator.

Conversely, poorly performing DLO's can be a drain on finite resources, fail to deliver value for money and may unduly influence the strategic objectives and reputation of the landlord.

4.3 The Characteristics of an Effective DLO

Direct labour organisations operating and competing successfully in the market are characterised by:

- Tight labour costs with competitive wage levels, cost-effective incentives and controls over quality of work
- Commercial awareness and acumen
- Efficient working practices embedded into the service at all levels
- Appointed repairs service for non Emergency works (appointment made at the first point on contact)
- High level of attend and complete the repair on the first call
- Flexible workforce (multi-trade, wider service access hours than 'traditional', etc)
- Excellent customer care/satisfaction levels
- A range of ways of customers accessing the service and consistency in the output
- Lean overheads and reasonable central establishment charges
- Effective management information and support systems
- Extensive use of appropriate information technology
- Good industrial relations

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- Knowledge of competitors
- Effective training programmes for managers and workers
- Robust quality control/assurance
- To ensure that the structure and function of the maintenance service accurately reflects the needs of users and is tailored to the delivery of the service and customers help to shape this
- The incorporation of Egan initiatives into the arrangement and continuous improvement
- Efficiency reviews. Such reviews would inevitably result in a re-design of the maintenance service processes and a subsequent re-profiling of the service's resources
- Robust benchmarking
- Taking full account of diversity in how the service is designed and delivered
- Positive VAT implications (excluding local authorities) on the labour element that are not eroded by high overhead charges
- Strong financial and performance management systems: these would be used to control cost and drive productivity to an optimum rate
- Value for money demonstrated and contrasted to the local market place
- A service that adds real tangible value to the core business.

In reality the ability to make large leaps forward in productivity and innovation cannot be generated without recourse to an innovative and persistent change management programme. The continued success of any DLO ultimately relies on improved efficiency, cost control and performance management.

4.4 Value for Money analysis

Having reviewed the service the overall observation is 'mixed' when compared to national indicators but more positive when compared to the local market place. The direction of 'travel' is positive and shows continuous improvement on most occasions, however, there is a need to address a number of service critical indicators over the next year to achieve at median (upper quartile) performance.

By reviewing the outcomes of the service in contrast to peer organisations, by far the most common outcome is to achieve or marginally miss the median level for the indicator in question. On a number of occasions, upper quartile achievement can be seen and by the same token on a number of occasions lower quartile performance is shown. There are a number of data gaps, which are being resolved in order to ensure a fully comprehensive view can be achieved. Notwithstanding this, experience shows that most organisations have some data gaps and the level experienced at Hackney Homes is not excessive.

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Analysis of 2006/07 data and contrasting this to former years signifies a step change in performance. An example of this is the level of variation orders has dramatically reduced from an excessive level of 71% to 5% at the time of the review. This shows a high level of self awareness in what aspects of the service work well and those that require management attention. Whilst it is too early to be conclusive, initiatives currently being introduced will, in all probability, continue to drive better outcomes of the service in the future. As such, the consultants indicated that the recent improvement trend is “**continuous and sustainable**”.

A number of core service indicators still require attention. In particular, performance on the ratio of emergency and urgent repairs in contrast to routine and a need to increase productivity. With reference to the Inspection reports published by the Audit Commission, it is readily apparent that this scenario is by no means unique to Hackney Homes. Whilst productive output figures derived from turnover are positive, by applying a volumetric measure (as opposed to value) a significantly lower level of output is noted. This is undoubtedly impacted upon by the levels of sickness absence appertaining in 2006/7.

Direct costs (overheads) are contained within acceptable parameters. Indirect overheads (i.e. central / LB Hackney) are not routinely factored into the trading account, which distorts the analysis albeit it is assumed only to a minor level. The data contained within the Just Housing report shows how the DLO compares to a representative benchmark group. It does not show how this compares to the local market place, but this is supported by reference to local benchmarking.

In order to conceptualise the position, a number of ‘spider diagrams’ have been prepared and are shown below summarising the performance on the indicators by adopting a simple rating system (i.e., 0 = poor performance and 5 = excellent performance). The diagrams reflect performance of lower, median and upper quartile organisations.

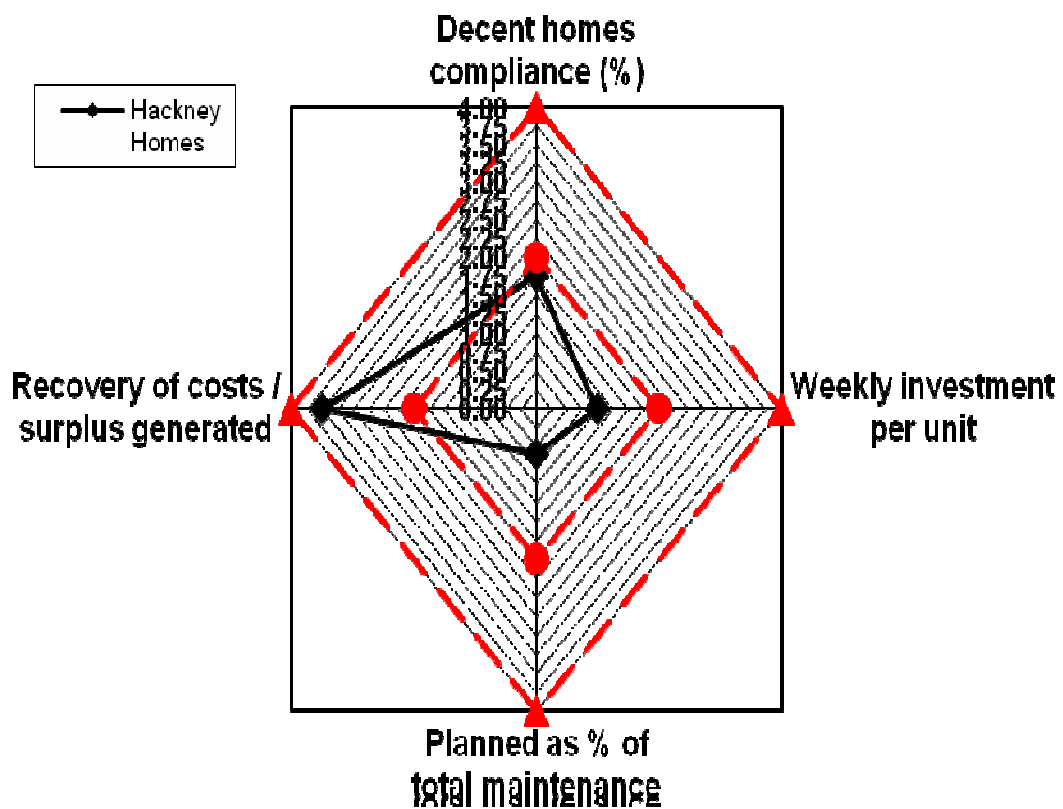
The nearer the ‘Hackney Homes’ line gets to the outer of the ‘web’ the nearer performance is to upper quartile.

4.5 National Indicators - Contextual Data

This range of measures sets the context for property condition, for example, a high level of non decency and lower level of planned works, place greater demands on reactive maintenance. As the level of decent homes compliance increases, there should be a reasonably proportionate reduction in reactive maintenance. Experience from the earlier transferring ALMOs indicates that this is not ‘pound for pound’ but some reduction should accrue.

Cost recovery is an important feature in any trading account. The level of recovery needs to be proportionate. Either a deficit or significant surplus has a direct impact for value for money. An under recovery may lead to under investment in the service, particularly in IT and training. This inhibits continuous improvement and lowers the overall quality of the service if under recovery persists year on year. Over recovery may indicate that the contract strategy and cost structure is not effective.

Diagram 1: Assessment of the Efficiency of the Organisation



The diagram indicates that cost recovery is appropriate suggesting upper quartile performance, decent homes compliance is at the median and planned maintenance levels/ investment per property are at lower quartile.

The overall outcome on this consideration is median level (lower inter-quartile)

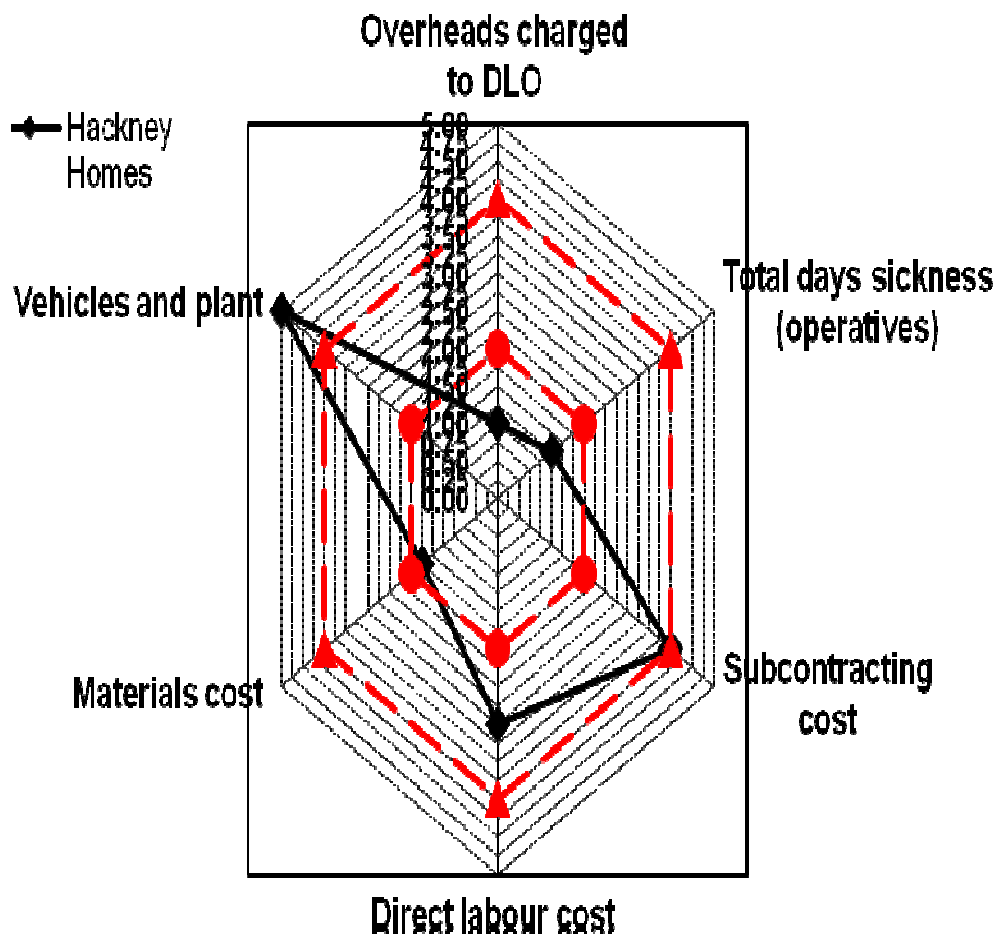
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4.5.1 Economy Assessment

This assessment focuses attention on key cost drivers. Some are direct (e.g. sub-contracting costs) whilst others are more indirect (e.g. the costs of sick leave).

Key deficits with this assessment are sick leave and lack of certainty on overheads. Above upper quartile performance (i.e. best practice) can be seen on vehicles / plant and good performance on sub-contracting costs.

Diagram 2: Assessment of the Economy of the Organisation



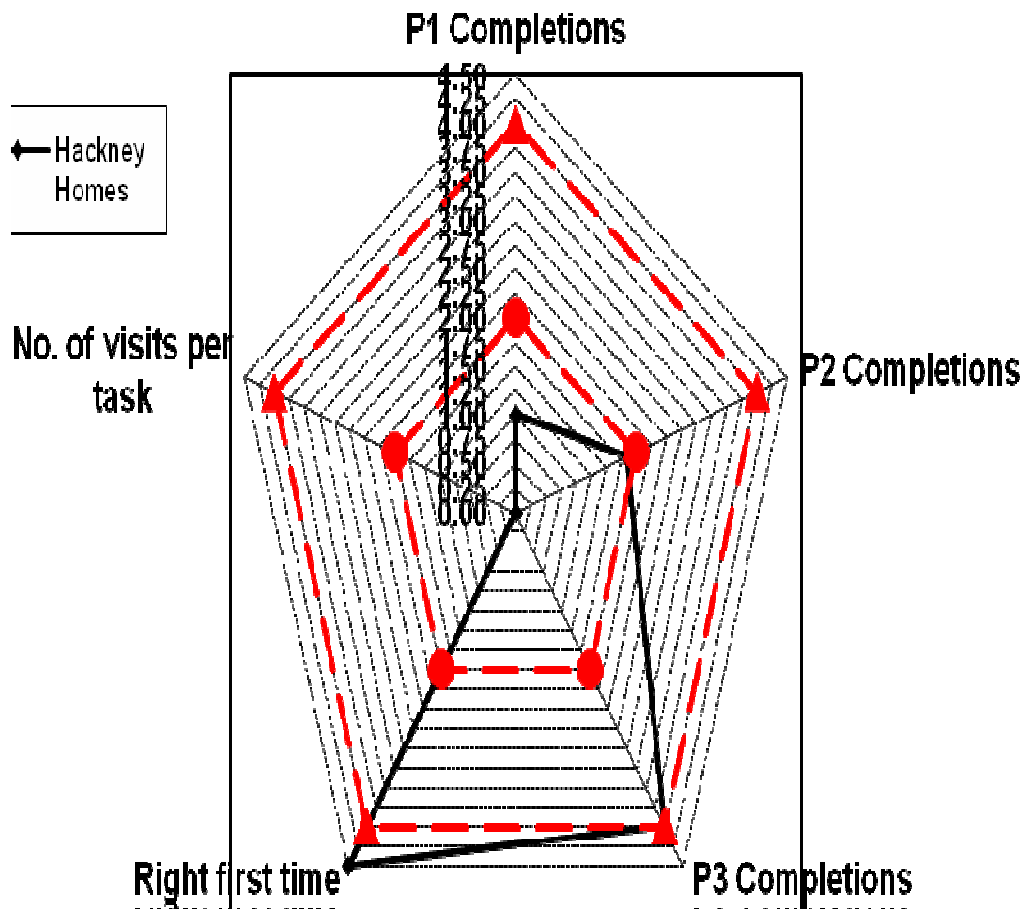
The overall outcome of this consideration is median level (upper inter-quartile). This is due to the weighting that both vehicles and sub contracting have of importance. In any DLO they constitute a high proportion of turnover.

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4.5.2 Effectiveness

Effectiveness is focused on customer experience and concerns the reliability / predictability of the service. Completion times show an unstable trend. Emergency and Urgent both exceed median time scales, although routine repairs show upper quartile performance. No data is available for the number of visits per task. Right first time exceeds upper quartile.

Diagram 3: Assessment of the Effectiveness of the Organisation



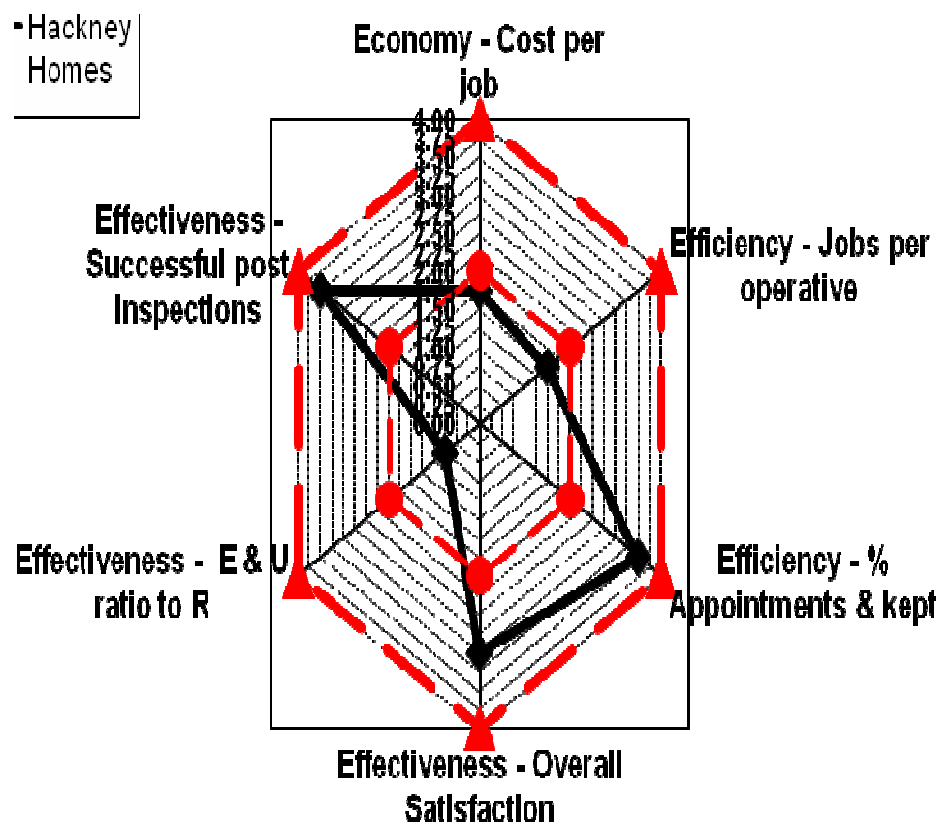
The overall outcome on this consideration is median level (lower inter-quartile).

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4.5.3 Overarching assessment

This assessment seeks to bring together time, costs and quality performance. A mixed outcome is achieved, the biggest deficit is relating to the relatively low productivity of the workforce. There is a need to improve certain efficiency and economy measures in order to achieve a three-star performance level. Effectiveness is reduced by the ratio of emergency, urgent and routine categories of repairs. Satisfaction levels are high – upper quartile - based on the data collected from internal sources.

Diagram 4: Overarching Assessment of the Organisation



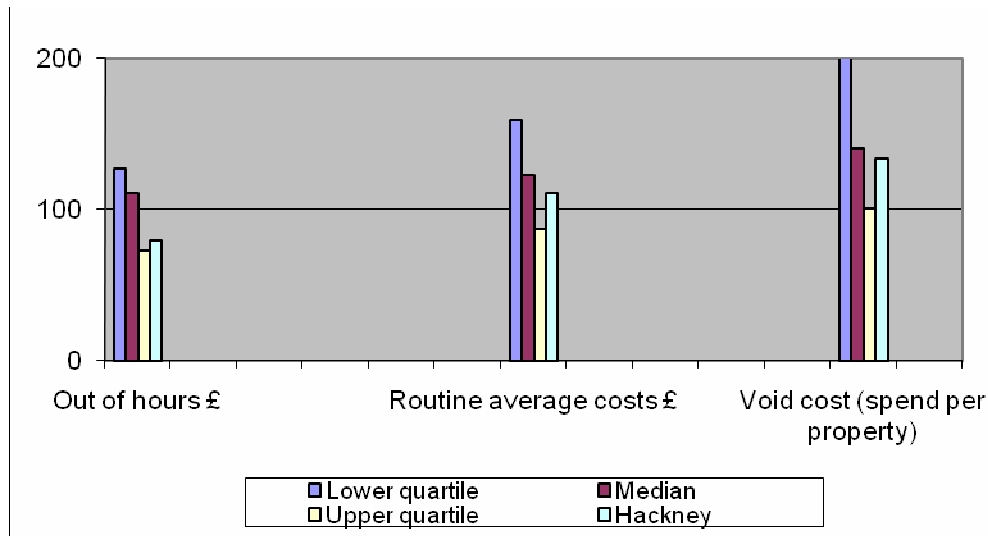
The overall outcome of this consideration is median level (lower inter-quartile). In the following section detailed comparisons with our peer organisations (inner London Boroughs), using Just Housing and HouseMark data, of cost, time and quality indicators are shown in the form of bar charts to facilitate comparison.

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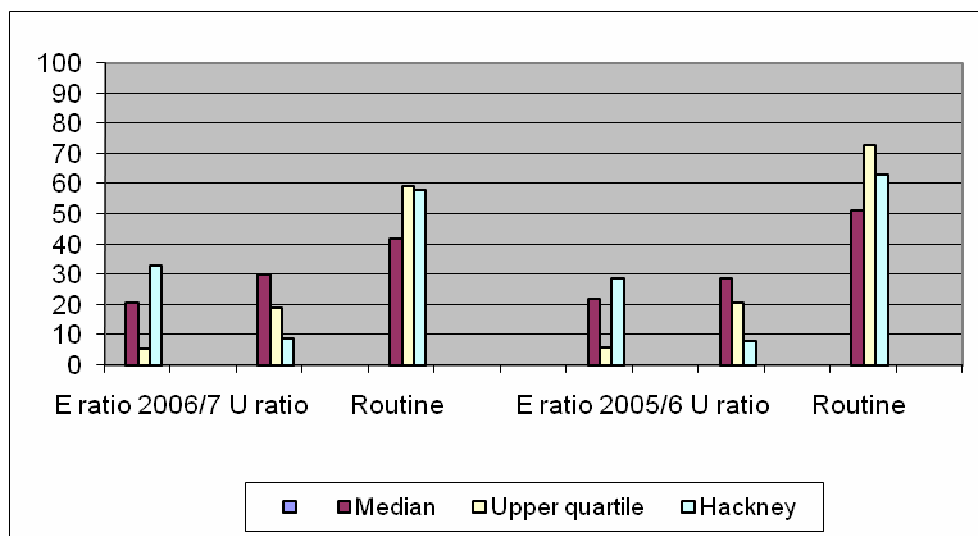
4.6 Comparison with Peer Group – Inner London Boroughs

4.6.1 Cost

Taking a holistic view, the DLO is at a median level in comparison with our peer organisations (i.e. inner London Boroughs) in respect of the costs of responsive maintenance and void maintenance. Out of hours costs are at upper quartile (i.e. good performance) level. Routine repairs are median (albeit lower inter-quartile) level. There is room for improvement on costs measures **but the existing measures would not be considered high cost.**



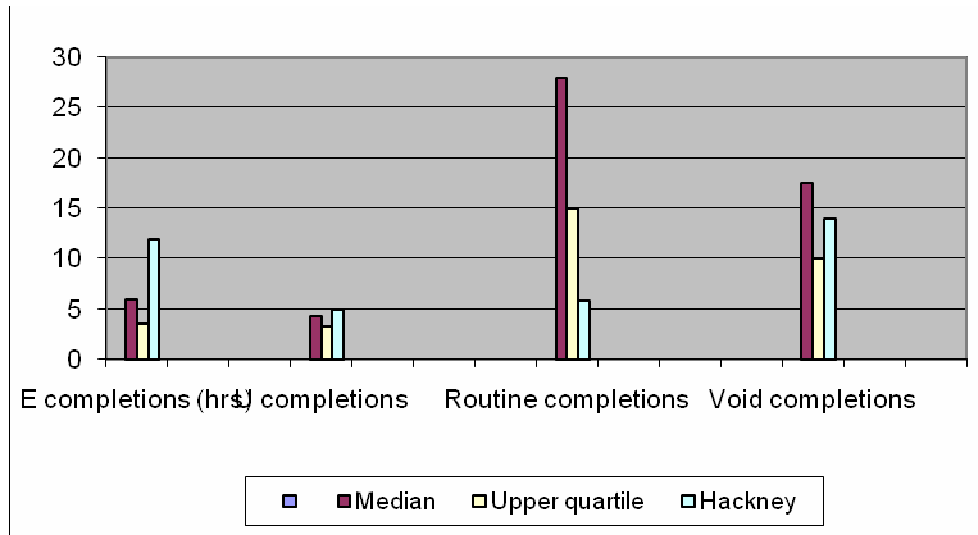
The ratio of Emergency, Urgent and Routine is often linked to service cost and predictability and general efficiency. A mixed message is presented as a result. This use of the Urgent category is being reviewed as a means to removing some of the Emergency classified works into this category to ensure consistency in ordering / prioritisation.



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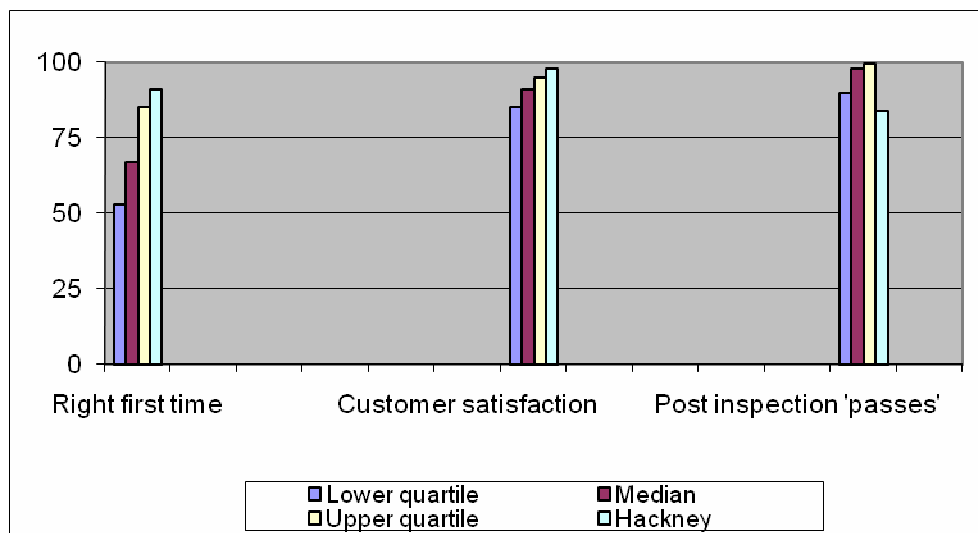
4.6.2 Time

Time in terms of completions within time is a critical measure. The profile shows further work is required in particular in relation to the categorisation of emergency and urgent works. Routine completion times exhibit best practice.



4.6.3 Quality

Assessing quality is normally covered on three areas; right first time, customer satisfaction surveys and post inspection results. All exhibit reasonable performance; although post inspection passes should have been higher and greater consistency in customer satisfaction responses is required.



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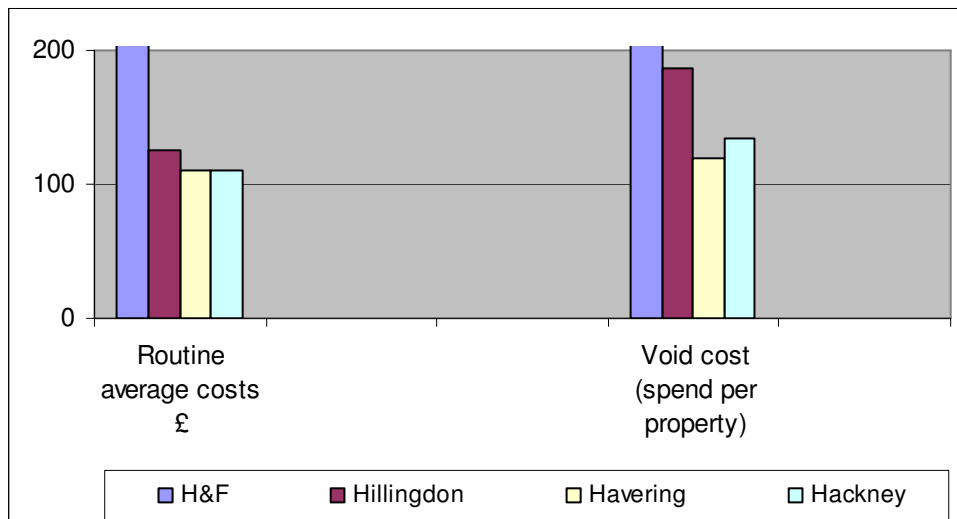
4.6.4 Local Indicators

Whilst comparing to national indicators is informative, it is also important to compare to the local market place. One of the tensions of doing this is the lack of validated data. By a combination of reference to benchmarking data sets and direct reference to some peer organisations, the following organisations have provided local benchmarks:

- East Thames Housing Group (ETHG);
- Hillingdon Homes;
- Richmond Housing Partnership;
- London Borough of Havering;
- H&F Homes (Hammersmith & Fulham);
- London Borough of Camden.

Not all of the above have data available on all of the variables measured. However, there is a sufficient collective ‘body’ of data to enable comparisons to be drawn on the DLO. Both Richmond Housing Partnership and H&F Homes have outsourced their repairs service provider. As such, the comparison does not focus on peers who only have an in-house team but a range of local organisations irrespective of the manner in which the service is delivered.

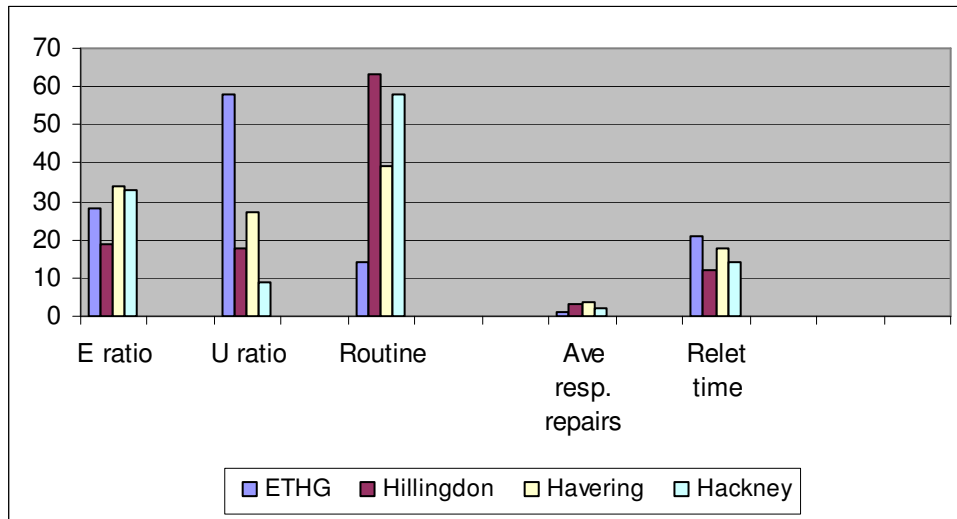
Cost measures compare very favourably for the DLO in comparison to these local organisations. The cost of the routine / responsive job (average) is almost half that of the most expensive and the lowest in the review group. Void repairs costs also compare well.



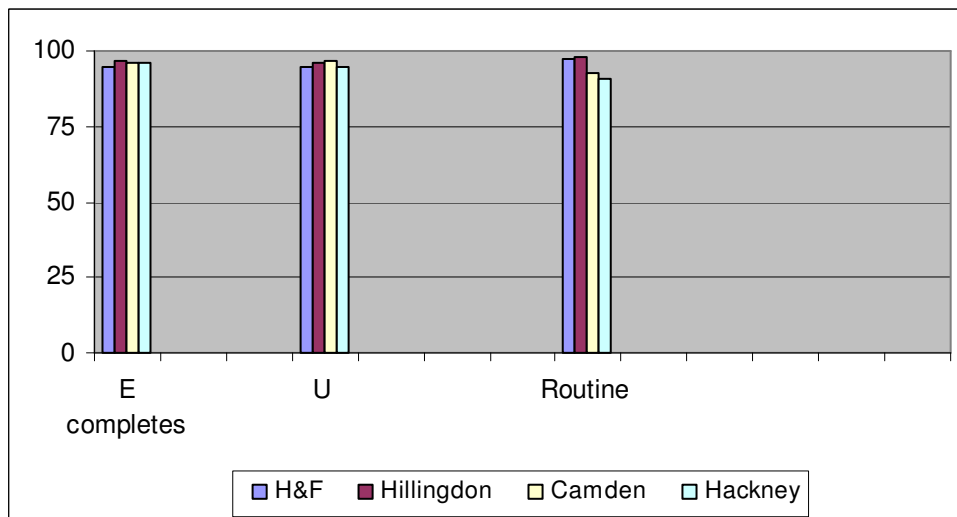
A more varied picture emerges when comparing profiles of emergency, urgent and routine repairs. The DLO’s performance against these measures would be considered median quartile. The average number of repairs per unit per

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annum is within acceptable parameters as is the time taken to relet properties (repairs work time span).

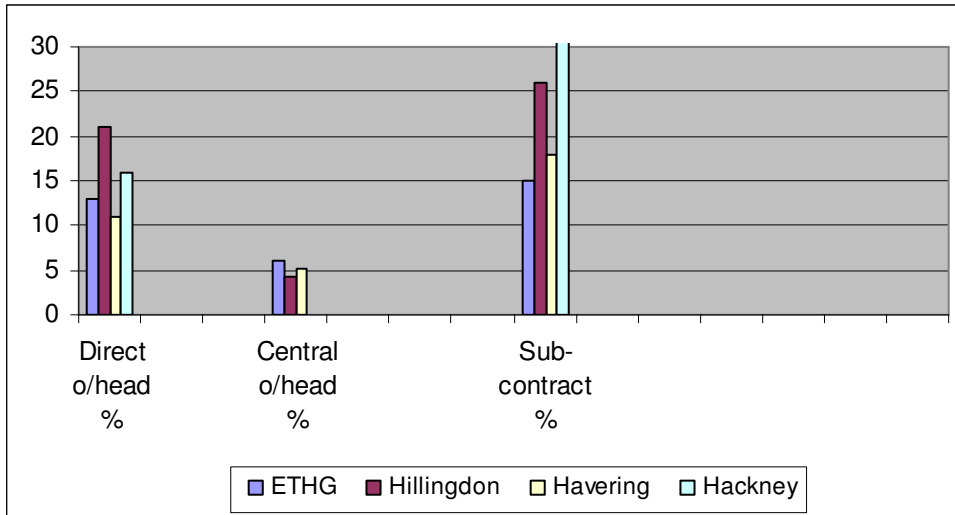


Whilst the above notes an imbalance in the profile of emergency, urgent and routine repairs, performance against the stipulated completion time reflects that of the national benchmarking in that good performance for emergency and urgent but there is room for improvement in the routine completion times.

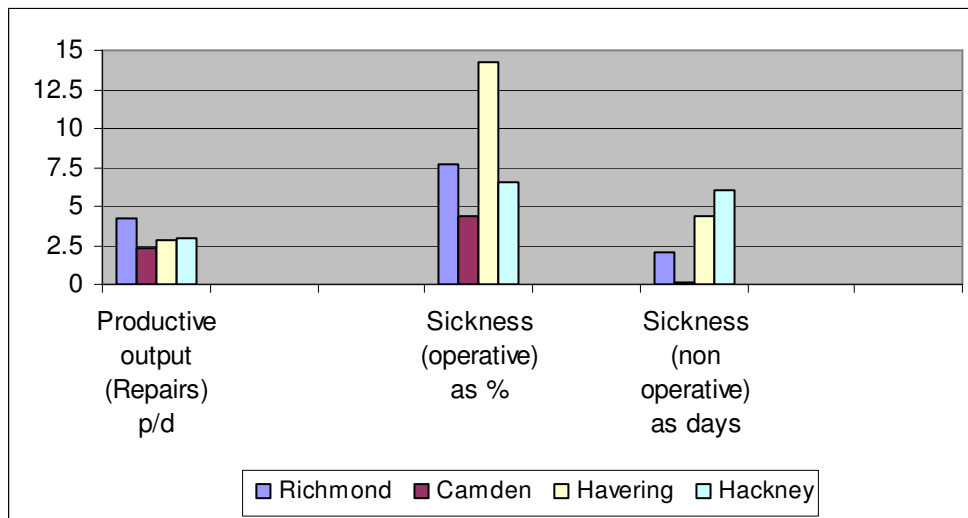


Whilst direct overheads are in good proportion to total costs at the DLO, the graph below highlights the problem of not being able to identify central overheads when considering value for money. The percentage of work sub-contracted is unduly distorted by the strategy of sub-contracting most void works at the DLO.

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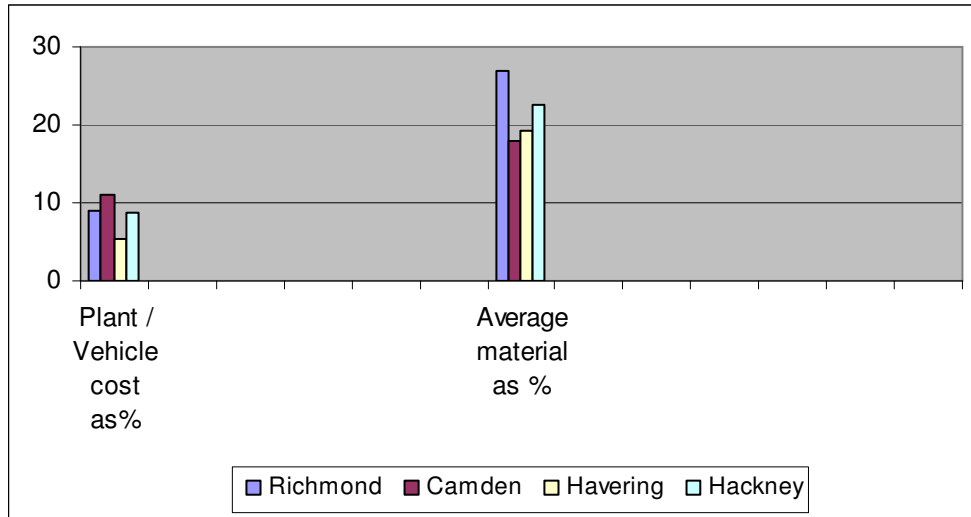


Productivity and time lost due to sickness absence are critical efficiency measures of any in-house team. The DLO shows room for improvement in productive output, although out performs the other inner London Borough in the peer group. Absence due to sick leave shows room for improvement, especially that of non productive (managerial and admin).

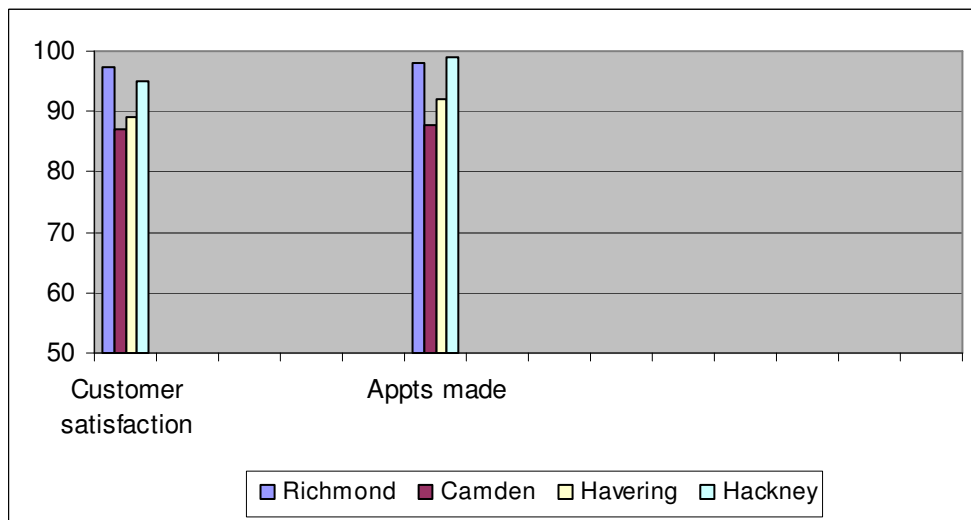


Plant / vehicle and material costs are important measures due to the proportion of operating costs that they respectively constitute. These measures are considered to be at median quartile level.

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Customer satisfaction is based on the 600 per month 'call backs' and return cards (satisfaction slips). Whilst the profile is slightly lower when considered on a local context as opposed to a national one, the outcome would still be considered top quartile. Appointments kept as a percentage is also high, although the key measure for this is the number of appointments made as well as the number kept.



In conclusion and consideration of both national and local indicators, **considerable improvement can be seen across the vast majority of indicators from former years and comments in the Inspection reports.** The DLO does compare better in the local market than nationally. This is logical as the costs and logistics of operating within the London market are more demanding.

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The next phase of the review assessed cost measures against tenders received so that comparisons could be made against external contractors as shown below.

4.7 Comparison with External Tenders

A comprehensive tendering exercise was carried out in 2006/7 of all building maintenance contracting requirements with Kier emerging as the successful bidder. A detailed VFM review taking a selection of the respective schedules of rates or both Kier's responsive repair costs and the DLO costs under the Fair Pay scheme was undertaken following the award of the tenders to the external contractor.

The key elements of the comparison of the respective cost are summarised below:

- **Kier** costs of £6.7m were **5.84% below** Saffron 2006/7 costs: **DLO** were **8.71%** below Saffron 2006/7 costs:
- The difference in use of existing sub-contractors costs and the rates tendered by Kier was **£936k**;
- The additional cost proposed by Kier for the management of the sub-contractors was **£344k**

Kier withdrew their bid at post tender negotiation stage.

5. Key Areas Targeted for Improvement

Although most of the results of the HouseMark, Just Housing and Kier comparisons show significant improvement over 2005/6 and previous years and in general reflect a good standard median level performance it is recognised that there are a number of key service areas where improvement is required in order to raise standards to a three-star level.

The key areas are highlighted in the following paragraphs as targets for a programme of improvement. This is followed by a suggested plan for implementation so that by the date of inspection credible and tested processes are in place

5.1 Tenant Satisfaction.

A poll conducted by MORI reported in February 2007 on a number of issues including repairs and maintenance. The reactions from respondents in relation to the importance of services were that repairs and maintenance (81%) and the overall quality of their home (54%) were most important. The poll also

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looked at those areas where service improvements should be effected. Of those who responded, 89% felt that the overall quality of their home and 82% that repairs and maintenance needed improvement. The survey also considered tenants priorities and repairs and maintenance was their highest.

Another important question was whether tenants were generally satisfied or dissatisfied with the repairs service. Of the respondents, 62% expressed satisfaction, 24% were dissatisfied and the balance had no view. Similar questions were asked about aspects of the repairs service. The best result was the attitude of the workforce. The least positive response was about the time taken before work started. In this case 18% of respondents thought it was poor. During the Audit Commission inspection, similar findings were recorded. There is a need therefore to focus on the customer satisfaction processes underpinning the repairs and maintenance services in the period up to the next inspection and beyond to secure a three star performance.

5.2 Performance Monitoring.

Post inspection work is identified as 6% of all completed work. Best value indicators suggest this should be in the region of 12% up to 20% of completed work. Clearly the low ratio could mean that poor work is not identified potentially contributing to the level of tenant dissatisfaction. There is a need to introduce an effective structure and related procedures to address this issue before the next inspection.

5.3 Data Collection and Dissemination

Although the service is attuned to tenants needs, the management accounting systems do not assist the process and are not reactive enough to more sensitive approaches to management information needs. In lacking sensitive management information Property Services division is exposed to critical comment and potential exposure to critical assessment in comparison with external contractors.

Sound accounting is a critical element of the managerial and financial control process of a competitive business. Effective management information provides:

- The basis on which decisions are made;
- On which productivity can be measured; and
- Against which key indicators can be measured.

Without this, performance reporting is at best unreliable and decision making susceptible to error. There is a need to introduce an effective structure and related procedures to address this issue before the next inspection. This requires effective team working between Financial Services division, Property Services division and the Council.

5.4 Asset Management Strategy

Essentially the asset management strategy is a business planning document designed to ensure that the fabric of the housing stock is preserved and sustained at least at the decent homes standard and an effective repairs and maintenance service is provided for tenants. This document should be the tool for service delivery and it is against this that performance is measured. As a business planning document it sets out the standards for the delivery of repairs and maintenance, the policies adopted to dedicate a greater proportion of the available resource to planned work, with a good practice target of up to 60% planned maintenance work, and how this is to be achieved and sustained. The key ingredients to this are; an up to date stock condition survey; a resources strategy i.e. the building blocks of capital and revenue funding which make the achievement of the business plan a possibility; and direction to bridge any gap between the need and the level of available resources.

It is understood that the up-to-date draft of the AMS reflects these aims, objectives and sources of information in a manageable and consistent format. It follows that there remains a need to ensure that related capital and revenue resource strategies have their origin or based upon an effective asset management strategy.

5.5 Gas Servicing

A limited review was carried out in relation to the validity of some emergency gas call out claims made for payment. In question are the definition of an emergency call out and the management of these to ensure that payments are properly controlled. A detailed review is nearing completion, which is designed to address these issues.

5.7 Effectiveness of the Call Centre

Repairs and maintenance requests to the call centre represent just over 50% of requests for reactive work. An almost equivalent number is being directed to other sources which indicate an ineffective use of resources. Surveys have also indicated that of the calls made or received at the call centre only 41% are in respect of repairs. This brings into question the effectiveness of the call centre as a tenant service for repairs and maintenance.

A major project designed to raise the profile, involvement and resultant workload of the centre has commenced. This will make effective use of a recently constructed telephone database to provide:

- Confirmation/ Cancellation of Appointments;
- Appointment Reminders;
- Contacting the customer in the case of no access;
- Leaks that affect more than one property with ability to alert NHO's;

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- Outreach Surgeries;
- Gas servicing Reminders;
- Early warnings for customers to check their heating; and, most importantly;
- **Customer surveys of all repairs works to provide 100% auditability for quality control and inspection purposes.**

A diagram outlining the approach is shown below.

By combining appointment scheduling, mobile applications and work management systems the anticipated benefits include:

- Productivity will increase by helping repair teams to complete more jobs;
- Customer service will be improved by meeting customer requirements and expectations as well as KPI targets. With a long list of customers to visit, even one missed appointment may be one too many;
- Costs will be reduced by reducing the reliance upon paper-based processes and by ensuring that a greater number of jobs are completed within existing financial resources. In particular, costs will be reduced by optimizing the deployment of resources and generating significant operational savings. There is also full accountability with all telephone calls, texts, jobs and assignments having a complete audit trail in compliance with Audit Commission requirements and financial regulations. Long term return on investment (ROI) is also secured as the system can easily be tailored and new best-of-breed applications incorporated to meet evolving business needs.
- Operational efficiency and effectiveness will be improved by making the most of repair teams' day by focusing on three key areas:
 - Sound preparation before leaving the depot – by being much more accurate in specifying job requirements, appointment timings and customer feedback.
 - Operatives equipped with mobile telephones may be sent information about new jobs and notify the completion of works by text to the Call Centre in turn triggering automatically a voicemail customer satisfaction survey request.
 - Optimising tradesmen time and thereby completing more jobs;
 - Responding quickly to change - tradesmen may be supplied with live information about their work allocation throughout the day. This will facilitate the prioritisation of work schedules by providing better management control, ensuring more efficient use of resources and reducing the cost and time overheads of the paper-based system.
 - Providing the means to address inefficiencies by streamlining processes, changing the organisational structure culture, and by enhancing relationships with sub- contractors, through much greater clarity of roles.
 - Improved management - accurate job information is instantly available to monitor daily performance or for future performance analysis and reporting

The effectiveness of the Repairs Call Centre will be improved by:

- Delivering Call Centre KPI's and a common standard of service which promotes best practice;

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- An excellent front line service supported by an efficient 'back office';
- A one stop shop for repairs and maintenance services;
- Promoting partnership working between Hackney Homes, sub-contractors, customers and other stakeholders.

The Call Centre may become the heart of service delivery with responsibility for integrating such systems as: graphical diagnostics available through a range of reports via the web interface; driving a larger proportion of appointments through the centre; ensuring the best use of landline and mobile telephone technology and through the development of web based monitoring systems.

Customer satisfaction will be improved by:

- Improved service - customers can book an agreed time for any repair work and be sure that they will receive the right person for the right job at the right time;
- Greater efficiency - job allocation and response times are significantly reduced through the intelligent planning and effective scheduling of workloads, which may be instantly updated throughout the day;
- Increased productivity – tradesmen should incur less travel time to jobs and overlap of resources will be reduced.

In effect, the approach provides a platform for change - in processes and in residents' and other stakeholders' attitudes to how repairs and maintenance services are carried out.

5.8 Other Issues

There are a number of other issues arising out of the review, which are lesser concerns but will need to be addressed if performance is to improve. These are: levels of absence through sickness; recovery of charges for work done for external organisations; and control of warranties.

6. Action plan

In addressing these issues a small control team comprising senior management has been formed to;

- Define and implement a customer satisfaction project designed to underpin the repairs and maintenance service;
- Introduce an effective post inspection of work structure and related procedures;

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- Define and implement effective and bespoke management accounting systems;
- Ensure that related capital and revenue resource strategies have their origin or are based upon the agreed version of the asset management strategy;
- Implement the major project designed to raise the profile, involvement and resultant workload of the call centre utilising the telephone database;
- Develop and administer a series of improvement initiatives to address other issues of concern by:
 - ⇒ setting of a set of terms of reference for each;
 - ⇒ setting a timetable for achievement and implementation;
 - ⇒ Establishing a process of monitoring of achievement;
 - ⇒ Establish a process of reporting to Hackney Homes Board for the approval of any non delegated change.

The work commenced in April with a view to full implementation by September 2008. This will allow for post implementation appraisal and monitoring of outcomes before the next inspection.

7. Conclusion

The Best Value Review benchmarking projects of the service conclude that direction of 'travel' is positive showing continuous improvement on most cost centres and key performance indicators. There is a need to address a number of service critical indicators to improve performance. The review of outcomes in comparison with peer organisations shows that by far the most common outcome is to achieve the **median level** for the indicator in question. On a number of occasions, **upper quartile** performance is achieved and on a number of occasions **lower quartile** is shown.

Considerable improvement can be seen across the vast majority of indicators from former years and comments in the Inspection reports. The review also shows economic costs compared against external tenders received and the Just Housing report concludes "... **that considerable improvement can be seen across the vast majority of indicators from former years and comments in the Audit Inspection reports**". Clearly improvements can be made and an improvement plan is in place to address the remaining shortcomings and to introduce measures designed to achieve a **three star** performance level.

The Best Value benchmarking process demonstrates that a positive response has been made to the Audit Commission inspection reports. This is particularly important at a time when experience in London and elsewhere in the UK indicates that there is an emerging trend of retaining any in-house expertise and capacity unless there is no alternative option. Given the indications of possible technical and craft worker skills shortages it is important to recognise that the state of the construction industry must

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influence the manner in which Hackney Homes procures maintenance services in the next decade. Hackney Homes should consider a 'delivery model that achieves the required customer outcomes irrespective of the procurement route. The implementation of the proposed action plan is designed to build upon the significant improvements made with a view to providing the platform for high quartile/three star performances by 2009.

8.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

As in previous years, any cost savings arising and income generated will have a direct effect on the Business Plan.

9.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

Failure to maintain progress on these service improvement initiatives may have an adverse impact on the following risks: Hackney Homes /2; Hackney Homes /6; Hackney Homes /16; Hackney Homes /18.

10.0 THE HACKNEY HOMES EQUALITY & DIVERSITY STRATEGY 2006 / ACTION PLAN 2007 – 2010

All projects are conducted in accordance with E & D policy.

11.0 CONSULTATION PROCESS & FINDINGS

Residents will be advised and consulted on all aspects of the programme as it progresses.

12.0 ICT IMPLICATIONS

There are no ICT implications.

13.0 HUMAN RESOURCES IMPLICATIONS

The resources available in 2007/08 are significantly reduced from those employed in 2006/07.

14.0 FINANCIAL IMPLICATIONS

All financial implications are examined within the context of the programme. It is estimated that the cost of introducing the telephone communications project will be as follows:

Phase 1: Pilot stage	£8k
Phase 2: Implementation up to Automatic Voice Messaging and Survey	£12
Phase3: Implementation of Customer Facing Services Including Voice	£15
Total Cost of Customer Facing Services	£35k

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15.0 LEGAL IMPLICATIONS / ADVICE

All legal implications are examined within the context of the programme.

16.0 OTHER RELATED DECISIONS / GUIDANCE

None

Title of Report: Project Excellence Update	
Decision Making Body: Hackney Homes Board	Date 14 th July 2008
Classification: FOR INFORMATION	Report of: Chief Executive
Item Previously considered at: N/A	On Which Date: N/A
Report Author: Trish Haill, Head of ICT Services	Appendices:
<p>Report Outline: Key information is provided in the background section, which is then cross referenced to relevant supporting appendices.</p> <ul style="list-style-type: none"> • Paragraph: 1.0 - Summary of Report; • Paragraph: 2.0 - Recommendation(s) to the Board ; • Paragraph: 3.0 – Background; • Paragraph: 4.0 - Impact Upon The Hackney Homes Business Plan; • Paragraph: 5.0 - Impact Upon The Hackney Homes Risk Register; • Paragraph: 6.0 - Consideration of the Hackney Homes Equality & Strategy 2006 and Action Plan 2007 - 2010; • Paragraph: 7.0 - Consultation Process & Findings; • Paragraph: 8.0 - ICT Implications; • Paragraph: 9.0 - Human Resources Implications; • Paragraph: 10 – Financial Implications; • Paragraph: 11 - Legal Implications / Advice; • Paragraph: 12 - Other Related Decisions / Guidance. 	

If you have any questions about this report, please contact Trish Haill on 0208 356 2107 (telephone number) or email (trish.haill@hackneyhomes.org.uk).

1.0 SUMMARY

- 1.1 Hackney Homes, on behalf of the London Borough of Hackney, led the procurement for the replacement Integrated Housing Management System and associated software which concluded in a contract being signed with Civica in May 2008. The implementation phase of this project, known as Project Excellence, is now underway.
- 1.2 This report provides an update to the Board on the initial progress of the implementation phase of Project Excellence.

2. RECOMMENDATION(S)

- 2.1 That the Board note this report.

3.0 BACKGROUND

- 3.1 The contract with Civica was signed on the 14th May. Under the contract Civica will provide the Universal Housing system to the London Borough of Hackney. This software will primarily be used within Hackney Homes, except for the Housing Needs modules which will be used by the Council. The project, known as Project Excellence, is being led by Hackney Homes on behalf of the Council. After a two year implementation the contract will run for 5 years, with an option to extend for a further 5 years.
- 3.2 The Universal Housing system has a modern look and feel and is built around relational databases so that report writing is made easier. In addition it includes modules for Contact Management and Electronic Document Management. The main feature of the system is Workflow – our business processes, which will be re-engineered to follow best practice, will be built into the system ensuring maximum efficiency gains and consistency of service. Customers will be assured of the same excellent service however and wherever they contact Hackney Homes – be it in person, on the phone, or via the internet or kiosks.
- 3.3 The necessary hardware for the system has now been installed at the council premises – this will be moved to the council's server farm in Docklands later on this year. Civica has installed a full copy of the software for the system.
- 3.4 At the time the procurement phase of the project commenced it was not envisaged that Hackney Homes would be preparing for an Audit Commission Inspection 6 months into the implementation project, or that there would be a new Chief Executive at the helm. It has to be accepted that these factors will have an effect on the implementation phase – and most critically, due to competing pressures on the same resource, will lengthen the implementation timetable. A realistic timetable for the project has been agreed, with the final date for go live of all new modules being the 1st June 2010.

- 3.5 The Universal Housing suite will provide the technology to transform service delivery in Hackney Homes. In order to ensure that the implementation follows the high level objectives of the company, one of the first deliverables of the project is a strategy which will drive how the different modules are implemented across the business areas. Civica have facilitated 'visioning' sessions with the Senior Leadership Group (Directors and Heads of Service), and are currently finalising the output from these sessions. Civica have commented on the good engagement and positive contributions from all attendees, that all are open to challenge, and are prepared to tackle organisational structures, if needed, if they stand in the way of change/improvement.
- 3.6 During the procurement phase of the project the NCC Group, who provide project management for Project Excellence, conducted workshops across the organisation to map current business processes as a starting point for the implementation, taking the opportunity to identify where the new technology could bring benefits. The business process mapping skills have been transferred to Systems Analysts in the ICT Service, who are able to continue this work. This has formed a basis for the Civica consultants, working with the Systems Analysts and business areas, to start to compile baseline information so that we understand the services currently provided, the time taken to provide these services, and the associated costs. Once the Civica product has been implemented we will be able to prove the return on investment using this information. The output from this exercise will provide intelligence to all managers about the costs of providing their services currently which is useful background in the run up to the inspection.
- 3.7 As Universal is a fully integrated system the preferred implementation approach is to go live with all modules together in June 2010. Otherwise extensive additional integration could be required with the current system, Saffron. Anti Social Behaviour (ASB), which is currently conducted using manual fields and spreadsheets can be implemented as a stand alone system. This has therefore been chosen as the first deliverable of the project, and will be implemented in time to show real benefits prior to the inspection. A full time Work Stream Leader has been assigned to the project and initial reports are very positive of the Universal Software. Business processes which will provide the basis for workflow will be based upon the new Anti Social Behaviour policy. The reporting tools of Universal will enable full monitoring and reporting of the ASB function throughout Hackney Homes.
- 3.8 A Communications plan is being developed to make sure all stakeholders, including customers, are kept informed about the Project Excellence, and the benefits that it will bring. It is planned that a presentation will be given to all Neighbourhood Panels to explain how this investment in technology will benefit customers.
- 3.8 The Project Excellence Project Board, which is chaired by the Chief Executive, Hackney Homes and attended by senior officers of Hackney Homes, the Council and Civica, meets regularly to review progress of the project.

4.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

- 4.1 The 'visioning' sessions and the close monitoring by the Project Board ensure that Project Excellence will be implemented to facilitate the objectives of the Hackney Homes business plan.

5.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

- 5.1 Project Excellence is the key vehicle to achieve efficiencies and savings for Hackney Homes. Risks associated with not delivering this project effectively, or to time, should be recorded in the risk register. The main risks to achieving efficiency and savings are insufficient resource allocation for the project and change management not being properly addressed.

6.0 THE HACKNEY HOMES EQUALITY & DIVERSITY STRATEGY 2006 / ACTION PLAN 2007 – 2010

- 6.1 Project Excellence will give choice to customers in doing business with Hackney Homes. Use of the internet, texting via mobile phones and services via the kiosks will be extended enabling services to be accessed outside of office hours, and providing more information for customers whose first language is not English.
- 6.2 Different workflow processes will be initialised dependent on customers individual needs, for example, the process associated with the Vulnerable Repairs Policy will be triggered upon identification that that customer comes into that group.
- 6.3 Customers preferences for how they wish to be communicated with (e.g. phone, text, email) will be accommodated within the system.
- 6.4 Configurable screens will enable staff to view the system dependant on any individual needs.

7.0 CONSULTATION PROCESS & FINDINGS

- 7.1 Full consultation was carried out during the procurement phase of the project. During the implementation staff and stakeholders will be fully involved as the project is rolled out. Customer feedback on how they wish to interact with Hackney Homes and how they wish services to be delivered and accessed will be sought.

8.0 ICT IMPLICATIONS

- 8.1 Project Excellence will be the main ICT project over the next 2 years. Whilst this will be contained in the current structure, there will be limitations on how much additional development work can be taken on by the ICT Service.
- 8.2 Project Excellence is proving a good training mechanism for ICT staff – business process mapping and baselining skills have already been transferred to permanent ICT staff, along with project management experience. ICT staff are undertaking training so that they will be able to write and maintain the workflow maps in the Civica systems, reducing any future reliance on Civica staff.

9.0: HUMAN RESOURCES IMPLICATIONS

- 9.1 Project Excellence will present demands on staff as the project will be resource hungry and time consuming; staff will need to balance their day jobs with project requirements, and managers will need to consider how to release their most knowledgeable staff, who understand both best practice and current business processes, to build the workflows for their business areas.
- 9.2 Staff working on the project will however be able to acquire new skills which will be of benefit to them.
- 9.3 New, best practice business processes, and the opportunities for efficiency by the automation of processes will necessitate changes to the organisation of departments across Hackney Homes which will increase the workload of managers and the HR and OD function to support and resource the changes arising from the project. The project will affect all job roles in Hackney Homes, and new job descriptions will be necessary for many staff as a result.
- 9.4 The introduction of these new ways of working and the software requires line managers to consult and arrange staff to be trained in the new systems - all staff in Hackney Homes will be using the new software to a greater or lesser extent, and this will require a massive training programme which will need to be managed and delivered. Directors will need to promote positive employee engagement and involvement in this project, and subsequently to monitor, review and evaluate effectiveness and efficiencies arising from its introduction.

10.0 FINANCIAL IMPLICATIONS

- 10.1 The budget of £2.3m has been made available by the council for the purchase of the solution and implementation services from Civica. A contingency fund has also been provided for the implementation to fund any additional input that may be required.
- 10.2 To date the projected spend is as predicted.

11. LEGAL IMPLICATIONS / ADVICE

11.1 The project is proceeding under the terms of the contract signed on the 14th May 2008.

12 OTHER RELATED DECISIONS / GUIDANCE

12.1 None

Title of Report: Planned Maintenance of Lifts and Door Entry Systems Update	
Decision Making Body: Hackney Homes Board	Date: 14th July 2008
Classification: For Information	Report of: Director of Property Services – Gary Penticost
Item Previously considered at: N/A	On Which Date: N/A
Report Author: Martin Weaver x 1658	Appendices: N/A

Report Outline:

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| <ul style="list-style-type: none"> • Paragraph: 1.0 - Summary of Report; • Paragraph: 2.0 – Board asked to note the information provided • Paragraph: 3.0 – Information is provided on the Lift and Door Entry Planned Maintenance programmes. The approach and investment over recent years is described • Paragraph: 4.0 - Impact Upon The Hackney Homes Business Plan • Paragraph: 5.0 - Impact Upon The Hackney Homes Risk Register • Paragraph: 6.0 - Consideration of the Hackney Homes Equality & Diversity Strategy 2006 and Action Plan 2007 - 2010 • Paragraph: 7.0 - Consultation Process & Findings; • Paragraph: 8.0 - ICT Implications; • Paragraph: 9.0 - Human Resources Implications; • Paragraph: 10 – Financial Implications; • Paragraph: 11 - Legal Implications / Advice; • Paragraph: 12 - Other Related Decisions / Guidance. |
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If you have any questions about this report, please contact (Martin Weaver) on 0208 356 1658 (telephone number) or email (martin.weaver@hackneyhomes.org.uk).

1.0 SUMMARY

- 1.1 This report seeks to update the Board on the Planned Maintenance programmes for Lifts and Door Entry.

2.0 RECOMMENDATION(S)

- 2.1 That the Board note the information provided in this report.

3.0 BACKGROUND

LIFTS

- 3.1.1 Lifts are maintained under a fully comprehensive maintenance contract. This means that no additional payment is made for repair calls. This is intended to incentivise contractors to get the job done first time, since return visits will be a cost to them. The only variations allowed to this contract are where vandalism or corrosion is found and such occurrences are checked by the lift inspectors to confirm agreement. Each lift is serviced or inspected every month and this is logged in the lift log card which is left in the lift motor-room.

- 3.1.2 We have a total of 597 lifts in Hackney Homes' housing stock. It is generally assumed that Lifts have a useful life of around 25 years but the age profile of our stock is as follows:

12% are under 10 years
31% are between 10-20 years
41% are between 20-30 years
15% are older than 30 years

Hence 56% of our lift stock is over, or getting close to, the expected useful life span of a lift and should normally be considered for renewal in the near future.

This would imply a programme of renewals over the next few years of perhaps £3m per year. Work is being undertaken with the new Asset Management Database [Codeman 4] to plan renewal programmes and identify the future funding required.

- 3.1.3 Working with a stock of this age it can be expected that there will be a number of problems including: increased breakdowns, obsolete parts creating longer waiting times for the sourcing of parts, and an increase in maintenance costs.

- 3.1.4 Our strategy has been to alleviate, as much as possible, the impact of the aging stock through the comprehensive and more intensive monitoring and servicing of lifts as described above. Further details are available, upon request, of the safety and operational checks that are undertaken.
- 3.1.5 Over the last 4 years programmes have been undertaken to replace major components to improve the reliability and operation of the lift stock. For example we have undertaken a major programme of lift controller and motor renewals, as well as replacement of slings and lift cars in some cases, which have helped to enable the lifts to continue to operate effectively.
- 3.1.6 Cost savings have been made through direct negotiations with manufactures to set up bulk buying deals, achieving 15% savings across the controller range, and agreeing with our term lift contractors to undertake installation only. We have also been able to extend warrantees on controllers through these direct negotiations, some of which have been ground breaking within the lift industry.
- 3.1.7 New controllers have now been installed in over half of our lift stock over a four year period. These bring potential saving in downtimes, as well as improvements to the quality of ride and leveling. This has resulted in a reduction in calls of around 12%.
- 3.1.8 We have also replaced 32 lift cars and slings over the past 4 years which is obviously one improvement that residents can easily see.
- 3.1.9 76 obsolete 'Bennie' door gears (motor that controls the opening and closing of the lift) have been replaced with the benefits of smoother operation of the lift car and landing doors, easier to obtain parts, greater vandal resistance, and reduced calls for door operation problems. 20 motors and gear sets have been changed, providing more efficient motors with reduced power consumption and easier access to replacement parts. Finally we have replaced 250 DDA height landing pushes and controls to allow access to our lifts for wheel chair users.
- 3.1.10 Whilst no full replacements have occurred for a number of years a programme commenced last year with a limited budget. So far two lifts have been replaced and we believe that the work is to a good standard.

3.2 DOOR ENTRY

- 3.2.1 Hackney Homes and the London Borough of Hackney have installed door entry systems over a number of years to prevent unauthorised access into properties and minimise antisocial behaviour. It is one of the Mayor's manifesto commitments to install Door Entry systems to all

blocks. It is also the case that many of the older systems already installed are no longer fit for purpose and need to be replaced.

- 3.2.2 LBH and Hackney Homes have one of the largest programmes for Door Entry in London and have invested over £10m since 2004. However, this programme together with other security programmes such as the Safer City front entrance doors, CCTV systems, and lighting improvements have achieved an unprecedented reduction in burglaries within the Borough. We are planning to invest a further £2.6m this year.

The programme outputs for this period are as follows:

54 Systems in 2004/2005 [£800k]

180 Systems in 05/06 [£3.5m]

108 Systems in 06/07 [£3m]

100 Systems in 07/08 [£3m]

For the 08/09 year we plan to install 98 new and 18 replacement systems.

- 3.2.3 There is an issue as to how best to count the installations which could be by block, by system or by the number of dwellings benefiting. This can sometimes cause some confusion as for example one block may have several different entrances and need a system for each.
- 3.2.4 Feedback from Leaseholders has highlighted that the cost per dwelling, particularly on small blocks, can be relatively high and this has caused some negativity towards proposals. We are currently surveying the remaining 730 blocks in the borough in order to assess their suitability for controlled entry systems and identify cost effective design solutions. As mentioned in relation to Lifts, the future investment programmes are being planned via the new Asset Management database.
- 3.2.5 Prior to 2003/2004, the London Borough of Hackney had a policy of installing hardwood doors; however these have proven to be vulnerable to vandalism resulting in a high level of breakdowns and repairs. The Planned Maintenance section therefore carried out a whole life costing exercise on alternative solutions and determined that whilst metal doors have a higher initial cost, they offer far lower ongoing maintenance costs. This type of door has been adopted as the standard since that time and there is now increasing evidence of their impact in reduced failures and repairs. The borough thereafter chose a number of metal door suppliers, based upon investigation of the metal door market and use in other boroughs (for example, one of the suppliers is solely specified in LB Islington).
- 3.2.6 Planned Maintenance has adopted a policy of continuous improvement and, in conjunction with our contractor partners, developed a number of improvements. For example we have recently added an additional

magnetic lock to prevent people from being able to force the doors open.

- 3.2.7 Originally all door entry schemes within the borough were tendered on a scheme by scheme basis, however this approach was too time consuming and not cost effective. Therefore the council tendered and duly appointed a framework contract, using three contractors, for a 3 year period, thus allowing the procurement of works and installation to be carried out far more quickly and for a partnership to be developed with the contractors. This flexible approach allows us to vary the amount of works given to contractors, based upon their capacity and ability.
- 3.2.8 With the introduction of the Disability Discrimination Act (DDA), the council have a responsibility to provide services which are accessible to members of the community who are impaired. In the provision of door entry systems, we have taken this on board by the provision of suitable ramps, platforms and handrails where necessary. Furthermore, we have installed automatic door closers in specific cases where residents have not been able to use the new doors.
- 3.2.9 Whilst carrying out replacements and new installations we consider the existing lighting to entrance doorways and lobbies, installing new lighting fittings where necessary to improve environmental conditions.
- 3.2.10 In order to prioritise the programme a standard scoring criteria and matrix was developed to allow the relative need for door entry system to be identified. This takes into account environmental aspects (for example drug dealing and use, prostitution and antisocial behaviour) and other issues (for example police and resident requests).
- 3.2.11 We aim to be respectful of the needs of all members of the community. We are aware that some people are not allowed to use items of electrical equipment during the Sabbath or religious holidays. In blocks where there are such residents, we therefore provide mechanical key systems instead of electronic fobs. We have recently added a specific reference to this in our initial consultation letter, in order to identify any such particular needs as early as possible.

4.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

- 4.1 The programmes described support our intentions to provide decent homes and safe and sustainable communities. These particular services are high on the priority list for residents and can have a direct impact on their quality of life and feelings of wellbeing.

5.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

5.1 Poor project management is identified as a risk on the register. With programmes of this size and complexity there is clearly a need for good project management. Suitably trained staff and management and monitoring structures and procedures are in place to ensure the programmes are well managed.

6.0 THE HACKNEY HOMES EQUALITY & DIVERSITY STRATEGY 2006 AND ACTION PLAN 2007 – 2010

6.1 These services may have a significant impact on residents and visitors with physical impairments or in wheel chairs. The services directly relate to access and egress from people's homes. It is therefore important that the services are well managed and resourced and that special needs are taken into account. This involves the location of controls, use of Braille, provision of ramps and so on. Mention has been made above of arrangements made to suit particular faiths. Good security to blocks may assist in the prevention of harassment and the reduction of anti social behaviour.

7.0 CONSULTATION PROCESS & FINDINGS

7.1 N/A

8.0 ICT IMPLICATIONS

8.1 N/A

9.0 HUMAN RESOURCES IMPLICATIONS

9.1 N/A

10.0 FINANCIAL IMPLICATIONS

10.1 A significant level of capital and revenue investment is involved in the programmes described. The allocations of funds are not part of this report, although it should be noted that continuation of these programmes will be dependant on continued funding at least at current levels.

11.0 LEGAL IMPLICATIONS / ADVICE

11.1 N/A

12.0 OTHER RELATED DECISIONS / GUIDANCE

12.1 N/A