

**HACKNEY HOMES Ltd
Board Meeting**

Monday 19th May 2008 at 6.30pm to 9.10pm

**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 , Asim Bhattacharyya, Jonathan McShane, Feryat Demirci, Samantha Lloyd, Marie Photiou, David Larkin, Danny Sutcliffe, Linda Kelly , Brian Marsh, Afolasade Bright, Natalie Pace, 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-Quality and Strategy)
Robin Smith (Programme Director – Woodberry Down Regeneration)

Hackney Homes Officers:

Sue Poulter, Sunil Desai, Brian Madden, John Newton, Trish Hail, Daniel O'Connell.

Stakeholder representative

Jamie Carswell

HACKNEY HOMES Ltd Board Meeting

Monday 19 May 2008 at 6.30 pm to 9.10 pm

Christopher Addison House, 72 Wilton Way, Hackney E8 1BJ

A AGENDA Part A (open to the public)

Item	Presenter	Subject	Status	Duration
1	Chair	Welcome/Apologies/Introductions	Information	2 mins
2	Chair	Declarations of Interests	Information	1 mins
3	Adrian Brown/Graham Bennett	Presentation by Audit Commission: Hackney Homes Inspection Nov 2008	Information & Questions	45 Min 15 Min
		BREAK		5 mins
4	Chair	Questions received from the public	Information (verbal)	2 mins
5	Chair	Hackney Homes' Chair Report <ul style="list-style-type: none"> ▪ Special Board Meeting on Business Plan 	Information (verbal)	5 mins
6	Chair	Minutes of Monday 17 March 2008 (Part A) and Matters Arising	Decision	5 mins
7	Charlotte Graves	Chief Executive's Report	Information	10 mins
8	Neil Isaac	Hackney Homes Performance Year-end 2007/08	Information (Discussion)	15 mins
9	Gary Penticost	Introduction to Procurement Strategy	Decision	15 mins
10	Gary Penticost	Voids Update Report	Information Item only	
11	Neil Isaac	Financial Overview Report	Information	10 mins
12	Peter O'Kane	Service Improvement Framework	Information Item only	
13	Chair	Any other Business	Information	5 mins
	Chair	Date of Next Board Meeting: 30 th June Christopher Addison House	Information	



Hackney Homes Ltd

ITEM 6

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

On 17 March 2008 at 6.30PM

Present	Board Members Audrey Villas Alice Burke Asim Bhattacharyya Brian Marsh Jonathan McShane Marie Photiou Danny Sutcliffe Afolasade Bright David Larkin Karen Dodds Natalie Pace Linda Kelly Feryat Demirci	Hackney Homes Executive Officers Charlotte Graves– Chief Executive Neil Isaac – Director of Finance Hackney Homes Officers Sunil Desai John Newton Trish Hall Daniel O’Connell Peter O’Kane Tom Hogan Clive Taber	Stakeholder Representative Jamie Carswell
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	Part A – Open to the Public	Action	Date
1. Welcome/Apologies/ Introductions	Apologies were received from the following: <ul style="list-style-type: none"> • Samantha Lloyd • Rupert Tyson • Daniel O’Connell • Sue Poulter Introductions – Jamie Carswell will take over liaison between Hackney Homes and Hackney Council		
2. Declarations of Interests.	None.		

<p>3. Questions received from the public</p>	<p>Terry Reynolds – Access to 106 money</p> <ul style="list-style-type: none"> • A complaint was made on lack of progress made by officers • Request was made for procedure for forwarding questions with a response expected in May 	<p>Chair</p>	<p>19/05/08</p>
<p>4. Hackney Homes' Chair Report</p>	<p>The Board noted the report.</p>		
<p>5. Minutes of 21st January 2008 (Part A) and Matters Arising</p>	<p>The Board agreed the following:</p> <p><u>Matters arising from the Hackney Homes Board Meeting Minutes of 21st January 2008</u></p> <ul style="list-style-type: none"> • Homerton Board Election to be concluded by 26th March. <ul style="list-style-type: none"> - David Larkin suggested a wider remit to make young people eligible - Board accepted that proof of residence is principal to avoid breaching the regulations • Planning Committee <ul style="list-style-type: none"> - The Board was informed that once approval is obtained 106 money will be distributed. - Planning approval has been granted but to avoid legal challenge there must be a waiting period of 3 months 		
<p>6. Chief Executive's Report</p>	<p>The Chief Executive emphasised the following points from this report:</p> <ul style="list-style-type: none"> • <u>3.0- Budgets</u> The Board was informed that a 7% rent increase is to ensure that HRA budget is kept in check and to avoid a deficit. 		

	<ul style="list-style-type: none"> • <u>7.0- Woodberry Down</u> The Board was informed that the detailed planning application is to be considered. Work on site is anticipated to start in July 		
7. Hackney Homes Performance January 2008 (snapshot)	<p>The Board was informed of the following:</p> <ul style="list-style-type: none"> • Arrears reduction has led to a change from red to green. It was reported to the Board that voids were well within target. • There was a steady improvement in call answering. • TRA enquiries- Neil Isaac will report back after further investigation. • Hackney Homes is learning from complaints and more training in this area will enhance the improvement of service. 	NI	TBC
8. Asset Management Strategy Revised	<p>The Board approved the report and noted the following:</p> <ul style="list-style-type: none"> • The working group needs to provide more information. • A plain English version of the report must be prepared to ensure better understanding. • There was a suggestion to change the title to Asset Management Plan • A link must be made with the business plan • Specific dates for the accomplishment of the Key Actions referred to in the Appendix to the report must be provided. • Report was agreed by the Board as a working document. 	GP	September
9. Resident Liaison Group Meetings: Terms of Reference Document	The Board unanimously approved this report.		
10. Service Standards	The Board approved the report.		

<p>Summary Report</p>	<p>The following points were noted:</p> <ul style="list-style-type: none"> • Team Hackney Customer Performance was adopted • There was a general agreement that improvements have been made • Service Managers will look further into some proposals on Service Promises and Service Standards and undertake further resident consultation. 		
<p>11. Stock Control Policy</p>	<p>The Board approved the report and noted that improvements have been made because of the introduction of the Stock Control Policy.</p> <ul style="list-style-type: none"> • Request was made for reports to be substantiated • TMO's must be given full support • Board requested formal training in contract management to enhance understanding 	<p>GP</p>	<p>TBC</p>
<p>12. Residents' participation Compact</p>	<p>The Board approved the report and noted the following:</p> <ul style="list-style-type: none"> • New Compact has been set up using Best Practice • The consultation process set out in the document was approved by the Resident Liaison Group 	<p>LK</p>	<p>April/May</p>
<p>13. Hackney Homes Business Plan 2008/09 (Report to Follow)</p>	<p>The Board agreed to hold a special meeting to discuss this.</p> <ul style="list-style-type: none"> • The date of this meeting will be decided at the next meeting of the Board on 19th May 08. 	<p>NI</p>	<p>TBC</p>
<p>14. Vehicle Tracking Devices Protocol</p>	<p>Agreed</p>		
<p>15. Decent Homes Progress Report</p>	<p>The Board noted the report</p>		



Hackney Homes Ltd

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On 17 March 2008 at 6.30PM

16. Service Improvement Programme	<p>The Board noted the report</p> <ul style="list-style-type: none"> Neil Isaac needs to produce evidence to show tangible service improvement has resulted from the Service Improvement Group. 	NI	TBC
17. Debt Advice Progress Report	<p>The Board noted the report and highlighted the following:</p> <ul style="list-style-type: none"> Debt advice has been successful. Increase income £256k. W/off debts £47k. Need for promotion of improvement. 	NI	
18. Progress Report Resident Participation	<p>The Board noted the report and confirmed that:</p> <ul style="list-style-type: none"> There was need for quicker implementation of strategy to ensure maximum resident engagement Mailings to residents to update them of changes Better use must be made of TRA 		
19. Any other Business	None		
Date of Next Board Meeting	19th May 2008 at 6:30 p.m.		

Signed as a true record of this meeting _____ Chair

Dated _____

Title of Report: Chief Executive's Report	
Decision Making Body: Hackney Homes Board	Date: Monday 19th May 2008
Classification: FOR INFORMATION	Report of: Director of Finance & Resources
Item Previously considered at:	On Which Date: N/A
Report Author: Neil Isaac	Appendices:

Report Outline:

- Paragraph: 1.0 - Summary of Report;
- Paragraph: 2.0 - Recommendation(s) to the Board / Committee;
- Paragraph: 3.0 – Background;
- Paragraph: 4.0 - End of Year Performance
- Paragraph: 5.0 - Update from the Staff Conference;
- Paragraph: 6.0 - Woodberry Down Update;
- Paragraph: 7.0 - Family Intensive Support Programme;
- Paragraph: 8.0 - French Ministerial Visit;
- Paragraph: 9.0 - Signing of the Revised Resident's Compact;

If you have any questions about this report, please contact Charlotte Graves on 020 8356 5730 or email charlotte.graves@hackneyhomes.org.uk

1.0 SUMMARY

1.1 This report outlines some issues that the Board need to be informed about, but which do not require a separate report. It includes an overview of the year end performance report, feed back from the staff conference, the regular update on Woodberry Down and the signing of the updated Compact.

2.0 RECOMMENDATION(S)

2.1 That the Board note the contents of this report.

3.0 BACKGROUND

3.1 A general update report is made to each Board meeting updating the Board on a number of issues that while important do not require a separate Board report.

4.0 END OF YEAR PERFORMANCE

4.1 The Executive Team are due to meet with the Mayor and Council Officers on 14 May to discuss the year end performance. An update from that meeting will be given to the Board on the 19th of May.

4.2 2007/08 has been a good year for Hackney Homes with key performance indicators moving in the right direction. Coming approximately a year after the Audit Commission Inspection, the year has been one where strengths and achievements have significantly outweighed weaknesses.

4.3 The core performance target for BVPI 66a (rent collection) has in fact been exceeded with an achievement of 98.13% and this now places Hackney Homes in the top quartile for current and historic arrears collection of local authorities and ALMO s. Amongst our other core achievements are top quartile performances in the management of empty homes with re let periods down to 21 days. Additionally, on repair appointments made and kept, the 98% target has been met and the gas servicing programme is 99% complete. Hackney Homes is now embarking on a programme of detailed service planning for all parts of the Organisation and will very shortly be in a position to publish its targets right up to 2011.

4.4 What is clear from the End of Year Report is that improvements in core areas provide the basis for sound development on what was achieved in previous years. Residents and staff should now look towards the next Audit Commission Inspection in November 2008 with confidence

5.0 UPDATE FROM THE STAFF CONFERENCE

5.1 The Staff conference was held over three half days with a third of the workforce invited on each day. More than 800 staff attended. The main aims of the conference were to boost team working, announce the results of the staff excellence awards, reinforce the Hackney Homes Mission and Values and prepare for the Audit Commission Inspection in November.

5.2 Evaluation of the event, including staff feedback indicates that the event was extremely successful with the following highlights.

- 74% of staff rated the overall event at 7 out of 10 or better.

- The Picture Success activity that asked staff to contribute suggestions for the Self Assessment was rated 7 or better by 66% of staff.
- The Bigger Picture activity that asked staff to think about communication and team working was rated 7 or better by 59% of staff
- 90% of staff learned something new
- 99% of staff had met at least two new people
- 74% of staff feel they are involved in the inspection
- 91% of staff felt they had a better understanding of the mission and values.

5.3 Overall the most popular activities were the Hackney Homes quiz, the opportunity to interact with colleagues and the Chief Executive's address.

6.0 WOODBERRY DOWN UPDATE

- 6.1 The Section 106 agreement for the Old School Site is still being negotiated between the Council and Berkeley Homes. The planning permission will not be issued until the Agreement is signed, and therefore development cannot start until this is achieved. Currently we are working at the highest level with the Council to facilitate the Agreement and priorities with LBH Legal.
- 6.2 A review workshop took place with representatives of the EDC and Berkeleys Homes on 9 April. This reviewed the design process followed by Berkeleys Homes for the Old School Site, and made recommendations for the design process to be followed on future sites to secure more effective resident engagement. Berkeleys have agreed to establish a design committee with agreed terms of reference to help secure this.
- 6.3 The Retailers Offer Document was deferred at Cabinet on 28 April for further discussion on the mechanisms necessary to protect both retailers and landlord from sub-standard retail occupation.
- 6.4 The Masterplan has been resubmitted to the Council, and we have been advised that September Planning Sub-Committee is the likely date for reconsideration. We are pressing for a special meeting in late July so that greater certainty is available earlier for the RSLs and Developers competing for Phases 2-5.
- 6.5 The delivery of the RSL / Developer procurement has to meet two key objectives of the Council. Firstly it must be delivered by the end of the 2008 calendar year and secondly the RSL selection must occur before the selection of the Developer.

6.6 Over the past two weeks the RSL / Developer procurement project board, which consists of key stakeholders from within the Council and external consultants, have been reviewing the timetable in light of these two key objectives. As a result the following is a revised set of key dates and critical path to ensure the procurement is delivered on time.

6.7 The Developer ITCD was issued to both Developers on 21st April 2008. We are planning to meet with them the week 7th -13th May to clarify and answer any questions the Developers have regarding the ITCD.

6.8 Woodberry Works – Graduation 21st May

The first group of students from the Woodberry Works Construction Centre will graduate on 21st May at 10am. The day will be a community event held at Woodberry Works on Newton Close, and will showcase the work of the first group of students. The day will also involve an employer fair. Residents will be encouraged to attend to support the students. The next round of training sessions will commence in June with over 55 applications submitted.

6.9 Well London Community Café 27th May

As part of a capital wide consultation exercise to understand the health issues of the community we are holding a community café in the Robin Redmond Centre on 27th May this adopts a very informal approach to consultation where the atmosphere is geared towards a café theme, with music, tablecloths etc. Refreshments are provided and visitors are encouraged to answer questions posed to them by a facilitator, and then once answered encouraged to move tables and interact with others present to offer a different view to the same questions. If this is a success it is a method that we will look to roll out across the estate for other aspects of consultation.

6.10 Woodberry Down Community Fun Day 5th July

Arrangements are proceeding for the annual fun day on 5th July. Various organisations will be present and will exhibit. This includes all organisations working within Woodberry Down plus the contractors and RSL's. This is very much a fun day but will also have a lot of information regarding the regeneration and plenty of the team, including the architects, on hand to answer questions.

7.0 FAMILY INTENSIVE SUPPORT PROGRAMME

7.1 The Family Intensive Support programme has been launched to provide support to families with a history of antisocial behaviour.

7.2 This is funded from the Council's Safer Communities Team and represents good joint working with other support agencies.

7 FRENCH MINISTERIAL VISIT

8.1 We welcomed a French Minister to see the regeneration programmes on the Nightingale and Woodberry Down Estates

9.0: SIGNING OF THE REVISED RESIDENTS COMPACT

9.1 The updated residents compact was signed at the Resident Liaison Group on 24th April 2008.

9.2 The compact was signed by: Councillor J.Carswell, R.Tyson Chair Hackney Homes Board, P.Kinsey Resident Liaison Group Leaseholder, D.Neeson Chair Central Neighbourhood Panel, T.Edwards Chair MESH, A.Villas Chair Shoreditch Neighbourhood Panel, M.Gordon MBE Chair Stamford Hill Sub-Panel, R.Devoti Chair, Clapton Neighbourhood Sub-Panel.

HACKNEY HOMES PERFORMANCE SUMMARY - Business Critical PI's **Item 8**

KEY		PERFORMANCE AGAINST ANNUAL TARGET 2022/08														DATA MONTH			OUT-TURN			
																QTR 4	TARGET	Perf Against Annual Target (PAAT)	EOY 06/07			
▲		ON COURSE TO ACHIEVE OR EXCEED TARGET		QTR 1	QTR 2	QTR 3	QTR 4	TARGET	Perf Against Annual Target (PAAT)	EOY 06/07												
◀▶		BELOW TARGET BUT LIKELY TO RECOVER		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	YTD	TARGET	Perf Against Annual Target (PAAT)	EOY 06/07			
▼		BELOW TARGET AND UNLIKELY TO RECOVER TO ACHIEVE TARGET																				
RENT COLLECTION & ARREARS	LKPI 48 Total Value of Rent Arrears (YTD - DM)	£5.8 M	£5.6 M	£5.7 M	£5.3 M	£5.3 M	£5.2 M	£5.0 M	£5.0 M	£5.1 M	£5.8 M	£5.6 M	£5.3 M	£5.3 M	£5.3 M	£5.3 M	£5.3 M	▲	£5.8 M			
	LKPI 47c YTD Total Collection as % of Rent Debit	96.50%	100.03%	99.54%	100.38%	99.98%	99.61%	100.58%	100.35%	100.18%	100.41%	100.47%	100.57%	100.57%	101.21%	▼	100.06%					
TENANCY MANAGEMENT & AUDITS	LKPI 34 YTD Ratable Void as % of Stock	0.68%	0.50%	0.40%	0.70%	0.58%	0.58%	0.67%	0.75%	0.80%	0.83%	0.88%	0.89%	0.89%	0.78%	▼	0.70%					
EMPTY PROPERTY MANAGEMENT	BV PI 212 Average re-let time	22	24	19	19	21	25	16	20	21	25	27	17	21	25	▲	25.00					
REPAIRS	APPOINTMENTS	LKPI 06 % of Responsive Repairs Appointments Kept	98.16%	98.63%	97.63%	98.32%	98.56%	99.07%	99.10%	98.42%	96.03%	94.95%	97.23%	95.23%	98.01%	98.00%	▲	98.18%				
	URGENT REPAIRS	LKPI 03 % Completed within government time limits	99.74%	99.22%	99.59%	99.39%	99.29%	98.80%	91.39%	97.19%	95.75%	97.64%	98.64%	97.21%	97.55%	98.00%	▼	98.45%				
	SATISFACTION	LKPI 12 Resident Satisfaction with Repairs Call Centre	97.90%	97.78%	99.27%	99.39%	99.62%	99.09%	99.40%	99.39%	97.73%	98.29%	100.00%	98.80%	98.99%	98.00%	▲	97.00%				
		LKPI 11 Resident Satisfaction with quality of work	98.00%	98.52%	98.54%	97.98%	98.08%	98.91%	98.60%	99.39%	98.45%	98.29%	99.11%	96.39%	98.51%	98.50%	▲	98.00%				
CLEANING	LKPI 7 A Total % of inspections (% Pass)	92.90%	89.80%	88.40%	92.20%	93.80%	92.20%	93.50%	94.10%	94.80%	94.80%	91.58%	94.20%	92.85%	90.00%	▲	-					
GROUNDS MAINTENANCE	LKPI 8 A Total % of inspections (% Pass)	98.80%	95.00%	94.10%	98.30%	93.60%	92.00%	94.50%	93.20%	93.80%	93.60%	95.11%	99.20%	94.94%	90.00%	▲	-					
LEASEHOLD & RTB SERVICES	LKPI 14 Service Charge Collection Cumulative YTD (£)	£0.53 M	£1.37 M	£2.08 M	£2.69 M	£3.42 M	£4.11 M	£4.97 M	£5.78 M	£5.57 M	£7.36 M	£8.09 M	£9.66 M	£9.66 M	£9.50 M	▲	£7.30 M					
REPAIRS CALL CENTRE	LKPI 9 % Calls answered	95.62%	96.63%	97.75%	96.11%	96.13%	95.42%	95.35%	93.89%	92.46%	94.09%	97.69%	99.95%	95.27%	94.00%	▲	92.30%					
TELEPHONE ANSWERING & CORRESPONDENCE	LKPI 18 Monthly % of Calls Answered	72.83%	73.77%	75.19%	76.02%	77.04%	76.69%	77.11%	78.21%	78.09%	78.89%	78.48%	77.75%	76.67%	87.00%	▼	76.32%					
	LKPI 25a Stage One Complaints	92.80%	94.62%	98.81%	99.02%	95.24%	95.05%	95.73%	95.00%	91.11%	96.15%	90.24%	92.59%	94.74%	95.00%	▼	81.50%					
	LKPI 23 Members Enquiries	84.10%	100.00%	100.00%	100.00%	94.55%	72.73%	85.45%	73.02%	70.69%	100.00%	73.47%	82.69%	94.66%	92.00%	▲	75.11%					
	LKPI 25b Stage Two Complaints	86.40%	88.24%	84.62%	95.24%	78.67%	40.00%	76.67%	73.68%	100.00%	92.31%	46.67%	72.73%	77.78%	85.00%	▼	55.34%					
	LKPI 22 Board Members Enquiries	100.00%	100.00%	50.00%	N/A	N/A	N/A	0.00%	100.00%	100.00%	N/A	N/A	N/A	7.00%	98.00%	▼	51.00%					
	LKPI 27: Ombudsman Complaints	N/A	N/A	N/A	N/A	N/A	50.00%	100.00%	50.00%	100.00%	66.67%	83.33%	50.00%	7.00%	N/A	N/A	N/A					
	LKPI 58: TRA Enquiries	N/A	N/A	N/A	N/A	N/A	N/A	66.61%	100.00%	78.79%	70.97%	94.74%	88.89%	73.61%	TBA	N/A	N/A					
HUMAN RESOURCES	BV PI 12 Annualised YTD Avg No. of days left to address	9.28	9.66	9.74	9.90	9.94	9.68	10.05	10.52	10.52	10.73	10.56	10.31	10.31	8.00	▼	9.54					
INV/OICE PAYMENTS	BV PI 8 Monthly % of undisputed invoices paid on time (30 days)	N/A	80.80%	80.48%	88.74%	91.38%	84.74%	85.39%	93.49%	90.11%	84.15%	94.37%	94.52%	88.55%	85.00%	▲	80.74%					

Title of Report: Introduction to Procurement Strategy	
Decision Making Body: Hackney Homes Board	Date
Classification: FOR APPROVAL	Report of Director of Property Services
Item Previously considered at:	On Which Date:
Report Authors: - Alan Turner 020 8356 2118	Appendices: 1. Position statement of current Property Services Procurements 2. Draft Contract renewal Plan

Report Outline:

- **Paragraph: 1.0 - Summary of Report;**
- **Paragraph: 2.0 - Recommendations 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 Alan Turner or Jonathan Oxlade on 0208 356 2147 or email jonathan.oxlade@hackneyhomes.org.uk.

1.0 SUMMARY

- 1.1 The existing Procurement arrangements for the works demanded by the current needs of the stock and residents is summarised in the table at Appendix 1.
- 1.2 The works packages which they represent and the longevity of each procurement are the results of related but often un-integrated procurement decisions taken over a period of years, designed to maintain service levels. These are summarised in Appendix 2.
- 1.3 The expiry of the various contract periods described in the appendix however now provide a significant opportunity in the run up to 2010 to re-align our procurement activity and procure a set of integrated contractual arrangements which will build upon our successes, extend them into other areas of Property Services and provide better value and improved performance across the whole Directorate.
- 1.4 By addressing this opportunity now, the timescale for implementation is realistic, allowing for the complexity of the considerations required, the abilities of the market to meet our aspirations and the detailed considerations underlying each area of work within the procurement strategy.

2. RECOMMENDATIONS

- 2.1 That current procurement activity should continue but it will be based upon being able to break any new contracts in 2010 - if required by the strategy. The works packages currently carried out by the DLO or other contractors will not be varied during this time (unless contractual imperatives intervene).
- 2.2 That during 2008 a thorough review of the procurement options available to the ALMO for the provision of repair, maintenance and improvement works, be undertaken. When completed and approved, activity to implement the strategy should commence in 2009, with implementation of new procurements timed to coincide with the expiry of existing contracts, in 2010.

3 BACKGROUND

- 3.1 The strategy for managing the stock assets has moved on and best practice now demands a more integrated and holistic approach to the service.
- 3.2 Service Improvements to meet resident aspirations can be factored into the opportunity which a new procurement strategy can bring with it.
- 3.3 There are synergies in the works programmes which HH currently carries out which we could take better advantage of. Decent Homes works and cyclical repair & decoration works for example are both executed from scaffolding and tackle the same areas but with a different scope of works. Bringing these two procurements into one package offers significant cost, quality and management opportunities.
- 3.4 Other examples include the linkages between gas repairs, servicing and installations could be of benefit and other areas of Mechanical and electrical services where existing individual procurements could be linked into a package or packages.
- 3.5 The way in which we deliver the responsive repairs service should be looked at innovatively, for example it could be developed and refined into two separate parts of the same service. One element providing a comprehensive multi-function Rapid Response service and the other providing a first class responsive repairs service, if both of these developments are in line with resident aspirations.
- 3.6 The Strategy will be derived from best practice here and elsewhere, modern procurement approaches and will be prepared in close consultation with our peers and partners.
- 3.7 The Strategy, as a starting point, will look at already contracted out aspects such as physical works to the interior and exterior of blocks, planned work based on the Asset Management Strategy, estate plans and environmental works, specialist engineering works, major and minor voids refurbishment and cyclical servicing and repair programmes. Consideration will be given as to how best to package these works to the market for 2010.
- 3.8 The position of the DLO will be considered separately from the procurement strategy itself, which must concern itself with the most appropriate procurement solution for HH and LBH with the resources available. The Procurement Strategy will however help to frame the options for the DLO, which can commence once the Procurement strategy is agreed.

4 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

- 4.1 The robust evaluation of current procurement activity, the development and evaluation of options for the future and the timely implementation of a new procurement strategy will strengthen the Business Plan in terms of improved VFM, quality and cost certainty over a significant period.

5. IMPACT UPON THE HACKNEY HOMES RISK REGISTER

- 5.1 There is a range of risks in the Register which should be impacted positively by the implementation of a new Procurement Strategy.

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

- 6.1 The contractual form will have a significant impact. If the decent Homes model is used, the focus moves from the main contractor as overall manager, to the supply chain. This presents opportunities for local employment and training benefits to be realised by use of local companies and local people.

7 CONSULTATION PROCESS & FINDINGS

- 7.1 This report seeks approval to an approach. If approved the process of consultation with all stakeholders can commence.
- 7.2 Initial consultation with LBH on the draft report has resulted in the following comments:

Financial Comments: -

Where Hackney Homes is both client and contractor the strategy should include clear arrangements to provide time for independent scrutiny by the council. This will demonstrate there is no conflict of interest and the public is receiving value for money. This is particularly relevant as it is proposed that the works packages carried currently supplied by the DLO shall be extended until 2010.

In the same vein, the procurement strategy should require that any cost benchmarking is independently appraised and agreed by the council. This appraisal would include for example an assessment that there is an appropriate share of overheads to ensure when making comparisons against external suppliers to ensure that the results are fair and meaningful.

I note that the service as a whole is currently the subject of a Best Value Review which is scheduled for August 2008. LBH shall quality assure the benchmark testing data provided.

Following on from the Options Appraisal Recommendations to provide an appropriate mix of in-house and tendered general building specialist trades, the following contracts are scheduled to be tendered in 2008: -

- 1) General Building Works, £5m (2 contracts @ £2.5m each), to deal with all voids and communal planned maintenance works
- 2) Electrical Maintenance, £3.5m, to deal with communal electrical works (lateral mains & risers) + domestic re-wiring.
- 3) Disabled Adaptations, £1.5m
- 4) Metalwork, £0.25m
- 5) Pumps, Specialist Engineering, £0.1m

In addition to which six planned maintenance contracts which have been extended to Sep 2008 have been flagged for tendering.

The strategy needs to be clear about the Client Monitoring Team role in providing annual delivery targets for each R&M activity provided by Hackney Homes/External Provider. This should include qualitative and activity data. The strategy needs to be clear about the appropriate monitoring mechanisms that will be put in place to ensure that the client is kept informed of progress against the targets.

I have a concern about the number of contracts have been extended. We recommend the strategy include the maintenance by the client of a detailed Repairs Contract Tendering/Procurement Timetable to ensure that in future all contract decisions whether to extend or tender shall be adequately considered and tested.

The Contract Register should be reconciled to the HRA Budget (Revenue/Capital) and GF Budget (where appropriate) on an annual basis to ensure budgets reflect annual contractual obligations and any changes agreed through the budget or virement process with the appropriate backing documentation. This control is essential to ensure that delegated/ALMO/Client Side budgetary boundaries are not breached.

8. ICT IMPLICATIONS

- 8.1 Any new procurement strategy should include issues such as mobile working, shared databases and on-line tools common to all parties. These needs are built into Project Excellence.

9. HUMAN RESOURCES IMPLICATIONS

- 9.2 It is feasible that the implemented strategy could have staffing implications but at present there will be no impact.

10. FINANCIAL IMPLICATIONS

- 10.1 One of the objectives of a new procurement strategy will be to obtain best value from the resources available.

11. LEGAL IMPLICATIONS / ADVICE

- 11.1 The OGC have confirmed that although a Framework Agreement itself can only last for four years, the duration of call offs under the framework is governed by the clauses within the relevant Framework Agreement. Those utilising a Framework Agreement will need to consider the appropriate term for their specific requirement, and ensure that they will continue to receive best value for money over the lifetime of that contract, particularly if it is of a long duration. This may assist in flexibility in the planning of future contractual arrangements.
- 11.2 With regard to the use of the PPC partnering contract, care should be taken to confirm that it is appropriate to the particular proposed arrangements. Conflicts can arise where external consultants have been appointed to manage external contractors. Where necessary, specific legal advice should be sought early in the process.
- 11.3 Where potential staffing ramifications may arise, all the options (e.g. TUPE transfer, secondment) should be examined and legal advice should be sought early in the process.
- 11.4 The Directorate of Law's Procurement, Corporate & Commercial Law Team are currently collaborating with Hackney Homes' Head of Procurement to review and improve procurement processes.

							APPENDIX 2	
Contract Area	Value	Description	Date last Tendered	Expiry date	Extension to	Comment	Contractor	
Group 1 - Hackney Homes own direct labour resources								
Reactive repairs	7,659,166	Day to day repairs etc	07/07/1995	2000	Ongoing - no legal requirement to tender	Negotiated extension 2000 VFM study in progress	Direct Labour + SCP's	
Out of hours - make safe	625,924	works not call handling	07/07/1995	2000		Negotiated extension 2000	Direct Labour	
RRT - legal action works	385,020	legal action works	Various			Job by job commissions		
RRT - legal action electrical works	15,374						Direct Labour	
Matco Voids	6,428,868	Responsive voids	07/07/1995	2000	Ongoing - no legal requirement to tender	Negotiated extension 2000 VFM study in progress	Direct labour + SCP's	
Gas maintenance	4,600,000	Annual safety/maint/appliance	25/07/2005	31/07/2006	Business case to HHPB	Subject to benchmark with Eaga	Direct labour	
External redecoration	2,980,751	Concrete and timber repair External painting	27/06/2005	31/03/2006	31st March 2010	Subject to benchmark with new general build tender	Direct labour + SCP's	
Boiler House maintenance	£783,358	Communal boiler houses	03/03/2005	31/03/2006	31st March 2010	VFM study in progress	Direct labour	
Communal Areas	£1,402,183	Building and redecs	16/02/2005	31/03/2006	31st March 2010	Business case to HHPB	Direct Labour	
Adaptations	£1,800,000	Adaptations to dwellings	Not known			Budget delegated to Social Services	Direct labour plus contractors	
Electrical rewires	£2,167,108	Voids and rewires	03/03/2005	31/03/2006	31st March 2010	VFM/ benchmark to 2006 tenders	Direct Labour	
Group 2 - Decent Homes Contracts								
Homerton	£11,365,496	PPC 2000	2004	2010	Four year framework Final period can be	Contracts to run on until DH target met	Kier - on hold	
North East	£13,812,941	PPC 2000	2004	2010	for more than 12 month duration		Connaught	
Shoreditch A	£16,746,727	PPC 2000	2004	2010			Lovell	
Shoreditch B	£12,983,141	PPC 2000	2004	2010			Mulalley - on hold	
Stoke Newington	£11,015,757	PPC 2000	2004	2010			Mansell	
Group 3 - Specialist Planned Maintenance - 2005 round								
Lift Maintenance - south	£941,000	MTC + partnering	2005	2006	2010	Extension approved	ILS Ltd	
Lift Maintenance - north	£834,000	MTC + partnering	2005	2006	2010	Extension approved	PDEPS Lifts	

Lightning conductors	£57,000	MTC - R&M	2006	2006	Business case to HHPB	Contract to be assimilated to new electrical contract	JW Grey Ltd
Communal ventilation	£315,000	MTC	2005	2006	Extension request to LBH	Contract to be assimilated to new metalwork contract - Sep 08	John Bold & Co
Electrical Heating maint	£90,000	MTC	2005	2006	Extension request to LBH	Contract to be assimilated to new electrical contract	EDF Energy
Lateral Mains	£900,000	MTC	2005	2006	Extension request to LBH	Contract to be assimilated to new electrical contract	EDF Energy
Door entry install	£1,500,000	MTC + partnering	2005	2006		2010 Extension approved	Alphatrack
Door entry maintain	£402,000	MTC + partnering	2005	2006		2010 Extension approved	Alphatrack
Door entry install	£1,500,000	MTC + partnering	2005	2006		2010 Extension approved	Dennis John's
Door entry install	£1,500,000	MTC	2005	2006	Business case to HHPB		Cartel Ltd
Burglary prevention work	£1,800,000	MTC + partnering	2005	2006		2010 Extension approved	Gerda Ltd
CCTV systems	£750,000	MTC + partnering	2005	2006		2010 Extension approved	DSS Ltd
Asbestos Removal	£450,000	MTC	2006	2009	Business case to HHPB		Doyes Ltd
Communal aerials	£153,000	MTC	2005	2006	Business case to HHPB	To be replaced by new Digi TV contract	CAI Ltd
Playground inspection	£300,000	MTC	2005	2006	Business case to HHPB		RSS Playmakers
Group 4 - Specialist planned maintenance 2006 round							
Scaffolding	£747,509	TPC 2005	2007	2010		2011	The Scaffolding Co Ltd
Rope access/ cradles	£124,910	TPC 2005	2007	2010		2011	Avalon Abselling Ltd
Drainage	£852,153	TPC 2005	2007	2010		2011	Drain Aid Ltd
Estate roads and paths	£348,759	TPC 2005	2007	2010		2011	Davies and Davies Ltd
Lift installation	£873,348	TPC 2005	2007	2010		2011	Precision Lifts
Tank lining	£277,180	TPC 2005	2007	2010		2011	Waterguard
Out of hours call service	£113,000	TPC 2005	2007	2010		2011	Pinnacle Homecare
Heating, boiler installation	£2,588,823	TPC 2005	2007	2010		2011	Eaga Social Housing Ltd
Group 5 - General building, electrical - 2008 tenders							
General Building North	£2,500,000	TPC 2005	2008	2011	plus 1 year	Double counting with Group 1	
General Building South	£2,500,000	TPC 2005	2008	2011	plus 1 year	Double counting with Group 1	
Electrical 1	£1,750,000	TPC 2005	2008	2011	plus 1 year	Double counting with Group 1	

Electrical 2	£1,750,000	TPC 2005	2008	2011	plus 1 year	Double counting with Group 1	
Disabled adaptations	£1,500,000	TPC 2005	2008	2011	plus 1 year		
Metalwork	£250,000	TPC 2005	2008	2011	plus 1 year		
Pumps, specialist engineering	£100,000	TPC 2005	2008	2011	plus 1 year		
Group 6 - Materials and Fleet							
Electrical	£203,840	OGC Supplies Framework	2007	2009	2011		Crossfold
General building/roofing	£380,753	OGC Supplies Framework	2007	2009	2011		Jewson
Plumbing/timber/consumables	£732,861	OGC Supplies Framework	2007	2009	2011		Travis Perkins
Paint	£267,852	OGC Supplies Framework	2007	2009	2011		Quandhurst
Heating	£941,780	OGC Supplies Framework	2007	2009	2011		Wolseley
Van Leasing	£433,000	Council Framework	2006	2010	N/A		London Hire
Tipper Leasing	inc	Council Framework	2006	2011	N/A		Masterlease
Group 7 - Professional Services							
OS services	£1,703,520	OGC Professional services	2005	2008	2010	Extension to CPC	Mace
M&E services	£144,666	OGC Professional services	2005	2008	2010	Extension to CPC	CGG
Multi - disciplinary	£650,000	OGC Professional services	2008	2011	plus 1 year	RP4 to Cabinet	NPS
Project Monitoring 1	140,629	OGC Professional services	2005	2008	2010	Extension to CPC	Frost Associates
Project Monitoring 2	£12,901	OGC Professional services	2005	2008	2010	Extension to CPC	Calford Seaden
Total annual contract value	£112,189,496						
	3906282						
	£116,097,778						

Title of Report: Voids - Update	
Decision Making Body: SIG HHMT Hackney Homes Board	Date: 19th May 08
Classification: FOR APPROVAL	Report of Director of Property Services
Item Previously considered at: HHMT	On Which Date: 6 th February 2008
Report Authors: - Alan Turner 020 8356 2118	Appendices: None.

Report Outline:

- **Paragraph: 1.0 - Summary of Report;**
- **Paragraph: 2.0 - Recommendations 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 Alan Turner on 0208 356 2118 or email jonathan.oxlade@hackneyhomes.org.uk.

1.0 SUMMARY

- 1.1 The Audit Commission made a number of recommendations in relation to the management of void properties in their July 2007 report.
- 1.2 Their critical findings in relation to the management of the works progress are summarised in ***bold italics*** in 3.2 below.
- 1.3 The other comments are either positive or are being dealt with by a Housing Services Focus Group.
- 1.4 This is the second Update report since November 2007.

2.0 RECOMMENDATIONS

- 2.1 **That the contents of this report be noted.**

3.0 BACKGROUND

- 3.1 The Audit Commission commented on the overall voids process. Some of those comments relate to issues for which Property Services is responsible and this report concentrates on progress on those issues.

3.2 AC report July 2007: Empty (void) property repairs and management

- 104 In this inspection, we found this to be an area where there is a mixture of strengths and weaknesses. HH is now performing in the top 25 per cent of best performers on overall turnaround and voids works has been good with 91 per cent of 1,000 voids being turned round within a ten day target; procedures have improved.

However, we identified that although an enhanced letting standard has been introduced, it is inconsistently applied; there is a high spend on average of £1,755 per property; and some weaknesses in customer care and performance management arrangements.

- 105 The ALMO is achieving top quartile performance on empty property relet times. HH's performance in 2005/06 was in the top 25 per cent of London Boroughs at 24 days. Overall turnaround times including the letting process have increased marginally in 2006/07 at 26 days although this is still expected to be in the top 25 per cent performance.
- 106 HH has dedicated performance management arrangements in place to ensure turnaround time is as low as possible. A Voids Policy Board has been established to agree strategy and policy including definitions of voids for BVPI purposes and investment on long-term capital voids.

At the operational level monthly meetings are in place between Partner managed Neighbourhood Office's and the HH's Housing Services Team to discuss current voids and monitor progress. These include TMO staff where the empty properties are located on TMO estates.

- 107 A positive aspect of customer care is in the delivery of decoration packs. New tenants are provided with a decorating pack comprising of paint, paint brushes, dust sheets and other decorating items. They are delivered directly to residents by appointment which addresses mobility and transport issues for residents, and the delivery arrangements have been incorporated into the contract price for no extra charge. **However, here too HH is not collating information to demonstrate the savings it is making by stopping doing decorations.**
- 108 HH has robust processes and procedures in place for the implementation of the voids procedures, covering all aspects of terminations, abandoned goods, future use, and possibility of use for adaptation for disabled persons, squatting, repairs, major works and lettings. It includes requirements that all tenants are photographed so that future audit visits can be carried out more effectively. Hackney Homes (ALMO)
- 109 There is a financial incentive, aimed at residents, to leave properties in a good condition when they leave, but it is not well managed. The aim is to receive a full set of keys, to leave curtains in the property and to leave the property clean and tidy. However, this is not included within the tenants' handbook and we saw no other publicity. HH told us a new leaflet is being developed for introduction in May 2007.

There has been no overall analysis of incentives on turnaround time. HH does not know the proportion of residents that provide 28 days notice (as requested within the tenancy conditions), or receive the cash incentive for vacating the property in a clean and clear condition.

- 110 ***The management of empty property repairs is not delivering value for money.***

Although there are some positive examples such as a new cleaning service has been procured as part of the void schedule, with costs saving 50 per cent on the cost of the previous the service. The overall average cost routine void cost of £1,755 (excluding capital void costs) is high, the standard of repair delivered is minimal and analysis of HH data shows that there are extreme variations of spend from a few hundred pounds to as much as £11,000 in one case and a significant proportion of spend is in excess of £4,000 per property.

These void repairs are funded from the revenue budgets under a SoR with only a 5 per cent discount which is not the most cost efficient. This is further evidenced by the ALMOs benchmarking

data. Based on an average cost per property, HH's cost per property (CPP) indicator is £111 compared to an upper quartile of £28 and lower quartile of £49. This does not demonstrate value for money.

- 111 Customers are asked to sign a document which states satisfaction with condition without being able to check it first.

The ALMO developed an enhanced voids standard with residents in October 2006. Improvements include the replacement of toilet seats, emulsion cover to the hallway to enhance attractiveness, full replacement of bathroom/kitchen flooring, re-enamelling of baths where needed.

In addition all new residents are provided with a welcome pack of cleaning materials and other items including a smoke detector.

However, new tenants do not receive a copy of HH's lettable standard at the time of viewing the property. They do not see it until tenancy sign up. This means that at the point of letting they do not really know what standard to expect.

- 112 ***The quality of empty properties offered to re-housing applicants is inconsistent. Although joint inspections are carried out to ensure the quality of voids, we found that some of the ready to let voids that we visited had not had the lettable standard robustly applied. Properties are viewed before works are completed and we visited two that were ready to let. While the new standards had been applied, including lino to bathroom/kitchen and emulsion to hallway, the standard of cleaning was not high. We conducted a small telephone survey of new tenants which showed that four out of seven new residents were not happy with the condition of their properties when they moved in and that the lettable standard was not being effectively monitored or achieved. A recent new tenant satisfaction survey carried out by HH also showed that 29 per cent were not satisfied with the condition of the property offered. This shows that Hackney Homes are not meeting a significant proportion of new tenants' expectations.***
- 113 ***Outstanding repairs for new tenancies are not completed speedily. In order to improve turnaround times HH carries out some works after the tenant moves in. Our telephone survey of new tenants showed that many were still waiting for repairs to be completed three months after moving in. Even where works are completed the standard is inconsistent with customers reporting properties being dirty in some cases. The ALMOs own recent survey also indicates that 44 per cent indicated 'no' to 'Were all the works completed before you collected your keys'. The former supports our telephone***

survey. This means new tenants are often living in poor quality accommodation longer than is reasonable

114 *HH does not report on the various stages of the voids process. Performance is not broken down to the various stages, e.g. keys in, work completion and time with CBL. While the organisation is focussed on the overall BVPI turnaround target, this means that the organisation is not clear where and why performance is improving and if it could be improved further.*

3.3 A series of Focus groups of officers of HH and LBH responsible for various elements of the voids process have taken place. This report and the Issues Log in the appendix summarises the outcomes to date.

3.4 The revised procedures, specifications of works and desired outcomes should be tested with a tenant panel before being finalised.

4. Summary of Outcomes.

4.1 The Issues Log appended to this report indicates the range of activities required to address the matters raised in the inspection and to provide an improved service which meets the standards to which we should aspire.

4.2 There are significant weaknesses in the Voids Management procedure overall which must be addressed. To address these issues fully and in a timescale that reflects the need to embed any new arrangements before re-inspection, demands the application of dedicated resources to this task. Focus Groups can scope the problems and possible solutions but the implementation and delivery of intended outcomes in such a complex and cross-organisational area requires dedicated day-to-day leadership and management.

4.3 The key issues identified are:

- That there is no Client for building works to void properties
- That there is no overall operational Client for the Voids process
- That there is no comprehensive voids procedure linking all activities across the organisation, defining roles and targets.
- That the void works periods should be categorised by scope to aid target setting, monitoring and cost control.
- That new procurement for Void works should be undertaken using the Basket Rate approach to improve administration and Value for Money.
- That a Value engineering exercise should be carried out with the contractor as a matter of urgency to clarify the brief and ensure that the scope and technical solutions are soundly based and embedded.
- That any failure to meet standards in terms of time, cost or quality are contractual matters and should be dealt with by the Client appropriately.

4.4 Progress on the above is as follows:

Voids Improvement Programme – Progress (April 2008):

- Appointed a Voids Works Client to oversee the review.
- Reviewed and re-defined the voids process with all parties
- Produced a comprehensive voids procedure and manual.
- Introduced end to end monitoring of Voids progress using the existing Saffron system.
- Reviewed standards
- Defined and rationalised the scope of works
- Defined works periods contractually (3/5/10&15 days)
- Used Decent Homes methodology to prepare and agree Basket Rates
- Reached agreement with one of the Decent Homes Contractors that they will undertake the majority of **all** voids works from March 08, subject to agreement of details and cost assessment.
- Decorations advice has been integrated into the voids process, following existing guidelines already issued for repairs.
- Commenced new voids contractual arrangements including Basket Rates and works periods (Mar 08)
- Ongoing work to maximise the use of Saffron data to prepare and equip managers with up to the minute, accurate information on costs, standards and timescales.

Voids Improvement Programme – Actions ongoing:

- Completion of Basket rate negotiations and comparison to DSO costs (May 08)
- Loading of data into Saffron from Codeman (May 08)
- Property quality index to be loaded into Saffron and informed by local managers (May 08).
- Staff/TMO training on new voids procedure, standard forms and monitoring process ongoing – should be completed by mid May 08
- Further awareness training to staff and sections with only peripheral connection to the voids process, to ensure consistency of knowledge across the organisation. (June 08)
- Improved access by all staff that require it into the voids module on Saffron to allow good quality service to customers in relation to voids information. (June 08)
- Resident Panel and Board approval of the package. (May/June08)
- Options and costs of enhanced voids packages to be prepared for consideration by stakeholders.
- Post Inspection regime and Client Monitoring arrangements to be finalised.
- Following the conclusion of a 1 month pilot (ending 1 May 2008) a full review of the current basket rates is to be undertaken, with a view to

further reducing the cost of this work, using actual data obtained for frequency of issues from the front line.

- Work to break down the costs of re-letting a property into more appropriate budgets, which reflect the true costs of relet repairs, apart from other improvements and enhancements in a property, as well as health and safety issues being addressed.

5. **IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN**

- 5.1 An enhancement of the voids standard without a commensurate improvement in value for money and maintained or improved turn-round will lead to further pressure on an already over-stretched budget and upon BVPI indicators.

6. **IMPACT UPON THE HACKNEY HOMES RISK REGISTER**

- 6.1 There is a significant risk to HH of failing to provide a Voids Management process which is fit for purpose. Changes are urgently required but any which result in over-spending and failure to meet BVPI targets will damage our future prospects and our reputation with all stakeholders.

7. **THE HACKNEY HOMES EQUALITY & DIVERSITY STRATEGY 2006/ ACTION PLAN 2007 – 2010**

None.

8. **CONSULTATION PROCESS & FINDINGS**

- 8.1 The consultation Process with Customers is planned for May 08, once a fully populated draft process and works scope has been produced. This will involve the Residents Panel with an outcomes report to Board in June 08.

9. **ICT IMPLICATIONS**

- 8.1 An interim solution to managing the whole of the voids process has been launched in the live system of Saffron with little ill effect. The key to key process uses an improved voids module in the Saffron system, and work is ongoing to provide a fully business relevant reporting tool from the saffron module, including the monitoring of Major voids
- 8.2 Mobile working solutions for Voids specification and sign-off and the Codeman 4 integration are requirements for the new IHMS (Project excellence). This is potentially available immediately if ITC resources can be made available.

9.0: HUMAN RESOURCES IMPLICATIONS

- 9.1 It is important that the roles of overall Voids Client and Voids works Client are established. The overall Client will be responsible for overall policy & strategy as well as being the interface with the Council on all Voids issues. The Works Client also needs to be established who will lead on technical policy, strategy, contract management and Quality Assurance.

10.0 FINANCIAL IMPLICATIONS

- 10.1 Not known at this time but if the Board wish to adopt an enhanced standard, this can be costed and reported in due course and the budgetary implications determined to aid consideration of proposals.

11.0 LEGAL IMPLICATIONS / ADVICE

None

12.0 OTHER RELATED DECISIONS / GUIDANCE

None

Title of Report: FINANCIAL OVERVIEW	
Decision Making Body: Hackney Homes Board	Date: Monday 19th May 2008
Classification: FOR INFORMATION	Report of: Director of Finance & Resources
Item Previously considered at:	On Which Date: N/A
Report Author: Neil Isaac	Appendices:

Report Outline:

- | |
|--|
| <ul style="list-style-type: none"> • Paragraph: 1.0 - Summary of Report; • Paragraph: 2.0 - Recommendation(s) to the Board / Committee; • Paragraph: 3.0 – Background; • Paragraph: 4.0 – Financial Position for 2007/08 • Paragraph: 5.0 – Budget for 2008/09 • Paragraph: 6.0 – Future Years Financial Planning • Paragraph: 7.0 – HRA Review • 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 & 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. |
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If you have any questions about this report, please contact Neil Isaac on 020 8356 5730 or email neil.isaac@hackneyhomes.org.uk

1.0 SUMMARY

1.1 This report sets out the financial overview for the Council's HRA Delegated Budgets and Hackney Homes' management fee including the provisional outturn for 2007/08 and the constraints on the current and future years. It shows a challenging environment ahead, but with the potential reform of the HRA subsidy regime offering a glimmer of hope for the longer term future.

2.0 RECOMMENDATION(S)

2.1 That the Board consider this report and receive further updates on the HRA position to future meetings.

3.0 BACKGROUND

3.1 The budget making process for 2008/09 was a difficult one, largely due to the late announcement of the subsidy settlement and the poor result for Hackney.

3.2 Having said that savings of approx £5m were identified and the historical imbalance between the management fee and the HRA assumptions about the management fee were successfully addressed.

3.3 This report sets out the current position on the budget and looks forward to the MTPF update for Council in the summer and then further forward to the current HRA review.

4.0 FINANCIAL POSITION FOR 2007/08

4.1 The closure of accounts process is still ongoing so it is not possible to give a definitive position for the HRA for 2007/08. The last budget monitor suggested that the HRA would be in surplus for 2007/08, however more work will be required to confirm whether any underspend is due to one off items or if there are ongoing savings over and above those taken into account in setting the budget for 2008/09.

4.2 The Hackney Homes accounts closure process is more advanced the provisional outturn figures suggest an underspend of approx £1m against our management fee envelope. Board members will recall that any underspend against the management fee results in a recalculation of the management fee to ensure no more than our costs of delivering the service are paid for by the HRA. However

we are able to put forward business cases to the Council to utilise that underspend in the HRA for service developments in this financial year. Depending on the HRA outturn position we will be able to revisit some of our unsuccessful ROP bids. Given the longer term direction of travel on the HRA it is likely that one off bids will be more successful than ongoing service developments.

5.0 BUDGET FOR 2008/09

- 5.1 The budget for the current year was difficult to finalise as the subsidy settlement came through late and was not good for Hackney, especially the removal of the rental constraint allowance. There was also a gap of some £2m between the management fee calculations assumed by the Council in HRA Medium Term Planning Forecast and that assumed by Hackney Homes that dated back to the establishment of the ALMO in 2006
- 5.2 In order to deliver a balanced budget the Board established the budget working group that met to establish priorities and consider savings options and then to make recommendations to the Board. Given the overall position on the HRA Hackney Homes have made those £2m savings so that the two organisations' assumptions are now in step.
- 5.3 The Resourcing Our Priorities (ROP) process was also constrained by the timing of the subsidy determination (and its content!). As a result there was less money available for reallocation than would otherwise have been the case. Despite this the Council agreed to increase the repairs budget to meet the costs of the changes to the repairs policy in full, increased grants to TRAs to facilitate the introduction of the enhanced TRAs and increased resources for grounds maintenance and estate cleaning.
- 5.4 The budget monitoring throughout the year will include monitoring of the savings programmes to ensure that the identified savings are delivered.

6.0 FUTURE YEARS FINANCIAL PLANNING

- 6.1 The key tool for long term financial planning on the HRA is the Medium Term Planning Forecast that is updated and reported to Cabinet twice a year. Hackney Homes and LBH staff are meeting to discuss the July update in the week before the Board Meeting, so an update will be given to the Board Meeting.
- 6.2 The December update to the MTPF suggested that savings of some £2m per annum would be necessary to ensure the HRA kept in balance over the medium term. The updating process will

consider the effect of savings made and the subsidy determination for 2008/09 as well as reviewing the underlying assumptions in the CLG HRA business planning model.

6.3 It should be noted that most, if not all, HRAs in London are facing similar constraints as a result of the housing subsidy system freezing M&M allowances and converging actual and guideline rents as part of rent restructuring. We need to continue engaging with residents to explain that rents are being driven up but that income is not available to the HRA to spend on services.

7.0 THE TREASURY / CLG HRA REVIEW

7.1 As outlined above, the subsidy system has a disproportionately influential role in setting rent and service levels on a local basis. The CLG have recognised this and have established a review jointly with the Treasury to consider whether the option of allowing HRAs to come out of the subsidy system is viable. This could also result in HRA newbuild to be more attractive financially.

7.2 The review itself has just started with initial meetings of 4 Working Groups looking at various aspects of the HRA and HRA subsidy regimes. Hackney Homes are represented on one of those working groups so we are well placed to influence the national debate.

7.3 It is still too early to judge the outcome of the review but it does appear to offer the opportunity for local accountability on rent and service levels within a viable HRA business plan.

8.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

8.1 The financial review summarises the financial position on the HRA and thus for Hackney Homes. This then provides the financial envelope within which we have to operate and as a corollary starts to set savings targets for future years.

9.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

9.1 Considering the financial issues facing Hackney Homes and the Council's HRA in the next few years will allow us to plan for changes in resource levels and assess the risks of not aligning our establishment to a new cost base.

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

10.1 The delivery of the E&D strategy and action plan is dependent at least in part on adequate resourcing. Good financial planning will facilitate resource allocation to priority areas.

11.0 CONSULTATION PROCESS & FINDINGS

11.1 This report forms part of the ongoing consultation process with residents around business planning and re-confirming resident priorities. The Resident Liaison Group will receive similar reports as part of the budget making for 2009/10.

12.0 ICT IMPLICATIONS

12.1 There are no specific ICT implications arising from this report. However it should be noted that Project Excellence will be a key tool in assisting the organisation to deliver what will be challenging savings targets in the future.

13.0 HUMAN RESOURCES IMPLICATIONS

13.1 The report identifies the need to make savings in future years. Given the proportion of our spend that is staffing related there will be significant staffing savings required. At the staff conference the Chief Executive was very clear that we would need to make savings and that we were taking steps to mitigate the risk of compulsory redundancies by looking carefully at each vacant post before a decision is taken to recruit to it.

14.0 FINANCIAL IMPLICATIONS

14.1 These are included in the report.

15.0 LEGAL IMPLICATIONS / ADVICE

15.1 N/A

16.0 OTHER RELATED DECISIONS / GUIDANCE

16.1 N/A

Title of Report: Service Improvement Framework	
Decision Making Body: Board	Date: 19th May 2008
Classification: Noting	Report of: Interim Director of Quality and Strategy
Item Previously considered at: N/A	On Which Date:
Report Author: Peter O’Kane	Appendices: Appendix 1 Key Lines of Enquiry Relevant to Hackney Homes

Report Outline:

- **1.0 - Summary of Report**
- **2.0 - Recommendation(s) to the Board**
- **3.0 - Background**
- **4.0 - Body of Report**
- **5.0 - Impact Upon The Hackney Homes Business Plan;**
- **6.0 - Impact Upon The Hackney Homes Risk Register;**
- **7.0 - Consideration of the Hackney Homes Equality & Strategy 2006 and Action Plan 2007 - 2010;**
- **8.0 - Consultation Process & Findings;**
- **9.0 - ICT Implications;**
- **10.0 - Human Resources Implications;**
- **11.0 – Financial Implications;**
- **12.0 - Legal Implications / Advice;**
- **13.0 - Other Related Decisions / Guidance.**

If you have any questions about this report, please contact;
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1.0 SUMMARY

1.1 This report briefly outlines the service improvement work framework.

2.0 RECOMMENDATION(S)

2.1 The Board is asked to note and comment on the framework for service improvement.

3.0 BACKGROUND

- 3.1 The starting points for the service improvements are residents' views, Board priorities, the Inspection Report of 2007 and the Audit Commission's description of an excellent service by an ALMO.

4.0 SERVICE IMPROVEMENT ACTIVITY

- 4.1 There are three main categories of service improvement activity:

- Actions to improve the service
- Systematic documentation of the service developments
- Assessing the service impact for residents

Actions to improve the service

- 4.2 The programme of actions has been addressed in two phases. The first phase, the Service Improvement Plan 2007-8, picked up on concerns and service shortcomings particularly as identified in the Inspection Report of 2007.
- 4.3 It set out the outcome to be achieved to address each concern or shortcoming. It outlined the task(s) required to achieve the outcome and identified the specific pieces of work (called milestones) needed to ensure and / or evidence completion of the task. It has 700 specific actions. The vast majority of those have been addressed.
- 4.4 We are currently reviewing progress on the Service Improvement Plan 2007-8 to check that all significant tasks have been fully completed.
- 4.5 The second phase is based around the description of a 3 star excellent service in the Key Lines Of Enquiry (KLOE) published by the Audit Commission. The 12 KLOEs most relevant to Hackney Homes' services are listed in **Appendix 1**.
- 4.6 The KLOE Outcome Plan has been built up by KLOE Workgroups and managers systematically going through the elements of the relevant KLOEs (There are close to 800 such elements.) to assess where action is still needed to achieve the 3 star service standard in the light of service information and tenants and residents' views.
- 4.7 Executive Team members are reviewing KLOE elements for which they are responsible, actions identified by the KLOE workgroups to ensure that actions identified have or will achieve the 3 star service standard.
- 4.8 The KLOE Outcomes review also identified who is responsible for managing the work required. Relevant actions from the KLOE Outcomes review are included in the 2008-9 Service Plans for individual service sections.
- 4.9 The most important actions will be included in the Hackney Homes Delivery Plan Action Plan for 2008-9. Progress on that Action Plan will be the subject of regular discussion with the Council during 2008-9.

Systematic documentation of the service improvements

- 4.10 As well as tackling the individual actions, it is very important that the evidence is there to show the extent to which they have been done.
- 4.11 Initially the evidence is being recorded in the KLOE Outcomes Plan which specifies what evidence is required to demonstrate to that the actions required have been completed. The Plan document is continually updated logging completed actions and evidence compiled.
- 4.12 After the evidence is reviewed by the relevant Executive Team member, the assessment in the Outcomes Plan with the evidence of specific actions will form the basis for the compilation of the Self Assessment Document and the list of supporting documents which will be required by the Audit Commission in September 2008.
- 4.13 Where appropriate the individual service developments are pulled together into appropriate policy or over-arching strategy documents.

Assessing the service impact for residents

- 4.14 Individual residents will often have been involved in specific service developments and, in the case of major developments, been more formally consulted. In addition it is essential that the effects of the changes, as they are rolled out, are assessed.
- 4.15 Regular performance monitoring records the quantified measurement of both process eg % of callers to reception seen within 5 minutes and service outcomes eg % of emergency repairs completed within 24 hours, % of rent collected.
- 4.16 We also record trends in resident views on key service areas, notably :
- Repairs, covering satisfaction with:
 - Repairs Contact Centre,
 - extent the work is completed on initial visit and,
 - quality of work.
 - Estate cleaning (including the views of tenant inspectors)
 - Grounds maintenance ((including the views of tenant inspectors)
 - Anti-social behaviour work
 - Standard of relet homes.
 - Satisfaction with aids and adaptations
- 4.17 There is a group of recently trained tenant and resident inspectors who will be assessing service delivery on selected priority areas.
- 4.18 The annual Tenant Satisfaction (STATUS) sample survey measures tenant satisfaction with services and opportunities for participation in management and decision-making in a nationally specified format. The next survey will be going out to residents in June this year.
- 4.19 A wide-ranging set of service standards, agreed by the Board earlier this year, sets out the standards tenants and residents can expect. These standards provide a context for satisfaction measurement.

- 4.20 The serviced and tenant and resident satisfaction data is a backdrop to specific and general service user feedback received through the formal resident involvement structure of Tenants and Residents Associations, Leaseholder Forum, Neighbourhood and Borough Panels.
- 4.21 There is also analysis of the pattern of complaints and the feeding of indicators from the complaints analyses into service development. On services especially important for tenants such as repairs, there are follow-up reviews eg with a group drawn from those tenants with a complaint, to discuss in more detail options to improve the service.

5.0 IMPACT UPON THE HACKNEY HOMES BUSINESS PLAN

- 5.1 The service improvement work contributes generally to the achievement of the Business Plan objectives.
- 5.2 Specifically a sufficient rate of progress on service improvement will ensure that Hackney Homes receives a 2 star or more rating for its services from the Audit Commission which will release the ALMO credits required for completion of the Decent Homes programme.

6.0 IMPACT UPON THE HACKNEY HOMES RISK REGISTER

- 6.1 A key risk is that Hackney Homes does not get the £225million. The Service Improvement Programme addresses that risk.

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

- 7.1 Within each of the KLOEs there is a section which focuses on elements which address the Diversity dimension of that KLOE. There is also a cross cutting Diversity KLOE.

8.0 CONSULTATION PROCESS & FINDINGS

- 8.1 This is an update report on a set of processes. It does not propose any specific policy or process change. So there is no consultation specific to this report. As mentioned above many of the individual service improvements will have been the subject of consultation.

9.0 ICT IMPLICATIONS

- 9.1 There are no specific ICT implications.

10.0 HUMAN RESOURCES IMPLICATIONS

- 10.1 There are no direct human resources implications.

11.0 FINANCIAL IMPLICATIONS

- 11.1 This report does not make any proposals with financial implications.

12.0 LEGAL IMPLICATIONS / ADVICE

- 12.1 This report does not make any proposals with legal implications.

13.0 OTHER RELATED DECISIONS / GUIDANCE

- 13.1 None applicable

APPENDIX 1

Key Lines of Enquiry (KLOE) Relevant To Hackney Homes

KLOE 1	Prospects for Improvement
KLOE 3	Planned & Cyclical Maintenance
KLOE 4	Income Management
KLOE 5	Resident Involvement
KLOE 6	Tenancy & Estate Management
KLOE 7	Lettings & Allocations
KLOE 12	Leasehold Services
KLOE 13	Regeneration & Neighbourhood Renewal
KLOE 14	Management of Right to buy – self assessment
KLOE 30	Access & customer care
KLOE 31	Diversity
KLOE 32	Value for money – cross cutting areas