

## HACKNEY HOMES Ltd Board Meeting 20

6.30 to 8.30 PM ON 25<sup>th</sup> September 2006,

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

### **A** AGENDA Part A (open to the public)

Item	Presenter	Subject	Status	Page Number	Duration
		<b>Open Items</b>			
1	D Curley (Chair)	Welcome/Apologies/Introductions	Information	Verbal	3 mins
2	D Curley	Declarations of Interests	Information	Verbal	2 mins
3	D Curley	Questions received from the public	Information	Verbal	2 mins
4	D Curley	Minutes of 31 <sup>st</sup> July 2006 and matters arising	Decision		5 mins
		Rolling Decision Register	Information		
5	S Tucker	Chief Executives Monthly Report	Information		15 mins
6	S Noonan	Improvement plan	Information		15 mins
7	S Tucker	Value for Money	Information		15 mins
8	Curtis Taylor	Decent Homes Programme	Information		15 mins
9	Curtis Taylor	Asset Management Strategy	Decision		5 mins
10	Steve Tucker	Succession Arrangements	Decision		5 mins
11	Steve Tucker	Proposal to Alter Account Reference Date	Decision		2 mins

Distribution: All Board Members

In Attendance: Steve Tucker; Susmita Noonan, Derek Young, Barrie Cotton

**Item 4**  
Minutes of 31<sup>st</sup> July 2006 and matters arising

Present	<b>Board Members</b>	<b>Officers</b>	<b>Residents</b>
	Samantha Lloyd Alice Burke Rupert Tyson Asim Bhattacharyya Brian Marsh Marie Photiou David Larkin Karen Alcock Linda Kelly	Steve Tucker – Chief Executive David Angus C Edwards Daniel O Connell Derek Young – Director of Finance Michael Emmett Gary Penticost Pat Ronayne Barrie Cotton – Governance Manager  <b>Observers</b> Steve Edwards – TU Helen Toner – TU John C – Rockpools	Paul Smith Erdogan Sarikaya Richard Callaghan Bella Callaghan J Hayward J Collins D Wragg PS Weaver – Wick Village M Weaver – Wick Village

	<b>Part A – Open to the Public</b>	<b>Action</b>	<b>Date</b>
<b>1 Apologies</b>	David Curley, Audrey Villas, Sharon Patrick, Andrew Potter, Afolasade Bright  Did not attend - Sandra Hall		
<b>2 Declarations of Interests.</b>	<b>None</b>		
<b>3 Questions received from the public</b>	A question from Mr Paul Smith regarding problems with the design of front doors currently being used in replacement programmes was received. The full reply to this request is attached appendix 1.  Board Members requested a full update on the issues raised be presented to the next Board Meeting.	<b>M Emmett</b>	<b>25<sup>th</sup> Sept 06</b>
<b>4a Minutes of last meeting 26<sup>th</sup> June 2006</b>	Alteration to the title of Brain Marsh who is <b>A</b> Chair of the Valuation Tribunal for North London.  Minutes agreed		
<b>4b Rolling register of decisions</b>	Board Members asked that future updates of the register should have outstanding issues highlighted.  Action Points	<b>Gov Team</b>	<b>Aug 06</b>

	<p>Staff Incentive Scheme</p> <p>Members requested that an update on proposals for a staff incentive scheme be presented to the Board in October 06, advising of any recent criticisms of existing staff incentive scheme recently highlighted by the Audit Commission.</p> <p>Invoicing</p> <p>This item has not been completed and will be reported back in August 06</p> <p>Decent Homes</p> <p>Clarification of the number of call back required for Decent Homes work delayed by Rent Arrears policy, broken down into neighbourhoods.</p> <p>Governance</p> <p>Members were advised that action point concerning the structure of the Board and associated issues has been dealt with by the Standards and Ethics committee at their meeting on July 25<sup>th</sup>.</p>	<p><b>S Tucker</b></p> <p><b>D Young</b></p> <p><b>A Turner</b></p>	<p><b>30 Oct 06</b></p> <p><b>Aug 06</b></p> <p><b>25<sup>th</sup> Sept 06</b></p>
<p><b>5 Chief Executives Report</b></p>	<p>The Chief Executive highlighted areas of his report to the Board for comments. Item 11 on the agenda Hackney Homes Telephone Answering Performance was also taken under this point.</p>		

	<p>Action Points</p> <p>Health and Safety - Members requested that Health and Safety issues are a mandatory element of walk rounds on estates.</p> <p>Telephone Answering - Members clarified that the telephone answering figures were one month in arrears, so improved service standard should be visible in October figures. The new staff guide for telephone answering was circulated.</p> <p>Accommodation Strategy - Board Members were concerned that timescales in the centralisation of all staff to Christopher Addison House were not yet available, and its impact on the effectiveness of Hackney Homes in the lead up to full inspection in March 2007. ST advised that news regarding accommodation strategy was expected in early August, and highlighted the complex IT issues of the Housing Contact Centre based at Yorkton Depot. Any office moves must happen either before September 06, or after the inspection in March 07, the latter now seeing much more likely.</p> <p>Service First - Members called for an open discussion concerning the proposals to set up a single point of contact for residents for all council services.</p> <p>Garages – SN advised the Board that an action plan around the improvement of garage management was in progress and should be ready for circulation to All Board Members in September. Individual issues should be directed to the Client Team.</p>		
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	<p>Rent Collection – An error in the text of the performance review around rent collection was accepted and will be amended.</p> <p>Complaints - Board Members asked that the difference between response times for Residents and Councillors should be uniform. ST advised that stage one complaints have now reached their target of 95% and increased focus on the quality of these responses was being undertaken. The target of 95% for stage 2 complaints should be reflected in October figures.</p>		
<p><b>6 Parking Permits</b></p>	<p>The Board acknowledge a letter off thanks from Trade Unions concerning a recent increase in the provision of parking permits</p>		
<p><b>7 Human Resources Policies</b></p>	<p>The Board voted to accept the following Human Resources policies</p> <ul style="list-style-type: none"> <li>• Equalities and Diversity</li> <li>• Management and prevention of violence at work</li> <li>• Grievance procedure</li> <li>• Alcohol and drug misuse policy and management guidance</li> <li>• Disciplinary procedure</li> <li>• Anti-harassment and bullying policy</li> <li>• Code of conduct</li> </ul> <p>Action Points and comments</p>		

	<p>Members were advised that some SLA reviews could have an impact on these policies and they would be periodically reviewed and amended.</p> <p>Board were assured that the policies form part of the induction pack for employees, and would be widely publicised.</p> <p>Members were advised that the Organisation Change Policy was currently in negotiation with the Trade Unions, and should be ready very soon for ratification.</p>		
<p><b>8 Hackney Homes Joint Committee report back.</b></p>	<p>ST updated the Board with the 4 main decisions reached at this meeting recently:</p> <ul style="list-style-type: none"> <li>• All part B papers must have the reason for confidentiality made clear</li> <li>• That the Board were asked to look into the possibility of the Trade Unions being given the opportunity to comment on report going to Board</li> <li>• A detailed statement of organisation change and consultation be provided.</li> <li>• <i>Ref Rec/selct process – See steve</i></li> </ul> <p>ST advised the Board that management were moving closer to Trade Unions and had set up a framework of formal and informal meeting s to ensure this, as well as maximum flexibility and openness.</p> <p>Board Members were advised that Hackney Homes HR are members of the London Wide HR ALMO group and good practise from these other organisations was being examined.</p>		

	Trade Unionist present acknowledged the improved working arrangements and looked forward further improvements.		
<b>9 Improvement Committee report back</b>	<p>Susmita Noonan updated the Board on the workings and risk register for the Improvement Committee.</p> <p>161 projects are included in the improvement plan, and the pace to complete all projects had quickened significantly. There are 6 “Red” projects which are continually being targeted for action, including additional meetings with neighbourhood partners to clearly highlight areas of particular concern including telephone answering and complaints handling.</p> <p>Action Points</p> <p>Minutes of Partner Meetings to be circulated to Board Members</p>		
<b>10 Audit and Finance committee report back.</b>	Derek Young updated the Board on the workings of the Audit and Finance committee:		

Signed as a true record of this meeting \_\_\_\_\_ Chair  
Dated \_\_\_\_\_

**Item 4**  
Decision register

<b>1. Chief Executives Report</b>	24 April 06	1. Circulate a briefing to Board members on proposed charges to leaseholder's for neighbourhood management services.	Pat Ronayne	May 06	Update on July Board agenda	<b>31<sup>st</sup> July 06</b>
	24 April 06	2. An update from the Woodberry Down regeneration project	Robin Smith	May 06	Update given to Board	<b>26<sup>th</sup> May 06</b>
	31 July 06	3. Health and Safety issues to be a mandatory element of estate walk rounds.	S Tucker	August 06		
	31 July 06	4. Discussion to be arranged around Service First and proposals to set up a single point of contact for residents for all council services.	S Tucker	Sept 06	Council representative to present to next Board Meeting	
	31 July 06	5. Time scales for responding to Residents and Councillors complaints should be uniform.	A Jarosy	Oct 06		
<b>2. Monthly Performance</b>	24 April 06	2.1 Monthly Performance Digest needs to be clearer and easier to	A Jarosy	May 06	Monthly report updated to reflect	<b>June 006 onwards</b>

<b>Digest</b>		read			Board requirements	
<b>3. Improvement Plan</b>	24 April 06	3.1 Value for Money Blueprint to be presented to A and F committee	D Young	June 06	Supplied	<b>3<sup>rd</sup> July 06</b>
<b>4. Partner Scrutiny Meetings</b>	26 June 06	4.1 Report back to HH Board results of Partner performance scrutiny meetings	S Noonan	July 06	Report Back given on initial meetings	<b>31<sup>st</sup> July 06</b>
	31 <sup>st</sup> July 06	4.2 Minutes of Partner Meetings to be circulated to Board Members	B Cotton	31 Aug 06	Circulated	<b>22 Aug 06</b>
<b>5. Business Plan and VFM</b>	26 June 06	5.1 Housemark 2004/05 figures to be presented to Audit and Finance Committee. Organisation chart of senior staff to be circulated.	D Young	3 <sup>rd</sup> July 06	Provided	<b>3<sup>rd</sup> July 06</b>
			D Young	Aug 06		
<b>6. Procurement</b>	26 June 06	6.1 Circulate summary version of the procurement forward plan to the Board.	John Hesp	May 06	Plan circulated to Members	<b>July 06</b>
<b>7. Staff Incentive Scheme</b>	24 April 06	7.1 Officers to investigate feasibility of introducing staff Incentive Scheme.	S Tucker	May 06	Delayed to reflect comments by Audit Commission	<b>31 July 06</b>
	31 July 06	7.2 Update on proposals for a staff	S	31 Oct 06		

		incentive scheme, advising of any recent criticisms of existing staff incentive schemes by the Audit Commission.	Noonan J Hartland T Hogan			
<b>8. Decent Homes</b>	24 April 06	8.1 Further Clarification on call backs to complete Decent Homes improvements required	A Turner	June 06	To be included in Monthly report	<b>From Oct 06</b>
	26 June 06	8.2 Monthly performance report covering resident satisfaction, spend profile, works in progress, decent and non-decent, major works progress. Red flag issues to be included on a monthly basis.	A Turner	May 06	Monthly report published	<b>May onwards</b>
	31 <sup>st</sup> July 06	8.3 Clarification re number of call backs required to complete Decent Homes work delayed by Rent Arrears policy, broken down into neighbourhoods.	A Turner	25 Sept		
<b>9. Parking Permits</b>	24 April 06	9.1 Investigate into provision for TS workers	D Angus	May 06	Completed – 88 additional permits purchased	May 06
<b>10. Audit and Finance</b>	24 April 06	10.1 Forward plan for Audit and Finance required	D Young	July 06	Completed on Board forward plan	July 06

Committee						
<b>11. Invoicing</b>	26 May 06	11.1 Breakdown of invoices from Decent Homes contractors required.	D Young M Weaver	August 06		
<b>12. Neighbourhood Visits by Members</b>	24 April 06	12.1 Forward plan of Board Member walk rounds of estates to be advised	S Tucker	June 06	Forward plan of walk round dates provided to all Board Members	June 06
<b>13 Succession arrangements for Board Members</b>	26 June 06	13.1 Arrangements for succession and replacement of Board Members deferred to Standards and Ethics for recommendation	P Ronayne	25 <sup>th</sup> July 06	Recommendations presented to the Board	<b>31<sup>st</sup> July 06</b>
	31 July 06	13.2 Rockpools to be approached re positively targeting under represented groups on the Board	ST	Aug 06		
	31 July 06	13.3 Unsuccessful candidates who passed the quality threshold to be approached for reconsideration	Gov Team	Sept 06		
	31 July 06	13.4 A best value ballot system to be implemented for resident elections, with proviso that the second placed candidate could be called upon if a vacancy arises	Gov Team	Jan 2007		

<b>14. Cabinet Forward Plan issues</b>	26 June 06	14.1 Plan to be circulated monthly to Board members, containing HH business only.	Gov Team	July 06	Plan circulated as required	<b>31<sup>st</sup> July 06</b>
<b>15. Questions received from the public</b>	31 <sup>st</sup> July 06	15.1 A full update on the issues raised around the Gurda doors question for next Board Meeting.	M Emmett	25 Sept	On Agenda	<b>25<sup>th</sup> Sept 06</b>
<b>16. Report back from Committees</b>	31 <sup>st</sup> July 06	16.1 As much business as possible to be placed on the open agenda. Any part B items must have the reasons for confidentiality clearly stated on the part B agenda	Gov Team	25 Sept	On agenda for this meeting	<b>25<sup>th</sup> Sept 06</b>
		16.2 Board Members attendance at meetings and training sessions to be reported each month initially on the part B agenda	Gov Team	25 Sept	On agenda B for this meeting	
<b>17. Senior Management Structure</b>	31 <sup>st</sup> July 06	17.1 Senior Management Structure Chart levels 1 and 2 to be circulated.	ST	Aug 06	Circulated to all Board Members	<b>Sept 06</b>

<b>REPORT OF CHIEF EXECUTIVE OF HACKNEY HOMES</b>		
<b>Hackney Homes Board</b> <b>Monday, 25 September 2006</b>  <b>CHIEF EXECUTIVE'S MONTHLY</b> <b>REPORT TO THE BOARD</b>	<b>Classification</b>	<b>Item 5</b>
	<b>Ward(s) affected</b>	

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## 1. SUMMARY

1.1 The last Chief Executive's report was presented on Monday 31<sup>st</sup> July, eight weeks ago, and there is a considerable amount of information to convey to Board Members following what has been a particularly busy summer period. For the convenience of Board Members I have organised the Report into a number of themed sections as follows:

- Performance Report for the period to the end of August 2006
- Governance issues
- Partnerships
- Preparation for inspection

## **2. RECOMMENDATIONS**

### **Recommendations**

- 2.1 That the Hackney Homes Board notes the contents of this Report.
- 2.2 That the Board notes the review of July and August performance (Section 4).
- 2.3 That the Board agrees the actions arising from the review of governance (5.1).
- 2.4 That the Board notes the proposal from the Council shareholder to amend the articles of agreement to permit more than eight residents to be Board members (5.5).
- 2.5 That the Board considers the request from the Council to transfer the Urban Regeneration Team back to Hackney (6.1 to 6.3).
- 2.6 That the Board give initial consideration to the principle of offering a conditional incentive to staff in recognition of the additional work involved in preparing for inspection (7.6).

## **3. BACKGROUND**

- 3.1 It is now just under six months since Hackney Homes went live and we are almost exactly six months away from full ALMO Inspection which commences on the 26<sup>th</sup> March for two weeks. The first six months of operation have seen a huge amount of organisational change and improvement activity. The new three Directorate structure has been established and we have completed consultation with staff on the new Property Services structure which is now being implemented. Front line services have been transformed through the Charter Mark process and we have developed an extensive Value for Money Programme. However, much still remains to be accomplished.

#### **4. PERFORMANCE**

4.1 The Quarter 1 Performance Review meeting with the Council was held on 30<sup>th</sup> August and was chaired by Councillor Alan Laing, Cabinet Member for Neighbourhoods and Regeneration. The Minutes of this meeting are attached as Appendix 1 and my Review of Performance circulated to staff in Hackney Homes is attached as Appendix 2. It is recommended that a Member of the Hackney Homes Board should be present at these meetings to demonstrate the oversight that the Board is giving on performance management. The July Performance Digest was circulated prior to this to all Board Members.

4.2 The key messages included:-

- Repairs performance is within target with a notable improvement in appointments made and kept to 99.2% in July
- Rent collection, whilst improving, is below the level needed to achieve the end of year target and requires attention from the Partners to improve performance
- Empty property re-let performance has improved in three out of five neighbourhoods and by the TMO's but has slipped seriously in Homerton and Queensbridge and De Beauvoir

4.3 The July Report has been circulated and the August Report will be available by the time of the Board Meeting. It will not, however, be ready in time to meet the Agenda dispatch date for the September Board Meeting. The agreed programme within the Hackney Homes Delivery Plan provides for the monthly Performance Report to be ready for circulation a little after the 21<sup>st</sup> of each month. This is on account of the fact that data must be collected both from manual systems held by Service Units such as Neighbourhood Offices and from IT based systems. Additionally, within the Performance Reporting Programme is included provision for data to be collected and verified by the Performance Team as well as time being needed for Managers to insert appropriate commentary regarding the performance of their Service Areas.

In advance of the formal publication of the August Report however, it has been possible to extract the key highlights in selected service delivery areas.

#### **4.4 Rent Arrears Collection**

Rent arrears now stand at £ 8.42 million in August. Whilst there has been a significant decrease from the July figure of £ 8.49 million, the collection rate of 98.74% is lower than the 98.83% achieved in July. Further efforts will be needed if the end of year target of 101.37% and 96.50% ( BVPI) targets are to be met. Hackney Homes is also currently working through the new government initiated rent arrears protocol which places greater emphasis on early rent arrears action as an alternative to eviction.

#### **4.5 Empty Property Management**

Performance on voids is still within the target of 28 days average re let time ( at 27 days year to date for August). There continues, however, to be severe poor performance for August and September from Queensbridge/De Beauvoir and Homerton Neighbourhood Offices due to past inactivity on void properties. This is now under close control through the Housing Client Team, though the effect of earlier inactivity will continue to be evident in void periods attributed to lettings for August and September. Client monitoring arrangements have been reviewed to ensure problems of this nature do not arise in future.

#### **4.6 Repairs**

For urgent repairs, the year to date figure is 93.8% of repairs completed within time. This is slightly below our target of 96% and efforts are being made to improve on our performance for the remainder of the year. This also includes a key objective of increasing the percentage of repairs completed on the first visit and performance indicators are now being established to monitor performance in this area.

Gas servicing is performing well with the majority of dwellings likely to have had gas servicing completed by October 2006. Finally, with regards repairs appointments, these are now ahead of the 98 % target with an August achievement of 99 % of appointments made and kept.

#### **4.7 Cleaning and Grounds Maintenance**

August will be the first month where performance information will be based on actual inspections and for estate cleaning, data so far received shows a pass rate of between 70 and 94%. For grounds maintenance, the overall achievement is a 73% pass rate which is slightly below target.

#### **4.8 Complaints and Members Enquiries**

Performance on complaints handling continues to improve with an achievement of 94.3 % of responses in time at Stage 1 and 100% of responses in time at Stage 2. Members Enquiries' responses on time are at 91.7 % in August with 100% of Board Member Enquiries responses being received within the 15 day target time.

The Hackney Homes Complaints Team have continued the development of detailed reports on areas with high numbers of complaints and in August completed the Report on Anti Social Behaviour which has confirmed our need to give greater attention to low level anti social behaviour. An action plan for this is now being developed.

#### **4.9 Telephone Answering**

Data is now available for telephone answering and for August, there has been further improvement with 82.2 % of calls being answered (slightly below the 85% target), though of these, 97.3 % of calls have been answered within 5 rings. This is ahead of the 96% target.

### **5.0 Governance**

5.1 The independent review of governance by Rockpools is progressing well and a self assessment of the governance arrangements has been completed and has identified the following areas as requiring action:

1. Demonstration of commitment by all Board Members to personal and Board training and development programme and targets to improve skills and competencies (Ref. 3.5).
2. Board updates on best practice in governance and Board effectiveness (Ref. 4.4).

3. Appraisal arrangements for Board Members for the Vice Chairs and the Chair (Ref. 4.7 and 4.8)
  4. Completion of an annual self-assessment and review of Board performance (4.1) – this can take place in the autumn.
  5. Assessment of relationship between the Chair and Chief Executive and its impact on the ALMO.
  6. Programme of Board review of strategies, policies, schedule of delegation etc., to ensure the framework facilitates effective governance (8.3).
  7. Identification by the Board of its key stakeholders and means of proactively engaging with them; Board role as ambassadors for Hackney Homes with key stakeholders, partners and the local press; Board use of local, sector and other knowledge networks to promote Hackney Homes and identify business opportunities.
- 5.2 A key part of the Governance Review is assessment of Board Member attendance and Board Member training and a number of issues for discussion and action have arisen from this. There is a need to improve the attendance of some Board Members and this is being addressed by the Chair. There is also a need to ensure that all Board Members take up the training that is on offer and this requires discussion by the Board. There has not been a Board Member Away Day since the event at the West Reservoir Centre which was well attended. A date for a further Away Day which it is recommended should concentrate on the outcomes from the Governance Review is needed and Board Members are invited to agree how this will be agreed/resolved as it has not been possible to settle upon a date for this.
- 5.3 A vacancy for an independent Board Member still remains following the resignation of Chloe Fletcher. This matter was considered at the Ethics and Standards Committee of the Board which received a draft report on options for filling this vacancy. The Report on this is on tonight's agenda and the Board is invited to discuss and agree how this vacancy will be filled.

5.4 The Council as the shareholder has written to the Chair of Hackney Homes advising of their intention to amend the Articles of Association to permit an increase in the number of resident Board Members from 8 to 9. It should be noted that two other London ALMO's, Hillingdon Homes and Homes for Islington have made the same amendment and this has been endorsed by Department for Communities and Local Government. The Secretary of State has in fact asked Civil Servants to look at ways in which the number of residents on ALMO Boards can be increased, in effect signalling the Government's wish to move away from the previous requirement not to have any one of the three constituencies for Board Membership forming a majority. A separate report on this agenda formally invites the Board to hold an Extraordinary General Meeting to consider this proposal.

## **6.0 Partnerships**

- 6.1 The Council has asked Hackney Homes to consider a change in staffing arrangements involving a team within Property Services. At the time of transfer in April the Urban Regeneration Team moved to Hackney Homes from the Council. This is a team of three posts (currently one post is vacant, one is filled and the third post of Head of Urban Regeneration is filled by an agency member of staff) which was established to review areas of underused or neglected land on estates and develop options for their improvement. Such options could include provision of additional affordable housing which would in turn generate capital receipts that would contribute to estate improvement.
- 6.2 The Council has recently made an appointment to the post of Assistant Director (Planning and Regeneration) which also has the responsibility for the strategic housing regeneration function. At the time of transfer the agreement was that the London Borough of Hackney would set the strategic framework for housing regeneration and initiate projects up to contract letting stage, with Hackney Homes having an involvement throughout and taking over thereafter to deliver the regeneration projects. On the basis of this split of responsibilities the Council now believes that this team should be part of the strategic housing regeneration function identifying pockets of land that they can group together to form viable regeneration projects and which will bring in income to Hackney, some of which could be used to fund estate improvements.
- 6.3 In considering this request the Board will wish to assess the direction of future development of the organisation, particularly in the light of the recent strategy paper from DCLG entitled "From Decent Homes to Sustainable Communities" which envisages successful ALMO's becoming regeneration agencies with a wider community remit than at present. This may therefore be an appropriate time to reach an understanding with the Council on how they see the future role of Hackney

Homes in relation to regeneration, whilst acknowledging that at present all our efforts are necessarily focused on achieving the two star rating and thereafter on delivering Decent Homes. The Board should also seek assurances from the Council about the use to which receipts from the sale and development of HRA land will be put so that the needs of residents and Hackney Homes organisational objectives are given appropriate priority.

#### 6.4 Reliability of IT systems

At the last meeting of the Hackney Homes Board this matter was raised by Board Members and officers were asked to provide a report on the reliability of the IT systems used by Hackney Homes. This is now attached as Appendix Four

#### 6.5 Reports to Hackney Council Cabinet

A summary of Reports where Hackney Homes has an involvement or interest that are to go to the Hackney Council Cabinet is provided as Appendix five. Because of its significance to Hackney Homes' Decent Homes strategy and to the residents of the homes we manage I have briefly summarised the report of the Director of Neighbourhoods and Regeneration to Cabinet on 30 October 2006. This concerns 'Proposals for the next Estate Regeneration Programme' (Tranche 2 Review Estates). The Council are considering a new strategy for those Hackney estates that present further opportunities for increasing housing supply, and which also have investment needs to ensure their long term sustainable future. 28 estates are earmarked for consideration as a result of drawing together a number of individual studies and assessments commissioned over the past few years. These estates fall into three broad categories:

- **Fifteen** estates which have infill opportunities with no decanting requirement
  - Beecholme Estate
  - Clapton Park Estate
  - Fellows Court
  - Hillcourt Estate
  - Holmleigh Road Estate
  - Jack Watts 2 Estate
  - Linzell Estate
  - Lordship North Estate 4

Milton Gardens  
Nye Bevan Estate  
Parkside Estate  
St. Johns Estate/Cranston Estate  
Sandford Court Estate  
Suffolk Estate  
Yorkshire Grove Estate

- **Six** estates which have both infill and redevelopment opportunities  
De Beauvoir Estate  
Frampton Park Estate  
Gascoyne Estate 2  
Gooch House/Newcombe House  
Trelawney Estate  
Wenlock Barn Estate
- **Six** estates that require selective demolition to release infill opportunities  
Aikin Court  
Beck House, Dumont Road N16  
Haberdasher Estate  
Marcon Court/Aspland Estate  
Morris Blitz Court  
St. Leonards Court, New North Road

Further opportunities will arise in the coming months through the current review of garage sites, together with other reviews of estate facilities bring redundant facilities to the fore.

It is also proposed that capital receipts generated from these developments are invested initially in bringing these estates up to an agreed Hackney standard for environmental condition.

Preliminary investigations into the potential for these sites indicate that there is a capacity for providing over 550 new homes on these sites, yielding a potential capital receipt of around £40 million for reinvesting in the host and surrounding estates.

The Council have retained responsibility for strategic decisions on Estate Renewal. Hackney Homes will perform operational functions in respect of any approved strategy. This will include assisting in resident consultation (scheduled for November 2006 – January 2007), decanting where applicable and managing demolition contracts. We have a further role in monitoring on behalf of the Council any eventual Agreements with RSLs. We will be careful to co-ordinate the Decent Homes Programme with any proposed works not least to:

1. Avoid disruption for residents; and
2. Use a proportion of capital receipts to achieve the Hackney Standard locally.

## 7.0 PREPARATION FOR INSPECTION

7.1 Our intention has been to have the projects that comprise the Improvement Programme substantially completed by end of September in order to permit us to demonstrate a track record of performing at a two star level over the six months running up to inspection. We remain on course for this and have commenced an intense period of activity working with our staff on ensuring they are fully aware and take ownership of all of the Improvement Programme and are exhibiting the behaviour, ambition and team working that corresponds with a confident and effective two star organisation. These include:

- Briefing and training sessions in preparation for the **Chartermark Assessment** which took place in the week commencing the 18th September
- A fully interactive training session entitled the **Hackney Homes Experience** for all staff in the organisation to develop their understanding of and familiarity with the key elements of the Improvement Programme including Customer Service, Value for Money, Diversity and Performance Improvement
- A **Leadership residential event** for the top 50 managers in the organisation which takes place on Thursday and Friday 28th and 29th September
- The **Hackney Homes Staff Conference** which takes place on two separate half day sessions on 11th and 12th October
- A **Hackney Homes Residents Conference** on Saturday 4th November

7.2 I met with Adrian Brown of the Housing Inspectorate in the Audit Commission on 14<sup>th</sup> August and he provided us, on a provisional basis, with the names of the team who will be undertaking the Hackney Homes full ALMO Inspection in March. They are:-

Hillary Barber – Lead Inspector  
Norman Ewings  
Anne Philcox  
Ellis Blackmore  
Two Tenant Inspector Advisors

7.3 Adrian Brown drew attention to what the Inspectors will be focusing on including: whether we have fully reviewed all of the Service Level Agreements and any other contractual arrangements with the Council; the performance of the Board and the wider Governance arrangements and their adequacy; the degree to which Hackney Homes is genuinely arms length and not shoulder length from the Council; and the key themes that were identified in the Indicative Inspection including Value for Money, Diversity, Leasehold Management and IT systems.

7.4 As noted above in the section on Governance, Board Members have an important role to protect and enhance the reputation of Hackney Homes. This ambassadorial role is particularly important in relation to work with residents given our experience at the Indicative Inspection where several residents felt that questions from the Inspectors were an invitation to itemise all their complaints and concerns. Many did not understand that what is at stake is a huge injection of resources for investment in their homes. The Board has a particularly important ambassadorial role amongst residents to spread awareness and knowledge about Hackney Homes, how we are working to improve services and the developing partnership between the new organisation and residents.

7.5 I have asked the Governance Team to compile a draft programme of activities, building upon the Neighbourhood Fun days and the current estate reality checks which I conduct with the Vice Chair, Audrey Villas, and which meet Tenant Representatives out on estates, which are designed to develop a strong partnership between Hackney Homes and residents that will align their support behind the improvement drive.

7.6 A number of ALMO's have at this critical stage of their preparation for Inspection announced a financial incentive that would be paid in recognition of staff efforts in the event of a successful inspection result. The Board is invited to give in principle consideration to whether they would wish to introduce this. The feedback from other ALMO's is that this has dramatically improved motivation amongst staff and contributed to successful outcomes at inspection. However, it has been the subject of criticism by the Audit Commission and any proposal would need to be carefully prepared and presented so that it properly reflected the drive for real service improvement for residents rather than just jumping through the Inspection hoops. Staff motivation has not previously been a weakness for Hackney Homes and it may be appropriate to think laterally about how staff effort can be acknowledged, celebrated and rewarded. A well organised Xmas Party event, for example, funded by Hackney Homes would be popular with staff and would serve to bring the organisation together.

## **8.0 HACKNEY HOMES COMMITTEE ARRANGEMENTS**

8.1 A request has been received from a Board Member that consideration is given to establishing a new Committee that has the brief for giving oversight to regeneration activity. This could potentially be merged with oversight of all property investment activity including the Decent Homes and Planned Maintenance programmes which are currently subsumed under the Improvement Committee.

8.2 In considering this proposal the Board may first wish to receive feedback from the Governance Review which will be reported in October and will assess the adequacy of all current Board and Committee arrangements and could be asked to specifically assess how oversight of regeneration should be provided for.

**Contact Officer:** Steven Tucker, Chief Executive 0208 356 3671

### **Background and supporting information:**

Appendix One	Minutes of Q1 Performance Meeting, 30.8.06
Appendix Two	Hackney Homes Performance Review
Appendix Three	Letter from Councillor Laing <b>(To Follow)</b>

Appendix Four Reliability of IT systems  
Appendix Five Report for Hackney Council Cabinet **(To Follow)**  
Appendix Six Woodberry Down Update

APPENDIX 1 – ITEM 5

**LONDON BOROUGH OF HACKNEY / HACKNEY HOMES**

**HOUSING SERVICES 1st QUARTER PERFORMANCE REPORT: APRIL – JUNE 2006**

**NOTES OF THE REVIEW MEETING HELD ON 30 AUGUST 2006**

<b>Present:</b>	Councillor Alan Laing Fiona Fletcher-Smith Tim Sylvester Simon Gray	in the Chair Director, Neighbourhoods and Regeneration Services Assistant Director of Finance Neighbourhoods and Regeneration Services
	Steve Tucker David Angus Robin Smith Derek Young Gary Penticost Alex Jarosy Greg Hartwell	Chief Executive, Hackney Homes Interim Manager Repairs & Maintenance Services Project Director (Woodberry Down Project) Interim Director of Finance (Hackney Homes) Repairs and Maintenance Services Neighbourhood Housing Contract Manager Administrator, Housing Services (Minutes)

<b>1.</b>	<b>Performance Report</b>	
1.1	The Chief Executive of Hackney Homes presented the Performance Report for 1 April to 30 June 2006, and highlighted the Key Messages.	
1.2	In particular, the following items were to be given further attention:	
1.3	<p><b>Rent Collections</b></p> <ul style="list-style-type: none"> <li>• Target collection rate of 96.5% was noted for 2006/07 (from 95%)</li> <li>• BVPI66a figure to be validated</li> </ul>	Susmita Noonan

	<ul style="list-style-type: none"> <li>• HH Board was holding meetings with housing management partners to ensure rent collection performance continued to meet the targets</li> <li>• Future reports to show movements between arrears bands and correlation with managements actions eg: <ul style="list-style-type: none"> <li>- number of tenants, average arrears per band</li> <li>- possession applications, new agreements, accounts cleared etc.</li> </ul> </li> </ul>	
1.4	<p><b><i>Voids</i></b></p> <ul style="list-style-type: none"> <li>• Although performance was within target, an increase in re-letting turnaround times for Homerton and Queensbridge /De Beauvoir during the quarter was being addressed. A review of client monitoring procedures was underway to ensure that such incidences are detected sooner</li> <li>• Relet performance had improved above the 2005/06 outturn for the other neighbourhoods and for TMOs</li> </ul>	Susmita Noonan
1.5	<p><b><i>Cleaning and Grounds Maintenance</i></b></p> <ul style="list-style-type: none"> <li>• New monitoring procedures were to be introduced from September – including resident inspections – to conform to ENCAM standards</li> <li>• Links between these estate standards and those for street cleaning services had been established</li> <li>• Report on tendering options to go to HH Board 25 September – consideration could be given to linking with Borough’s current review of street cleaning services.</li> </ul>	Susmita Noonan
1.6	<p><b><i>Repairs and Maintenance</i></b></p> <ul style="list-style-type: none"> <li>• Further work was being undertaken on repairs completed at first visit; post-inspection reports; repair job ‘outliers’</li> <li>• Contact Centre telephone response times were on target</li> <li>• Procurement programme for repairs and materials was progressing</li> </ul>	David Angus

	<ul style="list-style-type: none"> <li>• Value for money issues, internal restructuring had been implemented</li> <li>• Validation of tenant satisfaction reports and learning analysis of complaints was generating service process improvements</li> <li>• Variations between neighbourhoods in volume of 'urgent' requests were being analysed</li> <li>• Differentiate non-urgent repair times for communal or dwellings in future reports</li> <li>• Share review of repairs policy (reactive/planned) with Council Members</li> <li>• Note need for vulnerable people to have planned maintenance work before winter season.</li> </ul>	
1.7	<p><b>Complaints</b></p> <ul style="list-style-type: none"> <li>• Further analysis of those complaints relating to employee behaviour/attitude had been completed</li> <li>• Councillors' enquiries to be sent to Housing Complaints Team – to be logged onto Saffron and directed appropriately</li> <li>• Councillor Laing to be advised of any difficulties with this</li> </ul>	Susmita Noonan
1.8	<p><b>Anti-Social Behaviour</b></p> <ul style="list-style-type: none"> <li>• Further analysis of data to identify caseloads</li> <li>• New measures of estate safety performance were being developed</li> <li>• Coordinate priorities and working with Team Hackney on the Borough-wide approach</li> </ul>	Susmita Noonan
1.9	<p><b>Property Services</b> <i>Decent Homes Programme</i></p> <ul style="list-style-type: none"> <li>• Homerton Phase was to commence in the Autumn</li> <li>• Further discussion needed on capital expenditure approvals</li> <li>• Satisfaction reports were being validated by the client team</li> <li>• Work for vulnerable people should be given appropriate priority</li> </ul>	Steve Tucker

1.10	<p><b>Woodberry Down Development</b></p> <ul style="list-style-type: none"> <li>• Current position statement was noted</li> <li>• Targets and achievement figures to be made more explicit in future</li> </ul>	Robin Smith
2.	<p><b>Date of Next Meeting: Bi-annual Mayor's Review</b> Thursday 23 November 2006 at 2.00pm</p>	

## APPENDIX 2- ITEM 5

Dear colleague,

# HACKNEY HOMES PERFORMANCE REVIEW

Please find below my review of performance by Hackney Homes for the four months to the end of July 2006. The overview shows continuing improvements across the majority of performance areas with some notable exceptions that are receiving vigorous attention. The full July Performance digest is available from the Virtual Library: <http://156.61.38.16/cpa/data/performance/170.PDF>



### 1. Housing Rents (refer to pages 5-8)

The key BVPI 66A rent arrears target for 05/06 of 95% was met with Hackney Homes achieving an end of year outturn of 95.05%. The new rent arrears target is 96.50% and achievement will take Hackney Homes out of the bottom Quartile of All England Performance. Neighbourhood targets are now in place and there is a round of presentations due in September at each Neighbourhood Office to underline the continuing importance of the area of work amongst Partner staff. Whilst it is too early in the year for a meaningful BVPI 66A return, the table on page 5 shows a reduction of arrears between April and June from £8.9 million to £8.53 million. Greater outputs will however be required for the £7.03 million end of year target to be achieved.

Hackney Homes continues to experience difficulties with the Courts on suspension evictions and indeed in obtaining Possession Orders. This is attributed to the following factors:

- Poor quality of some applications to the Courts

- New and more rigorous Rent Arrears Protocol
- Reluctance by Judiciary to make awards in cases of vulnerability
- More recently, refusal by Judiciary to award appropriate Rights of Audience to both Partner and Hackney Homes' staff.

Housing Services are now leading on liaison with the Courts and in conjunction with Legal Services are developing a series of training initiatives for those involved in possession applications together with the development of a 'Warrant Card' system enabling the lead Housing Client Manager to rescind the rights of staff to present cases before the Court where there are serious concerns regarding the quality of the documentation or presentation of evidence.

## **2. Tenancy Audit Checks (refer page 9)**

The Audit Commission's indicative inspection carried out last year challenged the practice of checking all tenancies over the four year period as a good use of resources. In response to the Audit Commission's observations, Housing Services carried out a review of its practices in this area covering the range of reporting sources. These included the Hotline, letters from the public, outside referrals, block audits and gas safety checks. Additionally, comparisons with Homes for Islington revealed that despite carrying out only a 10% tenancy check per annum, the emphasis on targeting and quality delivered 94 repossessions compared with only 15 in Hackney. Whilst there are some issues relating to the accuracy of the Saffron data, there is strong evidence to support more targeted auditing, using a range of intelligence sources. These include repairs contact, Housing Benefit discrepancies, Council Tax, Electoral Register and Gas Safety Checks. In the coming months therefore, it is planned that these will form the basis of future tenancy audit work with the gross sample set at 10% per annum. Additionally, other initiatives will be developed including use of photographs for new tenants, publicity and training for partner staff.

## **3. Empty Property Management (refer page 10)**

Performance on void property management is just on target for the first quarter. The TMO performance for July has reduced to just 20 days which is a best ever performance.

A serious performance problem has been identified in Homerton and Queensbridge/De Beauvoir Neighbourhoods. The performance of the TMO's and of Shoreditch, North East and Stoke Newington is better than that achieved last year.

## **4. Repairs (refer pages 11-15)**

Repair appointments improved to over 99% in July which is a top quartile performance.

Both urgent and non urgent repairs are on target with further improvements in July for repairs in the urgent category.

Gas servicing is progressing well with 59% of safety inspections carried out by the end of July. At current performance, it is anticipated that by November all gas servicing will be completed.

## **5. Cleaning and Grounds Maintenance (refer page 16)**

The Cleaning and Grounds Maintenance service is now part of Housing Services. Satisfaction targets continue to be met as measured by customer call-backs to tenants. From September, however, new performance measurements will be in place based on the scorecard system derived from the outcome of inspections.

Finally, it should be noted that training for resident inspectors is now underway and it is envisaged that this will become a regular feature of the monitoring of the Estate Cleaning and Grounds Maintenance service.

## **6. Telephone Answering (refer page 19)**

The July Telephone Answering Performance Report shows a performance of 81.8% of calls answered and of these 96.7% of calls have been answered within the 5 ring target. Further work is still being undertaken with Service Heads to ensure that all redundant extensions have been removed from the system. Additionally, individual teams are being targeted where performance is below our 90% target. All staff need to work together to drive up this figure to target levels.

## **7. Complaints and Member Enquiries (refer pages 20-21)**

Responses to Members within the target time rose to 84% in July.

The percentage of complaints responses within the target time for Stage 1 complaints has risen to 98% in July and for Stage 2, following meetings with every service area, the percentage in time has now risen to 75%.

A significant area of work for the Housing Complaints Team has been detailed investigations into areas with large numbers of complaints. The first Report on gas repairs has led to a significant improvement in the volume of gas repairs completed at the first visit through a range of procedural and staff training initiatives. This includes training for gas engineers on electrical fault finding. The second report which has only recently been published focuses on anti-social behaviour and targets are being established to monitor and evaluate the service delivery improvements particularly for low level anti-social behaviour which is a priority for residents.

## **8. Invoice Payments (refer page 22)**

Performance on payment of invoices has improved from May 06, but the year to date figure for the first quarter was still below the target of 84%. As a result of this, a system of exception reporting was introduced to target key managers and this has resulted in performance for July improving to 83.8%. This still requires attention from managers.

### **9. Sickness Absence (refer page 23)**

Monitoring of sickness absence shows a significant deterioration to 9.66 days against a target for 06/07 of 8 days. Some of this is due to a small number of longer term absences and Hackney Homes is currently discussing ways in which the sickness absence data in the Performance Report can be broken down so as to differentiate between long and short term absences. However, this is the worst performance for over two years and will be robustly addressed.

### **10. Estate Safety and Crackdown (refer page 25)**

The work of the Crackdown and Estate Safety team continues to deliver both repossessions and an improved environment for local residents. The Performance Report however is still being developed and from September it is hoped that it will include activity against referrals together with some measurement of resident satisfaction levels.

### **11. Decent Homes (refer pages 29-30)**

The Decent Homes Group has recently carried out an extensive project on resident involvement against KPI Performance Data. This has engaged residents on a range of issues including:

- Use of customer satisfaction forms
- Resident understanding of information packs
- BME residents' grasp of English
- Time taken to complete kitchen and bathroom refurbishment
- Customer care from construction operatives
- Quality of workmanship
- Involvement of leaseholders
- Design choice

The outcomes of this exercise have been that specific instructions have now been given to constructors on the proper and effective role of resident Liaison Officers and the Decent Homes Group is developing processes to provide BME tenants with language difficulties greater access to translation facilities.

For the kitchen and bathroom renewal programme, some customers have commented that some constructors were being over ambitious in terms of the number of live properties underway and these have now been reduced. Additionally, where there has been evidence of poor customer care practices or poor workmanship, these have been highlighted with the Constructors' Project Manager and commitments secured that improvements will be evident at the next and future phases of the programme.

Finally, pre work processes are being revised and strengthened to improve and maximise involvement at the design stage.

## 12. Conclusion

This has been the first four months of the organisation. During this period I believe that Hackney Homes has demonstrated compliance with nearly all of its key performance targets. Where performance dipped for the first quarter, measures were established which secured improvements for July. This provides a firm base for achieving our two stars rating from the Audit Commission Inspection in March 2007. I am also confident that during the first four months of 2006/07, Hackney Homes has succeeded in establishing good and productive relationships with Council service departments so that our review of Service Level Agreements can proceed effectively and generate the improvements in value for money and effectiveness that are required.

I hope that staff will take heart from the results which are some significant achievements with lots still to do!

Yours sincerely,

Steve Tucker  
Chief Executive  
Hackney Homes

# ***Mayor's Office***

**Councillor Alan Laing, Cabinet Member for Neighbourhoods  
Hackney Town Hall, Mare Street, London E8 1EA**

Tel: 020 8356 3270  
Fax: 020 8356 3060  
Email: alan.laing@hackney.gov.uk

Our ref:  
Your ref:  
Date: 30 August 2006

Mr David Curley  
Chair  
Hackney Homes  
Christopher Addison House  
72 Wilton Way  
London E8 1BJ

I am writing to you further to communications from Hackney Homes regarding legal advice that you have received on the position of Cllr Lloyd as a board member of Hackney Homes.

I am currently seeking legal advice from the borough solicitor on the primary legislation governing the establishment of ALMOs to determine if the limits on the categories of membership of the ALMO board contained within the articles of association of Hackney Homes are prescribed by law.

If they are not, then it is my intention to exercise the powers under Article 11 of your memorandum and articles to alter the limits as laid out in Article 13 therein to exclude the nominees of the council member from the limits as laid out in Article 13(5). Alternatively, I will move an amendment to increase the limit to nine, recognising that council member nominees are appointed to represent the views and opinions of the council member and are not on the board in any other capacity, regardless of whether they are "residents" as defined within your Articles.

This process will expedite the process and will therefore allow Cllr Lloyd to remain on the board of Hackney Homes as a nominee from the council member and I would hope that in the meantime that Hackney Homes would not fill the vacant vice-chair position which has arisen with the resignation which has taken effect under your current Articles with Cllr Lloyd becoming a leaseholder.

I hope that you will agree that in the run-up to the important inspection in March that the experience and knowledge that Cllr Lloyd is invaluable to Hackney Homes and that she can provide continued excellent support to yourself as Chair.

I would be more than happy to discuss this further with yourself if the need is there, and I will be discussing this with your Chief Executive, who is copied in on this letter.

Yours sincerely,

**Cllr Alan Laing**  
**Cabinet Member for Neighbourhoods**  
**Labour Councillor for Hackney Central ward**

cc: Steve Tucker, Chief Executive, Hackney Homes

## **CE Report to Board 25.9.06**

### Appendix 4 – ITEM 5

#### **Reliability of ICT Systems**

##### **1. Systems provided by the London Borough of Hackney.**

The London Borough of Hackney supplies the network, servers and email support to Hackney Homes under a service level agreement (SLA). The Head of ICT Services meets with the Council's Assistant Director (ICT) on a monthly basis to monitor whether services are being provided to the agreed service levels.

In the first 4 months of this financial year there were three serious breaches of the SLA affecting the email system. The Council commissioned Hewlett Packard to review the hardware and firmware which supports the email system. This revealed that Northgate, who support the network on behalf of the Council, had failed to keep drivers updated which is thought to have had the effect of making the system unreliable. The network has now been brought up to specification, and the council are not expecting further email outages. This will continue to be monitored by Hackney Homes.

The Council is currently procuring a new ICT Support Provider. Northgate have not proceeded through to the final evaluation stage.

##### **2. Systems provided by external companies**

The main system used throughout Hackney Homes, the Housing Management System (Saffron) is provided and supported by Comino. The system was first implemented in 1998, and since that time there have been many new modules, interfaces and programs added or amended. Monthly contract monitoring meetings take place between Hackney Homes and Comino.

Over the past three months there have been serious problems with the Repairs Module. The first problem caused the PCs at the Repairs Contact Centre to lock up, hence making it impossible for the staff to book repairs appointments when tenants phoned in. It was not immediately identifiable what was causing this problem.

In trying to locate and fix the cause of this problem, Comino made some system changes. The locking problem was resolved, but the system changes caused other serious system issues which resulted in the loss of data which is used to calculate the operatives bonuses, and to produce performance data. The faults are still being corrected on this system, and meetings are being arranged to discuss, with the Managing Director of Comino, why the problems occurred, and more importantly, what procedures Comino are putting in place to prevent similar problems occurring again.

## FORWARD PLAN 1<sup>st</sup> OCTOBER 2006 to 31<sup>st</sup> JANUARY 2007

FP No/ Date of Intend ed Mtg	What is being decided?	Who is decision-maker?	When will decision be made?	Who will be consulted before decision is made?	How will consultation take place?	How can you make comments on decision before it is made or get further information?	What support documents and other information will be available?
09.10.06 30.10.06	Housing Management Contracts: Shoreditch and North East Neighbourhoods RP4 – Investment Decision	Cabinet Cabinet Proc Committee	30 Oct 2006 24 Oct 2006	Cabinet Procurement Committee; Hackney Homes Board; Hackney Homes Audit and Finance Sub Committee; Leaseholders	Draft Report, Letters	CLLR ALAN LAING Brian Madden – 020 8356 2056 <a href="mailto:Brian.madden@hackney.gov.uk">Brian.madden@hackney.gov.uk</a>	Stage 2 Cabinet Report [FP No 03.10.06]
09.12.06 30.10.06	Woodberry Down: Regeneration Strategy Post Kick Start RP2 – Procurement Strategy	Cabinet Cabinet Proc Committee	30 Oct 2006 24 Oct 2006	Cabinet Procurement Committee, Woodberry Down Residents, Key Council and Hackney Homes Officers	Meetings, E-mails; Correspondence	CLLR JAMIE CARSWELL Peter George – 020 8356 1703 <a href="mailto:Peter.geroge@hackneyhomes.org.uk">Peter.geroge@hackneyhomes.org.uk</a>	Cabinet Report: <a href="#">Woodberry Down Development Strategy For Kick Start Sites: Kick Start Demolition Contract [FP No 07.03.05], 25.07.05</a>
09.16.06 30.10.06	Estate Regeneration – Proposals for the Next Programme	Cabinet Cabinet Proc Committee	30 Oct 2006 24 Oct 2006	Cabinet Procurement Committee; TRAs;	Draft Report	CLLR JAMIE CARSWELL Charlie Grimble – 020 8356 7522 <a href="mailto:Charlie.grimble@hackney.gov.uk">Charlie.grimble@hackney.gov.uk</a>	File held by Charlie Grimble, Interim ADoN&R - Regeneration
09.23.06 18.09.06	Fleet: - Framework Contract for Lease Vehicles RP4 – Investment Decision	Cabinet Cabinet Proc Committee	30 Oct 2006 24 Oct 2006	Cabinet Procurement Committee	Meetings, Draft Report	CLLR JAMIE CARSWELL Martin Dorchester – 020 8356 3613/ Amy Carter – 020 8356 2744 <a href="mailto:Martin.dorchester@hackney.gov.uk">Martin.dorchester@hackney.gov.uk</a> / <a href="mailto:Amy.carter@hackney.gov.uk">Amy.carter@hackney.gov.uk</a>	Cabinet Report: Corporate Fleet Strategy [FP No 01.24.05], 19.12.05

## FORWARD PLAN 1<sup>st</sup> OCTOBER 2006 to 31<sup>st</sup> JANUARY 2007

FP No/ Date of Intend ed Mtg	What is being decided?	Who is decision-maker?	When will decision be made?	Who will be consulted before decision is made?	How will consultation take place?	How can you make comments on decision before it is made or get further information?	What support documents and other information will be available?
04.01.06 22.05.06	Haggerston West and Kingsland Transfer Proposals	Cabinet Cabinet Proc Committee	27 Nov 2006 21 Nov 2006	Cabinet Procurement Committee, Residents, EDMC, London & Quadrant Housing Trust; Internal	Meetings	CLLR GUY NICHOLSON Susmita Noonan – 020 8356 2056 <a href="mailto:Susmita.noonan@hackney.gov.uk">Susmita.noonan@hackney.gov.uk</a>	Cabinet Report: Haggerston West and Kingsland Redevelopment – Selection of Preferred Registered Social Landlords for Transfer [FP No 06.07], 27.10.03
05.07.05 27.06.05	Community Hall Project	Cabinet	27 Nov 2006	Neighbourhood partners/partners, all TRAs, Tenants Convention, Estate Committees, Voluntary sector, Management Groups, Major partners	Meetings, Workshops, Emails	CLLR ALAN LAING Susmita Noonan– 020 8356 5912 <a href="mailto:Susmita.noonan@hackney.gov.uk">Susmita.noonan@hackney.gov.uk</a>	File held by Susmita Noonan, Hackney Homes – AD – Landlord Services
08.05.05 24.10.05	Disabled Parking Bays	Cabinet Regulatory Committee	16 Nov 2006 28 Nov 2006	ALG, Disability Hackney, Residents, Businesses Hackney Today	Meetings, Letters, Information at Drop in sessions, Advertising	CLLR ALAN LAING Seamus Adams – 020 8356 8333 <a href="mailto:Seamus.Adams@hackney.gov.uk">Seamus.Adams@hackney.gov.uk</a>	Cabinet Report - Parking Enforcement Plan [FP No 09.17], 26.078.04
09.19.06 27.11.06	Disability Equality Scheme	Cabinet	27 Nov 2006	Local disabled people and relevant organisations; Disability Equality Working Group; Corporate Equality and Diversity Group	Meetings; Draft Report	CLLR KAREN ALCOCK Amanda Rice – 020 8356 3790 <a href="mailto:Amanda.rice@hackney.gov.uk">Amanda.rice@hackney.gov.uk</a>	File held by Amanda Rice - Corporate HR Manager

## FORWARD PLAN 1<sup>st</sup> OCTOBER 2006 to 31<sup>st</sup> JANUARY 2007

FP No/ Date of Intend ed Mtg	What is being decided?	Who is decision-maker?	When will decision be made?	Who will be consulted before decision is made?	How will consultation take place?	How can you make comments on decision before it is made or get further information?	What support documents and other information will be available?
<b>FORM AWAITED</b>	Streetscene Strategy	Cabinet Regulatory Committee	16 Nov 2006 28 Nov 2006			CLLR ALAN LAING Andy Cunningham – 020 8356 6657 <a href="mailto:Andy.Cunningham@hackney.gov.uk">Andy.Cunningham@hackney.gov.uk</a>	File held by Andy Cunningham, DoN&R - Head of Street Scene
<b>09.07.06 18.12.06</b>	Housing Demolition Framework Contract RP4 - Contract Award	Cabinet Proc Committee	18 Dec 2006 12 Dec 2006	Cabinet Procurement Committee; Hackney Homes Board; Residents	Draft Report, Meetings	CLLR JAMIE CARSWELL Bob Snowsill – 020 8525 5591 <a href="mailto:Bob.snowsill@hackney.gov.uk">Bob.snowsill@hackney.gov.uk</a>	Cabinet Report: Estate Renewal Programme Phase 1 [FP No 12.13.05], 27.03.06
<b>09.25.06 29.01.2007</b>	Fleet: Vehicle Maintenance RP4 – Investment Decision	Cabinet Proc Committee	29 Jan 2007 23 Jan 2007	Cabinet Procurement Committee		CLLR JAMIE CARSWELL Martin Dorchester – 020 8356 3613/ Amy Carter – 020 8356 2744 <a href="mailto:Martin.dorchester@hackney.gov.uk">Martin.dorchester@hackney.gov.uk</a> / <a href="mailto:Amy.carter@hackney.gov.uk">Amy.carter@hackney.gov.uk</a>	Cabinet Reports: RP2 Report [FP No 09.22.06], 18.09.06 and Corporate Fleet Strategy [FP No 01.24.05], 19.12.05

Please Note: Reports shaded are Hackney Homes report  
Reports without shading are Council reports which have Hackney Homes input

## **WOODBERRY DOWN**

## **Appendix Six**

### **BOARD MEETING – 25 SEPTEMBER 2006**

There has been good progress on this major regeneration project over the summer. The Principal Development Agreement between Hackney Council and the Berkeley Group was signed on 3 August, becoming unconditional and binding on 24 August for the four Kick Start sites – Old School Site, 151 Woodberry Grove, Woodberry Grove North, and Newton Close. Following recent progress in negotiations with the Planning Department, Berkeleys are proceeding to prepare plans for around 1,250 homes on the four sites, with 35% of these being social rented homes for the Council, 5% intermediate and 60% private for sale.

- Berkeley's plan to submit their detailed planning application for the Old School Site by Christmas. Subject to the Planning process, the earliest expected date for a start on site is September 2007 with completion of the first social rented units during 2009.
- Approx. 438 social rented homes will be built (at no cost to the Council) to Parker Morris + 10% space standards on the four Kick Start sites to progress decanting of subsequent phases
- Masterplan submission as an Outline Planning Application is now expected late November, following new date for presentation to Mayor of London (14 November). Additional resources are, however, necessary to complete the Masterplan to the requirements of the Planning Authorities.
- Masterplan likely to propose 4,315 new homes on Hackney land, based on 1,250 in Kick Start and 3,065 in subsequent phases. This is comparable with 4,300 proposed in the 2005 Urban Design Framework. However, there is a difference of opinion between the Planning Authorities: the informal officer view of the Greater London Authority is that numbers should be around

10% higher to allow for a greater viability margin and to take advantage of the Manor House station, while the Hackney view is that the development potential of the site is already stretched, and that increasing numbers further may result in environmental problems.

- Two presentations have been made to CABI, who support the high quality of the urban design
- It is planned to create additional intermediate affordable housing such as shared ownership as part of the regeneration of surrounding sites in third party ownership, e.g. John Scott Health Centre
- From the original 263 homes on the Kick Start sites, only 14 tenants remain. Of the 56 leaseholders, 23 repurchases have been completed and a further 9 agreed. Compulsory Purchase Orders are now able to be progressed with the signing of the Agreement with Berkeley
- 70 old homes now demolished, with a further 29 to be demolished from September onwards – Bowland & Glynn Houses. Demolition of Bowland will mean that the site for the new primary school will have been cleared early, ready for appropriation to the Council's General Fund for the new school to be built.
- Procurement process for a suitable RSL with the capacity and capability to take forward the regeneration objectives and establish a Community Based Housing Association is to be considered by the Council's Cabinet this Autumn.

## UPDATE REPORT ON DECENT HOMES PROGRAMME

1.0	<p><b>PURPOSE OF REPORT</b></p> <p>This report provides Hackney Homes Board members with an update on the Decent Homes Programme</p>
2.0 2.1	<p><b>RECOMMENDATION</b></p> <p>That the Board receives this report.</p>
3.0 3.1 3.2 3.3	<p><b>CURRENT ISSUES</b></p> <p>3.1 During the first quarter of 2006/7 the Decent Homes programme has progressed well in four of the five contract areas as the performance report will show. The external programme gathered pace in May and now comprises the bulk of all ongoing works.</p> <p>3.2 Contractual negotiations with Kiers (Homerton contract) reached a critical stage during April of this year. Some difficulty was being experienced with Kier on a range of issues. This resulted in a positive response by Kiers to revise their approach with a new project team and programme proposals from the Kier Group Board that were accepted by Hackney Homes. The revised programme for Kiers now indicates starts for street properties and Kitchen and Bathrooms in October with a full start on the externals programme in November. Work has already commenced on heating renewals.</p> <p>3.3 The externals year 1 programme was originally intended to deliver in 05/6, but due to protracted contractual negotiations this slipped into 06/7. Due to the slippage, the PPC 2000 contracts have been extended under delegated authority to allow all commencement agreements to be issued. All Year 1 commencement agreements have been issued and works are in hand, except within Homerton. It is expected that all of year 1, other than the Homerton</p>

	area, will be completed by March 2007.
3.4	Notwithstanding the delay on Kiers' area, a cost review of year 1 packages has demonstrated that the full scope of projects could deliver a programme of £48m in 06/7. The programme will however be managed within the £45 million budget allocated by the Council. A submission for £15 million additional resources has been made and capacity exists to increase spend to this level if approved.
3.5	The rest of the Decent Homes programme (to 2010) will be covered by five new Framework Agreements. These have been prepared by our legal advisors and were sent to the 5 constructors for agreement on the 14 <sup>th</sup> August. The deadline for agreeing these is 29 <sup>th</sup> September 2006.
3.6	Surveys and pre-contract work for Year 2 have progressed in order to prepare the packages for this phase, should funding become available. The contract areas are currently progressing at different rates but it is anticipated that during the 4 <sup>th</sup> quarter of 2006/7 most will be in a position to commence the next phase of addresses (our original year 2 list). If there is a dip in programme activity as a consequence of programme cash flow, contract preliminaries will still impact and be higher as a proportion of overall expenditure as a result. To mitigate the adverse effect of this, we will have to discuss this with the Council and our construction partners.
3.7	The inspection of Hackney Homes is scheduled for March 2007. If this is successful, ALMO credits of £89 million could be expected to be awarded from May 2007. Hackney Homes' managers will meet with the Council to identify as closely as possible the resources likely to be available in 2007/08, discuss the programme implications with the constructors and report back to the Board.
4.0	<b>DECENT HOMES PERFORMANCE 06/07</b>
4.1	<u>Decent Homes Annual Targets</u>

No. of Homes Decent at April 1<sup>st</sup> 2006 (47.58%)(from BVPI)

<b>2006/7 Target</b>	
Number of properties to be made decent internally	1500
Number of properties to be made decent externally	2368
Number of properties to meet Full Decent Homes Standard as result of DH work	1500

<b>Actual – year to 31<sup>st</sup> Aug 06</b>	
Number of properties made decent internally	309
Number of properties made decent externally	39
Number of properties to meet Full Decent Homes Standard as result of DH work	309

4.2 Commentary: The actual figure for number of properties made decent externally appears low but reflects the method of counting in that properties are only counted once the block or estate is complete. Some 69 blocks are part complete and will be included in the next report.  
**Current construction programmes indicate that the annual targets will be achieved in full.**

4.3 Current Expenditure to end August 06 per Contract (06/7 financial year)

Contract	Actual	Forecast (year end)
Shoreditch B (Mullalley)	£ 1,424,028	£ 8,791,000
Shoreditch A (Lovells)	£ 2,688,523	£ 9,987,000
North East (Connaughts)	£3,143,422	£ 10,407,000
Stoke Newington (Mansell)	£ 1,693,132	£ 6,460,000
Homerton (Kier)	£ 14,133	£ 9,000,000
<b>Total</b>	<b>£ 8,963,238</b>	<b>£ 44,645,000</b>

4.4 The KPI information in respect of this programme is contained in Appendix A to this report. It indicates a continuing high satisfaction rate overall, in respect of the majority of Constructors.

4.5 Decent Homes Kitchens and Bathrooms.

The following is a breakdown of call back addresses per Contract Area. These tables refer to the survey programme, not completions.

<b>Contract Area</b>	<b>Gross Rentable Units</b>	<b>Arrears Cases Omitted</b>	<b>%</b>
Shoreditch B (Mulalley)	539	95	17.6
Shoreditch A (Lovells)	388	43	11.1
North East (Connaughts)	406	61	15.0
Stoke Newington (Mansell)	356	39	10.9
Homerton (Kier)	369	76	20.6
<b>Total</b>	<b>2058</b>	<b>314*</b>	<b>15.2</b>

\*So far 19 cases have been revisited and 30 more are awaiting call back.

5.0 **Current Activity**

5.1 The Phase Two Decent Homes Programme is divided into three distinct elements, the external works, the internal works (kitchen & bathrooms) and the street properties refurbishment works. On a contract by contract basis, the current programme for works commenced since April 2006 status is as follows –

Year to end August 06 programme outputs:

**Shoreditch B – Mulalley**

<b>Element</b>	<b>Unit / No. Completed</b>	<b>Commenced</b>	<b>Outstanding</b>
----------------	-----------------------------	------------------	--------------------

Kitchen & Bathrooms	174	53	32
Externals (roofs, conc. reps) by block	1	23	2
Externals by Unit (windows)	6	509	47
Street Externals by property	0	13	4
Street Externals by unit (windows)	0	33	40

**Shoreditch A – Lovells**

<b>Element</b>	<b>Unit / No. Completed</b>	<b>Commenced</b>	<b>Outstanding</b>
Kitchen & Bathrooms	115	123	39
Externals (roofs, conc. reps) by block	5	12	8
Externals by Unit (windows)	177	522	400
Street Externals by property	0	0	22
Street Externals by unit (windows)	0	0	22

**North East - Connaughts**

<b>Element</b>	<b>Unit / No. Completed</b>	<b>Commenced</b>	<b>Outstanding</b>
Kitchen & Bathrooms	194	200	0
Externals (roofs, conc. reps) by block	0	3	40
Externals by Unit (windows)	0	47	401
Street Externals by property	8	8	7
Street Externals by unit (windows)	12	18	30

**Stoke Newington - Mansell**

<b>Element</b>	<b>Unit / No. Completed</b>	<b>Commenced</b>	<b>Outstanding</b>
Kitchen & Bathrooms	124	22	29
Externals (roofs, conc. reps) by block	6	34	2
Externals by Unit (windows)	45	316	25
Street Externals by property	27	3	14
Street Externals by unit (windows)	110	8	41

**Homerton - Kier**

<b>Element</b>	<b>Unit / No. Completed</b>	<b>Commenced</b>	<b>Outstanding</b>
Kitchen & Bathrooms	0	0	250
Externals (roofs, conc. reps) by block	0	0	42

reps) by block			
Externals by Unit (windows)	0	0	900
Street Externals by property	0	0	34
Street Externals by unit (windows)	0	0	34

6.0

**Conclusion**

6.1

The expenditure to end of August is below profiled spend and reflects the number of block completions on externals to date. However the analysis of current activity shows a high level of works on site where valuations and completions will be flowing through in the next period. The starts in Homerton are not on programme until October and as a result the forecast spend for Kier will be adjusted when the constructors cashflow is received. The overall programme is still forecast to achieve a full spend in 2006/7.

A report on Key Performance Indicators across all contracts is included as Appendix A.

A further report on Value For Money, highlighting achievements of the Decent Homes programme to date, is included at Appendix B.

**Contact Officer:**

Alan Turner, Acting Assistant Director Regeneration HTC 0208 356 2192

**Originating officers**

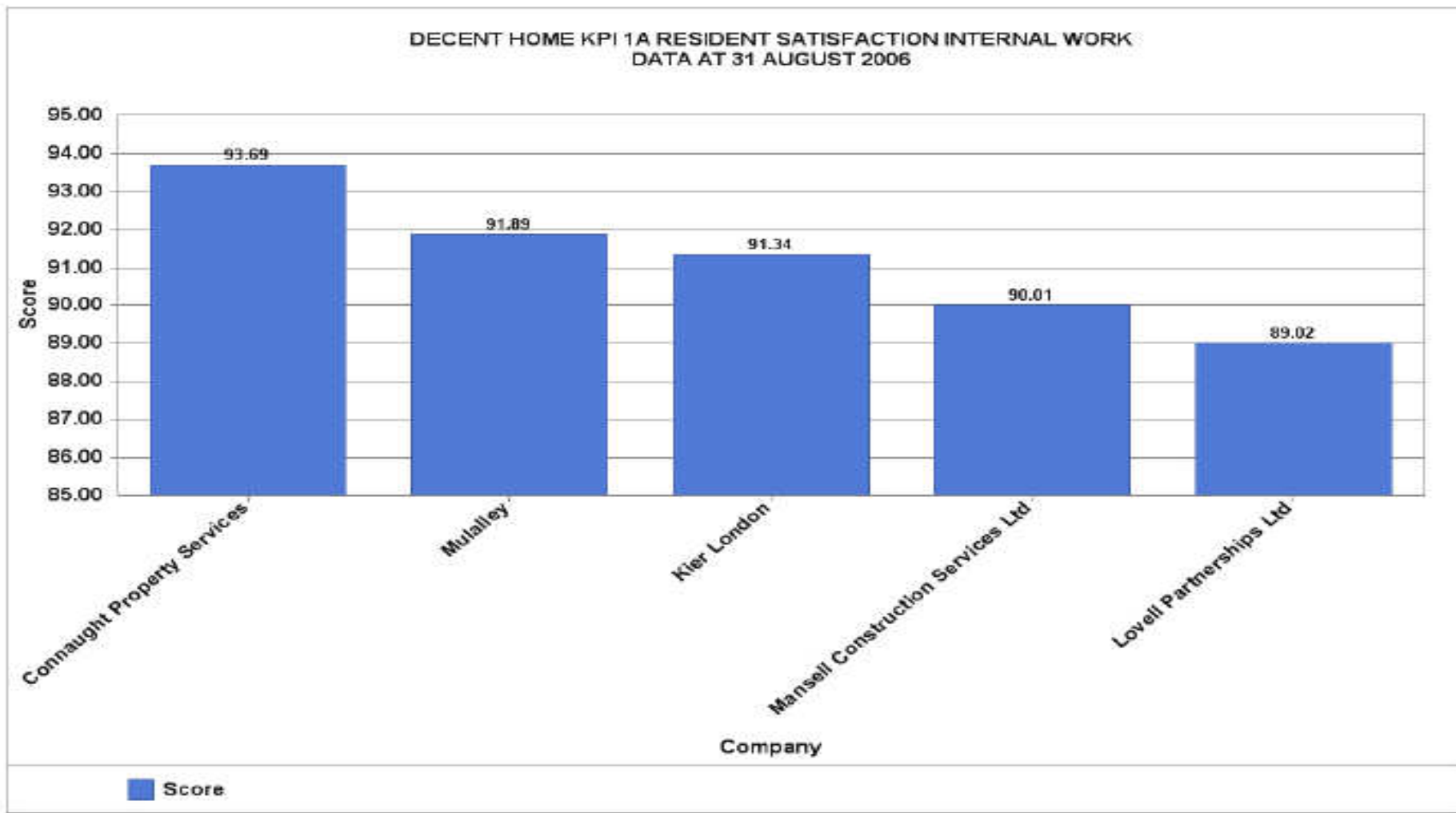
Dale Walker

Jonathan Oxlade, Head of Resources 0208 356 2147

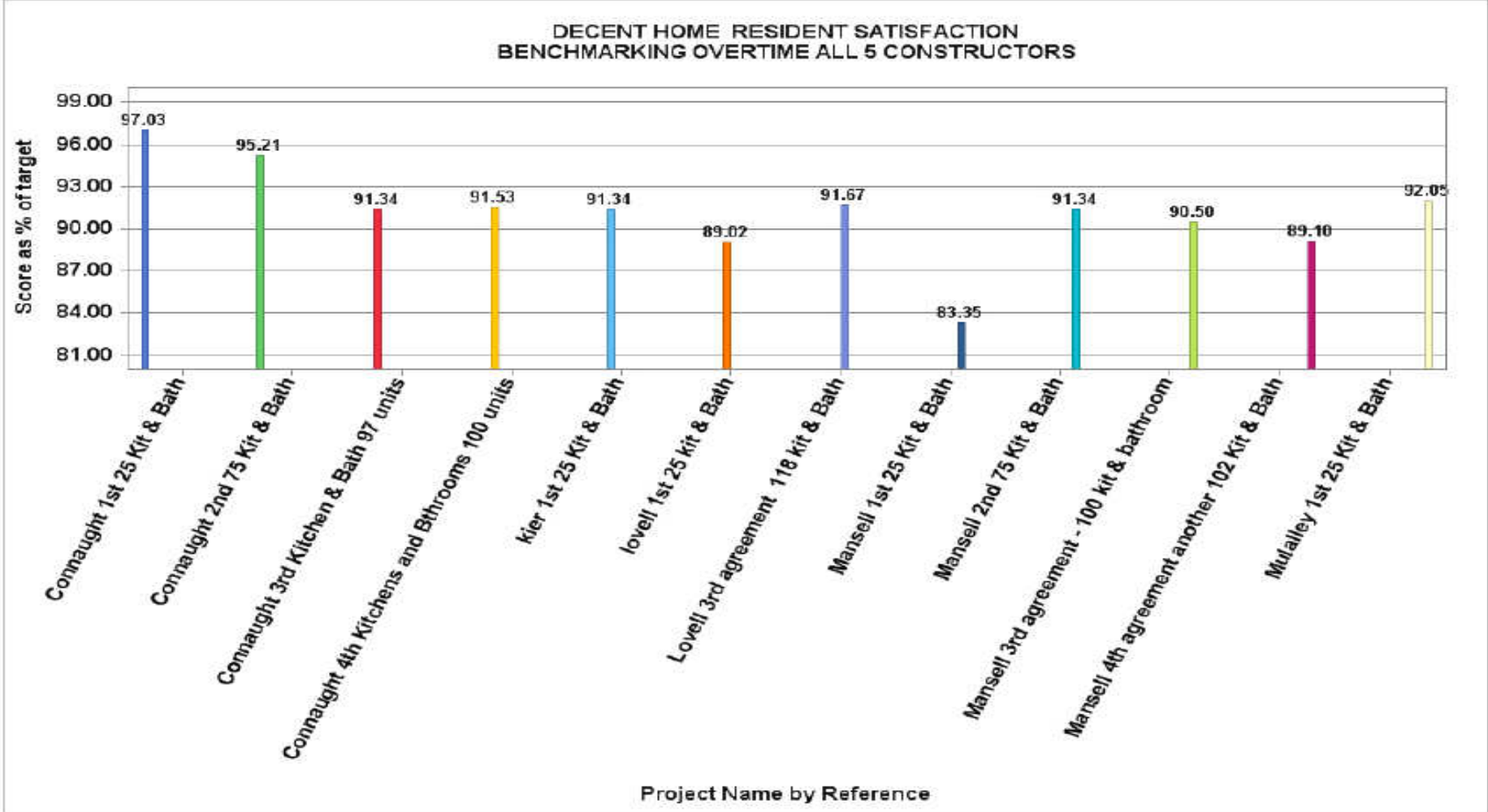
Martin Weaver, Head of Technical Consultancy 0208 356 2274

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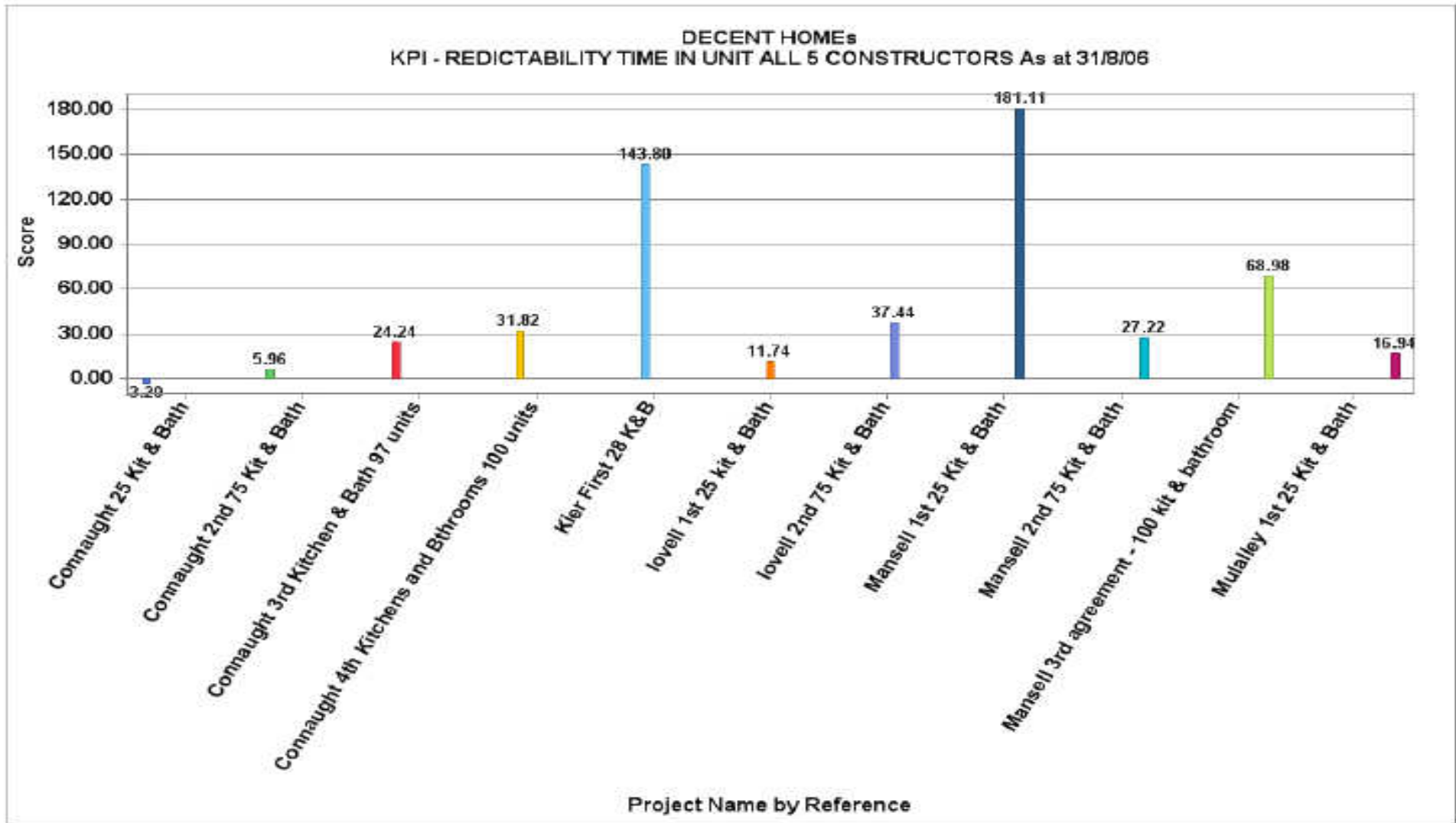
This graph shows the benchmarking of all 5 constructors on Resident satisfaction rolled up for all internal projects This report is useful at the end of a quarter to indicate which constructors are on target for achieving their target of 95% resident satisfaction at end of project



This is a benchmarking graph of all 5 constructors over a period of the first 4 internal projects. It indicates which projects to evaluate further. It can also indicate if action to improve an earlier poor performance has been effective. Points to consider on this graph are: Kier have only completed 1 project of 25 Kitchens. Data for Lovell's 2<sup>nd</sup> project has been entered into their 1<sup>st</sup> project. Mulalley have only had two internal projects.







This graph shows the % of time over the 20 days target. The figures are an average of all the units in a project. The increase in time in unit for Connaught's 3<sup>rd</sup> project and Mansell's 3<sup>rd</sup> project are the result of disengaging with poor performing kitchen installers and the new installers having to get up to speed.



## Decent Homes Performance Monitoring

### 1. Key Performance Indicators

Decent Homes Phase 2 performance is monitored using Key Performance Indicators (KPIs). 5 of the KPIs form part of the contract with our 5 Constructors and are reviewed monthly with them as part of continuous improvement. These are:

- |                            |   |
|----------------------------|---|
| 1. Resident Satisfaction   | 4. Cost Differential                              |
| 2. Predictability of Costs | 5. Through-Put of Units<br>Completed Differential |
| 3. Predictability of Time  |   |

A web based IT system for monitoring the KPIs named 'Econtract', has been procured. It is available for use by any constructor or client in any location with web access. The system enables us to benchmark across all 5 constructors as well as external benchmarking. We can compare performance over time and identify poor performance at an early stage.

Resident satisfaction with work carried out as part of the Decent Homes programme will impact on resident satisfaction with the overall performance of Hackney Homes. Diversity was identified as a weakness in our indicative inspection. Our Status survey also identified more dissatisfaction from BME groups. We have therefore configured the KPI software to enable us to carry out analysis of our performance by ethnicity.

**KPI 1 & KPI 3.** Annex 1, 2 and 3 provides commentary and graphs for KPI-1. Resident Satisfaction and KPI-3 Predictability of time in Unit for internal works.

**KPI 2.** It is estimated that Prelim Costs will be agreed by the Strategic Alliance by the end of September and we will then be able to produce analysis on predictability of costs.

**KPI 4 & KPI 5** Cost Differential and Throughput of Units Completed will be measured once a substantial part of the Decent Home Phase 2 year 1 programme has been completed.

As external programmes start to complete, similar reports based on external work projects will be produced.

### **Validation of KPI data**

Residents were involved in the compilation of the Resident Satisfaction Questionnaires. A process to validate and analyse the results of Resident satisfaction has taken place. We have carried out post project review meeting with residents and a number of residents from the first units completed have been visited. This enabled us to reach residents who we might not normally reach through other means, especially those whose comprehension of English is limited. The review with residents has enabled us to reality check their satisfaction against the data in the KPI software and to seek Resident's views on how they would like us to improve on the way we carry out Decent Homes work. We listened to what the residents told us and have made a number of changes to improve our service. Two examples of these are:

1. Residents with little or no comprehension of English found it difficult to get their problems resolved. It has been agreed that the translation services at the Hackney Homes Call Centre will now be available to deal with such residents and then relay their problems to the constructors RLO. This is an important improvement as diversity is an area of weakness we needed to improve.
2. Residents said we took longer to complete works than estimated. We have reduced the number of units a Constructor can have open at one time to enable project managers to keep tighter control.

In conclusion the validation process we have in place to monitor key areas of performance on Decent Homes Phase 2 is a robust and effective way to identify what we need to do to improve performance and deliver the programme on time, on budget, to a high quality and with good resident satisfaction levels.

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## **VALUE FOR MONEY**

### **Hackney Homes - Procurement of contracts to deliver Decent Homes**

#### **1. Background**

- 1.1 The Decent Homes Programme was set up in 2000 by the government in an effort to improve the quality of public (social) sector homes – i.e. those managed by local authorities (including ALMOs) and Registered Social Landlords.
- 1.2 The Programme will ensure that all blocks are fully wind and weather-tight (i.e. Decent Homes Standard minimum), and that the Housing Service, now Hackney Homes makes significant savings and minimises tenant disruption by using the opportunity of the scaffolding and other access means to carry out the additional work to meet the Hackney Standard. This Standard includes internal works, such as kitchen and bathroom renewal where properties fail to meet the minimum standard.

#### **2. Decent Homes**

- 2.1 In 2000, the government made a commitment to bring all public sector homes up to a decent standard, establishing a 10 year target and an interim target to:

"Ensure that all social housing meets set standards of decency by 2010, by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004, with most of the improvement taking place in the most deprived local authority areas".

This places a responsibility on Councils to set a timetable for eliminating backlog repairs in their stock, carrying out ongoing maintenance and take the necessary actions to ensure these targets are met. To achieve this, authorities will need to:

assess the level and type of disrepair within their stock, compared to the Decent Homes Standard, and how much will it cost to bring homes up to standard;

use an analysis of the local housing market, particularly relating to demand and supply for council housing to decide whether and where stock should be demolished ;  
assess the options available to them for raising the necessary investment, to determine which are viable and which is the preferred option;  
work to improve their repairs, maintenance and improvement services to ensure they are achieving the best value for money;

### **3. Hackney Standard**

- 3.1 The final phase of works to attain the Hackney Standard will be related to environmental Improvements, home and block security improvements. If resources were available it is clear that some elements of the work would be prioritised in areas of the Borough or on estates where crime, fear of crime and anti-social behaviour are current and serious concerns for residents and Hackney Homes.
- 3.2 The first phase of work (Decent Homes 1) was procured through the London Housing Consortium to ensure compliance with the requirement to bring one third of homes up to the standard by the end of 2004. At the same time, the Housing Service undertook to develop a detailed investment and procurement strategy "the Strategy" for future phases through a programme of consultation with stakeholders including the Tenants' Convention.
- 3.3 An approach has been adopted towards the brief for Decent Homes 2 works, which will ensure that works briefs are not directed towards individual elements (such as windows or roofs) but to the need to deal with the asset as a whole.

### **4. Contribution to Procurement in Hackney**

- 4.1 Over the past three years, procurement practice has been improved through the implementation of a range of recognised methods of process support and control - including an adaptation of the Gateway Process, as set out by the OGC. Recent enhancements through new Contract Standing Orders will establish a risk and impact based approach to agreeing the extent of scrutiny to be employed with each procurement exercise.

- 4.2 Decent Homes Phase 2 has passed through the Gateway Process where it has been scrutinised by (in addition to professional officer advice) a skilled panel of Members at Audit, Finance and Procurement Committee (AFP). This has ensured that procurement has realistic deliverables, adequate planning, a fully endorsed business case, sufficient budget, appropriate consultation and many more criteria besides. The initial planning stage of the contract complete; the project will report the benefits back to AFP in 2006.
- 4.3 The project has significantly raised the profile of procurement in Hackney, where until the improvements set out above were implemented, the borough was probably not one that organisations would have looked to for an example of good practice. However, the Housing Service submitted a successful bid to Constructing Excellence for Demonstration Project status and is an approved site for formal demonstration of the Decent Homes 2 Project.
- 4.4 Whilst the majority of the external works (as set out in Phase 1) could be carried out with minimal disruption to residents' lives; internal works such as re-wiring, kitchen and bathroom installation, heating and flooring improvements would be a completely different issue. Additional envelope and environmental works to properties would also need to be taken into account.
- 4.5 Therefore the aim of the Decent Homes 2 Strategy was to have the programme delivered by well organised and effective contractors with a proven track record in carrying out works with residents in occupation. It was essential that the contractors have a demonstrable track record for customer focus, and a willingness to work with the Housing Service to obtain value for money, maximise programme delivery and the creation of training and employment opportunities for residents in the Borough.

## **5. The Procurement Process**

- 5.1 The procurement of large-scale multi-trade repair, renewal and improvement works presents a number of challenges for local authorities, not the least of which is the need to engage residents in the process whilst preserving discipline of the process. The process we employed had regard to the need to manage this issue.

- 5.2 Five contract areas were therefore defined with boundaries that are largely contiguous with Housing Neighbourhood Management boundaries. This is intended to develop a clear contractor/resident partnership over a period of several years.
- 5.3 Following through EU Procurement Directives, the Contract was tendered on a Design and Build basis using PPC 2000 Contracting Arrangements. Once the tender shortlist was established, the Housing Service set up Joint Officer and Resident Panels for each contract area which reviewed tender submissions in terms of quality, interviewed contractors and over a period of two weeks carried out visits to the offices and sites of each contractor. The panels reached consensus on a quality score for each tenderer.
- 5.4 The tender results were assessed on the basis of 50% on quality and 50% on price. The financial review was carried out by expert external consultants appointed through the London Borough of Southwark, who prepared the tender documents on behalf of the Housing Service.
- 5.5 Five constructors were recommended for acceptance at the Cabinet Meeting on 26<sup>th</sup> July 2004 thus enabling all the Decent Homes works required to be carried over a period of at least 4 years at a budget estimate approved by Cabinet of £140M, each under an individual PPC2000 partnering contract. Additionally, Hackney Homes and all of the Constructors have signed up to a "Strategic Alliance" thus ensuring a true partnership approach.
- 5.6 Following complex and sometimes difficult negotiations, where constructors were initially wary of relinquishing their direct control of the supply chain, the Housing Service was able to agree a method for project works which provide cost and other benefits to all parties.
- 5.7 The surveys carried out by constructors will be the main determinant of the scope of works, subject to approval by the Client and by the addition of works (of improvement generally) required to meet the Hackney Standard.
- 5.8 Hackney Homes keeps control of the supply chain - thus negotiating bigger savings (through economies of scale) and consistency of product and service

5.9 Innovation is facilitated through Hackney Homes's ability to communicate directly with the manufacturer of products such as windows and bathroom furniture. Baths are now delivered with plumbing and taps ready installed, thus making the installation process quicker, easier, and less disruptive to tenants.

## **6. Benefits of workshop and basket rate development**

6.1 Tenders had been invited on a Schedule of Rates basis, with the intention to move to Open Book Accounting as soon as possible. Contractors were in addition required to become a part of a Strategic Alliance with Hackney Homes and with one another.

6.2 The possible practical and financial benefits of maximising the principles of partnering through the Alliance between the Partners was very evident and led to a shift in the pre-contract approach away from the conventional Schedule of rates as tendered, to a "basket of rates" approach that provided a range of cost and quality benefits.

6.3 In principle this "Basket Price" approach requires agreement between all the partners of a common price for a basket of work assumed to be required to meet the Client brief. Work discovered to be required which is not included in the basket may be agreed as a variation for which the contractor will receive an additional payment.

6.4 Common Basket Prices have been agreed with all Constructors in relation to Kitchens & bathrooms, surveys, scaffolding roofs, windows, heating and Asbestos removal.

6.5 In order to agree on a common price there has to be commonality of product/service and of approach between all partners as far as is practicable. Partners were therefore asked to indicate who would be their preferred supplier for the product or service required by the Client. These preferred suppliers then made presentations to the Alliance on their services/products and what added value they could bring to the contracts, given certainty of volumes and length of involvement in the supply chain.

- 6.6 Client involvement at this stage was directly with the supply chain identified by our partners, not only to ensure that the product/services met our quality requirements but that the maximum benefit was obtained from offers that suppliers were willing to make in respect of e.g. cost, ongoing maintenance, guarantees, training, employment and environmental issues.
- 6.7 A series of workshops with officers, residents and constructors over several months assessed products, processes and maintenance issues on key elements. At the same time a separate review of the use of PVCu windows also took place with constructor partners and agreement with Councillors reached on the use of this material. At the end of the process the Council was able to agree an "Agreed Maximum Price" (AMP) along the supply chain.
- 6.8 The procurement by constructor partners of common suppliers of kitchen units, sanitary-ware, scaffolding, roofs and windows etc have been directed by the Client. Hackney Homes has dealt directly with the supply chain but have only gone to suppliers suggested by and finally approved by the Alliance.
- 6.9 This approach to supply chain creation has brought with it very significant benefits in terms of cost but importantly in a range of added value benefits which only direct contact between Supplier and Client can hope to fully realise.
- 6.10 A technical team, which is employing Prince2 Project Management processes, has been set up using internal and external resources to manage each of the five contracts. A Project Execution Plan has been prepared to ensure that each of these five procurements delivers a common product in a common manner.

## 7. **Cost Savings**

7.1 An evaluation by an external Quantity Surveying consultancy has indicated significant savings in the first year of this contract, estimated at:

35% against the tendered rates for the contract  
10% against the outturn of Decent Homes Phase 1

A total of 4129 homes are in the year 1 programme (including 202 street properties). The Year 1 budget is £35M - demonstrating significant savings.

## 8. Added Value Benefits

- 8.1 Alongside the basket rates savings, Hackney Homes was able to agree a number of added value benefits with constructors across a whole range of services. These benefits will include employment opportunities, simple measurement methods, guaranteed supply chains. The details of these benefits are listed below:

### **Scaffolding**

A simplified method of measurement to reduce surveying time and increase accuracy of AMP.

A guaranteed source of scaffolding contractors for use across all 5 constructors.

Establishment of a Scaffolding Focus Group to look at ways of recruiting local labour

Flat Roofs - Guaranteed continuity of supply.

Local Training initiatives with Hackney College

Safer installation – Improved safety standards

Extended life cycle – 40 years

Warranty Periods 20 years with option to extend by a further 10 years

Additional Services – Planning, Building control, Structural Engineering

Standards and Specification incorporating the latest technologies

Pricing structure on a block by block basis

Volume Discounts

Production of survey reports

Future support with inspections in year 1, 10 & 20

I.T. support and monitoring

Central material storage and distribution

Preparation for future green roof cover at no extra cost, however ready for future grant aid

### **Windows**

Single Extrusion Supply

Relationship

Uniform Ironmongery for ease of future maintenance

Customer Care Policy

Tenant satisfaction including curtain rail removal/re-fixing and moving furniture if required

Guarantee continuity of supply

Local Training initiatives

Local Labour recruitment – window installers, storekeepers, surveyor

Green Policy – Aiming for Vinyl 2010 compliance

Removal and recycling of glass at small additional cost

Warranty Periods – 30 years

Additional Services – Planning, Building control etc.

Standards and Specification incorporating the latest technologies

Schedule of costs by single sheet matrix

Volume Discounts

Pricing structure on a block by block basis

Production of survey reports

Integral identification marking

I.T. support and monitoring

Willingness to value engineer

Supply chain agreements

Central material storage and distribution

### **Kitchens and Bathrooms**

Enhanced carcass quality

Tenant Choice

KPIs – monitoring the works

Customer Care Policy – Tenant satisfaction

Guarantee continuity of supply

Local Training initiatives

Local Labour recruitment – surveyor, storekeeper

- I.T. support and monitoring
- Willingness to value engineer
- Supply chain agreements
- Easy fix installation process

**Surveying**

- I.T. support and monitoring
- Independent Advice
- Single company to give continuity of reporting
- Up to date stock assessment

## 9. Resident Liaison

9.1 Residents are involved in the formulation and delivery of our programmes through a range of forums and processes which offer access and real influence in decision making at each level. At the higher level, priorities for annual programmes of work are discussed at the Neighbourhood Investment Boards and are shaped in line with the views and preferences of tenants and leaseholders who attend. Residents also attend Project Team meetings with contractors and Project Staff on the Decent Homes Programme. Information on Decent Homes progress is published through various media to keep residents fully informed about pending works to their homes. These include:-

- Access to programme lists through the Hackney Homes website – this searchable by Neighbourhood, Ward, Estate and block

- Regular updates through Hackney Homes News (published monthly)

- Hardcopy lists on notice boards and leaflets at Neighbourhood Offices

- Articles in Housing Partners newsletters

- Participation at community events including Neighbourhood Fun Days

- Access to programme information through “kiosks” at Neighbourhood Offices

- By telephoning the Decent Homes information line which is widely publicised

9.2 Once programmes are underway, residents are informed of their inclusion on a programme directly by letter. For the Decent Homes Programme, they also receive a “Toolkit” of information about the works they will receive on their home, who will be doing it and how they can find out more.

9.3 Ongoing communication is managed in partnership with the constructors who have appointed a Resident Liaison Officer in each of the five neighbourhood areas to act as the first point of contact to tenants during the programme. In addition, some of the manufacturers - including the window supplier - have offered to contribute their own liaison officer services to the process. This will greatly assist in managing resident expectations and securing their co-operation in the works.

9.4 Depending on the type of works package proposed, a residents meeting might be held to discuss resident choice options and to explain the contract programme and anticipated impact on residents prior to contract start.

9.5 The Decent Homes Programme has a strong emphasis on Resident Choice, especially where internal works to residents homes are involved. The Kitchen and Bathroom programme offers a wide selection of finishes and colours for residents to choose from. The design team visit each property and agree the layout and design of a new kitchen and bathroom with the resident. A laptop is used to produce a plan and 3d drawing for the resident to agree. Residents are provided with their chosen design and are given time to reflect and reconsider if they wish. The aim is to ensure they are happy with the proposals and feel they have the design and units they really want.

**HACKNEY HOMES**  
**ASSET MANAGEMENT STRATEGY 2006-10**

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## 1.0 EXECUTIVE SUMMARY

### 1.1 The Strategy

This Asset Management Strategy has been drawn up for the period 2006 to 2010 and addresses the following objectives:-

- To work with residents to achieve the Decent Homes Standard and the higher Hackney Standard for all homes by 2010
- To effectively coordinate investment across all repair, maintenance, servicing and improvement activities to maintain homes at this higher standard.
- To secure value for money for residents through application of partnering and modern construction methods and to reflect best practice in programme management.

### 1.2 The strategy covers the following areas:

- **Stock Investment Priorities.** Stock investment needs are examined and the main programmes required to meet our priorities are featured with a position on where Hackney Homes is in relation to each area of activity. The Decent Homes programme is featured in detail. It has been running since 2004 and to date has achieved the following outputs:

Year	Number of homes Decent	% Decent
1/4/04	7617	30%
1/4/05	9700	43%
1/4/06	10564	47%

The works required to complete the programme are set out in the strategy

- **Resident Involvement & Leaseholder Consultation.** Resident Involvement in the preparation of programmes, delivery and monitoring, resident choice and feedback mechanisms are outlined. Our procedures for leaseholder consultation and the Leasehold Services Improvement Plan are referred to.
- **Resources and Performance Monitoring.** The overall budget forecast to 2010 is explained and the current position on Decent Homes funding requirement is outlined following the conclusion of a recent review of programme expenditure. Charts are included that show programme funding requirements and how they compare with our anticipated funding streams.
- **Improvement Plan**  
The Asset Management Improvement Plan is included at section 6 and identifies all key projects and outputs relating to the strategy.

## 2.0 STOCK INVESTMENT PRIORITIES

### 2.1 ASSET PROFILE

#### 2.2 Key Issues / Challenges:

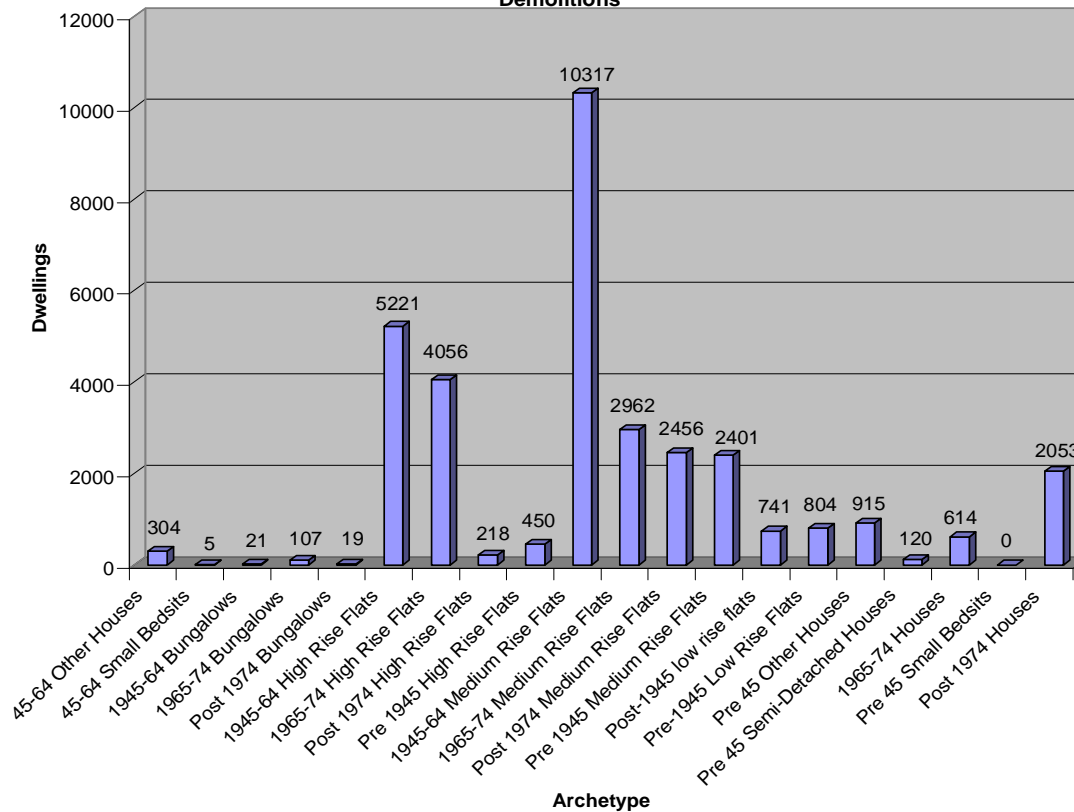
- Our target is to deliver Decent Homes by 2010. Our information shows that the programme is sensitive to building cost inflation. Our forecasts show that the earlier work is completed, the risk of inflation adversely impacting decreases. We are however subject to the Council's anticipated release of funds which will govern the rate of delivery to 2010.
- The information we hold on stock information has been externally audited and confirmed as fit for purpose. The information has been used for planning the Decent Homes programme. It has been recognised, however, that the system has limitations and that Hackney Homes should develop or procure an Asset Management Software System for use across all programmes (not just Decent Homes). This is currently being progressed.
- Stock information is better on external block condition than internal. This is being remedied by the ongoing Decent Homes surveys that are used to update our database. The following section will indicate that the largest proportion of works

outstanding to 2010 is on internal works. We therefore need to carefully monitor that actual stock condition continues to match our forecasts as the programme progresses.

The Council owns and Hackney Homes manages approximately 33,000 homes. This includes TMO's. Flats and maisonettes predominate. The remaining non-traditional stock is currently undergoing an option appraisal.

2.3 Overall Analysis of stock by age and type (archetype) :

**Chart 1: Archetypes as at 28th February 2006 for Leasehold & Rentable dwellings including Decant & Demolitions**

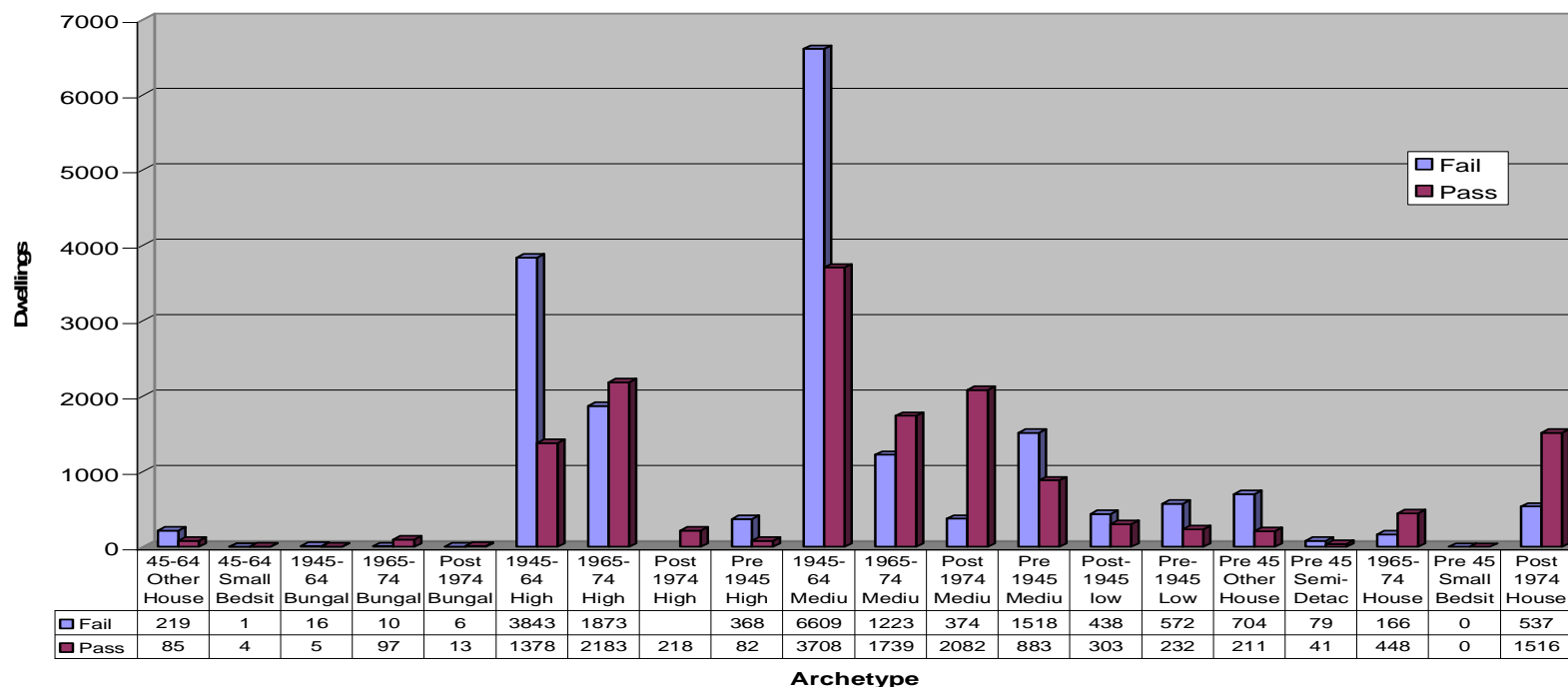


## 2.4 Specific Issues:

The majority of stock comprises post war medium or high rise flats and maisonettes. Most of non traditional stock has been demolished or transferred in previous years leaving some concrete system blocks on the Gascoigne estate. The blocks and estates requiring major works have been identified for regeneration transfer or disposal.

High rise and medium rise property in the 1945-64 band comprise the majority of Decent Homes failures across the stock (Chart 2). However this matches the proportion of this archetype to the stock numbers as a whole. As would be expected, the newer the stock the lower the incidence of failure.

**Chart 2 : Pass & Fails by Archetype as at 1st April 2006 for Leasehold & Rentable dwellings including Decant & Demolitions**



## 2.5 Issues facing specific areas:

Assessments have been made of the need for investment in longer term regeneration schemes such as Woodberry Down. The development programme for this scheme stretches well beyond 2010 and the medium term investment needs of the stock have been addressed. Allowance has been made in the maintenance projections beyond 2010 for works to these blocks. The

Department for Communities and Local Government (DCLG) wrote to all ALMO's in August 2006 asking for revised spending proposals for estates we may wish to slip beyond 2010. These blocks would only enter into discussions if further ALMO credits were available for including them within Decent Homes.

## **2.6 Demand**

The overall demand for accommodation remains high in all sectors.

The major influence of the very high demand for homes of all sizes and in all locations is that the cost threshold for refurbishment before other options are considered is comparatively high. Notwithstanding this, bedsit properties present difficulties in that they remain unpopular and in some cases hard to let and it is sometimes hard to achieve the necessary space standard to comply with Decent Homes.

## **2.7 SOURCES OF INFORMATION AND INFORMATION MANAGEMENT**

### **2.8 Stock condition survey**

A fully stratified stock condition survey was completed for LB Hackney by Frost Associates in 2003. The survey covered 85% of the stock externally and a stratified 10% sample internally. This formed the basis of Phase1 of the Hackney Decent Homes Programme. The survey established that only some 30% of Hackney stock met the Decent Homes standard at that time. The survey information has been updated with further in-house surveys and in line with works completions. The information is held on an in-house database that keeps stock information on an elemental (building component) basis. The general conclusion to be drawn from current data is that the stock has been reasonably well maintained on a day to day basis but has lacked major capital investment in some areas. As a result there are a significant number of major components that have reached/are reaching the end of their useful life and will require replacement in the short term. The following is a summarised list of these components:

- Roofs – pitched and flat
- Front and back doors
- Concrete & Brickwork Repairs
- Re-pointing
- Structure
- General environmental works
- Kitchens and bathroom renewal
- Heating / thermal standard
- Rewiring
- Foul and surface drainage

Data on the above elements all relate to Decent Homes criteria, which was the primary reason for the survey. The Decent Homes Phase 2 Programme is supported by an extensive survey programme to develop works packages. The survey information is held electronically and covers a wide range of attributes that enhance our existing data. Best Value reviews and the voluntary inspection in November 2005 identified the need to improve systems for retaining and managing stock data. A project team has been engaged in evaluating needs and researching available software packages. The intention is to procure a system that will be compatible with the Housing Management System – Saffron. The system will be operational by March 2007.

A recent external review of the funding requirement for Decent Homes was carried out by cost consultants, MACE. Charts 3, 4 and 5 have been developed from their report and show the current cost projections of Decent Homes works to 2010 by element.

These figures do not include requirements for any planned or cyclical programmes.

Charts 3-5 show the outstanding liability of Decent Homes as at April 2007 (Projected). The following Table shows the “roadmap” of Decent Homes delivery from the beginning of the programme to 2010.

Year	Number of decent homes	% Decent
1/4/04	7617	30%
1/4/05	9700	43%
1/4/06	10564	47%
1/4/07 (projected)	13617	58%
1/4/08 (projected)	15767	67%
1/4/09 (projected)	18917	81%
1/4/10 (projected)	22067	94%
12/10 (projected)	23478	100%

### Chart 3

The strategy adopted at the beginning of the Decent Homes programme, agreed through consultation with residents, was to prioritise external works so that all homes achieved decency *externally* and were then followed by internal works as a separate programme. This is reflected in the current stock profile as a result of programmes since 2003 that have made significant progress on the externals programme. The majority of works now outstanding are kitchen and bathroom renewals.

**Chart 3 : Key Elements By Archetypes- 2006/07 Assuming 06/07 Programme Completed And Showing Council Liability Only.**

Archetype	Total Number	Roof Cov, Structure Drainage	Walls	Windows	Main Entrance Doors	Foul and Surface Drainage	Re-Wiring	Kitchen and Bathrooms	Heating

1 : 1965-74 Houses	614	257,187	146,752	215,840	4,315	32,449	19,641	2,177,079	128,454
2 : 45-64 Other Houses	304	229,740	351,722	479,848	9,493	58,280	11,904	739,956	119,717
3 : 45-64 Small Bedsits	5	17,146	9,761	9,300	173	1,214	595	59,885	5,497
4 : 1945-64 Bungalows	21	169,673	28,829	27,766	690	8,571	2,381	183,920	35,080
5 : 1965-74 Bungalows	107	118,235	12,882	12,566	173	2,452	595	722,541	22,952
6 : Post 1974 Bungalows	19	0	0	0	0	0	0	112,391	1,190
7 : Pre 1945 High Rise Flats	450	362,712	349,771	346,928	0	10,392	2,976	2,869,434	0
8 : 1945-64 High Rise Flats	5221	796,785	2,041,408	6,683,812	822,245	160,523	226,762	26,384,397	1,596,104
9 : 1965-74 High Rise Flats	4056	22,021	482,601	1,829,269	230,472	41,006	112,190	23,415,313	935,371
10 : Post 1974 High Rise Flats	218	119,642	107,152	107,458	1,521	767	298	1,842,949	5,199
11 : Pre 1945 Medium Rise Flats	2401	2,583,131	1,531,390	1,682,663	56,662	80,120	160,102	15,394,706	2,864,981
12 : 1945-64 Medium Rise Flats	10317	3,459,795	2,037,437	6,416,059	343,535	190,298	155,341	42,935,639	2,724,279
13 : 1965-74 Medium Rise Flats	2962	618,193	487,163	1,100,143	75,260	97,665	57,732	12,234,591	895,559
14 : Post 1974 Medium Rise Flats	2456	252,423	229,377	717,922	29,729	8,415	18,450	10,190,693	280,617
15 : Post-1945 low rise flats	741	85,993	79,628	239,343	10,732	9,891	2,083	3,046,116	119,020
16 : Post 1974 Houses	2053	674,936	263,638	1,062,107	22,093	84,396	35,711	8,612,479	176,430
17 : Pre 45 Other Houses	915	8,041,679	4,588,308	4,371,097	81,122	620,434	176,172	3,793,486	1,663,819
18 : Pre 45 Semi-Detached Houses	120	685,832	390,878	631,555	12,772	58,280	18,450	631,947	182,309
19 : Pre 45 Small Bedsits	0	0	0	0	0	0	0	0	0
20 : Pre-1945 Low Rise Flats	804	1,391,436	393,075	1,056,338	44,024	91,072	38,686	2,319,797	636,129
<b>Cost (£)</b>		19,886,560	13,531,772	26,990,013	1,745,012	1,556,223	1,040,068	157,667,319	12,392,708
<b>Total Cost (£)</b>		<b>234,809,675</b>							
<b>Percentage (%) of the proportion of Total Cost</b>		8.47%	5.76%	11.49%	0.74%	0.66%	0.44%	67.15%	5.28%

## 2.9 Asbestos removal

**Key Issues / Challenges: To ensure that we have asbestos data to enable the safe management of asbestos. We will remove or encapsulate asbestos when necessary to enable works or to ensure the safety of our residents or workforce, and where possible incorporate removal works within planned improvements works programmes.**

It is important to note that at this stage the survey data makes only a notional allowance for the costs of asbestos removal. The age of the housing stock indicates that asbestos is a common building component within the properties. An asbestos survey has been carried out to a representative sample of the Council's stock and an asbestos register is maintained on locations where there is a confirmed presence of asbestos materials. The policy to date has been to leave materials containing asbestos in situ where it is undamaged and poses no immediate threat to health and safety. However, asbestos is removed during repairs and refurbishment where appropriate.

Hackney Homes has developed a bespoke Asbestos Management System. Training and testing is commencing in September 2006. Hackney Homes will ensure compliance with the requirements of the Control of Asbestos at Work Regulations 2002 (CAWR 2002) and the Housing Health and Safety Rating System (HHSRS), both of which came into effect in 2006. The former imposes a new Duty of Care for the management of asbestos and the latter places asbestos at the head of 29 major risks to be assessed and requires a redefinition of 'decency'. Projects are being set up to assess Hackney Homes' compliance and will be reported to the Board in line with the delivery timetable in the Improvement Plan. Contractors undertaking surveys for repair and refurbishment work are working in a planned manner within the Decent Homes Ph2 Programme to continually update this database. Asbestos removal depends on location and risk, and these are assessed at the design stage of refurbishment and improvement work.

Our systems will identify the presence of asbestos for all properties when day to day responsive or void works are ordered. All staff and contractors are fully conversant with the policies and safe working procedures.

The asbestos regulations are primarily in place to protect contractors working within premises and the same stringent safeguards do not necessarily apply to occupiers of the premises. The present policy will be continuously reviewed to ensure that all risks are being appropriately addressed.

## 2.10 Energy Efficiency

### Key Issues / Challenges:

To achieve our 2009 target we will need to continue replacing old systems (approximately 450 per year) & upgrading old boilers (approximately 650 per year). We will also need to look into other energy sources from March 2007 onwards (eg solar hot water to achieve the 2009 target which would also help to retain our high position (position 5) vis a vis other Local Authorities in London. To achieve this Hackney Homes are exploring the installation of six field trials for solar hot water systems for installation under the current Central Heating Programme using our three main boiler manufacturers and three main installers.

The current Programme to implement an Energy Efficiency policy is funded within the Decent Homes budget and aims to achieve year-on-year improvement in the SAP ratings of units. The SAP ratings (a government measure of energy efficiency within dwellings) are being improved by installing or replacing boilers and Central Heating Systems, replacing windows and improving loft and cavity wall insulation.

**A Hackney Homes Affordable Warmth Strategy exists in draft form and will be agreed soon. An update will be prepared for the Board's approval which will seek to exceed the requirements of the Council (The Councils' draft sets a target to ensure that the Housing stock will by 2010 have an average SAP rating of 67 and ensure that no home will have a SAP rating of less than 40, this has already been exceeded) and bring our performance in line with the "HECA" targets set by government. These are much more stringent and are outlined below. It also aims to address the issues surrounding affordability to ensure that no home has to spend more than 10% of their income on heating. The strategy's approved recommendations will be implemented within the operational delivery of the Asset Management Strategy. The current SAP targets will need continuous review and improvement, despite their already being exceeded.**

The Best Value Performance Indicators stated within this year's HECA Report (2005–06) confirmed the continuing improvements. These were:

HECA Target	Actual
SAP Rating Target for 2005 / 2006 = 69	69.2
SAP Rating Target for 2006 / 2007 = 70	To be monitored
SAP Rating Target for 2007 / 2008 = 72	To be monitored
SAP Rating Target for 2008 / 2009 = 73	To be monitored

## 2.11 OTHER PROGRAMMES

### 2.12 Summary of historic investment programmes

The Decent Homes programme has substantially increased the size of the overall capital programme in recent years. If this is excluded then remaining expenditure over the past three years has comprised:

	2003/4	2004/5	2005/6
Historic investment in :			
Response maintenance (Revenue)	5.496m	6.162m	6.531m
Void Maintenance (Revenue)	2.378m	2.336m	3.551m
Cyclical maintenance (Revenue)	14.285m	14.932m	16.162m
Planned maintenance (Capital)	6.464m	13.417m	20.315m
Regeneration Programmes* (Capital)	3.464m	4.623m	8.995m
Other Capital	4.235m	5.026m	3.143m
<b>Totals</b>	<b>36.32m</b>	<b>46.50m</b>	<b>63.62m</b>

\* excluding Decent Homes

## 2.13 Response maintenance

### Key Issues / Challenges:

- **To provide an effective and value for money responsive repairs service which can be easily accessed by our residents.**
- **To monitor the quality and value of the work delivered by our repair partners and to monitor and enhance the service to increase resident satisfaction**
- **To maximise the proportion of jobs completed at first visit**

The day-to-day responsive maintenance service has achieved significant improvements in resident satisfaction over the last three years and improved performance against the Government appointment and response time targets. The current statistics show responsive repair costs running at over £6.5 million per annum (excluding voids). Historically there has been a broad definition of responsive repairs and a significant proportion of the total cost is not properly responsive. We are currently analysing the content of this category of repair and establishing a new coding structure that will exclude such items as small scale planned works and should enable improved value for money to be achieved.

The proportion of priority category work has been significantly reduced over the last three years as a percentage of total works orders placed. All works are now ordered through the Repairs Contact Centre and are carried out by a combination of directly employed labour and supply chain partners. Independent post inspections of the quality and completeness of and charges made for repairs are conducted and reported monthly with the results analysed to inform service planning.

Resident satisfaction with the service over the past three years is as follows:

<b>REGARDING THEIR LAST REPAIR, TENANTS RATINGS THE FOLLOWING AS GOOD</b>			
<b>(Tenants who have had a repair completed)</b>	<b>2003%</b>	<b>2004%</b>	<b>2005%</b>
Being told when workers would call	48	62	83
Time taken between reporting the repair and work starting on it	45	55	67
Speed with which work was completed	50	57	65
Attitudes of workers	75	64	75
Overall quality of repair work	61	65	70
Keeping dirt and mess to a minimum	61	60	72

The following table summarises some of the repairs key performance indicators.

	<b>End2004/5</b>	<b>End 2005/6</b>	<b>April – July 2006</b>
LP8 (ex.BV72) : % of urgent repairs completed within government timescales	92.45%	98.1%	98%
BV73 : Average time taken to complete non-urgent repairs	19.33 days	15 days	11 days
% of pre-inspections carried out within 5 days	82%	90%	92%
The % of repair jobs where appointments were made and kept	95%	95%	97.59%
% of communal repairs completed within timescale	85%	90%	84%
% of calls answered by the Call Centre in three rings	77.32%	80%	95%
% of all calls answered by the Call Centre	69.3% (t.b.c)	92.21%	93.05%

•

- Satisfaction with the repairs service is systematically measured through a minimum of 500 customer call-backs per month. The current satisfaction levels at the end of 2005/6 was as set out below:

- Quality of work – 89%
- Speed of response (completed on first visit) – 88%
- Appointments made and kept – 96%

A business improvement review of repairs and maintenance has recently been completed and has delivered estimated full year savings in management in the region of £2 million, subject to final confirmation. The proportion of core responsive work in the revenue programme and to the programme as a whole is low. A recent benchmarking exercise conducted by the Housing Quality Network found that Hackney Homes repairs prices were 9% below the London average. Market testing of the repairs service is currently being undertaken and will establish all repairs and maintenance contracts on a full partnering basis, designed to lower costs and increase the proportion of repairs completed satisfactorily at first visit.

## **2.14 Void repairs**

### **Key Issues / Challenges:**

- **We aim to reservice void properties in under 10 days to enable reduced overall void turnaround times.**
- **We aim to consistently achieve the Hackney Homes ‘fit to let’ standard and achieve savings in reservicing costs**
- **We aim to complete Decent Homes renewal and replacements during voids reservicing to take advantage of the access opportunity. Voids completed would be recorded on the Decent Homes database.**

Void turnaround performance has generally improved. The performance for Voids was down from 26 days in April 05 to just over 24 days in April 2006. This shows continued strong performance against the 2006 target of 28 days.

- As with responsive repairs, elements of elective planned works including those to the Decent Homes Standard are currently undertaken during void periods and the cost of these is included in the average Void costs. It is our intention to re-code Void works to achieve two results. Firstly, to obtain better management information about Void expenditures so, for example, we can better assess and manage the various elements of expenditure on cleaning, clearance, safety checking, improvements, etc. Secondly, so that improvement and refurbishment expenditure can be used to update stock condition information and the cost allocated to the planned maintenance budgets and the benefit count towards the reported Decency totals.
- A Void 'fit to let' standard has been agreed with tenants. This incorporates action on re-charges and tenants' effects left in properties. New tenants also receive a welcome pack which includes everything they need to keep their home in good condition and is explained in the sign-up procedure and DVD
- The Table below shows the numbers of Voids and costs over the last three years.

	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
No. of voids	1271	1347	1291
Total cost void repairs	NA	4,337m	£3.551m
Average cost per void	NA	£3,220	£2,750

- In a bid to reduce the number of Void refusals, a new enhanced voids standard was piloted in 2005/2006. The effect of the planned maintenance programmes will further reduce these costs.

## 2.15 Planned maintenance

### Key Issues / Challenges:

- **To undertake planned maintenance of building fabric and services to national standards of good practice.**
- **To accurately assess the requirement for capacity and resources to ensure compliance with existing and new demands and that homes once made Decent remain so in the long term.**

The Hackney Homes planned maintenance programme consists of a wide range of elemental improvement and renewal programmes. Priorities are determined on the basis of stock condition surveys and feedback from residents. Programmes undertaken annually include:

- Domestic boiler replacement
- Lift refurbishments and Renewals
- Water Tank refurbishment, water mains and booster pumps renewals
- CCTV and concierge new technology upgrades
- Digital upgrades of , communal TV aerials
- Play equipment – new and replacement
- Estate lighting upgrades, Lateral mains renewal , domestic rewiring
- Asbestos Removal
- Communal door entry system renewals
- Safer city doors programme FED
- Replacement of estate roads and footpaths
- Communal ventilation refurbishment and replacement
- Drainage system refurbishment and replacement

The programme in the period to 2010 is designed to complement and support Decent Homes investment, meet statutory landlord requirements and resident priorities for improvement. The programme will take over the legacy of Decent Homes investment and will meet the responsibility for keeping homes decent and delivering a better estate environment. Sustainability is key here and in view of future funding constraints, there will be a need to give greater priority to those parts of the stock where there is a developing problem of falling demand or obsolescence

These programmes will benefit from the development of the Integrated Asset Management Software System (IAMS) as the means of planning replacement and repair programmes. The principles and data developed through the planning of Decent Homes will be taken forward to develop a maintenance plan to 2030 once the IAMS is implemented early in 2007.

#### **Strategy and Standards for Planned Maintenance by programmes:**

- **Domestic boiler replacement:** we plan to *replace domestic boilers every 15 years* (dependant on condition) and *heating systems every 30 years* (dependant upon condition) and undertake an annual safety/ maintenance check.
- **Lift refurbishments and Renewals:** we plan to *replace lifts every 30 years* (dependant on condition), undertake *major safety checks every 10 years* (compliance with statutory requirements) and maintain lifts and equipment annually.
- **Water Tank refurbishment:** Annually checked and cleaned. *Refurbishment every 10 years* (dependant upon condition)
- **Water mains:** Replacement works will be developed from water mains failures/ leaks within the boundary of the estates. This is an expensive operation and would be linked with resurfacing of roads and footpaths on the estate. Current programme deals with major system failures
- **Booster pumps renewals:** Annual service and maintenance, plan to *replace every 15 years* (dependant on condition)
- **Play equipment** – new and replacement: Quarterly safety checks. Plan to *replace / upgrade every 15 years* (dependant on condition)

- **CCTV and concierge** new technology upgrades: Annual maintenance. Plan to **replace cameras every 5 years** and **hardware every 10 years** (dependant on condition)
- **Estate lighting:** **Replace lamps every two years**, plan to **replace lamp units every 10 years**.
- **Lateral mains renewal:** Plan to **replace every 30 years** (dependant on condition),
- **Domestic rewiring:** **Safety check every 10 years**, plan to **replace every 30 years** (dependant on test results and condition)
- **Communal door entry system renewals:** Plan to **replace every 15 years** (dependant on condition)
- **Safer city doors programme:** Plan to **recoat external surface every 15 years** (dependant on condition)
- **Renewal of estate roads and footpaths:** Annual safety checks which will develop a high priority replacement programme. Plan to **renew every 30 years** (dependant on condition)
- **Communal ventilation** refurbishment and replacement: Annual maintenance. **Major overhaul ever 5 years**. Plan to **replace every 15 years** (dependant on condition)
- **Drainage system** refurbishment and replacement: Cyclical maintenance will inform a replacement and refurbishment programme.

## 2.16 Cyclical maintenance

The following categories of cyclical maintenance are undertaken:

- Prior to paint, external and communal area repairs and painting on a 5 year cycle with regular review of specifications (see below)
- District heating maintenance (see below)
- Gas fired appliance servicing and safety checks (see below)
- Lift maintenance (see below)
- Door entry security systems: annual maintenance
- Energy management controls: annual checks
- Boosted water plant (see below)
- Ventilation maintenance: annual service and maintenance
- Fire alarm maintenance: annual maintenance
- Emergency lighting: annual maintenance
- Building access cradles: annual maintenance
- Lift monitoring modem links: monthly
- Sewage pumps: annual maintenance
- CCTV: annual maintenance
- Drainage and guttering cleaning (see below)
- Water quality control and maintenance (see below)
- Estate common areas: annual checks
- Estate and block lighting: daily checks by cleaners
- Play equipment safety checks: quarterly
- Lightning protection: annual, with five year operational tests.
- Dry riser maintenance: 6 monthly and annual safety/ maintenance checks.

These contracts have recently been procured on a partnering basis. We are currently moving to partnering contracts under TPC2005 contract conditions. Better emphasis on “packaging” of works in tendering (all electrical servicing items in one package for instance) will improve efficiency of delivery and make them more attractive for contractors. Contract requirements will also be built more around Hackney Homes service standards and contract performance will be monitored through standard KPI’s.

The emphasis going forward will be on reducing the incidence and cost of responsive repairs, through increased cyclical and planned maintenance programmes, the enforced use of warranties, extending maintenance cycles and removing maintenance altogether by eliminating the need for painting, or servicing between renewal intervals through application of innovative materials and design, eg installing new FEDs’ with foil coatings which do not require painting for at least 15 years

### **2.17 Strategy for cyclical maintenance:**

- **External building fabric and communal area painting:** We plan to redecorate common areas on a 5 year cycle with regular review of specifications and products.
- **Gas servicing and safety checking:** The work in this area is a statutory landlords function covering servicing, annual safety checks, breakdowns and a measure of renewals at a fixed annual all-inclusive priced contract. Expenditure is currently just under £3m per annum with a further £0.687m for District Heating maintenance. Heating renewal programmes are run annually and the stock now has near 100% provision of central heating of some form. Some older district heating systems are becoming costly to maintain and our intention is to replace some of these with conventional heating or replacement District Heating on a Combined Heat and Power model. Current performance on servicing and safety checking is 100% and the best practice achieved has been recognised in recent awards from CORGI and the National Home Improvement Council.
- **Lift maintenance:** Due to the age of our lift stock, we employ a “high” maintenance regime. This consists of monthly maintenance checks with major overhauls of motors and running gear at stipulated intervals to ensure safety and compliance with statutory obligations. Again due to the age of stock, we are replacing “obsolete” lift controllers, which improves reliability and energy efficiency, and undertaking major refurbishment works (motor replacements, new doors etc) to ensure reliability of service. We currently spent approximately £1.8m on annual maintenance, £1m on replacements and are planning to commit £2m pa on full lift replacements targeting approximately 20 lifts per year. Good practice advises that lifts should be replaced every 30 years (dependant upon condition)

- **District heating maintenance:** we undertake quarterly maintenance checks (oil fired), six monthly (gas fired) safety/ maintenance checks and an annual maintenance programme on all locations. Major refurbishments are dependant on equipment installed.

Boosted water plant: six monthly maintenance with major annual maintenance.

Drainage and guttering cleaning (see below): due to age and condition of systems we employ three methods of maintenance: very High demand (locations which easily block) cleaned every 3 months, locations with high demand cleaned and maintained every 6 months all other locations are either annually cleaned or cleaned every 3 years.

Water quality control and maintenance: All stored water must be maintained in a potable condition. Boosted drinking water supplies are checked for quality every 6 months (including water samples from properties) with an annual system clean and disinfection. All communal cold water storage tanks are checked and cleaned/ disinfected annually to ensure quality of supplies.

## **2.18 General**

Hackney Homes is working with Hackney Council on a plan for maximising development potential to make better use of estate land. The proposals focus on the Review Estates Phase 2 draft list of properties comprising 28 estates. (Appendix A) This programme is intended to make the most efficient use of available landholdings to increase the supply of housing options for local people. A feature of this programme is the potential to develop up to £50m of capital receipts that will directly benefit the local host estates.

Most schemes will involve infill development on existing estates or selective demolition of garages and blocks to release more substantial parcels of land. The proposals are currently undergoing substantial consultation with stakeholders with a target date of 30<sup>th</sup> October 2006 to report to Hackney Council Cabinet.

### 3.0 RESIDENT INVOLVEMENT AND STATUTORY LEASEHOLDER CONSULTATION

#### Key Issues / Challenges:

Hackney Homes seeks to engage with residents at three main levels of involvement:

- **Strategic** – Resident involvement in the prioritisation and scoping of projects and neighbourhood investment through various forums.
- **Programme Delivery** – Resident involvement in selection panels on the procurement of major works contracts and in monitoring through specific project boards. More use of tenant involvement in assessing resident satisfaction from our programmes is proposed.
- **Quality Control and Customer Feedback** – Resident involvement in analysis of customer feedback from questionnaires through focus groups and receive Key Performance Indicator statistics through project boards and Neighbourhood Investment Boards. There is a need to reflect the level of customer complaints in KPI performance. An analysis of Decent Homes customer complaints is currently in progress. (Sept 06)

### 3.1 Programmes

Residents are involved in the formulation and delivery of our programmes through a range of forums and processes which offer access and real influence in decision making at each level. At the higher level, priorities for annual programmes of work are discussed at the Neighbourhood Investment Boards and are shaped in line with the views and preferences of tenants and leaseholders who attend. Residents also attend Project Team meetings with contractors and Project Staff on the Decent Homes Programme. Information on Decent Homes progress is published through various media to keep residents fully informed about pending works to their homes. These include:-

- Access to programme lists through the Hackney Homes website – this is searchable by Neighbourhood, Ward, Estate and block
- Regular updates through Hackney Homes News (published monthly)
- Hardcopy lists on notice boards and leaflets at Neighbourhood Offices
- Articles in Housing Partners newsletters
- Participation at community events including Neighbourhood Fun Days
- Access to programme information through “kiosks” at Neighbourhood Offices
- By telephoning the Decent Homes information line which is widely publicised

Once programmes are underway, residents are informed of their inclusion on a programme directly by letter. For the Decent Homes Programme, they also receive a “Toolkit” of information about the works they will receive on their home, who will be doing it and how they can find out more.

Depending on the type of works package proposed, a residents meeting might be held to discuss resident choice options and to explain the contract programme and anticipated impact on residents prior to contract start.

The Decent Homes Programme has a strong emphasis on Resident Choice, especially where internal works to residents homes are involved. The Kitchen and Bathroom programme offers a wide selection of finishes and colours for residents to choose from. The design team visit each property and agree the layout and design of a new kitchen and bathroom with the resident. A laptop is used to produce a plan and ‘3D’ drawing for the resident to agree. Residents are provided with their chosen design and are given time to reflect and reconsider if they wish. The aim is to ensure they are happy with the proposals and feel they have the design and units they really want.

### 3.2 Customer Perception

We regularly undertake comprehensive surveys of resident satisfaction with all aspects of Hackney Homes activity. These can be disaggregated down into information about variable levels of satisfaction in specific areas ie by neighbourhood or different BME profiles.

We have a policy of checking satisfaction questionnaires from all residents who have had major works undertaken. The feedback received indicates that satisfaction is generally good: overall satisfaction on major works and planned programmes is in excess of 80% very satisfied or fairly satisfied; the Decent Homes figures are achieving satisfaction scores higher still, into 90%+. Further analysis is carried out to verify survey returns and focus groups are convened post completion to receive detailed comments from residents and this is shared with the constructor partners to drive service improvement.

Overall, resident satisfaction levels for major works indicate a high level of satisfaction from those who receive works. Analysis has shown that areas where further improvement can be achieved are:

- Works taking longer than expected
- Works not continuous (especially internal works)
- Defects after completion
- Scope of scheme not wide enough

These issues are being addressed through improvement plans for each scheme and have prompted enhanced pre-work communication with residents and improved programming and inspection regimes. The final point confirms resident interest in estate environmental improvements to complement decent homes investment and this is being delivered through the enhanced planned maintenance programme.

### **3.3 Statutory Leasehold Consultation**

The recent Best Value Review of Leasehold Management (BVR) identified issues affecting the recovery of major works/service charges including that the absence of a unified major works programme prevented more advance notification of impending works to residents and caused planning problems for the Major Works Team in Leasehold and Income Services. In addition the BV review cited some previous examples of works being ordered without the required statutory notices being served resulting in losses for the Council.

Improvements in programme planning have been introduced where Hackney Homes are now planning and agreeing programmes to 2010 and give greater certainty over anticipated future works and enable full recovery of service and major works charges these will also give leaseholders the opportunity to plan ahead for substantial major works charges.

The formal statutory consultation for major works was previously dispersed across various sections of Hackney Homes but has now been centralised within the Leasehold Services team. This gives proper control of the process from service of Section 20 notices and resolution of queries through to billing and recovery. This provides leaseholders with a single point of contact and reference for queries on service charges and general queries and allows for service charge expertise to be concentrated in one section of the organisation.

### 3.4 Decent Homes Consultation and Development of The Hackney Standard

During the Option Appraisal process in 2004, various options for the level of desired improvement to our homes were proposed and widely consulted on. Three levels of improvement were considered as follows:

Bronze Band	<p>Decent Homes Standard  This means all homes must be wind and watertight and with reasonably modern kitchens and bathrooms.  This could mean renewing or repairing the following items if both in poor condition and more than 30 years old:</p> <table data-bbox="488 611 907 719"> <tr> <td>Windows</td> <td>Kitchens</td> </tr> <tr> <td>Doors</td> <td>Bathrooms</td> </tr> <tr> <td>Brickwork</td> <td>Wiring</td> </tr> </table>	Windows	Kitchens	Doors	Bathrooms	Brickwork	Wiring
Windows	Kitchens						
Doors	Bathrooms						
Brickwork	Wiring						
Silver Band	<p>(referred to as the Hackney Standard in some consultation material)  Inclusive of bronze <i>and</i>  Repairs and renewals that would be prudent to do given the access opportunity of scaffolding.  More environmental improvements, external security and lighting, communal area upgrades</p>						
Gold Band	<p>Inclusive of silver and bronze <i>and</i>  More improvements over two lower standards ie CCTV and environmental works and more upgrades (flat to pitch roof conversions etc)</p>						

Residents expressed a preference for an option that provided for better security and estate environment. Obviously there was a preference for the optimum level of improvement and it was established that the Silver Band was the highest affordable standard. The Decent Homes phase 2 brief matches the Silver Standard.

## 4.0 RESOURCES AND PERFORMANCE MONITORING

### 4.1 GLOBAL FINANCIAL MODEL

#### Key Issues / Challenges:

- The recent Decent Homes “Funding Gap” review established the recalculated sum required for Decent Homes in line with current actual costs. This is £20.23m in excess of the ALMO bid for Decent Homes (or £9.45m without an allowance for environmental works). This is due to a number of factors explained in the text.
- The progress and cash flow forecasts for the regeneration projects – Woodberry Down, Kings Crescent, West Haggerston are difficult to anticipate and progress on any one of these is sensitive to a range of factors. Allowances have been made within the financial model, however variances to this could impact on other budgets or programmes.
- From the 07/08 programme, the risk of not achieving two-stars would translate into a rapid deceleration of the programme.

4.2 Chart 5.1 identifies the overall programme requirement of capital resources to 2010. It is based around the business model prepared in 2005. The Decent Homes requirement has been updated to reflect the latest forecast (provided by Mace) for April 2007. The allowance for environmental works has been included within the Decent Homes total to increase the full DH requirement from £225.36m up to £245.59m. Adjustments have been made to the *Estate Liveability Fund* (Other Landlord Priorities: -£10m from £25m) and Addressing Sustainable Communities (Housing Strategy Priorities: -£10m from £35m) to balance this out. All items in the red box are Hackney Council schemes. The Amber box shows anticipated resources.

4.3 The total of all programme budgets is £562.46m. The total of projected resources is £563.2m :

Chart 5.1: Resources Required to 2010

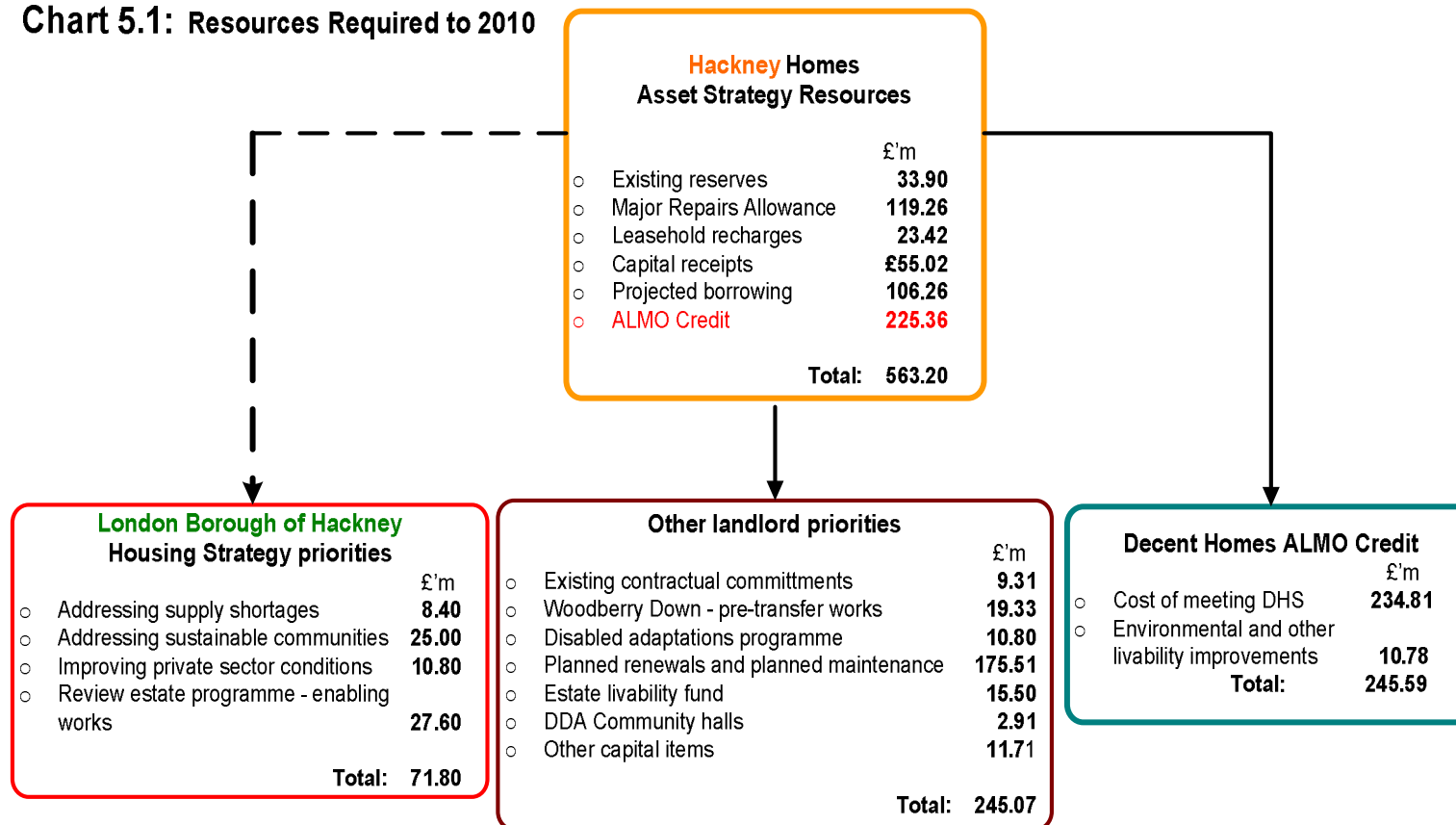
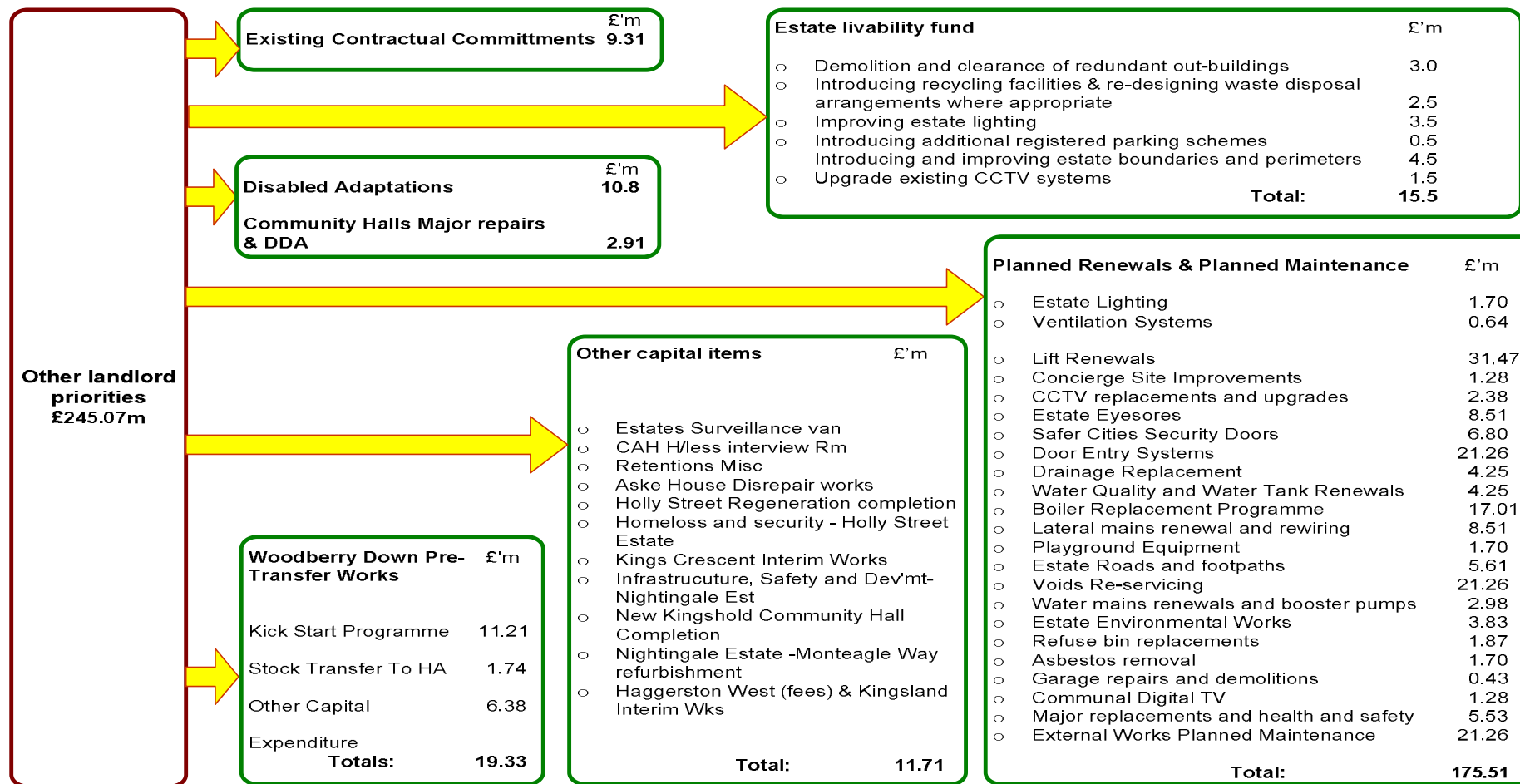


Chart 5.2 illustrates the programme broken down into its constituent parts.

**Chart 5.2: Resources Required to 2010**



The Decent Homes funding gap was recently reviewed by external cost consultants (Mace) in relation to the post tender rates that have now been agreed through the five Phase 2 partnered contracts. The full analysis of the revised funding requirement is shown in Chart 3 (Page 9). The total figure calculated for April 2007 stands at just under £235m (£245.59m with environmental allowance). This is £20.23m above the Business Plan estimate at April 2005, which in turn was based on the Building Cost Model used for the ALMO application in 2004. The reason for the variance is that the original estimate was based on 2004 prices with no allowance for building cost inflation to 2010 as instructed by the DCLG at the time, whereas the Mace cost model includes for inflation. Furthermore, the original funding requirement was based on the base decent homes standard and the updated requirement allows for the higher Hackney Standard. The address lists used had also changed over the period between the two exercises as a result of decisions taken elsewhere on specific regeneration schemes and which blocks were included and excluded.

The projected maintenance plan to 2030 is included at Appendix B.

#### **4.4 PROGRAMME DELIVERY**

##### **4.5 Best Value Reviews**

The current Capital Programme Improvement Plan derives from a service improvement review carried out by external consultants in 2005. Hackney Homes Improvement Board receives regular reports on progress on the uncompleted projects. The Plan includes six projects:

1. To integrate all asset management functions within Hackney Homes
2. Produce a stock database ICT strategy
3. Development of Hackney Standard (completed)
4. Achieve Chartered Construction Client status (amber status achieved)
5. Identify techniques to manage regeneration activities (completed)
6. Procure partnering arrangements for maintenance contracts (completed).

The first of the projects – to integrate all asset management functions within Hackney Homes – is currently being implemented as part of the restructure of the Property Services Division. Programme planning and management of the Asset Management Database (IAMS) will be undertaken by the Performance and Management Information Team.

#### **4.6 Future Reviews of the Asset Management Strategy**

The Asset Management Strategy should be subject to regular review to ensure that assumptions on resource levels, the nature of works programmes and investment needs accord with Hackney Homes overall strategy. The next review point should be fixed in September 2007 when the results of the ALMO inspection will be known and a clearer picture of available resources will be available and performance on the 2006/07 programme can be taken into account.

#### **4.7 Procurement Strategy**

**4.8** The Council traditionally procured contracts by seeking competitive tenders from contractors from the Council's approved list of contractors, with the principle driver being lowest cost. The Council have been procuring contracts based on partnering principles for some years and Hackney Homes will continue to develop work in this area.

**4.9** Hackney Homes is committed to fully embracing the Egan agenda as outlined in Sir John Egan's report 'Rethinking Construction' which advocates:

- Forging longer term, non-adversarial partnerships with contractors and suppliers
- Sustainability in design and procurement
- Efficiency in utilisation of resources
- Use of new construction technology
- Greater emphasis placed upon whole life costs e.g. maintenance, replacement cycle and energy consumption rather than solely initial capital cost.

- **4.10** The Decent Homes Ph2 programme was developed on Egan principles and has developed some ground breaking initiatives in supply chain management. The Ph2 programme received a Society Of Procurement Officers award in 2005 in recognition of the innovative approach to partnering.
- 4.11** Hackney Homes achieved Construction Client Charter status in 2005 in recognition of progress made in achieving continuous improvement in construction procurement and management. Our status is currently amber and we hope to progress to green status after reassessment in November 2006.
- 4.12** We are working towards extending partnering further in relation to Planned & Cyclical work in line with the requirements of the Capital Programme Improvement Plan. Tenants will be directly involved in the procurement and management of the contracts.
- 4.13** It is recognised that current legislation raises obstacles to the partnering approach in flatted blocks, where leaseholders have a contractual right to require competitive tendering. It is therefore essential for Residents, particularly lessees, to be actively involved in the selection of partnering contractors.

#### **4.14 Performance and Monitoring**

As progress is made on developing partnered arrangements, KPI's will increasingly be used as a means of monitoring performance and progress. Wherever possible, contract KPI's are developed to assist with existing BVPI needs and also to facilitate benchmarking with other providers.

The core Decent Homes KPI's include:

- Predictability Cost
- Predictability Time
- Local Employment & Training
- Resident Satisfaction
- Response Time for Defect Liability Repairs

The Decent Homes data is held on an industry standard software package that provides comparables through a Benchmarking club. Results will be reported regularly to Project Core Teams, Project Board and Hackney Homes Board as part of the project management and reporting structure.

## 5.0 IMPROVEMENT PLAN

5.1 The Improvement Plan details all the related activities drawn from the strategy. This document reflects high level milestones that in some cases form part of other Projects or Improvement Plans. Once the strategy is adopted a period of activity will follow leading up to inspection in March 2007 as shown below. The document will be supported with evidential material during inspection to validate our position and demonstrate how we are improving.

Project / Task:	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07 onwards
<b>STOCK INVESTMENT PRIORITIES:</b>								
<b>Asset Management Strategy (ASM)</b>	<b>For ALMO Board Approval &amp; immediate implementation</b>	DH Year 2 all Frameworks to be signed  AM Risk Register to be completed	Publish full Programme to 2010	Update on AM Risk Register reported to Board	Potential Start DH year 2.	Prepare supporting documentation for Inspection 07/8 Capital Prog budget agreed		Review in July / Aug 07 once ALMO funding position known
<b>Affordable Warmth Strategy</b> (to link to AMS)		Target date for Council approval TBA				Prepare 07/08 full AWS implementation programme		Report on 06/07 Out-turn
<b>Housing Health &amp; Safety Rating System</b>	Impact Assessment and Analysis	Report to Board		Gap analysis on Current Systems		ICT implementation in line with IHMS		
<b>Asbestos (ACM) Management Policy,</b> ICT System for implementation	Advance ICT System Testing & Training		Policy & ICT for Board Approval, *				Full ICT implementation for PM & RR	

<b>Project / Task:</b>	<b>Sep 06</b>	<b>Oct 06</b>	<b>Nov 06</b>	<b>Dec 06</b>	<b>Jan 07</b>	<b>Feb 07</b>	<b>Mar 07</b>	<b>Apr 07 onwards</b>
<b>RESIDENT INVOLVEMENT &amp; LEASEHOLDER CONSULTATION :</b>								
<b>Development of Estate Plans (with Resident Consultation)</b>			Workshop Consultations at Residents' Conference	Estate Committee Consultations	Estate Committee Consultations		Completion of Estate Plan Pilots.	Project Review Report
<b>Consultation on Hackney Standard</b>	Estate Committee Consultations	Estate Committee Consultations	Workshop Consultations at Residents' Conference		Review & feedback. Revise Brief as required			Focus Groups on Externals Programme
<b>Review Estates Strategy (LBH Strategy)</b>		Strategy paper to Cabinet	Review Estate Ph1 Consult. Selection of Partners	Review Estate Ph1 Consult. Tender Evaluation	Cabinet Report on Partner Selection	Consultations with Partners	Consultations with Partners	Housing Corporation Funding Bid in Sept 2007
<b>RESOURCES AND PERFORMANCE MONITORING :</b>								
<b>Achievement of Chartered Construction Client status.</b>	CCC 'Amber' Status achieved in Nov'05, Re-assessment End Sep		CCC 'Green' Status, Target: End Nov *					Annual Review of Charter Status Target: to maintain 'Green' Status
<b>Maintenance Contracts re- tender</b>	Tender Documentation/ Consultation	Tender	Publish 4 year Programme	Tender Returns	Evaluation	Contract Award		Process Mapping and Partnering Workshops
<b>ICT System for implementing IAMS</b>	PID sign off Specification Tender Documentation	Capital Bid Confirmation. To Tender		Tender Return	Tender Acceptance	Full ICT implementation for Decent Homes	Full ICT implementation for PM & RR	

\* Repairs & Maintenance Improvement Project phase 3 milestones not referred to – subject to separate timetable.

## **6.0 APPENDICES**

**Appendix A :**                      **Review Estates List**                      **Page 38**

**Appendix B :**                      **Maintenance Budget**                      **Page 39**

**APPENDIX A :**

**REVIEW ESTATES LIST**

(TO BE RELEASED LATER)

## **ASSET MANAGEMENT STRATEGY**

1.0	<b>SUMMARY</b>  Hackney Homes' Asset Management Strategy has been drawn up for the period 2006 to 2010 and addresses the following objectives:- <ul style="list-style-type: none"><li>• To work with residents to achieve the Decent Homes Standard and the higher Hackney Standard for all homes by 2010 and improvement activities to maintain homes at this higher standard.</li><li>• To secure value for money for residents through application of partnering and modern construction methods and to reflect best practice in programme management.</li></ul>
2.0 2.1	<b>RECOMMENDATIONS</b>  That the Committee approves the Asset Management Strategy for adoption and agrees the Improvement Plan
3.0 3.1	<b>BACKGROUND</b>  The August meeting of the Improvement Committee considered the latest draft of the Asset Management Strategy. The final draft is appended for approval and this covering report draws Board Members' attention to the main points in the Asset Management Strategy.

4.0

## **PROPOSALS**

4.1

### **Stock Investment Priorities**

The Strategy outlines the current position on our main programmes and gives a profile of the stock and what needs to be done.

Information on resources required to 2010 is based around the funding requirement established at the time the ALMO was set up, updated to take account of current costs.

The three key priorities of meeting Decent Homes by 2010, complying with all statutory and landlord obligations and meeting our promises in terms of the Hackney Standard and improving the estate environment are stated, together with our estimation of resources required. The sum of all identified priorities to 2010 (including Review Estate and Council priorities) is £562.46m.

The following programme risks are noted and discussed:

- The Decent Homes programme is sensitive to building cost inflation, so the more the programme can be front loaded the better
- Our current IT systems have been identified as in need of updating. A project is underway to procure new Asset Management Software.
- The largest proportion of works to 2010 is internal works (kitchens and bathrooms) where our stock condition information is the poorest. A comprehensive survey programme to support Decent Homes delivery is in progress.

4.2

Key sub-programmes with specific impact on Health & Safety or quality of life issues are discussed as follows:

4.3

### **MANAGEMENT OF ASBESTOS**

- Hackney Homes must ensure that we have asbestos data to enable the safe management of asbestos. The requirements of new legislation are covered.

## ENERGY EFFICIENCY

4.4

- To achieve our 2009 target we will need to continue replacing old systems ( approx. 450 per year ) & upgrading old boilers ( approx 650 per year ).We will also need to look into other energy sources from March 2007 onwards (e.g. solar hot water to achieve the 2009 target which would also help to retain our high position (position 5) within other Local Authorities in London.

## RESIDENT INVOLVEMENT AND STATUTORY LEASEHOLDER CONSULTATION

The strategy discusses the current position with Resident Involvement and highlights areas of potential improvement without trying to pre judge the outcome of the ongoing review of Tenant Participation.

The three main levels of involvement are:

- **Strategic** – Resident involvement in the prioritisation and scoping of projects and neighbourhood investment through *various forums*.
- **Programme Delivery** – Resident involvement in selection panels on the procurement of major works contracts and in monitoring through specific project boards. More use of tenant involvement in assessing resident satisfaction from our programmes is proposed.
- **Quality Control and Customer Feedback** – Resident involvement in analysis of customer feedback from questionnaires through focus groups and receive Key Performance Indicator statistics through project boards and Neighbourhood Investment Boards. There is a need to reflect the level of customer complaints in KPI performance. An analysis of Decent Homes customer complaints is currently in progress. (Sept 06)

4.5

## **RESOURCES AND PERFORMANCE MONITORING**

The requirements of the Capital Programme Review carried out by IPF in 2005 are outlined and incorporated within the objectives of the Strategy where not already achieved.

The following key risks are identified and discussed:

- The recent Decent Homes “Funding Gap” review established the recalculated sum required for Decent Homes in line with current actual costs. This is £20.23m in excess of the ALMO bid for Decent Homes (or £9.45m without an allowance for environmental). The reasons for this and our response are discussed
- The progress and cash flow forecasts for the regeneration projects – Woodberry Down, Kings Crescent, West Haggerston are difficult to anticipate and progress on any one of these is sensitive to a range of factors. Allowances have been made within the financial model, however variances to this could impact on other budgets or programmes.
- From the 07/08 programme, the risk of not achieving two-stars would translate into a rapid deceleration of the programme.

4.6

## **IMPROVEMENT PLAN**

The Improvement Plan details all the related activities drawn from the strategy. This document reflects a high level of current activity and the strategy will continue to evolve over the coming year. Once the strategy is adopted a period of activity will follow leading up to inspection in March 2007 as shown below. The document will be supported with evidential material during inspection to validate our position and demonstrate how we are improving.

## **5.0 CONCLUSION**

That Hackney Homes Board approves the appended Asset Management Strategy and receives

quarterly reports on progress against the Improvement Plan.

**Contact Officer:**

Steve Tucker – Chief Executive (extension 3670)

**Originating officer:**

Dale Walker – Decent Homes Programme Manager (extension 8256)

**Background and supporting Information:**

Hackney Asset Management – Direction of Travel Document, February, 2006.

## ***Succession Arrangements Councillor, Resident and Independent Board Members***

1.0	<b>SUMMARY</b>
1.1	This report invites the shadow Board to approve a succession programme for resident and independent Board Members.
1.2	Councillor Members have a different recruitment approach detailed below.
2.0	<b>RECOMMENDATIONS</b>
2.1	Standards and Ethics Committee Members have discussed this matter and recommend that the Board accepts these recommendations:
2.2	<b>Tenant Representatives</b>  A ballot should be held using an organisation that provides optimum value for money. Candidates at these elections should be advised that should a vacancy arise following the election, second placed candidates will be considered.
2.3	<b>Independent Representatives</b>  The four candidates from the original exercise last year who met the quality threshold but were not appointed should be contacted and notified that a vacancy has arisen for an independent Board Member and will be advertised shortly. If they remain interested their application can go forward again for consideration.  Advertisements for the vacancy should target under represented groups so they are encouraged to apply. This targeting was also undertaken during initial recruitment of

	independent Board Members
3.0	<p><b>BACKGROUND</b></p> <p>3.1 The Memorandum and Articles of Association of Hackney Homes set out the rotational retirement criteria for all constituent parties on the Board.</p> <p>3.2 The Audit commission pay particular attention to Governance in their full inspection. They will want to see evidence of succession planning, to ensure that the Board are not stymied in progress following a sudden or planned retirement of an Independent or Resident Board Member.</p> <p>3.3 Councillor Members are appointed by the Mayor, who reviews nominations annually. Where a Councillor loses their seat, the Mayor can opt to allow the sitting Council Member to remain on the Board as the appointee.</p> <p><b>Training</b></p> <p>3.4 Any new Board Member would need a fasttrack package of initial training. The Governance Team will examine this need with the current training providers, Aldbourne. In the longer run, in house initial training would be desirable, and cost effective.</p> <p>3.5 A mentoring scheme could be introduced where the new Board Member could be paired up with one or more Board Members for induction and familiarisation, This arrangement could be open ended, as long as the new Board Member required.</p>

## 4.0 PROPOSALS

### 4.1 Resident Succession Options

Trowers and Hamlins have advised that it would not be possible to invite unsuccessful candidates from the set up ballot to step into vacancies that may occur in the resident constituent of the Board. Legal advice is that future area ballots should contain a phrase that makes it clear that unsuccessful candidates may be approached should a resident vacancy occur in their area.

There are two options for balloting residents-

4.2 Option 1. Mirroring the system used to set up the Board initially, a complete balloting of the neighbourhood concerned with the resignation could be organised, using an independent balloting agency. This process may be slower than other options, and is expensive. At set up of the Board the cost of the election was £60.000 for the election plus any costs for additional publicity.

Option 2. Hackney Homes could employ the services of the Electoral Services department in Hackney Council, to oversee an election process. An approach would have to be made to the section to see if they were willing to take part and what costs there may be. Posting of ballot forms etc. could be undertaken utilising the Mailing framework contract, which could speed up the process further.

### Independent Succession Options

Independent Members are normally selected following an advertising process, interview and skills matching. This process can be very time consuming and expensive. Costs for advertising in the initial recruitment drive to the Board were approx £9.000.

**Option 1.** We could follow the above to fill any vacancies that arise. The big advantage with this approach would be that this gives the Board time to reflect on its skills and abilities as a Board. Gaps in these skills are now apparent (Project management in the Building environment for example). Any advertisement could be worded to attract specific sets of skills to reinforce the effectiveness of the Board.

**Option 2.** As independent positions on the Board are decided by the Board, it would be possible invite previously unsuccessful candidates to reconsider their applications, if the calibre of these candidates is deemed to be acceptable.

5.0	<p><b>IMPLICATIONS</b></p> <p>5.1 Opportunities exist in the recruitment of Board Members to make substantial savings on the last recruitment process.</p> <p>5.2 Trowers and Hamlins have agreed there are no legal problems with the recommended approaches</p> <p>5.3 Significant risks to gaining 2 star rating exist if the organisation has no firm proposals for sustaining the Board</p> <p>5.3 Officers would need to agree these proposals with resident representative groups</p> <p>By adopting the recommendations better VFM can be expected both in immediate layout and return from better use of resources</p>
6.0	<p><b>CONCLUSION</b></p> <p>6.1 It is essential the Hackney Homes demonstrates robust procedure in Board member recruitment and Training to pass its 2 star inspection. This recruitment needs to happen in a cost and time effective manner. By adopting the recommendations above these objectives can be met.</p>
	<p><b>Contact Officer:</b></p> <p>Steve Tucker, Chief Executive</p> <p><b>Originating officer</b></p> <p>Barrie Cotton, Governance Manager ext 3432</p> <p><b>Background and supporting Information:</b></p>

Memorandum and Articles (extract)

***Proposal to alter the Account Reference Date with Companies House***

1.0	<b>SUMMARY</b>  The report proposes to alter the account reference date for Hackney Homes Ltd with Companies House to fall in line with the Councils accounting year.
2.0	<b>RECOMMENDATIONS</b>
2.1	That the Board agrees to alter the annual accounting reference date for Hackney Homes Ltd to 31 <sup>st</sup> March, in line with the Councils accounting period.
2.2	A special AGM is called in October 2006 to accept a nil account return for a shortened accounting period 29 <sup>th</sup> December 05 to 2 <sup>nd</sup> April 06 whilst the company was dormant.
3.0	<b>BACKGROUND</b>
3.1	Companies House automatically generate an Accounting Reference Date for every new company registration. This date is the deadline for submitting accounts to Companies House each year and is always the last day of the month in which the company registration was completed.
3.2	In the case of Hackney homes Ltd, the registration was completed on 29 <sup>th</sup> December 2005, which means the automatically generated accounting reference date is 31 <sup>st</sup> December each year.
3.3	Hackney Council has an accounting year that ends on 31 <sup>st</sup> March each year. To allow smooth accounting it is required that Hackney Homes Ltd has the same accounting year end date.
3.4	The Director of Finance has taken advice from Hackney Homes' external audit company, Baker

	Tilley and they agree this is a sensible way forward.
4.0	<b>PROPOSALS</b>
4.1	See recommendations above
5.0	<b>IMPLICATIONS</b>
5.1	There are no other implications associated with this recommendation
6.0	<b>CONCLUSION</b>
	<p><b>Contact Officer:</b></p> <p>Derek Young, Director of finance</p> <p><b>Originating officer</b></p> <p>Barrie Cotton, Governance Manager</p> <p><b>Background and supporting Information:</b></p> <p>Extract from Companies House guidance Form 225 Companies House</p>

