

**The Royal Borough of Kensington and Chelsea  
Tenant Management Organisation Limited  
(the "Company")**

**Agenda**

A meeting of the Board of Directors ("**Board**") of the Company  
is to be held on the 26<sup>th</sup> of March 2015 at 6.30pm  
at 346 Kensington High Street, London, W14 8NS

Agenda Item	Report Name	Presenter	Enclosure
<b>PART A - OPEN</b>			
1.	Notice, Apologies and Quorum	Company Secretary	-
2.	Minutes of the meeting held on the 5 <sup>th</sup> of January 2015	Chair	√
3.	Matters Arising	Chair	√
4.	Chief Executive's Report	Chief Executive	√
5.	Performance Report & 2015 / 16 KPI Targets	Executive Director, People and Performance	√
6.	Council Nomination to the Board	Company Secretary	-

**Notes:**

- (1) Board Members unable to attend physically can attend by teleconference (dial-in details to be provided)
- (2) Board Members can send in their apologies to the Company Secretary by email or by calling on 020 7605 6532
- (3) \* Every member of the Board has a duty under Section 182 of the Companies Act 2006 to declare any interest in any transactions or arrangements with the Company under consideration, or section 177 of the Companies Act 2006 to declare any interest in any proposed transactions or arrangements with the Company under consideration in accordance with the Company's Articles of Association. Any interests should be declared to the Company Secretary on, or before the meeting.
- (4) \* A person who has declared an interest will neither attend the discussion leading to a decision on the conflicted matter nor vote on it.

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA  
TENANT MANAGEMENT ORGANISATION LIMITED**  
(the 'Company')

Minutes of a meeting of the Board of Directors ('Board') of the Company  
held on the 5<sup>th</sup> January 2015 at 6.30 pm  
at 346 Kensington High Street, London W14 8NS

**PRESENT:**

**Resident Board Members**

Fay Edwards - Chair

Tony Annis

Mary Benjamin

Anne Duru

Brendan Tracey

**Council-Appointed Board  
Members**

Councillor Judith

Blakeman

Jeff Zitron

**Independent Board  
Members**

Peter Chapman

**APOLOGIES:**

Simon Brissenden

Councillor Maighread

Condon-Simmonds

Peter Molyneux

Deborah Price

Anthony Preiskel

Kush Kanodia

**IN ATTENDANCE:**

Robert Black

Rupa Bhola

Chief Executive

Assistant Director, Financial  
Services

Yvonne Birch

Executive Director of People &  
Performance

Sacha Jevans

Executive Director of Operations

Fola Kafidiya

Head of Governance & Company  
Secretary

Peter Maddison

Director of Assets &  
Regeneration

Anthony Parkes

Executive Director of Financial  
Services & ICT

Jane Clifton

Executive Office Manager

Juwon Osundina

Company Secretarial Assistant

1. **NOTICE, APOLOGIES AND QUORUM**

- 1.1 The Chair noted that the members of the Board entitled to receive notice and attend meetings had been duly served with notices of the meeting.
- 1.2 The Chair also noted that apologies were received from Kush Kanodia, Deborah Price, Councillor Maighread Condon-Simmonds, Peter Molyneux, and Anthony Preiskel.
- 1.3 The meeting was quorate in accordance with the provisions of the Articles of Association of the Company.

2. **MINUTES OF THE MEETING HELD ON 20<sup>TH</sup> NOVEMBER 2014**

- 2.1 The Board **RESOLVED TO** approve the minutes of the meeting held on the 20<sup>th</sup> November 2014 as a correct and accurate record of the meeting.

3. **MATTERS ARISING**

- 3.1 The Board considered the matters arising from the last meeting as follows:

Mutual exchanges – a report would be presented to the Operations Committee at a date to be confirmed.

SLA with Commercial Property – it had been confirmed that the SLA would be signed with the revised MMA, when completed.

Corporate Risk Map – the email would be circulated by the Company Secretary.

4. **CHIEF EXECUTIVE'S REPORT**

- 4.1 The Chief Executive presented his update report.

4.1.1 *Tenants Leading Change initiative*

The company had been invited to a reception at the House of Commons,

4.1.2 *Traffic Management Orders*

The introduction of the traffic management orders for estate parking was currently in progress. Mary Benjamin asked about consultation on the parking proposals. Yvonne Birch confirmed that extensive consultation had been carried out since March 2014 when the Board had approved the proposal for a parking policy further to RBKC's Traffic Management Orders. The consultation had included a series of roadshows during the autumn, and there had also been local consultation on estates with information provided at Residents' Association and ARB meetings. However, it was acknowledged that not all residents may have read the information sent to

them, including the Link magazine. Registered disabled residents had been specifically targeted about the proposals. So far all consultation had been informal, and statutory consultation would commence in February 2015.

#### 4.1.3 Governance arrangements for the Housing Regeneration Programme

Councillor Blakeman requested for more detailed information on the process particularly because some bids supported by residents did not come to fruition. Robert Black responded that the bidding process for the 2015/16 programme had already begun with the Area Review Boards. Although the criteria for bids were quite stringent, and consultation was carried out at an early stage, it was not possible to involve all residents. Councillor Blakeman suggested that more thought should be given at an early stage to the detail of bids i.e. planning permission implications so that resources were not wasted unnecessarily.

Tony Annis asked whether there would be an opportunity for the Operations Committee members to visit estates where bids were being put forward for a Housing Regeneration scheme. Brendan Tracey also asked what support was being provided for residents on the preparation of bids, and it was clarified that the Neighbourhood Management teams helped the residents with the development of bids besides the consultation before the approval of the bid by the Area Review Board. In summary, the process ensured that there was support for the bid before any detailed work began.

4.2 The Board agreed to **NOTE** the Chief Executive's update report.

#### 5. **BUDGETS AND RENT ACCOUNT 2015/16**

5.1 The budget report for 2015/16 was presented jointly by Steve Mellor, RBKC Group Finance Manager, and Anthony Parkes. The report was due to be presented to the Tenants Consultative Committee on the 6<sup>th</sup> of January, and the Housing and Property Scrutiny Committee on the 7<sup>th</sup> of January 2015. A Key Decision Report would then be approved by the Cabinet Member for Housing, Property and Regeneration. The report covered the HRA budgets for 2015/16, the rent increase proposals for 2015/16, and the process for agreeing the budgets. The gross HRA revenue budgets would be £48m, and this included the Management Fee, the TCC Managed Budgets, and the Council's HRA budgets.

5.2 Anthony Parkes presented the Management Fee for 2015/16, which would be £10.6m. This included a 1.2% inflation provision as per the local government pay settlement, the two additional Welfare Officers and a project officer who would generate additional HRA income. In May 2014, Lancaster West EMB had lost their contract to manage Lancaster West Estate, and their costs were now integrated into the overall budget for the company. An operational surplus would be maintained within the management fee. There would be a decrease of actual costs of £85k after

adjustments to the 2014/15 budget which had a carry forward of costs from 2013/14.

- 5.3 Key messages were a local formula for the calculation of rents, an average rent increase of 4.6%, a healthy working balance, and an opportunity to increase capital resources.
- 5.8 Councillor Blakeman asked about the consultation with residents on the local formula for rents as it appeared to have been agreed before consultation with the Tenants Consultative Committee (TCC). However, there had been several earlier reports to the Scrutiny Committee before the final recommendations which meant that the proposals on rent restructuring had been shared with the TCC in January 2014.
- 5.9 Peter Chapman questioned the target rent £250 of per week for relets, and whether the detailed criteria had been developed. Steve Mellor confirmed that the target rent was for the larger, more valuable properties, and the criteria was yet to be agreed.
- 5.10 Councillor Blakeman highlighted the guidance from central government on the rent restructuring regime as stated in the report. Steve Mellor explained that the government review which started in 2013 for 2014/15, stipulated that rents should not increase any more than inflation, but RBKC was still trying to move to target rent. The rent restructuring regime had begun in 1999 with a complicated formula of step increases which were designed to stop excessive rent increases. Councillor Blakeman queried whether the formula had been linked to benefit cuts, and confirmation was given that this was not the case.
- 5.11 Jeff Zitron asked for clarification on the decision required from the Board, and whether the Board's views on the rent increase were required as well as the budgets for 2015/16. Anthony Parkes confirmed that the Board were required to comment on the rent increase prior to comments being made by the Tenants Consultative Committee and the Scrutiny Committee before the key decision report was presented to Cllr Feilding-Mellen. The Board were also requested to make comments on the HRA budgets, but the final decision would be made by the Council. Jeff Zitron commented that certain sections of the report would have helped given context to the Board decision-making on the subject matter. He highlighted that the Equality Impact Assessment should have included the commentary on the use of the welfare officers to mitigate the impact of the proposed rent increase on any disadvantaged residents. There should also have been comments from the Executive Team on the proposals presented including the impact of the proposed increase on tenants on low incomes/benefits, and how this would be managed. He also proposed that there should be comparative information on other local authorities' rent increases. However, he was in agreement that any surpluses generated should be used for capital investment.

- 5.12 Councillor Blakeman asked why the Board's comments were required before those of the Tenants Consultative Committee. Confirmation was given that this was the process. The Board was reminded that before the introduction of financial freedoms, there had been no scope to invest in the properties and have an HRA business plan.
- 5.13 Brendan Tracey thought that the £35k surplus and the work done by Savills on the investment needs of the housing stock was linked to a more substantial surplus. Steve Mellor gave further clarification on the context. Five years' ago, the HRA was in a deficit position which had now been turned around. The report demonstrated that the HRA budgets being put forward were a sustainable position for achieving a surplus rather than how any surplus would be spent. Before the introduction of self-financing, money was not available for additional investment, and it still would be two years before this stage was reached. Jeff Zitron proposed that the decision on the use of any future surplus be postponed since the recommendations in this report were for the Scrutiny Committee. However, he wanted greater clarity on the Board's role regarding this report with separate advice from KCTMO officers on whether the proposals were deliverable. The two roles needed to be separated out because of the possibility that clarity was required on the decision in the future.
- 5.14 The Board **RESOLVED TO:**
- (i) adopt the Managed TCC Revised Budgets, as presented for the 2014/15 financial year,
  - (ii) adopt the Managed TCC Budgets as presented for the 2015/16 financial year; and
  - (iii) note and support the local rent policy as presented for the 2015/16 rent year.

It was recognised that the average rent increase would place pressure on individual tenants, but the income generated would help increase investment in the housing stock, and bring down tenants' costs in the longer term.

## 6. **BUDGETS 2015/16**

- 6.1 Anthony Parkes and Rupa Bholra presented the proposed company budgets for the 2015/16 financial year. These proposals had been considered by the Finance, Audit and Risk Committee at its meeting in December, and the committee recommended that the proposed budget should be presented to the Board for its approval.
- 6.2 The assumptions in the proposed budget included the 1.2% inflationary increase for salaries, vacancies at the mid-point in pay scales, 1.2% increase in the management fee, and utility and other costs as currently contracted. The budgets included the Repairs Direct budgets.

- 6.3 Details of the income summary were presented in the report. The Finance, Audit and Risk Committee had requested an explanation of the increases in capital programme staffing for the Board meeting hence it was clarified that the roles were previously covered by consultants however a decision had been taken to bring the skills back in-house so the roles were being built into the budget
- 6.4 Councillor Blakeman asked what could be done to repair adopted roads damaged by major developments. The Chief Executive confirmed that if the damage was a direct result of works, the contractor would have liability. However, there had always been issues with adopted roads, and these would be looked into.
- 6.5 Peter Chapman questioned how pension costs were financed. The Chief Executive confirmed that staff now paid larger contributions towards their pension costs, and the pension fund was not considered a liability. A report was requested for the Finance, Audit and Risk Committee on any risks related to the pension fund. However, any move away from the local government pension would be a major consultation exercise as membership was part of the contract of employment.
- 6.6 The Board **RESOLVED TO** approve the budget as presented for the 2015/16 financial year.
7. **DATE OF THE NEXT MEETING**
- 7.1 The next Board meeting would be held on Thursday, 26<sup>th</sup> March 2015.

## MATTERS ARISING

<b>NO.</b>	<b>MEETING DATE</b>	<b>MINUTE NUMBER</b>	<b>ACTION</b>	<b>BY WHOM</b>	<b>BY WHEN</b>	<b>UPDATE</b>
1	5/01/15	6.14	Budgets 2015/16: clarification required on responsibility for repairs to adopted roads	SJ	By meeting on 26/03/15	
2	5/01/15	6.5	Budgets 2015/16: report on pension fund to be presented to the Finance, Audit and Risk Committee	AP	For meeting on 8/07/15	Report to take into account annual actuaries' report due in May 2015

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION LIMITED (the 'Company')**

<b>Open</b>	
<b>For information</b>	
<b>TMO Board 26<sup>th</sup> March 2015</b>	
<b>Report title:</b>	Chief Executive's update report
<b>Authority for decision:</b>	The Board has ultimate responsibility for monitoring the performance of the Company.
<b>Recommendations:</b>	For information
<b>Regulatory/legal requirements:</b>	None
<b>Business Plan link:</b>	Keeping abreast of performance initiatives within the organisation, and external developments affecting social housing.
<b>Equality Impact Assessment/comment:</b>	Equality and diversity issues are taken into consideration.
<b>Resident consultation:</b>	Ongoing
<b>Resource implications/VFM statement:</b>	Keeping up to date on the latest developments in social housing is important for shaping the business. Improved performance will help the Company to achieve its VFM objectives.
<b>Risk:</b>	Failure to engage with the external housing sector could have an adverse effect on the Company in keeping abreast of developments within the sector. There is also reputational risk if performance fails to improve across the Company.
<b>Appendices:</b>	0
<b>Total number of pages including appendices:</b>	6
<b>Name, position and contact details of author:</b>	Robert Black, Chief Executive 020 7605 6311

## CHIEF EXECUTIVE'S REPORT

### 1. REGENERATION

The Council issued the following press release on 16<sup>th</sup> February 2015:

#### **Redeveloping estates - Council commitment to tenants and leaseholders**

The Royal Borough of Kensington and Chelsea has agreed the principles it should aspire to when it comes to compensating and rehousing tenants and leaseholders affected by regeneration schemes on Kensington and Chelsea Tenant Management Organisation managed estates.

The principles were developed as part of ongoing planning for the redevelopment of the Council Offices at Pembroke Road and the Council will now seek to apply them to any future schemes.

Essentially, Kensington and Chelsea will only redevelop a Council estate if it is possible to rehouse all existing tenants in better homes in the new development or in the nearby area (unless, of course, they choose to move elsewhere). This commitment is in addition to all the usual statutory compensation and disturbance allowances.

In addition the Council will try to offer all resident leaseholders on such an estate access to a shared equity scheme of the kind being piloted at Pembroke Road, to enable them to buy a home in a new development, even if it is worth more than their original home. This offer will depend on the viability of each regeneration project, but would also be in addition to all statutory compensation and disturbance allowances.

These new commitments mean that existing communities would be kept together if and when regeneration projects go ahead, rather than being displaced and dispersed as happened in some historic examples.

Explaining the principles behind these commitments, Cllr Rock Feilding-Mellen, Deputy Leader of the Council and Cabinet Member for Housing, Property and Regeneration, said: 'Despite austerity the Council still has many ambitions for the future of this borough.

'One of the most important is housing and the regeneration of some Council estates. We want the best possible homes for our existing and future tenants. We want more affordable homes, especially for those on low to middle incomes, who have been squeezed out of the private market but are ineligible for social rented housing. We want to preserve and strengthen our mixed communities that have made Kensington and Chelsea such an attractive place to live for people of all backgrounds. We want to tackle the causes of deprivation in some of our most disadvantaged neighbourhoods. And we want to build new homes that will be considered beautiful and desirable for generations to come.

'This is all achievable and realistic, thanks to long years of careful financial stewardship by the Council and because of the underlying value and comparatively low densities of Council-owned land and housing.

'But this regeneration is something we want to do working with residents and these new commitments are all about showing tenants and leaseholders that we are serious about that.'

## **2. NEW COMMUNITY POLICE TEAM FOR KENSINGTON AND CHELSEA**

A newly formed team of police officers dedicated to the local community has been on the streets of the Royal Borough since November 2014. The Kensington and Chelsea Community Policing Team, as the unit is known, has been formed thanks to an annual £1.4m investment by the Council.

Comprising 36 constables, 4 sergeants and an inspector, it is tasked by a joint police and Council management team led by a senior council officer. Its role is to provide an additional visible uniformed presence in the borough and tackle issues that affect local residents and businesses, especially dealing with antisocial behaviour.

The officers work alongside Council colleagues in enforcing environmental health, noise and nuisance, trading standards and licensing issues. They are being trained and authorised to enforce the Royal Borough's byelaws when appropriate. The team was expected to be up to its full strength by March 2015.

Recently, the Community Policing Team worked with KCTMO at Lowerwood Court, W11 as residents' garages were being used by rough sleepers, who had made a mess and were quite aggressive when residents challenged them. Officers from the new team were able to dedicate time to this problem, and made arrests, cleared out the area and found out how the rough sleepers were getting into the garages. By working with KCTMO, it was possible to secure the garages quickly, and to date, the rough sleepers have not returned to Lowerwood Court.

## **3. UNIVERSAL CREDIT UPDATE**

From February 2015, Universal Credit began its expansion to all remaining job centres and local authorities across the UK. There will be a series of roll outs, and it is scheduled to be introduced in Kensington and Chelsea around November 2015.

Universal Credit has previously been piloted on a small scale in a number of authorities in the North West of England, and in neighbouring Hammersmith and Fulham. Only single people in receipt of Jobseeker's Allowance were able to claim.

On 24 November 2014, the Department of Work and Pensions extended the groups of customers eligible to claim to include families in six areas in the North West of England, which were Birkenhead, Bromborough, Hoylake, Upton, Wallasey and Warrington.

The national expansion will see these new sites offering Universal Credit to new single claimants who would otherwise have been eligible for Jobseeker's Allowance, including those with existing Housing Benefit and tax credit claims.

The first two tranches of national roll out will take place between February and April 2015 and May to July 2015 respectively. The list of sites is available online: <https://www.gov.uk/government/publications/universal-credit-national-expansion>.

As with the first two phases, when Universal Credit is introduced in Kensington and Chelsea in November 2015, the roll-out will only be for single, unemployed people, who would otherwise be making a new claim for Jobseeker's Allowance. From the London Borough of Hammersmith and Fulham's experience, RBKC expect numbers to be quite low to start with at around 40 claims per month for the new benefit.

The Department of Work and Pensions requires the Council to make a Delivery Partnership Agreement (DPA) with it for services to support the rollout. The DPA must specify how the following five kinds of support will be delivered:

- The Housing Benefit staff have to help the Universal Credit staff assess the housing element of Universal Credit
- Manual processing of Council Tax reduction
- On-line access centres
- Personal budgeting support including alternative payment arrangement referral
- Preparation of landlords

RBKC is in the process of producing a draft DPA and will consult with all interested parties.

#### **4. THE CARE ACT AND PEOPLE FIRST**

RBKC is preparing for the introduction of the Care Act which has implications for housing providers and tenants. An important part of the Care Act is the duty placed on local authorities to provide comprehensive information and advice about care and support services in their local area. RBKC and Hammersmith and Fulham have set up a People First website, [www.peoplefirstinfo.org.uk](http://www.peoplefirstinfo.org.uk), which gives jargon-free advice and information which:

- Informs people about their rights in relation to provision of support, benefits and the law
- Empowers people to live as independently as possible

- Offers choice about the kind of support people receive, providing easy access to information about the options available
- Signposts residents towards a wider range of options than just council services, from the voluntary sector to different activities and lifestyle choices
- Inspires and enables people to lead active, healthy, inclusive lives and engage with their local community.

Posters and leaflets are available, and also articles can be produced for residents' newsletters.

## **5. LEASEHOLDER CONSULTATION ON THE FRAMEWORKS**

Following the approval of the framework agreements with four contractors at the Board meeting on 20<sup>th</sup> November 2014, KCTMO notified leaseholders of the proposal to enter into qualifying long term agreements in accordance with Section 20 and 20ZA of the Landlord and Tenant Act 1985. The consultation period ended on 31<sup>st</sup> January 2015, and 32 observations were received.

The observations were considered by a specially convened meeting of the Executive Team on 23<sup>rd</sup> February 2015 which was also attended by Fay Edwards (the Chair of the Board), Peter Maddison (Director of Assets & Regeneration), and Daniel Wood (Assistant Director, Home Ownership). The meeting agreed that the company would proceed with the contractor framework agreements as the leaseholders' observations did not change our position.

The majority of those objecting to the establishment of the framework agreements referred to the Leaseholder Valuation Tribunal determination on the London Area Procurement Network (LAPN) in 2007. RBKC has obtained legal advice on the validity of the framework agreements as qualifying long term agreements, and due to recent decisions on cases considered by the First Tier Tribunal, the legal opinion is that framework agreements appear to be accepted as qualifying long term agreements.

RBKC has applied to the First Tier Tribunal for a pre determination on the proposal, and as part of this application, a further application has been made for the determination to be heard by the Upper Tier Tribunal, and this has been accepted. The company is waiting for a date for the final hearing which is expected to be within the next few months. Until the Upper Tier Tribunal has made a decision, the company does not intend to undertake any works to leaseholder properties.

RBKC will be meeting the tribunal costs, which will be attended by Daniel Wood, Peter Maddison and RBKC Legal Department in addition to any leaseholders who want to attend.

Another Executive Team meeting has been convened for 24<sup>th</sup> March 2015, which will also be attended by the TMO Chair, to consider leaseholder

observations on the consultant frameworks which were approved by the Board at its meeting on 5<sup>th</sup> January 2015.

## **6. TENANT INVOLVEMENT RECEPTION - 19<sup>TH</sup> MARCH 2015**

The Chief Executive and the Chair attended a reception for the DCLG's Tenant Involvement project on Thursday, 19<sup>th</sup> March, which was hosted by Stephen Williams, MP, at the House of Commons.

The reception's aim was to celebrate successes in tenant involvement achieved by tenants and landlords working together in order to deliver better services, value for money, and increased resident satisfaction. The reception also provided an opportunity for service providers to network with each other.

## **7. NOTTING HILL HOUSING HOMES FOR BRITAIN BREAKFAST RECEPTION**

The Chief Executive and the Chair attended a breakfast reception for Homes for Britain on Tuesday, 17<sup>th</sup> March, which was hosted by Notting Hill Housing.

The aim of the event was to raise awareness about the housing crisis and encourage support for the Homes for Britain campaign. The reception was followed by a bus trip promoting the campaign which finished in Westminster with a housing rally.

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION LIMITED**

<b>Open</b>	
<b>For information</b>	
<b>Board</b>	
<b>Report title:</b>	Performance Update (Quarter 3)
<b>Authority for decision:</b>	The Board has ultimate responsibility for the performance of the organisation.
<b>Recommendations:</b>	That the Board note performance
<b>Regulatory/legal requirements:</b>	Reporting performance is a regulatory requirement
<b>Business Plan link:</b>	Developing organisational competence
<b>Equality Impact Assessment/comment:</b>	There are no equality implications
<b>Resident consultation:</b>	The TMO's Performance Indicators and Business Plan have been developed with the full involvement of staff, management and the Board, and in consultation with residents, key stakeholders, and partners, of which the Royal Borough is paramount.
<b>Resource implications/VFM statement:</b>	We are committed to achieving top quartile performance with value for money
<b>Risk:</b>	Decline in organisational performance could result in could result in reputational risk and action from RBKC
<b>Appendices:</b>	2
<b>Total number of pages including appendices:</b>	17
<b>Name, position and contact details of author:</b>	Yvonne Birch Executive Director of People & Performance, 020 7605 6478

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION**

**TMO BOARD – 26/03/2015**

**REPORT BY THE DIRECTOR OF PEOPLE & PERFORMANCE**

**PERFORMANCE UPDATE – QUARTER 3 (2014-15)**

**Purpose**

The purpose of this report is to advise the TMO Board of the TMO's performance for the period April – December 2014.

**For comment / information**

**1 Introduction**

1.1 This report and the attachments give an overview of the performance of the TMO in key business areas during the reporting period.

**2 Strategic Performance Indicators**

2.1 The traffic light indicators use the usual colours to indicate the status of the year to date performance against target.

**3 Responsive Repairs**

3.1 During Quarter 3 there was an improvement in the levels of reported customer satisfaction with Repairs Direct; however, the numbers of post inspection passes are still outside of the target of  $\geq 90\%$ .

3.1.1 The sample sizes increased throughout the quarter and performance is steadily improving as the numbers of post inspections being undertaken increases and the spread of job types and values widens.

3.2 The percentage of emergency and non-emergency repairs completed in target fell overall in Quarter 3 but improved in December. This trend is expected to continue as the Repairs Direct sub-contractors familiarise themselves with the web portal and data quality improves.

3.3 The numbers of void orders completed within target fell over the period. This is in part attributed to recent changes within the TMO's void process, but also the traditional closing down of operations for some contractors over the Christmas period.

**4 Voids & Lettings**

4.1 To date we have re-let 135 general needs homes, with an average re-let period for the year of 26.57 days.

- 4.2 During Quarter 3 we completed a review of the current voids process from start to finish. A number of improvements to the process have been identified and actioned, and going forward we are prioritising reducing the number remaining vacant and improving on our overall re-let average for the year.

## **5 Customer Service Centre**

- 5.1 During Quarter 3 the Customer Service Centre (CSC) answered 91.9% of calls received, an improvement on the previous quarter but still below our new 2014-15 target of 95%. Average call waiting periods also remain outside of target.
- 5.2 A number of initiatives are being followed through in Quarter 4 to address performance issues. These include improvements in staff training and inductions, improvements to the handling of web based enquiries, and a focus on effective and efficient processes between the team and Repairs Direct staff. Two new members of staff will also be joining the CSC in April 2015.

## **6 Rent Collection**

- 6.1 At the end of December our secure tenant rent arrears stood at £1.072 million. Arrears at the same point in 2013 stood at £1.139 million.
- 6.2 As in previous years the level of current tenant rent arrears increased over the Christmas period. The Rent Income team will be working on collecting these outstanding amounts throughout Quarter 4.

### **Former Tenant Arrears (FTA)**

- 6.3 Between April and December our Sundry Debts Officer collected £58,250 in former tenant arrears, short of the target of £68,696.
- 6.4 An additional £7215 of owed Housing Benefit was also secured.
- 6.5 During Quarter 3 some delays were experienced in the raising of FTA invoiced, subsequently creating a backlog that impacted on performance. The backlog has since been reduced.

### **Welfare Reform**

#### **Social Sector Size Criteria**

- 6.6 At the end of December there were 322 households impacted by the social sector size criteria housing benefit deductions, a drop of seventeen since April 2015. The average weekly deduction currently applied is £23.42.
- 6.7 The rent collection rate for the 329 households at the end of December was 96.27% compared to the overall TMO collection rate of 99.27%.

This represents an overall increase in the current group's arrears of £10,671 since April.

Since April 2014,

- 40.68% of households have seen no change in their arrears/rent accounts,
- 20.19% have reduced their arrears,
- 38.20% have seen their arrears increase, by an average of £257.57 per household.

6.8 The percentage of households in receipt of discretionary housing payments (DHP) has decreased further to 26.7% (from 33.7% at the end of September).

### **Benefit Cap**

6.9 There are currently 15 households subject to the benefit cap, with an average reduction in housing benefit of £57.83 per week.

6.10 At present 73.33% of households are in receipt of DHP.

## **7 Leasehold Collection**

7.1 All targets for service charge and major works collection up to the end of December have been surpassed.

## **8 Asset Management**

8.1 Our non-decency and average SAP rating has now been superceded by the following performance indicators. This will allow the TMO to report more meaningful returns in these two areas.

1. The number of properties successfully brought up to the agreed RBKC/TMO Standard internally. Up to the end of Quarter 3 we have brought 218 homes up to this level. Our year end target is 231 homes.
2. The number of properties successfully brought up to the agreed RBKC/TMO Standard externally. Up to the end of Quarter 3 we have brought 1234 homes up to this level. Our year end target is 1933 homes.
3. Percentage of homes with an energy performance certificate where a SAP improvement has been achieved by our current programme. At the end of Quarter 3 1181 homes had achieved this position, against a year end target of 1350.

8.2 Gas servicing compliance as at the end of December was 100%. Our compliance level remained at 100% throughout the whole of Quarter 3.

- 8.3 With regard to the 2014-15 capital programme, the programme will fully utilise the agreed capital allocation of £9.748 million.

## **9 Resident Engagement**

### **Resident Associations**

- 9.1 During Quarter 3 the Resident Engagement Team supported the launch of one new Residents' Association at Nottingwood House (Clarendon Road) and one new Compact at Knights House (Hortensia Road).
- 9.2 A further nine expressions of interest are being followed up.

### **Children's & Youth TMO**

- 9.3 By the end of December the TMO had recruited 33 new members to the Children's TMO, against a year-end target of 25.
- 9.4 Recruitment to the new Youth Forum had reached 101 members by the end of Quarter 3.
- 9.5 A total of £80,700 of funding to deliver youth engagement projects across the borough has been secured during the period. Details of the funding are as follows:-
- £75,000: Hazlewood Tower pitch refurbishment (Tri-borough public health)
  - £5350: Youth engagement sports project (London Youth)
  - £350: Youth open day (Chelsea Estates youth project)

## **10 Complaints**

- 10.1 Between October and December the TMO received 70 new complaints. These complaints were predominately about repairs and maintenance (this includes Repairs Direct, the TMO Repairs team, engineering teams, capital and cyclical projects).
- 10.2 To date we have actioned 92.96% of Stage One complaints within target.
- 10.3 There has been an increase in the number of complaints escalated to Stage Two during the year. This is in part due to a more robust approach by the Complaints Team in ensuring that discussions with complainants following receipt of their Stage One responses are accurately recorded as escalations.

## **11 Governance**

- 11.1 To date 115 residents have become new members of the TMO during 2014-15. A membership recruitment drive is being undertaken in Quarter 4 in order to improve on the current levels of new Members joining the TMO.

## **12 KPI & TARGETS 2015-16**

12.1 The KPIs and targets for 2015-16 have recently been reviewed to ensure continuous improvement and development. A list of the proposed Board KPIs is included in Appendix B.

12.2 The majority of existing PIs will remain, with targets amended where appropriate. Notable changes are detailed below.

### **Rent Collection**

12.3 Universal Credit is due to be rolled out across the borough during October or November onwards. From the small number of pilot schemes undertaken it is evident that arrears increases are likely.

12.4 The Council's discretionary housing payment (DHP) budget has also been cut by £600,000 for 2015-16. This means that DHP payments to TMO households affected by the benefit cap or the social sector size criteria deductions (bedroom tax) are likely to fall further.

12.5 These outlined changes will have a negative impact on rent collection and the accrual of arrears. Our proposal for 2015-16 is that we predict an increase in arrears which we will aim to limit to no more than £50,000. If we achieve our 2014-15 year-end target of £934,493 this will set our new target at £984,493 – matching our position at the end of March 2014.

### **Estate Services**

12.6 A new set of performance indicators for our Estate Services Assistants has been introduced for 2015-16.

12.7 The team are currently testing a new mobile solution which will enable all their scheduled and day-to-day tasks to be monitored and fully reportable. To allow for the system to become fully embedded and any staff training issues to be addressed and resolved it is proposed that no formal reporting on performance will start until Quarter 2.

### **Customer Service Centre (CSC)**

12.8 During 2015-16 we are set to roll out our new CRM system.

12.9 The implementation of the CRM module is likely to have an impact on the call performance of the CSC team. This is due to the requirement for significant staff training for the whole team and increased enquiry handling responsibilities and the likely effect that this will have on call handling periods going forward.

12.10 It is proposed that our target for the percentage of calls answered to be set at  $\geq 90\%$  (our former 2013-14 target). This target brings us in line with other housing providers who are lowering the target for the

percentage of calls answered or removing it completely in favour of PIs that monitor first time resolution and customer satisfaction.

12.11 For 2016-17 onwards it is anticipated that the CRM system will allow for us to set new quality based PIs around customer satisfaction and call resolution/outcomes in line with how the industry is moving. At present we do not have the monitoring tools to measure satisfaction or first point of contact resolutions but with the implementation of CRM we will have in the future.

### **13 Recommendations**

13.1 The Board is invited to comment on the content of the report.

**YVONNE BIRCH**  
**DIRECTOR OF PEOPLE & PERFORMANCE**



Kensington  
& Chelsea TMO

**BOARD KPI REPORT  
QUARTER 3: 2014-15**

# BOARD KPI REPORT - QUARTER 3: 2014-15



## Repairs & Customer Service Centre

	Q4	2013-14	Q1	Q2	Q3	2014-15	Status	Target	UQB
<b>Repairs Direct</b>									
Emergency repairs completed in target	99.7%	98.91%	99.7%	98.7%	92.3%	96.8%		>=99%	
Non-emergency repairs completed in target	97.6%	97.19%	98.4%	96.6%	91.8%	95.4%		>=98%	
Void repairs completed in target	100.0%	99.10%	99.2%	95.6%	92.1%	95.8%		>=90%	
Satisfaction with completed repairs	93.6%	94.00%	-	91.1%	96.1%	93.1%		>=95%	
Post inspection pass rate	97.7%	97.7%	-	63.3%	71.9%	69.9%		>=90%	
Recalls as a % of completed orders	2.6%	2.6%	2.5%	2.7%	2.6%	2.6%		<=5%	
<b>Gas Servicing</b>									
Properties with valid LGSC	99.92%	99.92%	100.00%	100.00%	100.00%	100.00%		100%	100%
Properties without LGSC	5	5	0	0	0	0		0	
Without LGSC > 3 months	0	0	0	0	0	0		0	
<b>Customer Service Centre</b>									
Calls received	24,563	87,843	19,674	18,810	22,539	61,023	-	info	
Calls answered (%)	86.8%	91.75%	92.0%	89.5%	91.9%	91.2%		>=95%	
Average waiting time (secs)	77	74	46	58	50	51		<=25	
<b>Voids &amp; Lettings</b>									
Number of re-lets	33	164	26	51	58	135	-	info	
Re-let time (calendar days)	20.80	21.10	21.69	29.10	26.53	26.57		<=23	
% rental loss	0.86%	0.81%	1.07%	1.45%	1.35%	1.28%		<=0.75%	0.90%
Voids being prepared for letting	44	44	70	65	68	68		<=40	
Voids unavailable for letting	19	19	19	21	20	20	-	info	

# BOARD KPI REPORT - QUARTER 3: 2014-15



## Rent Collection & Home Ownership

	Q4	2013-14	Q1	Q2	Q3	2014-15	Status	Target	Target for period
<b>Rent Collection</b>									
Rent collected as a % rent due (excl arrears b/f)	100.84%	100.84%	99.33%	99.52%	99.70%	99.27%		100.10%	
Current arrears (£million)	0.984	0.984	0.983	1.017	1.072	1.072		0.934	0.946
Arrears as % rent roll	2.05%	2.05%	2.01%	2.08%	2.19%	2.19%		1.91%	
% of arrears over 7 weeks	4.32%	4.32%	4.29%	4.58%	4.63%	4.63%		<=4.5%	
% Rent collected (social sector size criteria households)	103.39%	103.39%	95.27%	TBC	96.27%	96.27%	-	info	
<b>Former Tenant Arrears</b>									
Cash Collection year to date	£23,138	£87,232	£21,613	£21,553	£15,084	£58,250		£91,594	£ 68,696
Write Offs year to date	£38,927	£133,291	£2,268	£48,701	£0	£50,969	-	info	
Housing benefit payments collected year to date		£12,796	£3,290	£1,371	£2,554	£7,215	-	info	
<b>Home Ownership</b>									
Service Charges collection rate	25.6%	105.42%	25.85%	27.60%	24.70%	75.68%		100.21%	74.66%
Major Works collection rate	17.4%	185.37%	34.18%	24.34%	30.30%	101.91%		77.87%	50.00%
<b>Asset Management</b>									
Number of homes internally brought up to KCTMO standard	-	-	-	142	16	218		231	173
Number of homes externally brought up to KCTMO standard	-	-	-	612	622	1234		1933	1450
Number of homes where SAP rating has increased through planned works	-			523	658	1181		1350	813
% Capital Programme Delivery Spent of Annual Budget	103.0%	103.0%	27.2%	47.9%	69.7%	69.7%		>=99%	71.1%

# BOARD KPI REPORT - QUARTER 3: 2014-15

## Neighbourhood Management



	Q4	2013-14	Q1	Q2	Q3	2014-15	Status	Target	Target for period
<b>Grounds Maintenance</b>									
% Inspections achieving required standards	97.9%	97.28%	97.83%	98.10%	98.49%	98.18%		95.0%	
<b>Cleaning</b>									
Callbacks	35	156	38	26	24	88		<20pm	
QA failures	2	3	3	0	8	11			
<b>Ant-Social Behaviour</b>									
New cases	52	225	46	56	37	139	-		
Live cases	60	60	65	68	62	62	-		
Satisfaction with handling	100.0%	83.7%	80.0%	100.0%	88.9%	85.7%		>=81%	
Satisfaction with outcome	100.0%	78.9%	80.0%	100.0%	88.9%	85.7%		>=76%	
<b>Community Alarms Service</b>									
Total Calls Received	31,532	101,303	27,680	20,101	29,492	77,273	-		
Answered within 60 seconds	98.5%	98.3%	98.2%	98.6%	98.4%	98.4%		90%	
Emergency visits attended within 45 mins	97.2%	96.3%	91.4%	96.7%	95.1%	94.4%		90%	
Customer satisfaction	99.0%	98.5%	100.0%	97.3%	100.0%	99.0%		90%	
<b>Resident Involvement</b>									
No. new members joining the Children's TMO	-	-	10	14	9	33		25	19
No. new members joining the Youth TMO	-	-	8	0	93	101		60	45
No. residents signing up to 'Get on Board'	234	338	41	12	99	152		144	108
No. new Residents' Associations or Compacts	1	7	3	3	2	8		7	5
No. residents attending the Training & Employment roadshows	91	363	56	26	-	82		>=150	100
Attendance at Residents' Conference	-	240	-	322	-	322		>=275	

# BOARD KPI REPORT - QUARTER 3: 2014-15



## Complaints & Correspondence

	Q4	2013-14	Q1	Q2	Q3	2014-15	Status	Target	UQB
<b>Complaints</b>									
Stage 1 complaints answered	91	207	60	90	63	213	-		
% answered in target	81.3%	87.9%	95.0%	92.2%	92.1%	93.0%		90%	
Stage 2 complaints answered	1	1	1	2	4	7	-		
% answered in target	100%	100%	100%	100%	100%	100%		90%	
Appeals answered	1	1	0	0	1	1	-		
% answered in target	100%	100%	-	-	100%	100%		90%	
<b>Correspondence</b>									
W2 correspondence actioned	2566	9252	2178	1477	1896	5551	-		
% answered in target	94.8%	96.4%	92.3%	92.8%	93.8%	93.0%		90%	

# BOARD KPI REPORT - QUARTER 3: 2014-15



## Human Resources & Governance

	Q4	2013-14	Q1	Q2	Q3	2014-15	Status	Target	Target for period
<b>Human Resources</b>									
Total establishment	199	199	203	208	213	21			
Sickness days absence per employee	4.49	4.49	4.51	4.98	6.34	6.34		<=5.5	
<b>Governance</b>									
Percentage attendance at Board meetings	76.7%	81.8%	93.3%	79.3%	TBC			info	
No. new TMO Members signed up	107	468	35	22	58	115		>=496	372
No. Members voting in AGM	-	681	-	1089	-	1089		>=749	

## Appendix B

### Proposed Board Key Performance Indicators & Targets 2015/16

Performance Indicator	2014-15 Target	2015/16 Target	Comments
<b>Responsive Repairs: Repairs Direct</b>			
Emergency repairs completed in target	>=99%	>=99%	No change, as per Repairs Direct KPI Framework
Non-emergency repairs completed in target	>=98%	>=98%	
Void repairs completed in target	>=90%	>=90%	
Satisfaction with repairs	>=95%	>=95%	
Number of post inspections completed	Info	Info	
Post inspection pass rate	>=90%	>=90%	
Recalls as a % jobs completed	<=5%	<=5%	
<b>Voids &amp; Lettings</b>			
No. general needs lettings	Info	Info	
No. other lettings	Info	Info	
Average days to re-let general needs property (minor works voids)	<=23 days	<=23 days	Revised definition to match current industry standard. Former PI was based on Best Value indicator (BV212) which is no longer in use.
Rent loss as a % rent roll (general needs)	<=0.75%	<=0.75%	Based on top quartile position.
No. available voids at month end	<=40	<=40	Based on top quartile position for HouseMark PI '% stock vacant and available to let'.
No. unavailable voids at month end	Info	info	
<b>Compliance</b>			
% Properties with valid Landlords Gas Safety Certificate (LGSC)	100%	100%	K&T heating, new contract commenced in 2014-15.
No. of properties without valid certificate	0	0	
Number without valid certificate for more than 3 months	0	0	No change to targets – industry standard.
<b>Stock Condition</b>			
Number of homes brought up to TMO	231	TBC	To be confirmed

standard - internally			following confirmation of end of year position and 2015-16 programme of works.
Number of homes brought up to TMO standard - externally	1933	TBC	
Number of homes where SAP rating improved through planned works	1350	TBC	
<b>Capital Programme</b>			
Actual monthly capital spend £	-	-	
Actual capital programme delivery spend as a % total annual budget	>=99%	>=99%	
<b>Current Tenant Rent Arrears</b>			
Rent collected as a % rent due (excluding arrears brought forward)	>=100.10%	TBC	Final targets will be confirmed in April following confirmation of our year-end position. Our target anticipates an increase in arrears but aims to limit this to no more than £50,000.
Gross current tenant rent arrears £thousands	£0.934	TBC	
Current tenant rent arrears as a % rent roll	1.91%	TBC	
Percentage of tenancies with arrears >=7 weeks rent	<=4.5%	<=4.5%	
Collection rate – social sector size criteria	-	-	
<b>Former Tenant Rent Arrears (FTA)</b>			
FTA cash collection	£91,594	£85,000	Target based on average monthly collection. Target to improve these current rates.
FTA write off	Info	Info	
FTA housing benefit collection	info	Info	
<b>Home Ownership</b>			
Collection rate – service charges (SC)	100.207%	TBC	Targets for 2015-16 to be confirmed in April, following closure of end of year accounts.
Collection rate – major works invoices (MW)	77.871%	TBC	
<b>Environmental Services</b>			
% Grounds maintenance inspections achieving required standards	>=95%	>=97%	
No. cleaning call-backs	<20 p/m	<20 p/m	
No. Joint inspections undertaken	Info	Info	
No. Quality Assurance failures	Info	Info	
Customer satisfaction with cleaning service	Info	>=90%	
Customer satisfaction with grounds maintenance service	Info	>=90%	
Percentage of bulk refuse removed within 3 days	New PI	>=95%	
<b>Estate Services Team</b>			
Number of scheduled quarterly estate	New PI	>=90%	A new ICT/PDA

inspections carried out, as a percentage of those due			system is currently being tested for the Estates Services Assistants. This is due to go live in April 2015. We will not report on KPIs for at least the first quarter to allow for the system to become embedded and fully functional.
% Estate Inspections – Gold Standard	New PI	-	
% Estate Inspections – Silver Standard	New PI	-	
% Estate Inspections – Bronze Standard	New PI	-	
<b>Anti-Social Behaviour (ASB)</b>			
No. new ASB cases reported	Info	Info	Information on key outcomes to be provided within the Operational Committee report (Qtrly).
No. live ASB cases at end of period	Info	Info	
% Complainants satisfied with handling of case (gross)	>=81%	>=81%	
% Complainants satisfied with outcome of case (gross)	>=76%	>=81%	
<b>Resident Engagement</b>			
No. new members joining the Children's TMO	25	30	
No. new members joining the Youth TMO	60	40	
No. residents signing up to 'Get on Board'	144	150	
No. new Residents Associations or Compacts	7	8	
Attendance at Residents' Conference	275	375	
No. Residents attending Employment & Training road-shows	150	120	Two events.
No. residents engaged with/contacted through BAME project	New PI	150	
<b>Community Alarms Service</b>			
Total calls handled	Info	Info	2014-15 targets are the industry standard and also the RBKC agreed target. Increased for 2015-16 at Operations Committee request.
% Answered within 60 seconds	90%	95%	
% Emergency visits attended within 45 minutes	90%	95%	
Customer satisfaction	90%	95%	
<b>Customer Service Centre (CSC)</b>			
No. calls received	Info	Info	
% of incoming calls answered	>=95%	>=90%	
% of incoming calls answered within 30 seconds	Info	>=70%	
No. Reporting Repairs emails actioned by the Contact Centre	New PI	Info	

Complaints			
No. complaints closed in month	info	Info	
No. Stage 1 responses	Info	Info	
% answered in target	>=90%	>=90%	
No. Stage 2 responses	Info	Info	
% answered in target	>=90%	>=90%	
No. Appeals	Info	Info	
% undertaken in target	>=90%	>=90%	
Correspondence			
Correspondence actioned	Info	Info	
% in target	>=90%	>=90%	
Human Resources			
Total Staff (headcount)	Info	info	
Average number of days lost due to sickness per FTE (rolling 12 months)	<=5.5	<=5.5	
Governance			
No. New TMO Members signed up	>=496	>=496	
No. Members voting in AGM	>=749	>=749	