THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED

Meeting of the Board of Directors of the Company to be held on Thursday 24 November 2016 at 6.30pm
Board Room, 346 Kensington High Street,
London W14 8NS
AGENDA

Meeting of the Board of Directors ("Board") of the Company to be held on Thursday 24 November 2016 at 6.30pm at Board Room, 346 Kensington High Street, London W14 8NS

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Report Name</th>
<th>Presenter</th>
<th>Action</th>
<th>Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Notice, Apologies* and Quorum</td>
<td>Chair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Declarations of Interest*</td>
<td>Chair</td>
<td></td>
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</tr>
<tr>
<td>3.</td>
<td>Minutes of the meeting held on 29 September 2016</td>
<td>Chair</td>
<td>Approval</td>
<td>✓</td>
</tr>
<tr>
<td>4.</td>
<td>Matters Arising</td>
<td>Chair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Chair’s Report</td>
<td>Chair</td>
<td>Information</td>
<td>✓</td>
</tr>
<tr>
<td>6.</td>
<td>RBKC Mid-Year Review Report</td>
<td>Amanda Johnson</td>
<td>Discussion</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RBKC Head of Housing</td>
<td></td>
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<td></td>
<td></td>
<td>Commissioning</td>
<td></td>
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<tr>
<td>7.</td>
<td>Performance Report – Q2 2016</td>
<td>Yvonne Birch</td>
<td>Discussion</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive Director of People, Performance &amp; Governance</td>
<td></td>
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</tr>
<tr>
<td>8.</td>
<td>Chief Executive’s Report</td>
<td>Robert Black</td>
<td>Discussion</td>
<td>✓</td>
</tr>
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<td></td>
<td></td>
<td>Chief Executive</td>
<td></td>
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</tr>
</tbody>
</table>

Date of the next meeting: 10 January 2017

Notes:

1. * Board Members should send their apologies to the Company Secretary
2. * 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 at, or before the meeting.
3. * 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 29 September 2016 at 6.30pm at 346 Kensington High Street, London W14 8NS

PRESENT:

Resident Board Members
Fay Edwards (Chair)
Alan Barnett
Mary Benjamin
Anne Duru
Maria Escudero-Barbaza
Minna Korjonen
Sharon Price
Derek White

Council-Nominated Board Members
Councillor Judith Blakeman
Paula Fance

Independent Board Members
Simon Brissenden
Anthony Preiskel

APOLOGIES:
Councillor Maighread Condon-Simmonds

IN ATTENDANCE:
Robert Black
Yvonne Birch
Sacha Jevans
Barbara Matthews
Peter Maddison
Rupa Bhola
Graham Webb
Gill Petford

Chief Executive
Executive Director of People, Performance & Governance
Executive Director of Operations
Executive Director of Financial Services & ICT
Director of Assets & Regeneration
Assistant Director, Financial Services
Managing Director, Repairs Direct
Executive Manager (Minutes)

OBSERVER:
Truda Scriven
Interim Company Secretary (Designate)
1. **NOTICE, APOLOGIES AND QUORUM**

1.1 It was confirmed that the notice of the meeting had been duly issued to the members of the Board entitled to receive notice and attend board meetings.

1.2 Apologies had been received from Cllr. Maighread Condon-Simmonds.

1.3 The meeting was quorate according to the provisions of the Articles of Association of the Company.

2. **RETIREMENT AND APPOINTMENT OF RESIDENT BOARD MEMBERS**

2.1 The retirements and appointments to the Board were stated in accordance with the Articles of Association of the Company.

2.2 It was **RESOLVED TO:**

   (i) Note the retirement of Anne Duru, Fay Edwards, Kush Kanodia, Deborah Price and Brendan Tracey as Resident Board Members as of 17 September 2016.

   (ii) Note the re-election of Anne Duru and Fay Edwards by the members, as Resident Board members;

   (iii) Note the election of Alan Barnett, Minna Korjonen, Sharon Price, and Derek White by the members, as Resident Board Members;

   (iv) Reappoint Anne Duru and Fay Edwards and appoint Alan Barnett, Minna Korjonen, Sharon Price and Derek White as directors of the Company as of 17 September 2016; and

   (v) Authorise the Company Secretary to update the statutory registers of the Company and make the necessary filings to the Registrar of Companies in respect of the appointments.

3. **RE-APPOINTMENT OF COUNCIL-NOMINATED BOARD MEMBERS**

3.1 A report on the re-appointment of Council-Nominated Board Members had been circulated.

3.2 It was **RESOLVED TO:**

   (i) Note the retirement of

      - Councillor Maighread Condon-Simmonds;
      - Paula Fance;
      - Jeff Zitron; and
      - Councillor Judith Blakeman

      from the Board pursuant to the Articles of Association of the Company, as of the date of the meeting;

   (ii) Note the Council’s nomination of Councillor Maighread Condon-Simmonds, Paula Fance and Councillor Judith Blakeman, as its nominees on the Board until the date of the Annual General Meeting of the Company in 2017; and

   (iii) Re-appoint Councillor Maighread Condon-Simmonds, Paula Fance, and Councillor Judith Blakeman, as Council-Nominated Board Members with effect from the date of the AGM.
4. ELECTION OF CHAIR & VICE CHAIR

4.1 A report to the Board on the election of Chair and Vice Chairs of the Board had been circulated:
   (i) The nomination process for Chair had resulted in one candidate. There were four candidates for the two Vice Chair roles, Mary Benjamin received 12 votes, Anne Duru 6 votes, Derek White 3 votes and Maria Escudero-Barbaza 3 votes.

4.2 It was RESOLVED to:
   (i) Appoint Fay Edwards as Chair of the Board
   (ii) Appoint Mary Benjamin and Anne Duru as Vice Chairs

5. DECLARATIONS OF INTEREST

5.1 There were no declarations of interest in conflict with the items on the agenda. All declarations of interest were noted as being held on the Register of Director Interests.

6. MINUTES OF THE MEETING HELD ON 20 JULY 2016

6.1 The minutes of the meeting held on 20 July 2016 were APPROVED as a true and accurate record of the meeting.

7. MATTERS ARISING

7.1 The Board NOTED the updates to the schedule of matters arising.

8. CHIEF EXECUTIVE’S REPORT

8.1 An induction programme would be put together for the new members of the Board and would be offered to all Board Members.

8.2 The work at Adair Tower to fit new doors and self-closers had now been completed. An audit had been carried out by the London Fire Brigade following the works. No feedback had yet been received but no concerns were apparent while the London Fire Brigade was on site. The Chief Executive had visited Adair Tower recently and was very impressed with the work being carried out.

8.3 Following the fire in a block of flats in Shepherd Bush caused by a faulty tumble dryer, it was asked if residents had been warned about these tumble dryers. An article had gone in the Link detailing the details of the particular dryers. This would also be followed up through work with the RAs and Compacts to spread the information.

8.4 The London Fire Brigade had asked for the names and addresses of all the residents so they could speak to them about why they called the Fire Brigade, which was contrary to the ‘stay put’ policy operated. The RBKC had been informed at all stages of this investigation as well as their solicitors. No timeline had been made available from the London Fire Brigade as to when the report would be completed.
The merged elections and AGM had gone well. The number of members voting was 1,217 which was the highest ever. The vote for KCTMO to continue to manage the homes was excellent at 98.3%. There were no more elections now for two years. The Residents’ Conference went well and the Chief Executive thanked the Board Members and staff for attending. It was felt that it worked better having the AGM in the morning.

The Chief Executive confirmed that he would share details of a plan by Nottingham City Council regarding void properties and pay to stay if he received a copy. A spreadsheet model had been produced to see the cost and implications of pay to stay. It was noted that everyone was trying to better understand what the implications were. The KCTMO void turnover was 1½% which was very low.

A housing update would be included in the induction for new Board Members.

9. PERFORMANCE REPORT – Q1

9.1 A report to the Board to update them on Quarter 1 Performance had been circulated.

9.2 At the Board Member Induction currently being planned, there would be a session on the KPIs so that everyone understood the data being collected and how it was reported.

9.3 • Repairs Direct was meeting all its targets and had recorded its highest quarterly performance.
• Voids & Lettings were not achieving their targets but this was due to the amount of voids currently held.
• Gas Servicing – only one property was without a current CP12 and a warrant had been issued in order to gain access to get this done.
• Complaint responses were below target but this was attributed to the introduction of the CRM system. Staff were getting used to the new system as well as working on W2 at the same time. Cllr Blakeman stated that she regularly sent in enquiries and complaints on behalf of her constituents, but she did not get a direct response as the TMO policy was write to the resident and not the councillor. It was confirmed that if authority was given by the resident to release information (including personal data) to the councillor then the outcome of the enquiry or complaint could be issued. The Executive Director of People, Performance and Governance would re-issue the agreed procedure to Cllr Blakeman.

9.4 Targets were confirmed as being set at the end of Quarter 3 in discussion with officers and to take into account previous performance plus any changes coming in. Where possible targets were benchmarked against neighbouring authorities and then were issued to the Board for approval.

9.5 The performance report for Q1 was NOTED.

……………………………
Chair

……………………………
Date
Since being re-elected to Chair in September I have been busy having regular meetings with Robert Black and Yvonne Birch to keep me updated on the business of the TMO. I have also started a series of one-to-ones with all Board members to have a fairly informal chat about any issues they may want to discuss.

The Vice-Chairs and I met together on 26 October 2016 to discuss emerging issues and how we should work together.

I was invited to open our new office – Latimer Office on the 8 November 2016 which has been updated and modernised from the old Lancaster West Office. After some drinks and nibbles I unveiled the beautiful plaque in the reception. It was lovely to see so many residents there as well as Board Members from the area and Councillors.

On Friday 11 November 2016 a Board away-day was held at the Grange Strathmore Hotel in South Kensington. The day, facilitated by Altair consultancy, was intended to serve as a team-building exercise and an opportunity for Board Members to develop their understanding of good governance through a presentation and group exercises exploring this topic. This was felt to be appropriate as the Board has a number of new members, but it also served as a refresher for existing Board members. The day also featured a site visit to Trellick Tower, which is the subject of a Board report to this meeting seeking approval for substantial investment. It was an enjoyable and informative day for all involved, and Board Members and members of the Executive Team were left with a better developed understanding of good governance and improved relationships with other members of the Board and the Executive.

Finally, on the 15 November 2016 Barbara Matthews and I joined the remembrance day parade in Chelsea and I had the honour of laying the wreath at the memorial in Sloane Square, on behalf of the TMO.

_Fay Edwards_
1. Executive Summary

1.1 In the first six months of 2016-2017 the TMO is working steadily towards the outcomes identified in the 2016-17 Performance Agreement, agreed in July this year. Performance on the key performance indicators shows that the Repairs Direct PIs (H1 & H30), relet times (H4) and Homeownership collection rates (H6 & 7) are meeting the quarterly targets. The rent collection PIs (H8, 9 & 10) had a strong start to the year. Performance dipped below target in September but is expected to recover in quarter three. The capital programme is being re-profiled reflecting the approach being taken for lifts and windows replacements. The audit programme is on-going.

1.2 Considerable work has been undertaken by the TMO, in conjunction with the Council, on welfare reform, including the introduction of Universal Credit and getting people back in to training or work. The TMO is undertaking major works at Trellick Tower and another new hidden home at Holmfield House, with other opportunities in the pipeline. The TMO is supporting the Council’s ambitions to diversify the tenure of the stock, bring in investment through the commercial portfolio and promote digitalisation to residents. Health and safety remains a high priority and has involved in-depth work with the London Fire Brigade, emergency planning with the Council as well as working towards health and safety targets.
2. **Purpose of the Report**

2.1 The TMO (HRA) Performance Agreement was reported to the Scrutiny Committee on 13 July 2016. This set the performance framework for monitoring the TMO for 2016-17, and is subject to review on a six monthly basis. The Performance Agreement brings together a range of the TMO’s housing management activities and the key performance indicators monitored by the Council which measure the levels of achievement. It also updates on joint work by the TMO and the Council to meet strategic priorities in terms of finance, regulation and asset management as well as the day to day management functions, on-going projects and the other business functions as set out in the TMO’s Business Plan.

2.2 The table attached at Appendix 1 shows the key areas of performance that form the service delivery plan for the Council and the TMO, designed to deliver the Performance Agreement. This report provides a brief overview of the projects and workstreams that the TMO is delivering and more detail can be provided if required.

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**FOR INFORMATION**

**Laura Johnson**  
Director of Housing  

**Nicholas Holgate**  
Town Clerk and Executive Director of Finance  

Background papers used in the preparation of this Report:

None

Officer contact:  
Celia Caliskan, General Needs Housing Commissioning Manager  
Tel: 0207 361 2238  E-mail: celia.caliskan@rbkc.gov.uk
## Executive Summary

- 5 PIs are on target (repairs, relets and homeownership collection rates), 4 PIs are below targets (rent collection rates and capital programme), and 3 will not be collected until the year end
- Audits are planned and on-going
- The TMO is working to reduce the impact of welfare reform, including Universal Credit, by advising tenants and getting people in to work or training
- Investment decisions are being reconsidered in order to maintain the stock, whilst there is a reduction in the amount of money available
- Other key priorities that the TMO is working with the Council on are; income generation and income collection from the commercial portfolio; diversification of the tenure of the stock to provide temporary accommodation, market and intermediate rented units whilst regeneration programmes are considered; health and safety; access for residents to advice, training and IT services, and continued provision of high quality housing management services.

## Purpose of the Report

This report sets out how the performance of the TMO will be monitored over the next year in accordance with the Council’s priorities and national and local drivers.

This agreement will be reviewed mid-year and a progress report will be produced for Scrutiny Committee following the end of the second quarter.

The following tables show the different work streams that form the service delivery plan for the Council and the TMO, designed to deliver the Performance Agreement. More detail on the project work can be provided if required.
### Key Areas of Performance

#### 3.1 Performance Indicators –

The PI suite reflects the aim for continuous improvement especially in those areas affected by changes such as repairs and collection rates.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Performance indicator (PI) title</th>
<th>Good is?</th>
<th>2015-16 Target</th>
<th>2015-16 Actual</th>
<th>September 2016-17 Actual</th>
<th>2016-17 Target</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>HS1</td>
<td>% Post Inspections passed (Repairs Direct)</td>
<td>HIGH</td>
<td>&gt;=90.0%</td>
<td>92.25%</td>
<td>94.36%</td>
<td>&gt;=90%</td>
<td>Results based on 330 post inspections completed for the year to date.</td>
</tr>
<tr>
<td>HS30</td>
<td>Satisfaction with repairs (Repairs Direct)</td>
<td>HIGH</td>
<td>&gt;=95.0%</td>
<td>97.14%</td>
<td>97.97%</td>
<td>&gt;=95.0%</td>
<td>Results based on 543 customer satisfaction surveys completed for the year to date. Performance outcomes for Repairs Direct positive with all targets met for both quarters one and two.</td>
</tr>
<tr>
<td>HS 2</td>
<td>Local authority tenants satisfaction with landlord services. (Biennial)</td>
<td>HIGH</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HS 5a</td>
<td>Number of homes brought up to the internal Investment Standard</td>
<td>HIGH</td>
<td>1004</td>
<td>933</td>
<td>Annual</td>
<td>&gt;=1400</td>
<td>Annual PI.</td>
</tr>
<tr>
<td>HS 5b</td>
<td>Number of homes brought up to the external Investment Standard</td>
<td>HIGH</td>
<td>2157</td>
<td>120</td>
<td>Annual</td>
<td>&gt;=1950</td>
<td>Annual PI.</td>
</tr>
<tr>
<td>HS 3</td>
<td>Number of homes where SAP rating has increased through planned works</td>
<td>HIGH</td>
<td>1091</td>
<td>120</td>
<td>Annual</td>
<td>&gt;=300</td>
<td>Annual PI.</td>
</tr>
<tr>
<td>HS 4</td>
<td>Average number of days to re-let local authority housing. (YTD)</td>
<td>LOW</td>
<td>&lt;=23</td>
<td>18.69</td>
<td>20.93</td>
<td>&lt;=22</td>
<td>Performance target met. Q1 outturn at 22.0 days, Q2 at 20.31 days.</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------------------</td>
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<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>HS 6</td>
<td>Homeownership: service charge arrears</td>
<td>HIGH</td>
<td>&lt;=£171,845</td>
<td>£141,705</td>
<td>£122,124</td>
<td>&lt;=£120,449</td>
<td>Arrears targets for Q2 met and exceeded. Targets for the Q2 period were £131,077 for service charge arrears and £1,433,367 for major works arrears.</td>
</tr>
<tr>
<td>HS 7</td>
<td>Homeownership: major works arrears</td>
<td>HIGH</td>
<td>&lt;=£1,216,050</td>
<td>£1,151,217</td>
<td>£1,305,438</td>
<td>&lt;=£1,715,516</td>
<td></td>
</tr>
<tr>
<td>HS 8</td>
<td>Rent collection and arrears recovery: seven weeks arrears. (YTD)</td>
<td>LOW</td>
<td>&lt;=4.50%</td>
<td>4.38%</td>
<td>4.30%</td>
<td>&lt;=4.50%</td>
<td>See HS9</td>
</tr>
<tr>
<td>HS 9</td>
<td>Rent collection and arrears recovery: rent collected. (YTD)</td>
<td>HIGH</td>
<td>&gt;=98.13%</td>
<td>99.20%</td>
<td>96.17%</td>
<td>&gt;=98.02%</td>
<td>Following a strong start to the year, arrears increased for the first time in September, finishing the month at £1.054 million £19,717 outside of target. This is expected to improve in Q3. The number of households confirmed as receiving Universal Credit has increased to 41. The combined arrears of this group stands at just over £41,000. The team continues to monitor closely the impact of welfare reforms on the overall arrears position</td>
</tr>
<tr>
<td>HS 10</td>
<td>Proportion of approved housing capital investment programme spent. (YTD)</td>
<td>HIGH</td>
<td>99%</td>
<td>103%</td>
<td>36.9%</td>
<td>99%</td>
<td>Target for period: 52.9%. The spend has been re-profiled. See 3.4.2 Capital investment below for further detail.</td>
</tr>
<tr>
<td>HS 11</td>
<td>Collection rates and arrears: Travellers Site</td>
<td>HIGH</td>
<td>&gt;=100%</td>
<td>98.27%</td>
<td>95.86%</td>
<td>&gt;=100%</td>
<td>See also, HS9. Arrears ended the period at £14,406 compared to £12,741 at March 2016.</td>
</tr>
</tbody>
</table>
### Audits

The audits programmed for 2016/17 as follows:

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Audit</th>
<th>Timing</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance and IT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Strategy</td>
<td>High Level Review</td>
<td>Q1/2</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Open Contractor</td>
<td>Application Review</td>
<td>Q2</td>
<td>Ongoing</td>
</tr>
<tr>
<td>IT Server Infrastructure</td>
<td>Full Review</td>
<td>Q1/2</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Programme</td>
<td>Full Review</td>
<td>Q1</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Electrical Safety checks and Contract arrangements</td>
<td>Full Review</td>
<td>Q4</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Framework Procurement</td>
<td>Full Review</td>
<td>Q2/3</td>
<td>Planned</td>
</tr>
<tr>
<td>Repairs Direct</td>
<td>Full Review</td>
<td>Q2/3</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Garage and Commercial Lettings</td>
<td>Full Review</td>
<td>Q3</td>
<td>Planned</td>
</tr>
<tr>
<td>Fixed Term Tenancy Management</td>
<td>Part of a full review in RBKC Housing</td>
<td>Q1</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>People and Performance:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll/Personnel</td>
<td>High Level Review</td>
<td>Q3</td>
<td>Planned</td>
</tr>
<tr>
<td>Residents Engagement</td>
<td>Full Review</td>
<td>Q3</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Business Continuity</td>
<td>Full Review</td>
<td>Q2</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Executive:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts Register inc Spend Analysis</td>
<td>Full Review</td>
<td>Q2</td>
<td>Planned</td>
</tr>
</tbody>
</table>
### 3.3 Respond to the impact of welfare reform

<table>
<thead>
<tr>
<th>3.3.1</th>
<th>Universal credit being paid directly to tenants.</th>
</tr>
</thead>
</table>

- Universal Credit (UC) was introduced in the borough from 9th November 2015 for single claimants. The TMO has seen a steady increase in the number of claimants, which is currently impacting 41 households. Of these we have 19 that are on Alternative Payment Arrangements following them accruing arrears.

- Rent Income and Welfare Reform Officers have had additional training on UC and other welfare reform changes to ensure the best advice is given to residents. Further training is due in December by the DWP to further promote the working relationship between agencies.

- The Welfare Reform Officers have been making contact with those residents likely to be affected by the reduction in the Benefit Cap, offering one-to-one support and advice on their options to afford any shortfall in Welfare payments.

- As part of a review of the work conducted by the Welfare Reform Officers, the TMO has incorporated this service into the Rent Income Team, from the Neighbourhood Management team. Due to an increased focus in mitigating the risk of UC on rental income, it was important to ensure the Rent Income Team have the right support to manage UC cases. Therefore, the Welfare Reform Service now sits within the Rent Income team, which should enhance the service offered to residents, with relevant support given before taking any enforcement action.

<table>
<thead>
<tr>
<th>3.3.2</th>
<th>Work will need to continue on long-term solutions around households that may need to consider moving to smaller accommodation or cheaper areas because their current housing is no longer affordable.</th>
</tr>
</thead>
</table>

- Further work is to be undertaken to address the impact of the introduction of the LHA shared room rate for under 35’s from April 2018. Although there is time to plan for this, it will have a significant impact on single tenants claiming HB that have moved in from April 2016 and who will be under 35 in April 2018. The main likelihood is that depending on rental levels, there may be affordability issues. Joint working has already taken place with RBKC to manage this from an allocation and policy perspective.
### 3.3.3 The TMO will continue to work with the Council on the delivery of support for workless tenants and households

The TMO’s first roadshow of the year took place in May at the Lancaster West estate. The event included an employment and training area where people could get advice, and a ‘Jobs Board’ detailing a range of available local jobs. 287 people attended the whole day, with 19 people specifically registering with the employment section, though others are likely to have passed through.

As part of the procurement framework agreement the TMO has to deliver its major works projects, a range of employment and training related projects are being run by the suppliers.

In the first two quarters of 2016, the two contractors, Wates and Keepmoat, have provided or achieved the following:

- Paid Jobs Created – 2 on-going
- Training & Work Experience – 4 people working or training for a total of 604 hours
  - Labour/Employment – 11 people residing within the Borough, 52 residing in adjacent Boroughs and 79 falling outside of the above categories
- Resident Training – 155 people training for a total of 1,914 hours (see below for brief summary)
- Community Support – 27 events and a total of £3,200 in donations
- Supply Chain Training – 28 people training for a total of 124 hours

Resident Training has included; H&S Awareness, Equality & Diversity, Customer Care, Fire Marshall – training for unemployed Residents; Smartphone Training for over 50’s, TMO Youth Involvement Group, Building Futures Course, Children’s Forum Workshop.

### 3.4 Investing in the Borough’s Stock

#### 3.4.1 The TMO will continue to work with the Council on the HRA business planning and asset management

The TMO and Council are working jointly to meet the HRA Business Plan agreed in January 2016; see the Capital Investment section below.
The process of reviewing and updating the priorities will begin shortly for the 2017-18 financial year. This will be taken to Cabinet and Scrutiny in January. Many of the priorities will remain, however the financial implications of the high value voids levy are not yet known and could have a significant impact on the HRA Business Plan.

| 3.4.2 | The TMO will continue to work with the Council on asset management projects. |

**Capital Investment**

The 2016/17 programme has been revised from £16m to £13m in Quarter 2. This reflects the need to consider whether lifts and windows should be replaced rather than repaired. An alternative approach to both lifts and windows renewal is being considered. Decisions would be taken on an individual basis and would take into account a number of factors, including the financial implications for the HRA over the medium to long term. This approach carries some risk relating to whether leasehold charges can be recovered under the terms of the leases and legal opinion has been sought on this point.

**Trellick Tower**

The scope of works includes:
- Concrete repairs to the fabric of the building
- Repairs and restoration of all flat windows and replacement of the communal windows (Crittel windows)
- Repairs to roof coverings to the service tower and lower block roofs
- Decorations to all previously painted surfaces will also be included as part of the scope of works – windows, balcony railings and cedar wood cladding.

The current estimated cost is £7.3m. The procurement process to establish firm costs is reaching the final stage. Wates has submitted the competitively tendered subcontractor packages of works to consultant, Baily Garner, who are reviewing and will report on the value for money position.
A resident consultation meeting was held on 12\textsuperscript{th} October and was attended by 10 households. There was a wide range of questions relating to the above and some helpful pointers on issues for the Project Team to investigate further. A newsletter will shortly be sent to all residents containing the information presented at the meeting and also a Q and A section reflecting some of the issues raised. The Home Ownership team will hold a separate meeting for leaseholders when the S 20 process commences.

The current programme is:
- Completion of value for money review and report by Baily Garner for our consideration – end of October
- Planning approval - November
- Issue S 20 Notices – mid November
- Seek Board approval for the issue of the formal works order – end November
- Issue of formal works order – late December
- Start on Site – mid / late January

**Hidden Homes**

Holmefield House – one unit from a converted office will be completed shortly. Feasibility studies are being undertaken at 3 other sites.

**91 Tavistock Crescent**

8 new units will be delivered by the end of March 2017. The property containing the 8 units was formerly leased to Westminster Housing Cooperative for short life housing.

**The Housing Regeneration Programme**
At the October HRA meeting it was reported that the HRP programme is on track to deliver £125k of investment, match funded by £18k of Area Review Board (ARB) funding. This will deliver three new projects by the year end in line with residents’ association priorities that met the HRP criteria.

<table>
<thead>
<tr>
<th>3.4.4</th>
<th>Working with the Council to improve the quality and supply of TA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There have been a number of buy backs on estates earmarked for regeneration which are being used as TA. The process of identification and preparation is involved but is working well between the TMO and RBKC to ensure the units are good quality. Further work is being undertaken to use units for single people, as interim supported accommodation whilst they prepare for managing their own tenancy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.4.5</th>
<th>Intermediate and market rent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The leases for both intermediate and market rent are being finalised and the processes for advertising and letting are now in place. The converted units will be let by the end of 2016.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.5</th>
<th>Digitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5.1</td>
<td>Tackling the digital divide by considering how to address barriers that are preventing tenants benefiting from these technologies.</td>
</tr>
<tr>
<td></td>
<td>• The TMO continues to evaluate the pilot project for Wi-Fi in clubrooms/community rooms as part of the KC Places project.</td>
</tr>
<tr>
<td></td>
<td>• The TMO has a new Community Investment Strategy which includes a commitment to continue to develop its digital inclusion work.</td>
</tr>
<tr>
<td></td>
<td>• The TMO is providing financial support for the RBKC led IT Hub at the Chelsea Theatre.</td>
</tr>
<tr>
<td></td>
<td>• The TMO will continue to investigate the most effective methods training staff and residents to become digital champions and roll out across our stock as part of our Digital Inclusion Strategy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.6</th>
<th>Health and Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Health and safety issues in the social housing sector that have</td>
</tr>
<tr>
<td></td>
<td>RBKC Internal Audit undertook an audit of KCTMO Health &amp; Safety and a rating of Substantial Assurance was awarded. The Annual H&amp;S report was produced</td>
</tr>
</tbody>
</table>
arisen during this year include: window safety, fire safety and cleanliness at supported housing schemes.

for the year ending 31st March 2016 and presented to the Finance and Audit Committee. The highlights of this report were also incorporated in the Corporate Health and Safety Annual Report which was presented to the Audit & Transparency Committee in September.

**Adair & Hazlewood Enforcement Notices - update**

An extension of time (a three-month period) for completion of the works required by the London Fire Brigade (LFB) Enforcement Notices for these blocks was sought and approved by the LFB. The Adair Tower Notice expired on 23rd September at which point all of the required works had been satisfactorily completed and the Fire Risk Assessment had been comprehensively reviewed. The LFB’s Fire Safety Team Leader and a colleague audited this block on 28th September and, whilst we have received no formal correspondence on the outcome of this, at the conclusion of the audit the officers indicated that they were happy with the works.

The Enforcement Notice on Hazlewood Tower expires on 18th October. All necessary works have been satisfactorily completed, the Fire Risk Assessment has been comprehensively reviewed and we currently await contact from the LFB with a date for their audit.

**Fire Safety**

The programme of Fire Risk Assessments and reviews continued and substantial progress has been made with completing the actions and recommendations from the assessments.

Regular LFB and KCTMO meetings have continued. Standard agenda items include any fires in the stock and any action that can be taken to prevent recurrence, false alarms and LFB attendance at lift shut-ins.
Grenfell Tower refurbishment – close liaison with LFB and Fire Risk Assessor throughout the duration of the project. At the conclusion of the work some of the operational firefighters from the local Fire Station attended an onsite briefing where the contractor demonstrated the fire safety features of the building.

There is ongoing work with LFB to ensure remaining high rise blocks are prioritised for familiarisation visits and where possible Home Fire Safety Visits are offered.

We have provided a range of ongoing publicity to residents, particularly in relation to:

- the “stay put” fire strategy and procedures residents should follow in event of a fire in their flat or elsewhere in their block, and;
- informing leaseholders about the fire safety standards required of their flat entrance doors (existing and any planned replacement)

Further progress has been made with the installation programme of hard-wired automatic smoke alarms in tenanted dwellings.

Currently preparing bids for submission to the LFB for funding from their Community Safety Initiative. The aim of this fund is to target those most vulnerable to fire and identify effective strategies for reducing this risk. These bids are to be submitted by mid-October and in consultation with RBKC it is our intention to submit bids for the following:

- a telecare overlay system at a sheltered housing clubroom, and;
- installation of external storage and charging stations for mobility scooters at three of our sheltered Housing schemes.
Health and Safety Policies reviewed in this period included Gas Safety, Water Quality and Asbestos Management and work is ongoing to review the Fire Safety Policy and Strategy.

A suite of Health & Safety Key Performance Indicators has also been produced and these are monitored by the Health & Safety Committee at their quarterly meetings.

KCTMO has introduced an on-line display screen self-assessment package for all staff. This module includes training on safe use of the workstation and is available to all staff.

<table>
<thead>
<tr>
<th>Emergency Planning</th>
</tr>
</thead>
</table>
| In the wake of the serious fire at Adair Tower, KCTMO has reviewed the out of hours arrangements (cascade, roles and responsibilities of employees involved with the KCTMO Emergency Plan and how this links to RBKC’s Emergency Plan and Emergency Planning Team) and had confirmed that these KCTMO arrangements had worked well and should remain in place. However, the need for closer communication with RBKC’s Housing and Emergency Planning Teams in the event of a future emergency had been highlighted. Several liaison meetings have now taken place and progress has been made in this area. We are, therefore, now embarking on a joint exercise at one of our sheltered blocks to test the effectiveness of the emergency planning arrangements and to identify and incorporate any further improvements.  

The TMO also has a Business Continuity Plan which is tested annually. This year, the TMO has arranged for its Business Continuity exercise to be invigilated by RBKC Contingency Planning Manager. |

<table>
<thead>
<tr>
<th>3.7 HRA commercial portfolio</th>
</tr>
</thead>
</table>
| In the first half of 2016/17, the TMO has worked with Corporate Property to:  
  - Complete Memorandum’s of Occupation for sites occupied by RBKC departmental occupiers, and move these rents to market-level |
| 3.8 | **Travellers site** | At the end of Q2, rent income collection rates on site were 95.9%. There was a drop in income in September due to issues with direct payments from DWP which the TMO is working to address. Collection rates are expected to increase, with a number of HB backdates confirmed in October 2016.

In August 2016 the TMO carried out a restructure of Neighbourhood Management functions which included the realignment of reporting lines. As part of this review, it was agreed that the Site Manager for Stable Way will report directly to the Neighbourhood Management Team Leader for Lancaster West. This would provide better support from a local office and better resilience when the Site Manager is not present, through having cover arrangements allocated from this office. This is so far working effectively. |

| 3.9 | **Procurement Savings** | For the financial year 2016/17, procurement savings to the value of £625,000 have been confirmed, with additional income of £129,000 generated through leaseholder management fees. |

| 4. | **Conclusion** | The TMO continues to support the Council to meet its strategic objectives. Excellent work has been undertaken in respect of the repairs service, welfare reform, income generation and community engagement. Challenges remain for both the TMO and the Council in terms of their joint work around capital investment and health and safety issues. |

- Progress projects to commercially redevelop former parking sites and generate new income streams
- Expand the no. of telecommunications sites and generate new income
- Maintain exceptionally low void levels in the existing stock
- Address a spike in arrears arising from Agresso implementation issues and return debt levels to below 5%
The Council is confident that the TMO will ensure on-going delivery of the Performance Agreement by meeting the agreed programme of PIs, audit and workstreams, ensuring compliance in the key areas.
<table>
<thead>
<tr>
<th><strong>Report title:</strong></th>
<th>Board Performance Report – Quarter 2 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authority for decision:</strong></td>
<td>The Board has ultimate responsibility for the performance of the organisation.</td>
</tr>
<tr>
<td><strong>Recommendations:</strong></td>
<td>That the Board note the contents of the report.</td>
</tr>
<tr>
<td><strong>Regulatory/legal requirements:</strong></td>
<td>The Board has a duty to promote the success of the Company by monitoring its performance against the agreed KPIs.</td>
</tr>
<tr>
<td><strong>Business Plan link:</strong></td>
<td>Delivering organisational competence.</td>
</tr>
<tr>
<td><strong>Equality Impact Assessment/comment:</strong></td>
<td>There are no equality implications.</td>
</tr>
<tr>
<td><strong>Resident consultation:</strong></td>
<td>The 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.</td>
</tr>
<tr>
<td><strong>Resource implications/VFM statement:</strong></td>
<td>We are committed to achieving top quartile performance with value for money.</td>
</tr>
<tr>
<td><strong>Risk:</strong></td>
<td>A decline in organisational performance could result in reputational risk and action from RBKC.</td>
</tr>
<tr>
<td><strong>Appendices:</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total number of pages including appendices:</strong></td>
<td>13</td>
</tr>
</tbody>
</table>
| **Name, position and contact details of author:** | Yvonne Birch  
Executive Director of People, Performance & Governance  
020 7605 6478 |
Performance Report – Q2 2016/17

Purpose

This report presents the performance against a range of indicators for the period April to September 2016.

1 Introduction

1.1 The attached report gives an overview of the performance of the TMO in key business areas during the period April to September 2016.

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.

2.2 All the performance data is validated by an accountable manager and enables staff to monitor trends and make improvements, where necessary.

2.3 Where benchmarking information is shown, unless otherwise indicated this will be for our HouseMark peer group, the London ALMOs and local authorities club.

3 Repairs Direct

3.1 It has been a positive quarter for Repairs Direct, with all targets achieved for the period.

3.2 The current trend for ‘average days to complete a responsive repair’ reflects longer current lead times on some trades but it is hoped that a new resource coming online in October should help reverse this trend.

4 Voids & lettings

4.1 During quarter two there were 84 lettings, of which 58 were for general needs homes.

4.2 The average number of days to re-let a general needs home in the Q2 period was 20.31 days, bringing the year to date position to 20.93 days against a target of <=22.0 days.

4.3 Void rent loss currently stands at 0.75%, matching the set target for the year.

4.4 The decrease in void loss in comparison to Q1 relates to the removal from the calculation of a number of voids that have either been disposed of during the year or are undergoing an options
appraisal for disposal, plus a small number of voids that will not be re-let as social housing.

4.5 These exclusions fit in with the HouseMark definition for this PI which specifies that properties should be excluded from the calculation if they are not to be re-let as social housing or are to be disposed of or sold.

4.6 The number of available voids ended the period at 51, above our target of \(\leq 40\) but an improvement on the position at the end of quarter 1. The number of available voids have been impacted by both a high number of terminations earlier this year and the percentage of properties requiring major works prior to letting.

5 Gas servicing

5.1 Gas safety compliance ended the period at 100%.

5.2 Warrants continue to be sought where access is unreasonably withheld and the No Access procedure continues to operate successfully.

6 Rent collection

6.1 Following a strong start to the year arrears increased in September, finishing the month at £1.054 million; however, the arrears position improved significantly in October ending the month at £996,198 against the target of \(\leq 1.035\) million.

6.2 The number of households confirmed as receiving Universal Credit has increased to 41, compared to 23 at the end of June. The combined arrears of this group stands at just over £41,000. The team continues to monitor closely the impact of welfare reforms on the overall arrears position.

Social Sector Size Criteria

6.3 There are currently 289 households impacted by the social sector size criteria housing benefit deductions, a net increase of one since the end of the 2015-16 year. The average deduction applied is £23.33 per week.

6.4 Overall, the combined arrears of the affected group have remained largely level compared to the group’s position at the end of the last financial year. Of the 289 households, 84 (29.07%) have seen their rent arrears increase in the period, at an average of £276.45 per household.

6.5 A total of 48 households have ceased to have the deductions applied since March 2016, with the reasons shown on the chart below.
7 Homeownership

7.1 The target for service charge arrears for the quarter has been met, with a significant reduction in arrears achieved. Whilst this is a good position, the challenge moving forwards will be to maintain this, particularly as the 2015-16 service charge final accounts have now been applied resulting in an additional debt of £141,000.

7.2 The target for major works arrears has also been met and exceeded. The team will continue to work hard to maintain this performance throughout the remainder of the year.

8 Anti-social behaviour

8.1 For the period July to September a total of 85 new ASB cases were reported to the TMO.

8.2 All cases are now logged within the CRM system. Further work is being undertaken in early Q3 to review these ASB cases to ensure that cases are being managed and outcomes recorded correctly on the new system, and to assess if further changes or improvements are needed to the system.

9 Resident engagement

9.1 During Quarter 2 all targets for key resident engagement performance indicators were met.
Information on some of our key Resident Engagement activities from the quarter are summarised below.

**Residents associations & compacts**

10 During Q2 one new Resident Compact was established, at 63 Finborough Road. This brings the number of new groups set up this year to five.

**Youth Engagement Project**

10.1 The Youth Engagement project engaged with a total of 33 new young people during the quarter.

10.2 To date, 360 young people have engaged with the project since its launch in 2012.

**Residents’ Conference**

10.3 The Residents’ Conference was held on Saturday 17th September at the Royal Garden Hotel on Kensington High Street.

10.4 The conference is the TMO’s main corporate event providing the most effective opportunity for the TMO to engage with residents. The event also provides an opportunity for residents to give feedback on TMO service delivery and to help shape future TMO services.

10.5 A total of 467 residents attended the conference – an increase on last year’s attendance of 450, making it the most well attended TMO conference to date. Feedback from both residents and staff has been very positive.

**Customer Service Centre (CSC)**

11.1 Between July and September, the Customer Service Centre received 22,152 calls, with call levels increasing towards the end of the quarter, a pattern that is typical for this time of year. The CSC also noted a peak in calls in September relating to the communal heating switch-on.
11.2 During the quarter the call centre answered 95.19% of calls, with 74.26% answered within 30 seconds; however, performance was impacted by high call volumes in September with only 67.69% answered within 30 seconds, below our target of 70%.

11.3 There was a drop in the use of the call-back function in July and August. After further investigation we established that the call-back function suffered some technical issues during these months which meant that it was sometimes unavailable. These issues are now resolved and we have set up daily monitoring of the call-back queue to ensure that call-backs continue to be managed correctly.

11.4 Customer satisfaction for the period is 65.40%, with satisfaction levels decreasing in September.

11.5 Having analysed the data, it was established that performance may have been affected by technical issues, with customers being transferred to the survey before their calls reached the Customer Service Centre, or transferred accidentally during live calls.

11.6 A new method for transferring customers to the survey has now been set up through the Mitel telephony system and the upgrade for this took place in mid-October. We hope to see an improvement to performance going forward.

12 Complaints

12.1 Performance in responding to complaints within our published timescales is below our target of 90% (Stage One 76.5%; Stage Two 58.3%).

12.2 In the second quarter there were significant staff changes within the Complaints Team and this was exacerbated by a high volume of
complaints and a change in the business system used to record and monitor complaints.

12.3 Whilst the new CRM system has enhanced features that are already benefitting the process, for a period of two months, whilst complaints on the old system were being resolved, two business systems were in use. Switching between systems was an additional layer of administration that has now been removed.

12.4 Since the end of August all new complaints have been responded to within our published timescales and we are confident that this will be maintained.

13 **Membership**

13.1 To date 209 new Members have joined the TMO in 2016-17.

13.2 New member sign ups slowed in Q2, in part as a result of the membership register being closed in the run up to the AGM in September.

13.3 Membership recruitment has resumed in October and future recruitment events such as estate door knocking sessions are in the planning stages.

14 **Recommendations**

14.1 The Board is invited to comment on the contents of this report.

**YVONNE BIRCH**  
**DIRECTOR OF PEOPLE, PERFORMANCE & GOVERNANCE**
BOARD KPI REPORT
QUARTER 2: 2016-17
### Repairs & Maintenance

#### Responsive repairs

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency repairs completed in target</td>
<td>97.86%</td>
<td>99.54%</td>
<td>99.84%</td>
<td></td>
<td>99.72%</td>
<td>&gt;99%</td>
<td>NC</td>
<td>&gt;90%</td>
<td>NC</td>
</tr>
<tr>
<td>Void repairs completed in target</td>
<td>97.76%</td>
<td>100.00%</td>
<td>98.77%</td>
<td></td>
<td>99.38%</td>
<td>&gt;90%</td>
<td>NC</td>
<td>&lt;5%</td>
<td>NC</td>
</tr>
<tr>
<td>Recalls as a % jobs completed</td>
<td>0.95%</td>
<td>0.67%</td>
<td>0.63%</td>
<td></td>
<td>0.65%</td>
<td>&lt;5%</td>
<td>NC</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>Post inspection pass rate (Quality)</td>
<td>92.25%</td>
<td>93.75%</td>
<td>94.62%</td>
<td></td>
<td>94.36%</td>
<td>&gt;90%</td>
<td>NC</td>
<td>&gt;95%</td>
<td>93.7%</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>97.14%</td>
<td>95.88%</td>
<td>100.00%</td>
<td></td>
<td>97.97%</td>
<td>&gt;95%</td>
<td>93.7%</td>
<td>&gt;95%</td>
<td></td>
</tr>
<tr>
<td>Average days to complete a responsive repair</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.2</td>
<td></td>
<td>&lt;=12</td>
<td></td>
</tr>
</tbody>
</table>

#### Voids & lettings

| No. General needs lettings (minor and major) | 199 | 45  | 58  | 103 | Info |
| Average number of days to re-let a general needs home where minor works have been undertaken (calendar days) | 18.69 | 22.00 | 20.31 | 20.93 | <=23.0 | 21.10 |
| Void rent loss as % of rent roll (YTD) | 0.73% | 0.87% | 0.75% | 0.75% | <=0.75% | 0.84% |
| Available voids at month end | 50 | 58  | 51  | 51  | <=40  | 40    |

#### Compliance

| % properties with valid Landlords Gas Safety Certificate (LGSR) | 100.00% | 99.98% | 100.00% | 100.00% | 100% | 100% |
| Number of homes without a valid LGSR | 0 | 1 | 0 | 0 | 0 | NC |
| Number without LGSR for >3 months | 0 | 0 | 0 | 0 | 0 | NC |
| Customer satisfaction | 98.9% | 99.3% | 100.0% | 99.7% | >95% | NC |

#### Capital programme

| Number of homes brought up to the KCTMO standard internally (annual PI) | 933 | - | - | - | 1400 | NC |
| Number of homes brought up to the KCTMO standard externally (annual PI) | 120 | - | - | - | 1950 | NC |
| Number of homes where SAP rating has increased through planned works (annual PI) | 120 | - | - | - | 300 | NC |
| Actual capital spend | £11,878m | £1,887,356 | £2,904,503 | £4,791,859 | £11.5m | NC |
| Actual capital spend as a % total annual budget | 103.3% | 17.2% | 36.9% | 36.9% | >=99% | 52.9% | NC |
## BOARD KPI REPORT - QUARTER 2: 2016-17

### Income Collection

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target</th>
<th>Target for Qtr</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tenant arrears</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent collected as a % rent due (excl arrears b/f)</td>
<td>101.07%</td>
<td>97.37%</td>
<td>98.12%</td>
<td></td>
<td></td>
<td>98.12%</td>
<td>&gt;=100%</td>
<td>-</td>
<td></td>
<td>99.49%</td>
</tr>
<tr>
<td>Gross current tenant rent arrears (£millions)</td>
<td>1.035</td>
<td>1.018</td>
<td>1.054</td>
<td>1.054</td>
<td>1.054</td>
<td>&lt;=1.035</td>
<td>&lt;=1.035</td>
<td>&lt;=1.035</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>Gross arrears as a % rent roll</td>
<td>2.02%</td>
<td>2.00%</td>
<td>2.07%</td>
<td>2.07%</td>
<td>2.07%</td>
<td>&lt;=2.02%</td>
<td>&lt;=2.02%</td>
<td>-</td>
<td>2.06%</td>
<td></td>
</tr>
<tr>
<td>Percentage of tenancies with arrears of more than seven weeks</td>
<td>4.38%</td>
<td>4.38%</td>
<td>4.30%</td>
<td>4.30%</td>
<td>4.30%</td>
<td>&lt;=4.5%</td>
<td>&lt;=4.5%</td>
<td>-</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>Arrears - social sector size criteria households</td>
<td>£ 76,318</td>
<td>£ 63,912</td>
<td>£ 76,279</td>
<td>£ 76,279</td>
<td>£ 76,279</td>
<td>Info</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrears - Universal Credit</td>
<td>New PI</td>
<td>£ 14,357</td>
<td>£ 41,369</td>
<td>£ 41,369</td>
<td>£ 41,369</td>
<td>Info</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Former tenant arrears</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA cash collection</td>
<td>£81,487</td>
<td>£19,621</td>
<td>£21,551</td>
<td></td>
<td></td>
<td>£41,172</td>
<td>-</td>
<td>£85,000</td>
<td>£42,498</td>
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</tr>
<tr>
<td>FTA write off</td>
<td>£696</td>
<td>£0</td>
<td>£0</td>
<td></td>
<td></td>
<td>£0</td>
<td>Info</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>FTA housing benefit collection</td>
<td>£14,521</td>
<td>-£1,127</td>
<td>£1,388</td>
<td></td>
<td></td>
<td>£261</td>
<td>Info</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Homeownership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrears - service charges</td>
<td>£ 141,705</td>
<td>£ 144,320</td>
<td>£ 122,124</td>
<td>£ 122,124</td>
<td>£ 122,124</td>
<td>£ 120,449</td>
<td>£ 131,077</td>
<td>NC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrears - major works</td>
<td>£ 1,151,217</td>
<td>£ 1,215,265</td>
<td>£ 1,305,438</td>
<td>£ 1,305,438</td>
<td>£ 1,305,438</td>
<td>£ 1,715,516</td>
<td>£ 1,433,367</td>
<td>NC</td>
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</table>
## Board KPI Report - Quarter 2: 2016-17

### Neighbourhoods & Community

<table>
<thead>
<tr>
<th>Service Area</th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grounds maintenance &amp; cleaning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% grounds maintenance inspections achieving required standard</td>
<td>98.52%</td>
<td>98.91%</td>
<td>98.8%</td>
<td></td>
<td></td>
<td>98.85%</td>
<td></td>
<td>&gt;=97%</td>
<td>NC</td>
</tr>
<tr>
<td>No. cleaning callbacks</td>
<td>281</td>
<td>53</td>
<td>46</td>
<td></td>
<td></td>
<td>99</td>
<td></td>
<td>&lt;=30 p/m</td>
<td>NC</td>
</tr>
<tr>
<td>No. quality assurance failures</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
<td>Info</td>
<td>-</td>
</tr>
<tr>
<td><strong>Anti-social behaviour (ASB)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. new ASB cases reported</td>
<td>301</td>
<td>85</td>
<td>81</td>
<td></td>
<td></td>
<td>166</td>
<td>Info</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>No. live cases at end of period</td>
<td>125</td>
<td>137</td>
<td>170</td>
<td></td>
<td></td>
<td>170</td>
<td>Info</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>% complainants satisfied with handling of case</td>
<td>64.94%</td>
<td>68.75%</td>
<td>52.9%</td>
<td></td>
<td></td>
<td>52.90%</td>
<td>Info</td>
<td>&gt;=81%</td>
<td>68.7%</td>
</tr>
<tr>
<td>% complainants satisfied with outcome of case</td>
<td>64.94%</td>
<td>62.50%</td>
<td>70.6%</td>
<td></td>
<td></td>
<td>66.67%</td>
<td>Info</td>
<td>&gt;=81%</td>
<td>79.9%</td>
</tr>
<tr>
<td><strong>Resident engagement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. new members joining Childrens' TMO</td>
<td>139</td>
<td>56</td>
<td>24</td>
<td></td>
<td></td>
<td>80</td>
<td>35</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>No. new members joining Youth TMO</td>
<td>60</td>
<td>22</td>
<td>9</td>
<td></td>
<td></td>
<td>31</td>
<td>45</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>No. new Residents Associations or Compacts</td>
<td>10</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td>5</td>
<td>10</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>Attendance at residents' conference</td>
<td>405</td>
<td>-</td>
<td>467</td>
<td></td>
<td></td>
<td>467</td>
<td>425</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>No. attending training &amp; employment road-shows</td>
<td>329</td>
<td>287</td>
<td>0</td>
<td></td>
<td></td>
<td>289</td>
<td>180</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td><strong>Community Alarms Service (CAS)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total calls handled</td>
<td>104276</td>
<td>21911</td>
<td>22973</td>
<td></td>
<td></td>
<td>44884</td>
<td>Info</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>% answered within 60 seconds</td>
<td>96.87%</td>
<td>98.04%</td>
<td>96.5%</td>
<td></td>
<td></td>
<td>97.25%</td>
<td>95.0%</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>% emergency visits attended within 45 mins</td>
<td>96.90%</td>
<td>98.50%</td>
<td>97.4%</td>
<td></td>
<td></td>
<td>98.00%</td>
<td>95.0%</td>
<td>NC</td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>98.44%</td>
<td>99.66%</td>
<td>99.4%</td>
<td></td>
<td></td>
<td>99.56%</td>
<td>95.0%</td>
<td>NC</td>
<td></td>
</tr>
</tbody>
</table>

17/11/2016 15:35
## Customer Contact

<table>
<thead>
<tr>
<th>Customer Service Centre</th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. incoming calls received by Contact Centre</td>
<td>87955</td>
<td>22618</td>
<td>22152</td>
<td></td>
<td></td>
<td>44770</td>
<td>Info</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% answered</td>
<td>93.69%</td>
<td>95.15%</td>
<td>95.19%</td>
<td></td>
<td></td>
<td>95.17%</td>
<td>Green</td>
<td>&gt;=90%</td>
<td>93.58%</td>
</tr>
<tr>
<td>% calls answered within 30 seconds</td>
<td>71.6%</td>
<td>70.72%</td>
<td>74.26%</td>
<td></td>
<td></td>
<td>74.12%</td>
<td>Green</td>
<td>&gt;=70%</td>
<td>NC</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>-</td>
<td>66.31%</td>
<td>65.40%</td>
<td></td>
<td></td>
<td>65.63%</td>
<td>Info</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## BOARD KPI REPORT - QUARTER 2: 2016-17

### Corporate

<table>
<thead>
<tr>
<th>Complaints</th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target for period</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. new complaints</td>
<td>427</td>
<td>109</td>
<td>146</td>
<td></td>
<td></td>
<td>255</td>
<td>Info</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. Stage One responses</td>
<td>382</td>
<td>97</td>
<td>154</td>
<td></td>
<td></td>
<td>251</td>
<td></td>
<td>&gt;90%</td>
<td>NC</td>
</tr>
<tr>
<td>% answered in target</td>
<td>92.41%</td>
<td>87.63%</td>
<td>69.48%</td>
<td></td>
<td></td>
<td>76.49%</td>
<td></td>
<td>&gt;=90%</td>
<td>NC</td>
</tr>
<tr>
<td>No. Stage Two responses</td>
<td>34</td>
<td>2</td>
<td>10</td>
<td></td>
<td></td>
<td>12</td>
<td></td>
<td>&gt;90%</td>
<td>NC</td>
</tr>
<tr>
<td>% answered in target</td>
<td>85.3%</td>
<td>100.0%</td>
<td>50.0%</td>
<td></td>
<td></td>
<td>58.3%</td>
<td></td>
<td>&gt;=90%</td>
<td>NC</td>
</tr>
<tr>
<td>No. Appeals</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td>&gt;90%</td>
<td>NC</td>
</tr>
<tr>
<td>% undertaken in target</td>
<td>60.0%</td>
<td>-</td>
<td>100.0%</td>
<td></td>
<td></td>
<td>100.0%</td>
<td></td>
<td>&gt;=90%</td>
<td>NC</td>
</tr>
</tbody>
</table>

### Governance

<table>
<thead>
<tr>
<th>Percentage Board attendance at meetings</th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target for period</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. new members signed up</td>
<td>500</td>
<td>134</td>
<td>75</td>
<td></td>
<td></td>
<td>209</td>
<td>Info</td>
<td>&gt;500</td>
<td>274</td>
</tr>
<tr>
<td>No. members voting in AGM</td>
<td>724</td>
<td>-</td>
<td>1217</td>
<td></td>
<td></td>
<td>1217</td>
<td></td>
<td>&gt;800</td>
<td>800</td>
</tr>
</tbody>
</table>

### Human Resources

<table>
<thead>
<tr>
<th>Total staff (headcount)</th>
<th>2015-16</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2016-17</th>
<th>Status</th>
<th>Target for period</th>
<th>Upper quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of days for sickness absence per FTE (rolling 12 months)</td>
<td>6.44</td>
<td>5.30</td>
<td>5.68</td>
<td></td>
<td></td>
<td>5.68</td>
<td></td>
<td>&lt;=5.5</td>
<td>6.17</td>
</tr>
</tbody>
</table>
# Report title:
Chief Executive’s Report

## Authority for decision:
The Board has ultimate responsibility for monitoring the performance of the Company.

## Recommendations:
It is recommended that the Board note the contents of the report.

## Regulatory/legal requirements:
None.

## Business Plan link:
Keeping abreast of performance initiatives within the organisation, and external development affecting social housing.

## Equality Impact Assessment/comment:
Equality and diversity issues are taken into consideration.

## Resident consultation:
n/a

## Resource implications/VFM statement:
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.

## Risk:
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.

## Appendices:
0

## Total number of pages including appendices:
12

## Name, position and contact details of author:
Robert Black, Chief Executive
Ext 6311
1. CHIEF EXECUTIVE’S DIARY

1.1 Following on from a management away day in June with Best Companies and as part of our People Strategy, ET and myself have been meeting staff. As part of this I have been meeting all the senior management teams in the organisation to talk about our values and ensuring we are as managers delivering a constant message to our front line staff. This has been a positive experience and has given me confidence we are on the right track with our strategy and that it will overall improve our service.

1.2 Management Development Programme Presentation. This programme is again linked to the People and Customer strategy and is designed to support front line managers to focus on key areas to improve performance. The latest cohort on the management development programme presented to us on their ideas for the business. Again this was a positive experience, with managers displaying their learning from the training. They discussed working smarter and how to hold each other accountable when it has an impact on customer service and we agreed to implement some protocols around managing meetings and tackling e-mails!

1.3 Our Events Group held the annual Macmillan Coffee Morning on Friday 30 October at the Hub. This was well attended by staff and we raised £150.30. Events like this fit in with our giving back to the community which staff wanted to see more of and have proved very successful.

1.4 Along with the rest of ET I attended the Resident Engagement Panel (REP) Chairs Get Together at the Kensington Close Hotel. This was attended by 26 RA Chairs and is an informal event to build better links in an informal setting. Graham Webb from Repairs Direct did a short presentation on the service and planned service improvements and feedback from the event was positive.

1.5 I attended the Social Housing Conference with Barbara in November which was very informative with a focus on how the sector adapts to change. This is attended by a broad spectrum of organisations across the sector and attracts some excellent speakers. This year’s focus was on trying to understand the changing political landscape and how we operate with it. The event recognised the challenges around the challenge of building new homes and making sure our sector can deliver the new homes required.

1.6 We had a very successful Board Away Day on Friday 11 November at the Grange Strathmore Hotel and thank you to all the board members who attended and contributed to the day. Chris Wood, a partner at Altair facilitated the day for us where we looked at good and bad governance. We also enjoyed a trip to Trellick Tower and went up on the roof and in the boiler room and we observed the two-minute silence while up on the roof. I think what it showed was seeing the projects and understanding the works helps the debate at Board and it would be good to organise a trip to cover the south of the borough with the Board to see our stock and meeting staff.

2.0 NEW WEBSITE

2.1 It has been a long time coming, but we have finally started the exciting development of a new website and Kirk Dede has been appointed as Project
Manager. With CRM’s first stage now fully operational we need a completely new website which allows residents to fully engage and participate in our services online. A steering group has been set up to agree the scope of the project and to begin to cost the proposal. This project fits within the Boards decision to use £250K reserves to fund this as well as the CRM System.

3.0 CCTV CAMERAS MAPPED

3.1 We now have over 400 CCTV cameras on the estate we manage, but until recently we did not have a full picture of where they all were. Following a survey using an online mapping system we now have data and photos on line and we have the location of the cameras and equipment shown on a map as well as on a spreadsheet. We will have some of these maps for your view at the meeting.

4.0 NEW MEMBERS OF STAFF

4.1 I am pleased to welcome the following new starters:

- Ian Walker – Systems Analyst
- Amanda Brownell – Interim Youth Engagement Officer
- Jennifer Raymond-Osei – Trainee Quantity Surveyor Repairs Direct
- Jeffrey Thorpe – Multi Trade Operative Repairs Direct
- Truda Scriven – Interim Company Secretary

5.0 MOVERS

5.1 The following members of staff have changed roles:

- Anthony Oloyede now a Rent Income Officer
- Amelia Sales now a Part Qualified Surveyor Repairs Direct

6.0 ARCH & NFAs AUTUMN SUBMISSION:

6.1 As the Autumn statement looms in November interest groups prepare submissions to show how they can support or influence the Governments agenda. Our Company links into the National Federation of ALMO’s (NFA) as our trade company. The NFA represents 37 Arm’s Length Management Organisations managing over 500,000 homes in 40 local authorities.

6.2 In recent years the NFA has been working more closely with ARCH. This trade body represents local authorities that have chosen to retain ownership of council housing and manage it directly. Together the NFA and ARCH represent over 1.2 million council homes, one third of the social housing in England.

6.3 The statement below outlines a shared vision of how this sector can help deliver the Government’s agenda.

6.4 ARCH and the NFA welcome the Government’s renewed commitment to 1 million new homes by 2020. The councils and ALMOs we represent are keen to help realise this ambition, and we believe that, given the right help, they could make a major contribution. Specifically, we ask that the Government should:
• encourage and support councils to supply homes for sale and market rent, not only traditional council housing;
• reconsider social rent reduction plans and debt caps to enable councils to finance much more new building from their HRAs;
• make sure that agreements to replace council higher-value homes give councils the resources and flexibility to deliver at least one-for-one replacement (two-for-one in London).

6.5 Reaching a million new homes by 2020 means nearly doubling current output over the next three years. This cannot be left to private developers alone, but can only be achieved by increasing investment by councils and housing associations as well as encouraging new entrants to the market – in particular more small and medium-sized housebuilders. Further it requires action to increase the number of skilled building workers and the capacity of the building materials industry.

6.6 Some councils are already intervening in local housing markets to stimulate an improved supply of homes for sale and market rent, to nurture and support local builders and the supply of skilled labour. With Government encouragement and support they could do much more and many more councils would be likely to follow their example. We would argue that the Government should agree to fund and support the establishment of a resource to help councils do more by providing advice and enable them to share experience and develop skills.

6.7 Councils with housing, such as those ARCH and the NFA represent, have the additional advantage of an asset base of 1.6 million homes yielding an annual income of £9.5 billion which can be used to underpin the development of new homes. One of the objectives of HRA self-financing introduced in April 2012 was to enable them to plan long-term investment, including in new housebuilding. Until the imposition of the four-year social rent cuts they were planning to provide around 5,000 new homes a year without external subsidy, with the financial capacity to increase this to around 20,000 a year if HRA debt caps were lifted. We would argue that, if the Government wants councils and housing associations to make their full potential contribution to increasing housing supply, it should reconsider whether to continue with the remaining three years of the planned social rent reductions and, at the very least, make an early announcement setting out a new ten-year social rent policy to enable local authorities and housing associations to build robust business plans. We consider that the short-term increase in welfare expenditure this would imply would be more than compensated in the long term by the benefits generated by the additional new housing supply it would facilitate.

6.8 There are several provisions of the Housing and Planning Act 2016 where the detailed approach to implementation, yet to be specified in secondary legislation, could do much to help – or hinder – councils’ potential contribution to increasing housing supply.
6.9 Regulations under Part 1 (Starter Homes) provide the opportunity to allow local flexibility over housing mix on new developments to ensure local housing markets work for all.

6.10 ARCH and NFA have never supported the proposal for a levy on HRA assets to pay for RTB discounts for housing associations. However, given that the Act has been passed, the key issue making the most effective use of the levy to fund the provision of additional new housing by both councils and housing associations. We want to ensure that the greatest possible number of councils reach agreements with the Secretary of State to replace the higher value homes they may sell to fund levy payments and, equally importantly, to maximize the probability that these agreements will deliver on Government’s promise of at least one-for-one replacement (two-for one in London) with additional homes.

6.11 The need to develop a framework for HVAS replacement agreements provides the opportunity to review and learn from the operation of the RTB replacement agreement introduced in 2012, which is not working as intended. Many councils have significant on-going plans for housing investment across all tenures, and we think the Government should encourage and enable them to do more. HVAS replacement agreements should not be seen as separate agreements each funding stand-alone development programmes but, wherever appropriate, as agreements specifying how HVAS receipts will be deployed to supplement and extend existing plans. The same should apply to a revised RTB replacement agreement. Preferably, we would like to see a single agreement covering both RTB and HVAS replacements.

6.12 A New Plan for New Circumstances - ARCH and the NFA welcome and applaud the Prime Minister’s commitment to step in and tackle the dysfunctional housing market, as part of a new package of prudent public investment in infrastructure. We would argue that housing investment should be given a high priority in this package. The chronic under-supply of housing in many areas of the UK is a significant economic weakness that urgently needs tackling, and, compared with alternative infrastructure investment opportunities, such as transport infrastructure, housing investment has the advantage of being quicker to show results and less reliant on imported goods and services that the falling pound has made more expensive.

6.13 We have always supported the Government’s ambition of a million new homes by 2020 and we welcome the new administration’s renewed commitment to achieving it. We argue it should be the start of a longer-term commitment to increase the annual rate of new home construction to at least 250,000 to match the expected increase in the number of households and help make home ownership affordable for all who aspire to it. As the Barker Review noted over a decade ago, because newly constructed homes form only a fraction of supply this increased level of output needs to continue for a sustained period – and to be expected to do so - to apply significant downward pressure on house prices and bring house purchase back within the reach of the majority of households.
6.14 The scale of the challenge should not be underestimated. The annual rate of new home completions has not been above 200,000 for a sustained period since the 1970s; for the last 30 years it has averaged less than 150,000 a year. And, although completions in 2015/16, at 139,650, were significantly better than the recession trough of 107,870 in 2010/11, achieving 1 million new homes by 2020 involves nearly doubling this rate of output in the next three years.

6.15 Since output was last above 200,000 a year there have been substantial changes in the supply side of the housebuilding market. In the 1960s and 1970s roughly half of new housing was provided by councils; since then, council housebuilding has fallen to very low levels, except for a slight resurgence over the last 5 years. This loss has not been compensated by an equivalent increase in housing association development activity which, since 1985 has ranged between 13,000 and 32,000 homes a year. The private housebuilding market has changed too, with the loss of a large number of small and medium size firms since the 1980s, leaving a small number of volume housebuilders much more dominant in the market.

6.16 ARCH and NFA do not wish to take sides in the argument whether or not the volume builders’ business model relies on land-banking and managed under-supply to keep house prices high. Regardless of the truth of this proposition, the industry lacks the capacity to deliver the necessary increase in output, and we need to enable and encourage new entrants — principally small and medium sized enterprises — to the market. Councils can do a lot to help achieve this.

6.17 It is not the time to revisit the argument whether councils or housing associations should be the main providers of new affordable housing. The Government should be looking to both to increase their contribution to new development. In areas where council housing has been transferred to a housing association it will normally be for the association to take the lead in new development. In other areas, such as those which the ARCH and NFA represent, it makes sense for councils to lead delivery underpinned by the asset base provided by their existing stock – a total of 1.6 million homes yielding a rental stream of £9.5 billion a year. Further, in many of these areas, housing associations are not, and have never been, very active. As the Housing Finance Institute report from the Shores to the Shires points out, housing associations built no homes at all last year in 18% of local authority areas, of which 90% are outside London and the Metropolitan areas, yet combine high levels of need and significant development opportunities.

7.0 COUNCILS CAN DO MORE AS ENABLERS, BUT ALSO PROVIDERS

7.1 In his speech to the National Housing Federation conference, the Minister for Housing, Gavin Barwell, rightly rejected simplistic attempts to place blame for under-supply either on council planning delays and obstructions or the failure of developers to act speedily on the planning permissions they have been granted. Both arguments are based on the false premise that councils should play an essentially passive role in new housing delivery, primarily responding to initiatives taken by private developers. In fact, many councils are already playing a much more active role in stimulating and nurturing private investment in new homes for
sale and market rent, or, in some cases, stepping in where private developers, for whatever reason, hold back. With encouragement and support from Government, we believe they could do much more.

7.2 Given the current statutory framework for local government such interventions are implemented through a mix of delivery options including the establishment of local housing companies in which the local authority has influence or control, or by re-tasking ALMOs where these already exist. Examples of which we are aware include:

- Purchase of undeveloped land or stalled development sites in which there is little private sector interest to kick-start development for sale or market rent (e.g. Thurrock, Sheffield, Stockport Homes)
- Local authority commissioning of new construction across all tenures to ensure improved standards of design or construction (e.g. Thurrock, Nottingham City Homes)
- Acquisition or development of homes to increase supply and/or quality of market rented homes (e.g. South Cambridgeshire, Lewisham Homes) or to rebalance the mix of homes for sale and market rent in parts of the local authority area (e.g. Lincoln)
- Nurturing of local small builders through local authority commissioning and agreements with private developers on using a proportion of local labour and providing apprenticeships;
- Building skills development and training (Nottingham City Homes)

7.3 These are all examples of local authority intervention that is desirable and should be explicitly welcomed and encouraged by the Government. We are aware that many more councils are keen to become more active in some or all of these areas and are currently considering what action to take. We would argue that the Government should agree to fund and support the establishment of a resource to help councils do more by providing advice and enable them to share experience and develop skills.

7.4 The Case for More New Homes at Genuinely Affordable Rents - We welcome the new Government’s shift in emphasis away from an excessively narrow focus on the construction of new homes for sale to a more balanced programme of homes for rent and sale. This programme needs to include a proportion of affordable homes for sale and shared ownership, plus a significant proportion of homes at genuinely affordable rents.

7.5 To examine the case for building more homes at genuinely affordable rents ARCH and the NFA joined with SHOUT and others to commission independent analysis by Capital Economics of the impact of building 100,000 new affordable rented homes a year. The analysis was published in June 2015 as Building New Social Rent Homes: an Economic Appraisal, followed by an update published earlier this month re-evaluating the analysis in the light of the European referendum result. The findings of this analysis are described in greater detail in SHOUT’s Autumn Statement submission. From our perspective the key
conclusions are that expansion of the development programmes of councils and housing associations on that scale would:

- offer a pathway out of expensive and insecure private renting, and on towards ownership
  – in part via the Right to Buy – for those hardworking households who are “just managing”;
- over time, reduce the cost to government of meeting the housing needs of low-income households;
- make a major contribution to the Government’s ambition of 1 million new homes by 2020 and address the chronic undersupply of housing in the UK;
- help address pressure on public services, notably health and social care, driven by poor housing conditions.

7.6 100,000 new homes were chosen as an indicative figure in line with national data on household incomes, housing needs and affordability to illustrate the impact on the national housing shortage and public finances. We do not envisage that every area needs the same proportions of new homes for sale, market and affordable rent. We believe that local authorities, in line with their strategic housing responsibilities, should be charged with determining, in consultation with local people, the appropriate mix of new development to meet identified and expected local housing needs, and with ensuring its delivery through their planning, enabling and commissioning powers.

7.7 Nor do we offer a prescription on the national balance between the numbers of homes to be provided by councils and by housing associations, although we envisage that councils should play a much bigger role in direct development than in the last three decades. One of the objectives of the introduction of HRA self-financing in April 2012 was to allow councils to plan for long-term investment including the provision of new homes. Since then, many councils with housing have restarted house building programmes, albeit on a relatively small scale. ALMOs have also built a total of 905 new homes by 2015. As former Housing Minister Brandon Lewis reminded the CIH Conference this year, more new council homes have been completed since 2010 than in any comparable period since the early 1990s.

7.8 Research led by ARCH in 2012 showed that councils were planning to build around 25,000 new HRA homes a year by 2018, and had the financial capacity from HRA resources alone to build 60,000 if HRA debt caps were lifted. In 2014, LGA research reported council plans to build 28,000 homes by 2020, with the potential to increase this number to 76,000 if borrowing restrictions were removed. These plans were already adversely affected under the last Government by the 2013 decision to change the inflation assumption underlying permissible rent increases. This has been compounded by the rent reductions imposed by the Welfare Reform and Work Act; uncertainty about the Government’s social rents policy after 2020 adds to the problem by undermining long-term investment planning.

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7.9 The CIH/CIPFA report *Investing in Council Housing* estimates that the original self-financing model showed potential capacity for councils to build more than 550,000 units over 30 years. After taking into account the change in the inflation assumption, this capacity for building new units reduced to 160,000 (or 28% of the capacity at the time of the settlement). The effects of rent reduction mean that the capacity to build drops further to just 45,000 units (or 8% of the capacity at the time of the settlement). These findings are confirmed by survey responses from individual councils and ALMOs.

7.10 We would argue that, if the Government wants councils and housing associations to make their full potential contribution to increasing housing supply, it should reconsider whether to continue with the remaining three years of the planned social rent reductions and, at the very least, make an early announcement setting out a new ten-year social rent policy to enable local authorities and housing associations to build robust business plans. We consider that the short-term increase in welfare expenditure this would imply would be more than compensated in the long term by the benefits generated by the additional new housing supply it would facilitate.

7.11 In this submission we have made the case for a very substantial increase in council-led housing development. We are not, however, arguing that councils should build only traditional council houses and certainly not for a return to the construction of large scale council housing estates similar to those built in the 1970s. Just as we expect councils to implement housing strategies to ensure the construction, by a variety of providers, of an appropriate mix of new homes across their areas, we would expect council-led developments typically to include a mix of homes for sale and rent, with a significant proportion of genuinely affordable housing. Mixed tenure developments have been the norm for some years where new affordable housing has been provided through s106 powers, and on many schemes for regenerating large-scale council estates. We do not see this changing.

8.0 IMPLEMENTATION OF THE HOUSING AND PLANNING ACT 2016

8.1 There are several provisions of the Housing and Planning Act 2016 where the detailed approach to implementation, yet to be specified in secondary legislation, could do much to help – or hinder – councils’ potential contribution to increasing housing supply. Regulations under Part1 (Starter Homes) provide the opportunity to allow local flexibility over housing mix on new developments, as argued for above, to ensure local housing markets work for all.

8.2 ARCH and NFA have never supported the proposal for a levy on HRA assets to pay for RTB discounts for housing associations. Right to Buy was introduced for council tenants without any form of reimbursement for discounts from central government. Councils, and council tenants, were expected to absorb and manage the impact on HRAs without central government help. It is doubly unfair that they should now be expected to pay for extension of the policy to housing association tenants. However, given that the Act has been passed, the
key issue is now replacement of the homes sold both by housing associations and councils, or, more accurately, making the most effective use of the levy to fund the provision of additional new housing by both councils and housing associations.

8.3 The Conservative Manifesto did not just commit the Government to extend the Right to Buy to housing association tenants; it also committed to replace the homes sold by both the housing associations and councils affected. Without this proviso the policy would be hard to justify as a fair or sensible use of public resources – why single out housing association tenants to receive so much higher levels of help into home ownership than other groups of first time buyers often stuck in the private rented sector. The value-for-money case for the policy hangs on its contribution to boosting housing supply and helping meet the million homes target. That makes it essential to ensure that the greatest possible number of councils reach agreements with the Secretary of State to replace the higher value homes they may sell to fund levy payments and, equally importantly, to maximize the probability that these agreements will deliver on Government’s promise of at least one-for-one replacement (two-for-one in London) with additional homes.

8.4 In developing our views on the appropriate approach to replacement agreements under section 74 of the Act, we have started by looking at the closest current parallel, the 2012 agreement on replacement of homes sold under Right to Buy. This has the following features:

• It is a “one-size-fits-all” agreement applicable to all regions and authorities;
• Receipts must be used within three years or returned with punitive interest;
• Receipts cannot be used to fund more than 30% of scheme expenditure incurred during the 3-year period;
• Local authorities cannot contribute to scheme costs beyond 30% from other resources (e.g. free land);
• Receipts cannot be given to an ALMO or other local authority company;
• The policy aim is one-for-one replacement nationally, not in individual local authority areas.

8.5 There are important lessons to be learned from the operation of these agreements; unfortunately, these are mostly negative. As the National Audit Office warned in March this year, the current agreement risks failing to deliver one-for-one replacement, even at a national level unless the number of replacement homes started increases fourfold in the current year. Some authorities have found the terms of the RTB agreement so restrictive that they have been unable to use their receipts within the 3-year period, and been forced to return them. While they have been penalized with interest payments, so that the Exchequer is, in theory, no worse off, the result is that resources intended to support housing investment have lain idle for three years at a time of acute housing shortage. With the new agreements, and in the context of renewed efforts to meet the million homes ambition, deliverability should be a primary consideration.

8.6 RTB receipts are arguably too erratic and unpredictable, and often too small, to support a standalone replacement programme. There is some evidence to suggest that councils which have successfully made use of RTB receipts have been those with ongoing new build programmes funded from a variety of sources, to which RTB receipts can be applied as and when they arise. The restriction in
the RTB agreement on contributing from other resources makes this approach unnecessarily hard to implement.

8.7 Many councils have significant ongoing plans for housing investment across all tenures, and, as we have argued above, we think the Government should encourage and enable them to do more. HVAS replacement agreements should not be seen as separate agreements funding stand-alone development programmes but, wherever appropriate, as agreements specifying how HVAS receipts will be deployed to supplement and extend existing plans. The same should apply to a revised RTB replacement agreement. Preferably, we would like to see a single agreement covering both RTB and HVAS replacement. Clearly, Government will want to be satisfied that RTB and HVAS receipts are not simply substituted for other resources available to the local authority, and that public resources deliver the maximum value for money, but this should not require a rigid separation of HVAS or RTB-funded programmes from other development programmes.

8.8 The RTB replacement agreement adopts a one-size fits all approach limiting the use of receipts to 30% of development costs in all areas regardless of local variations in either these costs or average RTB receipts per unit. The Government defended this approach by insisting that the objective of one-for-one replacement was an overall target to be achieved nationally, not in each local area. With HVAS agreements the objective is different. Each agreement is intended to secure the objective of at least one-for-one replacement of sold homes and, in London, at least two-for-one replacement. While there is no requirement that replacement homes are provided within the area of the authority entering into the agreement – Ministers were insistent in the House of Lords that councils should have flexibility on location – there is at least a clear implication that the replacement dwellings should be contributing to housing need in that authority, and therefore be accessible and attractive to households in need from that authority and, normally, located reasonably close to it. The implication is that agreements will need to have regard to local development opportunities and costs and thus be subject to variation from area to area. A one-size-fits all approach is not appropriate. This need not imply that DCLG would have to negotiate up to 165 individual agreements – a challenging prospect. ARCH and the NFA would be keen to work with DCLG to develop a framework that would provide the necessary flexibility without the need for too much individual tailoring authority by authority.

8.9 Another reason why councils have found the RTB agreement hard to implement is that circumstances have changed significantly since it was introduced in 2012. The maximum 30% contribution from receipts was set, as we recall, by deducting from estimated average unit development costs the amount of borrowing that could be repaid from the assumed yield of an average affordable rent over a 30-year period. At that time the policy assumption was that affordable rents would rise by RPI plus 0.5 per cent annually. Since 2012 there have been two major changes in Government social rent policy, both of which have made the 30% limit more unrealistic. Yet the bar on local contributions from other resources has made it much more difficult for authorities to compensate for the impact of these policy changes. We have seen an estimate that suggests that, on current rent policies, an average contribution of 45% to 50% would now be appropriate. We recognise that HVAS replacement agreements will not be confined to the provision of housing for social or affordable rent, but the more general point still
applies that agreements must be flexible enough to accommodate unforeseen changes in circumstances or in Government policy, particularly given the fact that agreements are likely to cover schemes lasting five or more years.

8.10 The Act provides that replacement homes should be “affordable” in a very broad sense that includes homes for sale at a discount, for shared ownership and for sub-market rent. Each of these has a different impact on public expenditure, compounded by variation in the costs of provision between different areas.

8.11 On the assumption that HVS replacement agreements allow for only a percentage of replacement costs to be rebated from the levy, the balance will be financed initially from a net increase in local authority borrowing. This may be relatively short term, to cover the development period, for example where the replacement dwellings are to be sold as starter homes, or longer term, where the replacement dwellings are provided for social or affordable rent. Shared ownership dwellings occupy an intermediate position because an initial share of at least 25% will be sold and the expectation is that many shared owners will staircase over time to full ownership. Genuinely affordable rented housing, other things equal, is likely to have the greatest and longest-term impact on public borrowing albeit one that is matched by an ongoing rental stream. This creates a temptation, in negotiating an agreement in any area, to increase the proportion of homes for sale and shared ownership in order to maximize the number of homes provided with a given amount, and the volume and duration of any necessary increase in public borrowing. This is a temptation that should be firmly rejected. The overriding objective should be to deliver the mix that best meets housing need in the relevant area.

8.12 Some authorities may be able to accommodate the additional borrowing within existing balances or borrowing limits. Others may not without breaching their debt caps. Some new flexibility over debt caps will almost certainly be necessary to enable replacement agreements to delivered in some areas. We would also argue that the framework for agreements should allow for flexibility on future rent levels in specific cases. This might include allowing authorities to migrate new tenancies from social rents closer to affordable rent levels.

9.0 HEALTH & SAFETY UPDATE

9.1 Adair & Hazlewood Towers Enforcement Notices - The works required by the London Fire Brigade (LFB) Enforcement Notices were successfully completed within the extended timescales agreed with the LFB - 23rd September for Adair and 18th October for Hazlewood. Further, the Fire Risk Assessments for these blocks were comprehensively reviewed at the conclusion of the work and the LFB provided with copies of these and all other requested documentation. The LFB Inspecting Officers undertook their post-Notice audit / inspection at Adair Tower on 28th September and at Hazlewood Tower on 15th November and we await formal notification of the outcome of these audits but we have been advised informally that each block has met the required “Broadly Compliant” standard.

9.2 Adair Tower – LFB’s “ongoing investigation” - On requesting an update TMO staff were advised in October that the LFB had temporarily placed this “on hold” due to internal staffing issues. However, their intention was to resume the
investigation in early November. Once the LFB paperwork has been completed on the post-Notice audits they will have another case conference to consider this investigation and this documentation will be provided to the Legal and Enforcement Team. We are hopeful that a final decision will then be reached, however, there remains no firm timescale for this.

9.3 In discussion with RBKC, it was agreed that we should appoint legal Counsel to advise us both of any action we could / should take to prepare for potential prosecution and to mitigate any risks. An initial meeting with Counsel took place on 10th November and, in conclusion, we have been advised to prepare a detailed chronology with all supporting documentation. However, we should then wait until we receive formal communication from the LFB.

10.0 KCTMO FIRE POLICY & STRATEGY

10.1 This policy is currently being reviewed following detailed discussions with the TMO’s Health and Safety Committee. In particular, the main proposed changes include:

- The need to adopt a more proactive approach to the installation of self-closing devices to flat entrance doors across the stock (recommendation is for an installation programme over several years);
- Increasing the frequency of the comprehensive Fire Risk Assessment reviews;
- Programme of installation of Fire Action Notices in the communal entrance lobbies of all blocks;
- Further work to address the issue of storage and charging of mobility scooters within communal areas;
- A more coordinated approach with the various agencies involved with hoarders – adopt a clear procedure involving an assessment by our Fire Consultant;
- Clarity on the requirements of a communal storage “managed use” policy - what is and what is not acceptable.

The redrafted document will be submitted to the next Health and Safety Committee and will include indicative costings of the proposals. Any proposed changes to the policy will require approval from the Board and RBKC.

11.0 LFB DEFICIENCY NOTICE RECEIVED

11.1 If, whilst undertaking their audit, the LFB consider there are deficiencies which require our attention which are not significant enough to warrant an Enforcement Notice, they will issue a Deficiency Notice. These documents have no legal standing but the LFB do include a timeframe within which they expect landlords to comply and in the event of non-compliance there is the possibility that these could be escalated and an Enforcement Notice served. We have recently received a Deficiency Notice in relation to the LFB's audit of Lonsdale House, Portobello Court Estate, several months ago. The issue raised relates to flat entrance doors and the requirement for us to undertake regular inspection of self-closing devices on these doors. The tenants’ doors at this block were replaced with fully fire-rated, self-closing compliant doorsets within the last four years and so we are surprised to have received this Notice. Discussions with the LFB's Fire Safety Team are ongoing in relation to these specific requirements.