



ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE

16 October 2014

PRESENT:

Directors

Joanne Carr (Chair)
Mick Davison
Pauline Dillon
Peter Mole

Advisers

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|---------------------|------------------------------------|
| Phil Gallagher | Head of Investment and Development |
| Kevin Johnson | Head of Customer Services |
| Phil Hogg | Repairs Service Manager |
| Christine McFarlane | Cyclical Maintenance Manager |
| Stuart Gibson | Governance and Risk Officer |

Also Present

Ian Price Mears

Apologies

Eileen Gill
Helen Hall

9 APPOINTMENT OF DEPUTY CHAIR

RESOLVED – That the appointment of a Deputy Chair be deferred until there is a full membership on the committee.

10 MINUTES

The minutes of the meeting of the committee held on 19 June 2014 were approved as a correct record.

11 MATTERS ARISING – ASSET STRATEGY

The Board approved, at its meeting on 18 September 2014, the appointment Ridge Property and Construction Consultants to carry out the Stock Condition Survey. It was noted that it was hoped that this would begin by the end of November with a view to completing a sample of 20% by February/March.

The Committee stressed that there needed to be an Asset Strategy in place before it could make any decisions beyond 2015/16.

12 REPAIRS AND MAINTENANCE CONTRACT – FIRST QUARTER 2014/15

The committee received an overview of the operation of the repair and maintenance contract in the first quarter 2014/15.

13,932 responsive repairs were completed (compared to 17,814 in the same period last year). The reduction has been most noticeable in “planned” work and “routine” work. There has been a small increase in “urgent” repairs and a small reduction in “emergency” orders.

2,059 repair orders were cancelled in Quarter 1 (12.2% of jobs), which is a slightly lower rate than in the full year 2013/14 (12.9%). 891 jobs were cancelled because the tenant did not keep the appointment (5.3% of jobs).

The level of relet orders has reduced from last year, but the number of jobs in work remains high. 423 relet orders were raised in Quarter 1 and 327 orders completed. (Last year, 488 relets were raised and 402 relets completed). A review of relet processes is underway, but improvements to performance are required in this area as targets are not being achieved.

4,887 gas services were completed in Quarter 1, with 16 properties overdue and undergoing the no-access procedure. This is a reduction from year end 2013/14 when 26 properties were overdue. 7,011 visits were required in order to complete the 4,887 services.

The programmes for electrical testing and for external painting are on schedule and there may be opportunities to release additional properties into each programme this year.

Satisfaction with the standard of repairs remains ahead of target, but is slightly lower than at year-end.

Gas servicing performance has improved, but timescales for bringing vacant properties to the Lettable Standard are still too high and are contributing to increased vacant property rent loss. Reduced demand and increased refusals are also a factor behind this.

The Committee questioned the need to send the third no access letter out given the number of these that then moved to the warrant process didn't reduce.

The committee asked if the reasons for not getting access were being identified and whether the Company was telling tenants how much it cost. It was noted that Mears were producing a report on trends behind missed appointments and the number of missed appointments during the school run had already been highlighted.

The committee received an explanation around alternatives to full scaffolding. It was noted that these were cheaper alternatives to full scaffolding in an estate where it allowed and didn't stay up as long in an estate.

Following a discussion around councillors having details of a first point of contact for particular enquiries, it was accepted that the Company needed to

make better use of customer care officers when a customer moves into a property when problems have been highlighted before the customer moves in.

A concern was raised about 50% of the complaints resolved being justified. It was noted that trend analysis was now being received and that this was being fed into the operational meeting.

The regular contract review document, which has been jointly produced by service managers from Mears and from the Company, was submitted.

Overall, the repairs budget is underspent at the end of the first quarter by £416,000, however this is unlikely to continue and a £531,000 overspend by year end has been submitted. The Company is prudently forecasting that all budgets underspent at the end of the first quarter will come in on budget at the year end.

RESOLVED – That the committee is satisfied with progress on the management of the repair and maintenance contract with Mears at the end of the first quarter 2014/15, subject to the table showing the standard cancellation reasons having a separate column for appointments cancelled by the operative.

13 CYCLICAL MAINTENANCE AND COMPLIANCE – FIRST QUARTER 2014/15

The committee received an update on cyclical maintenance activities and compliance monitoring in the first quarter 2014/15.

The cyclical maintenance activities aim to reduce response times and to lower call-out charge and identify high expenditure trends for inclusion in planned maintenance programmes. A number of work plans are in development to address areas of high expenditure identified in previous reviews. Details of specific work areas that have commenced during the first quarter were reported.

The service continually feeds into the Company's Asset Management Strategy via a bespoke referral process to inform the Capital programme.

Performance on gas servicing continues to be an area for improvement. It remains an increasing trend for some tenants to not readily allow access for an annual gas service, despite repeated attempts and publicity around the potential risks.

Within this period Mears have passed across 381 properties that have been classed as "no access" and referred to TGHC to commence warrant process.

The TGHC Gas Service Manager continues to follow available enforcement actions on behalf of the local authority, compiling a number of pre-warrant applications. As a result of this pre-warrant activity, the majority of properties were accessed without progressing to full warrant. Only 13 warrants were finally served.

At the end of the period, 99.91% services were reported as completed (4,887), with 16 properties reported as overdue for service. This represents a reduction from year-end when 26 were overdue.

Development work for the BARIS computer interface has commenced. The Council's Local Environmental Services (LES) are co-ordinating timescales with their consultant provider Total Mobile as part of their annual development schedule. This is a new product development area for them requiring development and consultancy build time for roll out. Implementation for LES is anticipated to commence January 2015.

The service is currently scoping the following areas for inclusion in future cyclical maintenance activities:

- Ventilation servicing in multi blocks
- Programme of planned condition assessment and soil stack renewal.
- Assessment of ageing mains water supply infrastructure to blocks.
- Data management of operational and maintenance information.

RESOLVED – That the committee is satisfied with progress on the management of the cyclical maintenance contract with Local Environmental Services and other contractors at the end of the first quarter 2014/15.

14 CAPITAL PROGRAMME 2014/15

The committee received an update on the delivery of the Capital Programme 2014/15.

Based on maintenance reports and recommendations from insurance inspections, lift replacement works were identified as being necessary at Park, Peareth and Priory Court. Works commenced during 2013/14 and all of these blocks were completed in the first half of this year. The replacement of two lifts at Eslington Court is currently in progress. In addition, part of the budget this year has been used to procure an external consultant to produce a standard specification for lift upgrades going forward and to prioritise future programmes.

Communal Electric upgrades commenced at the four Australia blocks during 2013/14 and spanned into the current financial year. The final block to receive works was Sydney Court and this concluded in July. The next block to receive works is St Cuthberts Court with works commencing on 13 October 2014.

Equality Act works to seven communal lounges in sheltered schemes are to be delivered this year and at the end of September, three schemes had completed (Crocus Court, West Acres and Kay's Cottages) with the remainder programmed in throughout the rest of this year. The works are expected to complete prior to the end of March.

A rolling programme of Equality Act works to multi story blocks are under way.

Residual signage and alarm works to be completed at sheltered schemes following delivery of main fire safety measures during previous years.

The Maintaining Decency programme for 2014/15 comprised initially of works to approximately 1,000 properties. During the first quarter works were underway on estates from the previous year with the 2014/15 programme commencing in June.

At the end of August 2014, 167 properties had been opened up with works completed to 116 of them.

The stock condition exercise will help to inform the approach to maintaining decency and assist in prioritising future investment works programmes. The Committee felt that where it is justified the Company should be spending on capital works now to make savings later.

In relation to the window replacement programme, 654 properties are due to receive works this year and at the end of August 2014, 295 had been completed. It is anticipated that this work will be completed within the current year and the estates to be included in the following year's scheme are currently being identified and will follow on from this year without any break in delivery.

Details of other priorities currently in the Capital Programme were also reported. These related to the Tunstall Carecall Scheme, one of heating replacements and energy efficiency works.

At the end of the second quarter, around 40% of the capital budget had been spent with works progressing well on all schemes. Work to develop the 2015/16 capital programme is currently under way and current delivery will continue to be closely monitored.

RESOLVED – That the committee is satisfied with the six month position update in relation to the Capital Programme 2014/15.

15 FORWARD PLAN

The committee received a forward plan of reports which will be presented to the committee during the next year.

RESOLVED – That the forward plan be noted, subject to emerging trends from the stock condition survey and the repairs and maintenance contract being added to the plan.

16 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee will be held on Thursday 12 February 2015 at 2pm in Room S21 at Gateshead Civic Centre, Regent Street, Gateshead.