



ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE

12 February 2015

PRESENT:

Directors

Joanne Carr (Chair)
Pauline Dillon
Eileen Gill
Helen Hall
Peter Mole

Advisers

Neil Bouch	Director of Customers and Communities
Phil Gallagher	Head of Investment and Development
Kevin Johnson	Head of Customer Services
Phil Hogg	Repairs Service Manager
Russell Urwin	Repairs Partnership Manager
Simon Chrisp	Asset Manager
Steve Cook	Senior Asset and Procurement Officer
Stuart Gibson	Governance and Risk Officer

Apologies

Mick Davison

17 APPOINTMENT OF DEPUTY CHAIR

RESOLVED – That Helen Hall be appointed as Deputy Chair of the Committee.

18 MINUTES

The minutes of the meeting of the committee held on 16 October 2014 were approved as a correct record.

19 DATE AND TIME OF MEETINGS 2015/16

RESOLVED – That the following schedule of meetings of the committee be approved: -

Thursday, 18 June 2015 at 2pm
Thursday, 15 October 2015 at 2pm
Thursday, 11 February 2016 at 2pm

20 REPAIRS AND MAINTENANCE CONTRACT – REVIEW TO END OF THIRD QUARTER 2014/15

The committee received an overview of the operation of the repair and maintenance contract up to the end of the third quarter 2014/15.

As part of the arrangements for the contract extension, opportunities have been sought for joint working with the Council's Construction Services. Over the next two years Construction Services will carry out vacant property repairs in the East and Central Neighbourhoods, and across the whole borough will carry out repairs to flat roofs and boundary works (fences and brickwork). A number of existing Mears employees will transfer over to Construction Services to carry out this work.

It was noted that 1 April 2015 was the contractual start date for Construction Services but they would start earlier than this in order to have a smoother transition.

48,141 repairs have been completed so far this year. This is a reduction of 11.5% compared to the same period last year (when there had been 54,373 repairs completed. 2013/14 was the peak year for activity for this repair contract.

Numbers of completed repairs have reduced in all categories this year, but proportionately higher in planned and routine. To assist with budget management a number of external planned repairs have been held back, but have been pre-inspecting and gradually releasing these orders to Mears, with more being released in the fourth quarter.

7,863 repair orders have been cancelled this year (14.0% of jobs). This is higher than in 2013/14 when cancelled orders ran at 12.9%. The contract review contains a further analysis of cancellations.

The level of relet orders has reduced from last year, but the number of jobs in work remains high. 1,300 relet orders have been raised with 1,125 completed. In comparison, 1,409 relets were raised last year and 1,363 completed.

14,245 gas services have been completed, with 23 properties overdue as at the end of December 2014. In 15 of these cases, tenants waited until after the Christmas period before then allowing access.

All key performance indicators for responsive repairs are ahead of target at the end of the third quarter.

Target timescales are not being achieved for relet work to vacant properties and this will remain a key area for improvement next year when relet work will be carried out by both Mears and Construction Services. A further review of processes will be carried once both partners are active.

Overall, the repairs budget is underspent at the end of the third quarter by £740,000. However, this is unlikely to continue and a £356,000 overspend is forecasted by year end. The Company is prudently forecasting that all budgets underspent at the end of the third quarter will come in on budget at the year end.

The Company is currently forecasting that spend in relation to fixed costs will be £408,000 over budget due to unrealised efficiencies by Mears. However, discussions are currently ongoing regarding potential changes to pension contributions which may mitigate this.

The committee was very pleased with the Apprenticeship Scheme and also to see so many that were multi-skilled.

- RESOLVED – (i) That the committee is satisfied with the management of the repair and maintenance contract with Mears to the end of the third quarter 2014/15.
- (ii) That Mears be asked to reinforce to its workforce the good work they have done, resulting in the extension of the repairs and maintenance contract.

21 CYCLICAL MAINTENANCE AND COMPLIANCE – THIRD QUARTER 2014/15

The committee received an update on cyclical maintenance activities and compliance monitoring to the end of the third quarter 2014/15.

The activities aim to reduce response times to work requests, lower call-out charges and identify high expenditure trends to inform the developing asset strategy 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 the specific work areas commenced during the third quarter were reported.

The service continually feeds into the Company's Asset Management Strategy via a bespoke referral process to inform the Capital programme and details of items referred were reported.

Following advice from Gateshead Council Corporate Procurement, a temporary arrangement for servicing of stairlifts has been put in place through Stannah. This will be a short term rolling monthly contract until re-tendering of the work can take place.

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.

Details of the current process to gain access were reported. Within this period, Mears have passed across 821 properties that have been classed as "no access" and referred to TGHC to commence warrant process.

The TGHC Gas Service Manager has continued 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 22 warrants were finally served. Outstanding services since October have been progressed without formal warrant.

New arrangements and approvals for service of warrants are now being investigated with Gateshead Council following the retirement of the Gas Service Manager with effect from end of January 2015.

At the end of the period, 99.88% services were reported as completed with 23 properties reported as overdue for service.

The committee again expressed its concern about this. It was noted that the Company has a clear and robust audit trail and was given a reassurance in terms of the process it has in place and meeting its obligation.

The committee suggested including in the letter that when a tenant has their gas supply cut off, they still had a legal requirement to have a gas service. The Company should also be asking a tenant to contact them if they were having any problems paying for their gas.

It was noted that the current wording in the letter would be retained as this was a legal document and had been developed and approved by Legal Services in order to communicate clearly the requirement for access and works in over 95% of cases. The Company would look to develop a secondary letter specifically around capped gas properties.

Development work continues for the BARIS computer interface. Implementation for Construction Services is scheduled to commence March 2015.

The service is currently scoping the other areas for inclusion in future cyclical maintenance activities and details of these were reported.

RESOLVED – That the committee is satisfied with the progress on the management of the cyclical maintenance contract with Local Environmental Services and other contractors at the end of the third quarter 2014/15, subject to the development of a secondary letter specifically around capped gas properties.

22 CAPITAL PROGRAMME 2014/15 – THIRD QUARTER UPDATE

The committee received an update on the delivery of the current year's capital programme at the end of the third quarter.

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 both lifts at Eslington Court is currently in progress. One of the lifts is scheduled for completion during February, with the other lift expected to complete in April / May 2015. A budget provision to reflect this work completing in the financial year 2015/16 has been made. 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 2014. The next block to

receive works was St Cuthbert's Court. Works commenced in November 2014 and are due for completion in February 2015.

Equality Act works to seven communal lounges in sheltered schemes are being delivered this year and at the end of December, three schemes had completed (Crocus Court, West Acres and Kay's Cottages) with the remaining four currently either on site or programmed in with a target completion by the end of March 2015.

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

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

The Maintaining Decency programme is comprised largely of internal upgrades to properties with individual elements such as re-wiring, boiler replacement, kitchen replacements and bathroom renewals. At the end of December 2014, 390 properties had been commenced with works complete to 366 of them.

In addition to the internal works, packages of investment works have been specified for particular property types that have been identified as having recurring issues through repairs and maintenance trends. This has included insulation works to properties known to have condensation issues arising around cold spots on ceiling areas.

A significant package of internal and external works to 147 properties at St James' Village has also been undertaken this year. This scheme commenced during September 2014 with a target completion date of June 2015 with properties receiving roof renewals, window replacements and insulation measures to both communal areas and individual flats where condensation issues have been evident previously.

In relation to the window replacement programme, 686 properties were due to receive works this year and at the end of December 2014, 456 had been completed. It is expected that the remaining properties will complete prior to the end of March 2015.

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

A number of properties that had been identified to receive works had to be deferred as alternate funding was not available at the same levels. There are approximately 150 properties on the Leam Lane Estate where works had commenced, which are proposed to be included in the 2015/16 Capital Programme, using funding through Gateshead Council's Warm Up North initiative. The works are to non-traditional house types that are known to provide poor energy efficiency and contribute to high fuel bills for customers.

RESOLVED – That the committee is satisfied with the third quarter position update in relation to the Capital Programme.

23 WINDOW REPLACEMENT PROGRAMME

The committee received a summary of the proposed fourth year of the single glazed timber window replacement programme.

One of the headline schemes in the Housing Capital Programme is window replacement. In 2014, Gateshead Council's Cabinet approved an increase of £500,000 for window replacement work, taking the overall annual budget to £1million.

With the continued increased funding, it is anticipated that over 450 properties will benefit from full house window replacement during 2015/16.

Additional window replacements are also being planned as part of the wider capital programme. The replacements will be part of a mixed package of work being delivered to non-traditional property types. These schemes are currently being designed, but will take the total number of whole house renewals to over 600.

The programme for window replacement is based on a 'worst first' approach.

Window replacement work will be undertaken by Anglian Windows whose contract has been extended for an additional 12 months following high levels of performance and excellent customer satisfaction.

Over the last three years, almost 1,000 homes have seen single glazed windows renewed with high efficiency double glazed windows. Around 3,000 homes still have single glazed timber windows, units that were predominately fitted during the 1980's and 90's.

The committee asked if extra ventilation was being put in as result of the issues with condensation. It was noted that that while double glazed windows offer better thermal qualities than single glazed, they do reduce the amount of passive ventilation in the home. If customers do not use the built in trickle vents and suitably ventilate their homes, there is an increased risk of condensation. Nothing additional to this would be put in.

RESOLVED – That the proposed window programme be noted.

24 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.