



ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE

18 June 2015

PRESENT:

Directors

Pauline Dillon (In the Chair)
Eileen Gill
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
Steve Cook	Investment Manager
Stuart Gibson	Governance and Risk Officer

Also in attendance

Richard Hand	Ridge
Mel Cole	Mears
Chris Tearney	Construction Services, Gateshead Council

Apologies

Joanne Carr
Mick Davison
Helen Hall

1 STOCK CONDITION SURVEY – INITIAL FEEDBACK

The committee received a verbal presentation from Richard Hand, Ridge on initial feedback from the stock condition survey.

In line with agreed programme, Ridge has completed a 10% sample of dwellings and a 100% external survey of blocks on site. The sample data has been cloned to give investment projections for properties. They have also concluded a review of desk top costs, based on existing budgets and likely projected investment needs.

A 30-year profile has been produced and is in the form that Ridge would expect with the spend profile consistent with when replacement elements will be required following the decent homes programme.

A recommended spend profile is emerging which will inform the HRA business planning profile discussions with Gateshead Council.

The profile is based on a number of assumptions. For example multi storey blocks will require engineering surveys and the garage stock will need to be surveyed. A recommendation in the Asset Strategy will be that more in depth

surveys are carried out on these areas to give assurance around investment needs.

As part of its commitment to improving assets, the Company has previously allocated resources to focus on increasing the number and type of surveys we undertake to build on the Ridge data.

Following from the current work, Ridge will produce a viability model looking at low demand/high cost properties and this will inform how these issues are progressed in line with a completed Asset Management Strategy.

An update on this work will be provided to the next Board Meeting on 9 July 2015.

RESOLVED – That the initial feedback from the Stock Condition Survey carried out by Ridge be noted.

2 MINUTES

The minutes of the meeting of the committee held on 12 February 2015 were approved as a correct record.

3 MATTERS ARISING – REPAIRS AND MAINTENANCE CONTRACT – REVIEW TO END OF THIRD QUARTER 2014/15

Following the resolution at the last meeting, Mears reinforced to its workforce the good work they had done, resulting in the extension of the repairs and maintenance contract.

4 REPAIRS AND MAINTENANCE CONTRACT – END OF YEAR 2014/15

The committee received an overview of the operation of the repairs and maintenance contract at the end of the third year of operation.

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 employees have transferred over from Mears to Construction Services to carry out this work.

Performance results against key performance indicators for responsive repairs and for cyclical maintenance were reported to Board on 21 May 2015 as part of the overall year-end performance report.

For the first time in the contract period, targets were achieved for all five of the key repairs indicators. There were particular improvements in making and keeping appointments in 2014/15. For cyclical maintenance, the indicators relating to Mears in 2014/15 were those on gas servicing, painting programme, and CO detectors. Target was achieved for CO detectors, but not for gas servicing, nor for satisfaction with the painting programme.

Improving the performance on gas servicing, including the issue of managing to gain access to properties, remains an area for improvement for the partnership for 2015/16.

Gas servicing and in particular no access continued to be a concern for the committee. It was noted that a new Gas Servicing Manager took up post in January. The Company was also speaking to the Council about agreeing to widen the delegation of those who can issue warrants in addition to the Gas Servicing Manager.

A further area for improvement is performance against timescales for relet works to vacant properties. This is not one of the key performance indicators, but is a contributing factor to the timescales for letting properties. As covered in the contract review document, Mears performance on relet works was not on target. The new arrangements for relet works in the two-year extension period allow for an element of challenge and joint improvement.

The committee was very happy with the number of apprentices Mears were taking on and those that were progressing to full time employment.

RESOLVED – That the committee is satisfied with progress on the management of the repairs and maintenance contract with Mears to the end of the year 2014/15.

5 CYCLICAL MAINTENANCE AND COMPLIANCE – END OF FOURTH QUARTER 2014/15

The committee received an update on cyclical maintenance activities and compliance monitoring during the fourth quarter of 2014-15.

The activities aim to reduce response times and to lower call-out charges, and identify high expenditure trends, which can be included 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 commenced during the fourth quarter were reported.

The service continually feeds into the Company's approach to investment works via a bespoke referral process to inform the Capital Programme. Details of referrals made in the fourth quarter were reported.

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 39 properties that have been classed as "no access" and referred to the Company to commence warrant process.

The Company 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.

At the end of the period, 99.75% services were reported as completed with 47 properties reported as overdue for service.

Details of other areas that the service is currently scoping for inclusion in future cyclical maintenance activities were reported.

The committee suggested the Company having more dialogue with the Tyne and Wear Fire Authority about what else they could work together on.

RESOLVED – That the committee is satisfied with progress on the management of the cyclical maintenance contracts.

6 HOUSING CAPITAL PROGRAMME – UPDATE

The committee received an update on the delivery of the Housing Capital Programme for the year end 2014/15 and to update on the proposed programme for 2015/16.

Since the completion of the Decent Homes programme, the capital programme has focused on the renewal of key elements within the stock to prevent properties falling into non-decency.

During 2014-15, a total of £16.32m worth of investment was made to properties through the investment programme.

A summary of activity and outcomes achieved during 2014-15 was reported.

At the year-end, £378,000 was carried into the current years' budget to support delivery of planned works that had commenced in 2014/15. This amount was approved by the Council's Capital Finance Team. The total projected budget for Capital Investment works being managed by the Company within 2015/16 is currently £17.35 million.

Future investment programmes will be informed by the recent stock condition surveying exercise and driven by the emerging Asset Management Strategy.

- RESOLVED – (i) That the committee is satisfied with the year-end position on the 2014/15 Capital Programme.
- (ii) That the committee receive further reports on progress and activity against the programme for 2015/16.

7 FORWARD PLAN

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

RESOLVED – That the forward plan be noted.

8 DATE AND TIME OF NEXT MEETING

The next meeting of the committee will be held on Thursday, 15 October 2015 at 2pm in Room S21 at Gateshead Civic Centre, Regent Street, Gateshead