



# The Gateshead Housing Company Assets, Development & Investment Committee

Wednesday, 11 May 2016 at 2pm  
Blaydon Room, Gateshead Civic Centre, Regent Street, Gateshead  
Agenda

Item	Business
1.	<b>Apologies for Absence</b>
2.	<b>Declarations of Interest</b>  <b><u>ITEM FOR DECISION</u></b>
3.	<b>Minutes and Matters Arising (Pages 3-9)</b> To approve as a correct record the minutes of the last meeting of the committee held on 18 February 2016  <b><u>ITEMS FOR INFORMATION</u></b>
4.	<b>Performance and Service Standards – Quarter 4 2015/16 (Pages 10-16)</b> Report of Director of Customers and Communities
5.	<b>Housing Capital Programme – Year End Update (Pages 17-22)</b> Report of Director of Customers and Communities
6.	<b>Repair and Maintenance Contract – End of Year 2015/16 (Pages 23-33)</b> Report of Director of Customers and Communities

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 5 May 2016

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Item

7. **Cyclical Maintenance and Compliance – End of Fourth Quarter 2015/16 (Pages 34-41)**

Report of Director of Customers and Communities

8. **Forward Plan (Pages 42-44)**

Report of Director of Customers and Communities

9. **Date and Time of Meetings 2016/17**

To note the following schedule of remaining meetings in 2016/17: -

- Wednesday, 14 September 2016 at 2pm
- Wednesday, 16 November 2016 at 2pm
- Wednesday, 1 March 2017 at 2pm



**ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE**

**18 February 2016**

**PRESENT:**

**Directors**

Joanne Carr (Chair)  
Mick Davison  
Pauline Dillon  
Helen Hall  
Peter Mole

**Advisers**

Neil Bouch	Director of Customers and Communities
Phil Gallagher	Head of Investment and Development
Phil Hogg	Repairs Service Manager
Steve Cook	Investment Manager
Russell Urwin	Planned Investment Manager
Stuart Gibson	Governance and Risk Officer

**Also in attendance**

Victoria Beattie	Construction Services, Gateshead Council
Chris Tearney	Construction Services, Gateshead Council

**Apologies**

Eileen Gill

**16 MINUTES**

The minutes of the meeting of the committee held on 4 November 2015 were approved as a correct record.

The committee felt that the Company should keep an eye on good news stories to share with elected members. It was noted that elected members would get details of elements of the capital programme such as the windows programme.

The Company needed to raise with Mears the sharing of its national information.

**17 PERFORMANCE AND SERVICE STANDARDS – QUARTER3 2015/16**

The committee received the second quarter's Performance Indicators and Service Standards results for 2015/16.

There are currently eight key performance indicators that will be reported to this committee on a quarterly basis.

At quarter 3: -

- Four indicators were traffic lighted green, which showed that the annual targets had been achieved for these indicators. This was a decrease from six at the same period last year.
- One indicator was traffic lighted amber, which showed that the target set had not been met but performance had increased on the previous year. This was comparable to performance the same period last year.
- No indicators were traffic lighted red, which showed that the target set had not been met and performance had decreased compared to the previous year. This was comparable to performance in the same period last year.
- Three indicators were not yet measurable or were set with a baseline target.

The performance results therefore indicated that at the third quarter, performance relating to five out of the five measurable Performance Indicators could be traffic lighted as on target or improving, which related to 100% of indicators. This was comparable to performance in the same period last year.

There were currently five service standards reported to this committee on a quarterly basis.

At quarter 3: -

- Four indicators were traffic lighted green, which showed that the annual targets for these indicators had been achieved. This was an increase from two at the same period last year.
- No indicators were traffic lighted amber, which showed that the target set had not been met but performance had increased on the previous year. This was comparable with performance at the same period last year.
- One indicator was traffic lighted red, which showed that the target set had not been met and performance had decreased compared to the previous year. This was a decrease from two at the same period last year.

The performance results therefore indicated that at the third quarter, performance relating to four out of the five measurable service standards could be traffic lighted as on target or improving, which related to 80% of the service standards. This was an increase in performance compared to the same period last year when 50% of indicators were on target or improving.

The committee expressed concern about the way that the gas servicing indicator was calculated. It was being reported as amber because 7 properties had not had a gas service in the last 12 months. However, the Company had done everything possible to gain access to these properties before issuing warrants. It was noted that many organisations

would include this figure as gaining access and therefore be 100% and green for this result. However, the Company wanted to keep its focus on this area of activity and was always trying to better itself.

The committee expressed concern about the size of the printed text showing the results and asked if this could be looked at for future reports.

RESOLVED – That the committee is satisfied with the third quarter 2015/16 Performance Indicators and Service Standards results, subject to the size of the printed text showing the results being looked at for future reports.

## **18 HOUSING CAPITAL PROGRAMME**

The committee received an update on the delivery of the 2015/16 Housing Capital programme at the end of the third quarter, including progress on individual schemes and details on property numbers that will benefit from improvement works in the current year.

In particular, a summary of health and statutory obligations, maintaining decency, energy works and other priorities were reported.

It was noted that the Tyne and Wear Fire and Rescue Service were very impressed with the work that the Company was carrying out to install non-combustible cable clips to cable runs in communal areas of all 25 multi-storey blocks.

The committee was pleased with roofing insulation measures being applied to a house type with a 'T Fall' roof style to address condensation issues but felt that this was limited because it only applied to 255 homes. It was noted that funding had been secured for this roofing insulation to all these house types and the 255 this year was a third of the overall 3 year programme. It was noted that that this was a clear demonstration of how repairs have fed into the capital programme.

Particular reference was made to the mid rise flat entrance door entry refurbishment which was an indication of work still left to be done in the stock and was welcomed by residents living in the blocks. It also linked to lettings and the issues with letting these properties.

RESOLVED – (i) That the committee is satisfied with the position of the 2015/16 Capital Programme at the end of the third quarter.

(ii) That the committee receive further reports on progress and activity against the programme at the year-end for 2015/16.

## **19 PROPOSED CAPITAL PROGRAMME 2016/17 – 2020/21**

The committee received an update on the proposed Capital Programme for the period 2016-17 – 2020/21, which was approved by Gateshead Council's Cabinet on 9 February 2016.

The proposals approved by Cabinet include: -

- A Housing Capital Programme totalling £94.4m over five years, which will be kept under regular review by Cabinet.
- Over £59m of investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements in addition to a £4.5m programme to replace back boilers in a phased manner following a change in legislation and almost £4m to continue the rolling window replacement programme.
- Almost £17m of investment in general stock improvements, including the renewal of lifts, communal electrics and investment in external insulation to improve thermal efficiency of existing dwellings as well as the continuing provision of major and minor adaptation works to dwellings.
- Over £13m of investment in exceptional extensive works, including £4.5m to replace the façade and boilers within Regent Court as well as a proposed contribution towards an £11m energy efficiency scheme seeking to undertake improvements to some of the Council's tower blocks.
- £3m of potential investment relating to the delivery of contingent major works which deal with additional improvements that have been identified outside of the pre-planned schemes, such as additional boiler replacements.
- £2m is retained to complete the decommissioning of former estates as part of the ongoing Estate Regeneration projects at Clasper Village, Bleach Green and Dunston.

The following principles continue to be applied to assist in prioritising capital investment within the HRA: -

- Health and safety, safeguarding and statutory requirements.
- Investing in identified decent homes improvements, including window replacement.
- Improving the sustainability and energy efficiency of the housing stock; and
- Estate regeneration.

Opportunities continue to be explored to attract external funding, to undertake additional stock improvements and energy efficiency improvements.

Based on the stock condition data that is being gathered, a revised baseline position for decency will be reported at year end. This will need to be monitored going forward to ensure investment remains targeted in the right areas.

RESOLVED – That the committee is satisfied with the revised five year capital programme 2016/17 – 2020/21.

## **20 REPAIRS AND MAINTENANCE CONTRACT – END OF THIRD QUARTER 2015/16**

The committee received an overview of the repairs and maintenance contract after nine months of the two year extension period.

It was reported at the last meeting of the committee that the new arrangements with two contractors had led to significant improvements in performance in meeting the lettable standard “right first time”. Performance was also good against all of the key repair indicators. Gas servicing was an area for discussion by the committee.

Performance results for responsive repairs and for cyclical maintenance after the third quarter were on target, with the exception of gas servicing (which had a 100% target).

There has been a significant improvement in gas servicing since the second quarter when there were 55 addresses classed as non-compliant. At the end of third quarter, there were only seven addresses.

The formal review document was submitted.

The committee felt that this report should be applauded, particularly a significant improvements in void turnaround from both partners. It was noted that neither partner had been penalised by the void quality penalty since it had been introduced. There was also an opportunity for cross-service working around voids. It was also noted that the Company had spoken to the Council about funding to tackle the backlog of voids that had been held back.

RESOLVED – That the committee is satisfied with progress on the management of the repairs and maintenance contract to the end of the third quarter 2015/16.

## **21 CYCLICAL MAINTENANCE AND COMPLIANCE – END OF THIRD QUARTER 2015/16**

The committee received an update on cyclical maintenance activities and compliance monitoring for the period April to December 2015.

The cyclical maintenance activities aim to reduce response times and to lower call-out charges 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 which have been identified in previous reviews. Details of specific work areas commenced during this period were reported.

In the period, 560 of 560 (100 %) water hygiene inspection/ treatments had been completed by Construction Services.

In the period, 64 of 90 (71%) quarterly fire alarm systems and sprinkler system inspections had been carried out to multi storey blocks and sheltered housing communal areas. 533 of 542 (98 %) of monthly fire alarm tests had been carried out to multi storey blocks and sheltered housing communal areas.

Performance on gas servicing continued to be both a high risk area for the Company and a priority area for continuous improvement. It remained 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.

At the end of the period, 99.96% services were reported as completed with seven properties reported as overdue for service. Warrants were obtained for all these.

The committee requested at its last meeting an update on the cost of no access. It was proposed to commence re-charging for warrant costs from April, but this approach would need to be agreed in consultation with Gateshead Council's Portfolio Holder and Legal Services. A separate report would be brought to committee once this proposal had been agreed.

The committee was impressed with the reduction to only seven properties being overdue for gas service but expressed concern that the Company was incurring extra costs because it was carrying them out every 11 months instead of 12.

The Gas Safety in Use Regulations were amended in April 2015 with an implementation date of April 2016 for the changes to take effect. The proposed changes makes reference to how landlords treat appliances deemed at risk, specifically where tenants may have sleeping arrangements in close proximity to gas appliances.

Existing arrangements allow for the monitoring of appliances that are classed as 'Not To Current Standards'. Under the new changes this is no longer an option and these appliances may have to be isolated if appropriate safety devices are not fitted.

A number of appliances have been identified as high risk due to no isolation devices and forwarded as an Asset Management referral. A budget has been allocated within the 2016-17 capital investment programme to renew these appliances.

The management of the carbon monoxide detector programme is linked to the transference of gas servicing administration into Northgate. The project is currently undergoing ICT testing and is scheduled to go live by the end of March.

Detectors continue to be installed during capital investment works and under responsive repairs should a customer contact the repairs service to report a unit that has reached the end of its effective life. This is indicated by a slow single beep emitting from the unit and not an alarm sounding.

The use of CO detectors is a back-up precaution; the primary protection against carbon monoxide is the regular servicing and repair of gas appliances. The programme will aim to replace approximately 3000 units per year at an annual cost of £80,000 over the next 5 years.

RESOLVED – That the committee is satisfied with progress on the management of the cyclical maintenance at the end of the third quarter 2015/16.

## **22 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.

**23 DATE AND TIME OF NEXT MEETING**

To be agreed.



## Report to Asset, Development and Investment Committee

11 May 2016

**Title:** Performance and Service Standards – Quarter 4 2015/16

**Report of:** Director of Customers and Communities

### Purpose of Report

1. To inform the Committee of the quarter 4 Performance Indicator and Service Standard results for 2015/16.

### Background

2. As part of the Board Away Day on 24 October 2014 it was agreed that 2015/16 Performance Indicators and Service Standards would be linked to the five-year TGHC Business Plan and would be scrutinised by the relevant committee, with a summarised report being taken to Board.
3. At the meeting on 19 March 2015, the Board were presented with and approved a structure of which Performance Indicators and Service Standards should be reported to each individual committee.
4. At the Board meeting on 17 September 2015, the Board approved the proposed rationalisation of Performance Indicators and Service Standards and the revised reporting structure to Committees and Board.
5. The Appendix contains the quarter 4 Performance Indicators and Service Standards results and full commentary. These indicators and the targets were agreed for 2015/16 by the Board at its meeting on 19 March 2015.
6. Since November 2015 performance results have been collated via the APEX performance management system. As a result the format of the Appendix has changed.
7. The results are colour coded, comparing performance against the targets for 2015/16.
8. This Committee will escalate any concerns regarding performance against the agreed Performance Indicators and Service Standards to the TGHC Board, on a quarterly basis, for further discussion.

## **Summary Report**

9. The grid at the beginning of the Appendix is a quick summary guide to how we are performing. It shows those Performance Indicators and Service Standards that are achieving target, not achieving target, not achieving target but improving on 2014/15 performance results and those indicators that are not yet measurable or baseline for 2015/16.
10. We currently have 58 Performance Indicators and Service Standards which are monitored on a quarterly basis. Each indicator will be discussed at the appropriate Committee as follows, with an overall summary being presented to Board:
  - Resources Committee – 12 indicators
  - Customers and Communities – 33 indicators
  - Assets, Development and Investment Committee – 13 indicators
  - Audit Committee - none

### **Asset, Development and Investment Committee - Performance Indicator Summary**

11. There are currently eight Key Performance Indicators that are reported to Asset, Development and Investment Committee on a quarterly basis.
12. At quarter 4, our performance shows:
  - Three indicators were traffic lighted green. This shows that we have achieved the annual targets for these indicators. This is a decrease from six at quarter 4 2014/15.
  - One indicator was traffic lighted amber. This shows that we have not met the target set but performance has increased on the previous year. This is an increase in performance at quarter 4 2014/15 when there were no indicators traffic lighted amber.
  - Two indicators are traffic lighted red. This shows that we have not met the target set and performance has decreased compared to the previous year. This is an increase when compared to quarter 4 2014/15 when one indicator was traffic lighted red
  - Two indicators are not yet measurable or are set with a baseline target which is an increase from one at quarter 4 2014/15. Both indicators were baseline 2015/16 but have targets set for 2016/17.
13. The performance results therefore indicate that at quarter 4, performance relating to four out of the six measureable Performance Indicators can be traffic lighted as on target or improving, which relates to 67% of indicators. This is a decrease in performance in quarter 4 2014/15 when 86% of indicators were on target or improving.

### **Asset, Development and Investment Committee - Service Standards Summary**

14. There are currently five Service Standards reported to Asset, Development and Investment Committee on a quarterly basis.
15. At quarter 4, our performance shows:

- Four indicators were traffic lighted green. This shows that we have achieved the annual targets for these indicators. This is an increase from three at quarter 4 2014/15.
  - No indicators are traffic lighted amber. This shows that we have not met the target set but performance has increased on the previous year. This is comparable with performance at quarter 4 2014/15.
  - One indicator was traffic lighted red. This shows that we have not met the target set and performance has decreased compared to the previous year. This is a decrease from two at quarter 4 2014/15.
  - All indicators were measurable at quarter 4 2015/16. This is comparable with performance at quarter 4 2014/15.
16. The performance results therefore indicate that at quarter 4, performance relating to four out of the five measurable Service Standards can be traffic lighted as on target or improving, which relates to 80% of our Service Standards. This is an increase in performance compared to quarter 4 2014/15, when 60% of indicators were on target or improving.

### **Link to values**

17. This performance report is aligned to the Company values of being: -
- Fair
  - Customer focused
  - Open and honest
  - Accountable
  - Innovative
  - Passionate about what we do

### **Impact on tenants**

18. Performance of the company has an impact on the quality of services we provide to our customers.

### **Risk Management Implications**

19. Performance improvement and providing excellent customer service is a priority for the company. Our operational risk 'Inaccurate Performance Reporting' is mitigated through management sign off of the performance and service standards results and we are also required to report performance to the Council as part of the management agreement. Key indicators are also included within the TGHC five-year strategic plan 2015-2020.

### **Financial Implications**

20. There are no financial implications arising directly from this report.

### **Health Implications**

21. The provision of excellent customer service and ensuring high satisfaction with the service we provide may have an indirect positive impact on the health and wellbeing of Gateshead Residents. Monitoring indicators in relation to ensuring

that homes are let quickly will have a positive impact on the health and wellbeing of those tenants on the waiting list. Other indicators may also have an indirect positive impact on the health and wellbeing of Gateshead residents.

### **Environmental Implications**

22. There are no environmental implications arising directly from this report.

### **Equality and Diversity Implications**

23. Our service standards are developed in consultation with tenants and leaseholders to ensure that all of our services are accessible to all of our customers. We continue to collect diversity information about our customers, helping us shape our services around their needs, which are reported as part of the Involvement Update report.

### **Value for Money implications**

24. Performance against set targets provides an indication of value for money and the Performance Indicators and Service Standards assist The Gateshead Housing Company in its focus on ensuring value for money for all tenants and leaseholders.

### **Consultation carried out**

25. There was no consultation carried out relating to this report.

### **Recommendations**

26. The views of the Committee are sought as to whether they are satisfied with the quarter 4 2015/16 Performance Indicators and Service Standards results.
27. Any concerns regarding performance against the agreed Performance Indicators or Service Standards are escalated to the TGHC Board for further discussion.

# The Gateshead Housing Company

	Quarter 4 2015/16
Not on Target	3
On Target	7
Not on Target but Improved	1
Baseline Information/No Targets/No Activity	2

Service	Performance Indicator	Performance Indicator Type	2014/15 Performance	Quarter 4 Target	Quarter 4 Performance	Trend	Traffic Light	Comments
<b>Asset, Development and Investment Committee</b>								
Asset and Procurement	Average SAP rating of dwellings	Key Performance Indicator	73.0	N/A	70.90	N/A		SAP was previously reported using 2005 methodology, but is now available and will be reported using the 2009 methodology. As the 2009 calculation takes greater account of new energy homes the performance of our SAP will appear to be lower due to this methodology change. Performance will not have fallen, the calculation method and criteria has merely changed. Performance for the year end is 70.90 based on the current 2009 reporting calculation (73.21 based on 2005 calculation). The average energy efficiency of the stock has increased during the year due to improvements delivered as part of the 2015/16 Housing Capital Programme.
Asset and Procurement	% of council housing stock with a current condition survey	Key Performance Indicator	N/A	N/A	11.0%	↑		This is a new indicator for 2015/16. Collecting stock condition information supports the maintenance of the housing stock, reducing and anticipating future works expenditure, supports the Asset Management Strategy and planning of the Housing Capital Programme. Initial surveys were undertaken by Ridge as part of the work to refresh the Asset Management Strategy. Following the reconfiguration of the asset management database a new stock condition survey has been developed, launched and training delivered. Gateshead Council Surveyors have been on site completing surveys resulting in 11% completion. A target of 30% has been set for 2016/17. More information collected will allow for a more structured approach to stock maintenance.
Asset and Procurement	% of Council rented properties that are not decent	Key Performance Indicator	0.0%	0.0%	9.63%	↓		This indicator measures the number of properties that are not achieving the decent homes standard. Works have been delivered throughout 2015/16 to maintain properties as decent and prevent non-decency. During the year a 10% sample of the stock was surveyed and the findings combined with legacy data has indicated a reduction in the number of properties meeting the decency standard As a result 90.37% of the stock is now deemed as decent. Stock condition surveys are ongoing to increase the accuracy of the data. The change in decency is linked to the volume of key property elements that have reached the end of their expected life. While investment in the stock has continued, the level of investment has been unable to keep pace with the number of elements requiring replacement. Where properties have been classed as non-decent, this indicates that elements in those, have passed their recommended age for replacement. No properties were found to carry HHSRS (Housing Health & Safety Rating System) Category 1 failures. Meaning no properties contain a hazard that is deemed to be a serious risk, for example; Risk from falls, fires, burns or scolds, or lack of space, security or lighting, or excessive noise. Stock condition surveying continues to be undertaken to refresh the data held, help inform future investment decisions and influence the Asset Management Strategy for Gateshead's Housing stock.
Cyclical Maintenance	% of relevant properties that have had a gas service in the last 12 months	Key Performance Indicator	99.75%	100.0%	99.86%	↓		18,072 appliances required a service, 26 were outstanding at the end of the month. Of the 26 outstanding gas services 10 were serviced shortly after the end of the reporting period. Of the remaining 16 gas services, 4 have been visited and have outstanding compliant paperwork which has been passed back to the contractor to rectify (potential performance with these included would be 99.88%). 12 properties became eligible to progress via warrants through the legal process. Of these 12 addresses, 4 tenancies ended but keys were not available by the end of 2015/16. The remaining 8 properties will progress to warrant.

Service	Performance Indicator	Performance Indicator Type	2014/15 Performance	Quarter 4 Target	Quarter 4 Performance	Trend	Traffic Light	Comments
HomeRepairs	Appointments made as a percentage of appointable repair orders	Key Performance Indicator	99.68%	98.0%	99.44%	↓		Of the 47,193 appointable repairs, 46,930 were appointed at the first point of contact achieving the target set.
HomeRepairs	Appointments kept as a percentage of appointments made	Key Performance Indicator	96.90%	95.0%	96.18%	↓		Of the 54,061 appointments made 51,995 were kept within the 2 hour appointment timescale achieving the target for 2015/16.
HomeRepairs	% of emergency, urgent and routine repairs completed within timescale	Key Performance Indicator	98.32%	98.0%	97.51%	↓		Of the 61,799 jobs, 60,262 were completed on target. The overall 97.51% performance is made up of the following repair categories: emergency 94.47%: urgent 98.56% and routine 98.44%. TGHC and Mears are currently monitoring jobs completed out of target and continue to work to improve the performance on emergency gas repairs as the winter period had a negative impact on the year end result.
HomeRepairs	% of tenants satisfied with the repair service	Key Performance Indicator	97.72%	97.0%	98.24%	↓		Of the 7,916 surveys completed, 7,777 customers were satisfied and the target for 2015/16 has been achieved.
<b>Asset, Development and Investment Committee</b>								
Cyclical Maintenance	Overall satisfaction with the annual gas service	Service Standard	98.54%	98.50%	99.54%	↓		5,494 survey responses were received with 5,469 customers being satisfied with the service.
HomeRepairs	Satisfaction with the service from the small tasks team	Service Standard	100.0%	99.0%	100.0%	→		Excellent performance for the Small Tasks Team, achieving the target set. During quarter 4 the Handyperson Service carried out a variety of small tasks. Jobs completed were - fitting blinds, curtains & a smoke alarm, hanging a TV onto a wall, securing a fence, fixing a gate & building flat pack furniture. All customers surveyed were satisfied with the service they received.
Investment	Tenants satisfied with improvements made to their home	Service Standard	99.42%	98.50%	98.01%	↑		The number of surveys conducted is dependent upon the number of improvement works programmed, carried out and completed within the reporting period. As a result of the low number of surveys conducted in quarter 1, two tenants expressing dissatisfaction with the overall improvements had a negative impact on the satisfaction score throughout the year. (One tenant was unhappy with the policy not to redecorate and the other that the new kitchen units were shallower than the old). During quarter four, one further expression of dissatisfaction was received regarding damage to kitchen flooring during heating works and quality of finished work. This has been investigated with Construction Services and a third party claim form submitted for the damage caused. Complaints about the quality of work were addressed immediately with the contractor. Regular meetings are held with Construction Services to discuss any issues with schemes and/or satisfaction results to ensure service improvements are made.
Investment	We will advise you within two weeks if you require any building regulation or planning permissions	Service Standard	100.0%	95.0%	100.0%	→		There were a total of 10 alterations referred for planning permission and all achieved timescales set resulting in 100% consistent performance throughout 2015/16. From January to March 5 alterations required building or planning permission and all received a response within timescales.

Service	Performance Indicator	Performance Indicator Type	2014/15 Performance	Quarter 4 Target	Quarter 4 Performance	Trend	Traffic Light	Comments
Investment	We will monitor the length of time taken to acknowledge improvement requests (one working week)	Service Standard	95.72%	97.0%	97.24%	↓		<p>During 2015/16 581 home improvement applications were received and 565 were acknowledged within timescales set resulting in 97.24% performance.</p> <p>This is a slight decrease from quarter 3 results when 97.35% performance was achieved.</p> <p>From January to March 128 home improvement applications were received and 124 were acknowledged within timescale (96.88%).</p>



## Report to Assets, Development and Investment Committee

11 May 2016

**Title:** Housing Capital Programme – Year End Update

**Report of:** Director of Customers and Communities

### Purpose of summary

1. To provide the committee with an update on the delivery of the Housing Capital programme for the year end 2015/16.

### Background

2. As reported to previous committees, the 2015/16 capital investment programme was finalised in February 2015 and a summary of works delivered during 2015/16 is detailed in this report.
3. The Housing Revenue Account (HRA) capital programme is approved by Gateshead Council on an annual basis. The outline budgets for the work programmes detailed within this report were approved by Cabinet on the 5 February 2015.
4. The capital programme for the next five years was subsequently reviewed on 9 February 2016, as reported to the committee in February and it is that programme that will form the basis of future capital updates throughout 2016/17. Budget headings for future reports will reflect the changes that have been made to the overarching Capital programme, informed by the stock condition work and aligned to current reporting categories used by the DCLG.
5. The capital programme is established and managed by the Investment and Delivery service. This involves identifying schemes and prioritising capital investment based on stock condition and repairs history and managing the performance of delivery partners to ensure that schemes are delivered on time, on budget and to the satisfaction of customers, with emphasis on achieving value for money. Our main delivery partner is Construction Services (CS).

### Decency Year End Position

6. Following on from the conclusion of the Decent Homes Programme in 2012, the approach to planned investment has been one of maintaining decency, with performance reporting being focused on the % of stock that can be classed as non-decent. Due to the challenges facing the Housing Revenue Account (HRA),

the nature of Capital investment is evolving and as reported to Board at the meeting on 24 March 2016, a proposal has been approved to align the Asset Management function with the financial responsibility for the HRA, specifically to ensure that Capital Investment decisions remain appropriate and affordable in current context.

7. The stock condition survey sample was carried out during 2015 has been used in conjunction with existing asset information and data to update the baseline position for decency and give a more accurate indication of the position of the stock. This reporting method gives a non-decent figure of 9.63. (90.37% Decent), for the year ending 31 March 2016.
8. Work has been programmed for the year 2016/17 to tackle properties that have been identified as failing decency and future committee reports will give an update on how this work is progressing, alongside numbers of properties that are benefiting from improvement works.

### **2015/16 Capital Programme – Summary**

9. 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. Maintaining Decency represents the largest single area of capital investment.
10. During 2015-16, a total of £14.93m worth of investment was made to properties through the investment programme.
11. A summary of activity and outcomes achieved during 2015-16 is detailed below, broken down by the various budget headings:-

#### *Health and Statutory Obligations*

12. Following the appointment of Kone, works commenced to deliver H&S improvements across a number of Multi Storey blocks that will ensure lift maintenance engineers can undertake work in a safe environment. These works commenced in November and have now completed.
13. Additionally, full lift refurbishments have been carried out on both lifts at Mulgrave Villas Sheltered Scheme. One completed in March and the second one is due to complete in May. Peareth Court's North Lift is the next one scheduled for refurbishment and is expected to complete autumn 2016.
14. The Electrical upgrade works at Warwick Court are now almost complete with residual making good being finalised ahead of Npower coming to site to make final connections for the communal electrics on 18<sup>th</sup> May.
15. Equality Act works to 7 communal lounges in sheltered schemes all completed in year with works undertaken at Kays Cottages, Emmaville, Bolton Bungalows, Burnside Road, Milvain Close and Harrison Court.
16. Equality Act works and Fire Safety works were delivered simultaneously at Redheugh and Eslington Court and completed in March 2016. The works comprised of installing level access ramps to the main entrance doors, floor covering refurbishment, stair tread replacement and additional handrails installed to stairwell and landing areas and communal fire door refurbishment.

17. A works programme to all 25 multi storey blocks installing non-combustible cable clips to cable runs in communal areas, concluded in February. The clips installed will prevent cable runs sagging in the event of a fire and are being carried out in response to previous incidents that have occurred elsewhere. Tyne and Wear Fire and Rescue Service (TWFRS) are very supportive of the works as they will ensure safe means of access in the event of them attending an incident.

Maintaining Decency

18. 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. Over 1150 properties across the borough received improvements, with many dwellings receiving multiple elements of work. This approach has minimised disruption for customers and increased the package of works being delivered at one visit.
19. A summary of the works delivered during the year is detailed below.

<b>Works Received</b>	<b>Number of Properties</b>
Kitchens Renewed	136
Bathrooms Renewed	105
Electrical Upgrades	165
Boiler Replacements	144
Full Heating Distribution Systems	43
Replacement Fires	138
Window Replacements	514
<b>Total Property Improvements</b>	<b>1245</b>

20. In addition to the above, a significant package of internal and external works was carried out to 147 properties at St James' Village. This scheme has been used as a pilot on a particular house type and has addressed roof renewals, window replacements and insulation measures to both communal areas and individual flats where condensation issues have been evident previously. Learning and specifications from the scheme will be used to inform investment works on similar house types going forward.
21. Approximately 215 non-traditional properties have benefited from external wall insulation measures during 2015/16 on the Leam Lane and Heworth Grange estates. The works improve thermal efficiency and help customers experiencing high fuel costs. This type of investment to hard to heat, non-traditional properties has featured in the capital programme for the past two years and is likely to continue in future years as a priority. 149 properties have completed at Leam Lane and the 65 properties at Heworth Grange are currently in the process of being signed off and handed over.
22. Communal boiler replacements at 3 Sheltered Schemes completed this year with replacement plant installed at Harrison Court, East Lee and McCerlaine Square receiving works. Further schemes will be improved during 2016/17 and 2017/18.
23. A contract at South Sherburn is currently on site, undertaking works on the last remaining non-traditional Airey house types within the council's portfolio. The works will remove the existing uninsulated concrete panels and rebuilding in a traditional form of construction. Renewal of the roof coverings and windows is

also being undertaken that will provide a thermally efficient home for the residents and bring the properties up to modern standards. Works commenced late February 2016 and are expected to complete in the summer.

24. Similar to the South Sherburn contract, works commenced with a pilot property in March 2016 to deliver a bespoke works package to refurbish non-traditional Tarran bungalow house types at Highfield. The works will consist of external wall insulation and window replacement that will result in a thermally efficient home. 9 bungalows are receiving the works with the current programme expected to complete in the summer.
25. Roofing insulation measures are being applied to a house type that has a particular roof style known as a 'T Fall'. Due to the nature of the design a section of roof cannot be traditionally insulated requiring internal insulation measures to be applied to the cold areas. This will eradicate the current cold bridge that is resulting in surface condensation with 255 homes benefitting this year. This work was identified to address recurring condensation issues that were being tackled through responsive repairs visits and is expected to see a reduction in repairs activity and cost.
26. Although paid for from the Repairs and maintenance budget, the Painting Programme is co-ordinated by the investment section and during 2015/16 both Mears and Construction Services delivered painting schemes across the Borough. Approximately 2000 properties have received painting measures during 2015/16.

#### Other Priorities

27. In addition the following schemes either completed or commenced during 2015-16: -
  - Tunstall Carecall Scheme – 10 schemes have benefited from upgrades to the Carecall system during 2015/16 with all works completing in February.
  - One off heating Replacements – Although delivered through the repairs contract, these works are funded through the capital budget. £767,000 worth of work was channelled through this budget during 2015/16, focused on replacement of older inefficient heating appliances.
  - Mid Rise Flat Entrance Door and Door Entry Refurbishment – A contract to replace doors and door entry systems on low and mid-rise blocks is commenced in February. The works will replace communal doors and install a modern door entry audio system. 23 blocks across the borough are set to benefit from the works during this phase of works which will run into 2016/17. The intention to roll out the intercom specification to the multi-story blocks in future phases.

#### **Links to Values**

28. This report relates to the following company values: -
  - Being Fair
  - Being Customer Focused
  - Being Innovative

## **Impact on tenants**

29. Following on from the investment that was made during the Decent Homes programme, we continue to invest in maintaining decency of the housing stock for the benefit of the customers. The challenge to maintain decency within the financial constraints placed upon the HRA remains challenging and will need to be closely monitored to avoid impacts on customers.
30. Satisfaction surveys are carried out with all tenants and leaseholders who receive investment works. Results up to year end showed that 98.01% of customers expressed satisfaction with maintaining decency works. Whilst this has reduced from last year (99.42%) it still represents an extremely high level of customer satisfaction.
31. Customers will benefit from the Equality Act works improving entrance access and toilet facilities to communal areas.

## **Health Implications**

32. The improvement works detailed in this report, in particular replacement windows and improvements to the thermal efficiency of homes, will reduce the risk of customers living in cold damp homes, reducing the risk of heart, stroke, respiratory and cold related illness.

## **Environmental Implications**

33. Through the Maintaining Decency, Insulation and one off heating replacement schemes, properties that have the oldest most inefficient heating systems have receive replacement boilers this year. The EWI schemes to harder to heat properties along with window replacement works will reduce substantial carbon emissions through reductions of heating usage.

## **Risk Management Implications**

34. The failure to maintain decency has been identified as a strategic risk and controls and future actions have been agreed to mitigate the risk. The Strategic Risk Register is reviewed annually by the senior management team and monitored by the Board. Works being undertaken to renew/refurbish five lifts in multi-storey blocks and sheltered schemes as well as Equality Act works will mitigate against risks to customers.
35. The fire safety works that have been delivered to sheltered schemes have addressed deficiencies that were identified by officers from TGHC and the Tyne and Wear Fire and Rescue Service and will mitigate risks in properties occupied by some of our most vulnerable customers.

## **Financial Implications**

36. The capital programme is delivered within existing budget although, we are constantly looking at opportunities to maximise value for money and attract additional funding to supplement capital delivery.

## **Equality and Diversity Implications**

37. The Equality Act works delivered have improved accessibility to 7 sheltered blocks. Measures include improved entranceways as well as DDA compliant toilet facilities

## **Value for Money Implications**

38. Value for money is a key driver in delivering an efficient and effective investment programme. Discussions have been held with suppliers around their costs to ensure that we are continuing to receive the best quality products at a reasonable price. We will continue to manage the investment works to ensure that the contractors provide value for money in their approach to the works.

## **Consultation carried out**

39. Consultation has been carried out for:-
- Maintaining Decency – drop in events are held for residents whose homes are due heating or kitchen replacement.
  - Fire Safety Works – drop in events were held for residents living in multi-storey blocks and sheltered schemes so they could find out more about the works.
  - Ward Councillors have been updated and advised of the Capital scheme proposals in their wards.

## **Recommendations**

40. The committee is asked to:
- comment on satisfaction with the year-end position on the 2015/16 Capital Programme;
  - note the decency position at year end and receive further updates on performance alongside reports on progress and activity against the programme for 2016/17 and emerging priorities identified through the alignment of asset management with the council.



## Report to Assets, Development and Investment Committee

11 May 2016

**Title:** Repair and Maintenance Contract - End of year 2015/16

**Report of** Director of Customer and Communities

### Purpose of Report

1. To provide the committee with an overview of the repair and maintenance contract at the end of the first year of the two-year extension period.

### Background

2. As part of the arrangements for the extension of the contract between Gateshead Council and Mears, opportunities were sought for joint working with the council's Construction Services. Construction Services have carried out vacant property repairs in the East and Central Neighbourhoods during 2015/16, as well as repairs to flat roofs and boundary works (fences and brickwork) across the borough.
3. Previous committee reports during the year have described the significant improvements in performance on vacant property repairs. Performance on gas servicing had also improved during the year.

### Performance

4. Performance results for responsive repairs and for cyclical maintenance are included on a separate report on the agenda for this committee. These results relate to repairs carried out by Mears.
5. Responsive repair performance indicators for repair appointments and repair satisfaction achieved target in 2015/16. The indicator for repairs completed within timescale was just out of target, with a result of 97.51% against a target of 98%. Performance had declined against this indicator in Quarters 3 and 4, and analysis revealed that performance against gas repairs during the winter period was the main cause.
6. There had been a significant improvement in gas servicing since Quarter 2 when there were 55 addresses classed as non-compliant. At the end of Quarter 3 there were only 7 addresses without a valid gas certificate, but this increased to 26 at year end. 18 of these have been resolved, but 8 require the service of a

warrant to gain access. The year end result of 99.86% represents an improvement against the previous year.

7. Performance on vacant property repairs features in the accompanying contract review document and both Mears and Constructions Services have contributed to overall improvements in relet timescales and in getting the relet work completed right first time.

### **Contract Review**

8. The formal review document is included in the appendix to this report. There are sections on:

- Responsive Repairs
- Performance Indicators
- Vacant Properties
- Gas Servicing
- Gas Repairs
- Cancelled Appointments
- Electrical Testing
- Painting and Repairs
- Aids and Adaptations
- Apprentices
- Customer Care
- Learning Modules
- Serving our Communities
- Value for Money
- ICT
- Service Improvement

### **Links to Values**

9. This report links to the company values of being: -

- Customer focused
- Open and honest
- Accountable

### **Impact on tenants**

10. For most tenants, their contact with the services provided by the company is most likely to be linked to the repair service – and customers tell us through the annual survey that well maintained homes remains a key priority.

### **Risk Management**

11. The report links to the strategic risks around:
  - delivering effective asset management
  - delivering on new projects
  - maintaining a positive reputation
  - managing finances and delivering value for money
  - effectively managing business continuity

## **Health Implications**

12. There are no health implications directly arising from this report.

## **Financial Implications**

13. The management accounts to the end of year 2015/16 were reported to Resources Committee on 3 May 2016. The overall position for repairs at the end of the year is an over spend of £13,000. Against an overall budget of more than £21 million this represents a very satisfactory outcome, but was not achieved without considerable attention being given to monitoring of each budget heading.
14. Within the overall budget position, there were some areas that significantly overspent. Mears Responsive Repairs were £942,000 over budget however this was partly offset by insurance income of £205,000 relating to repair works that were caused by storm damage. The overspend was also partly offset by an underspend on repairs carried out by Construction Services, due to low spend in the early months of the contract during contract mobilisation.
15. Both Mears and Construction Services relets were over budget by £400,000 combined. During the year we were invoiced for 1,979 jobs, which is an increase of 214 jobs compared to 2014/15, and is the main reason for the relets overspend.
16. In order to limit any potential overspend, controls were put in place to restrict expenditure on non-essential external repairs in Quarters 3 and 4. These included garage repairs, flat roofing and boundary treatments. Whilst these controls did limit expenditure, there are impacts on customer service and increased expenditure when work is eventually carried out.

## **Value for Money Implications**

17. Value for money was a key factor in the award of the repair and maintenance contract, and in the ongoing review of its operation.

## **Recommendation**

18. The views of the committee are sought on whether the committee is satisfied with progress on the management of the repair and maintenance contract to the end of year 2015/16.

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Phil Hogg Repairs Service Manager Tel No: (0191 433 5315)

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# CONTRACT REVIEW

## April 2015 to March 2016



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Working in partnership for you

## Overview

The Partnership continues to work together to deliver the Repairs and Maintenance and Vacant Property Service to our customers and at the end of Quarter four we achieved set performance targets across all but one indicator. Working with two repair partners continues to be beneficial, specifically in relation to performance improvements. At the end of Quarter four we continue to have seen excellent performance on work to vacant properties in terms of quality and timescales.

Repairs and works to vacant properties continue to be split between the two partners as follows:

### Mears

General Repair and Maintenance works

Vacant property repairs to South, Inner West and West neighbourhoods

### Construction Services

Repair and maintenance works to flat roofing and boundary treatments (including fencing and walls)

Vacant property repairs to Central and East neighbourhoods

TGHC continues to work with both Mears and Construction Services to achieve delivery of an efficient, customer focused repair service taking into consideration value for money and the daily challenges of budget constraints.

## Responsive Repairs

At the end of quarter 4 the number of responsive repairs completed by Mears totalled 61,799 (65,619 including planned jobs). Jobs held from 2014/15 due to budget constraints were fully completed by the end of quarter two; however, quarters three and four saw the continued use of budget control measures to protect the 2015/16 budget. As a result, non-essential repairs were placed on hold. During March 2016 additional funding was provided by Gateshead Council to allow a small percentage of the overall held jobs to be released. Of the additional 550 initially released jobs, approximately 300 were completed by year end. The overall current backlog remains at approx. 750 jobs. These jobs are planned to be commenced during quarter 1 of 16/17.

Cancelled jobs remain a challenge for the partnership with the main reasons for cancelled appointments being no access. In these instances the customer has failed to allow access at the agreed appointment time. The partnership continues monitor the levels of cancelled appointments, identify trends and aim to reduce numbers as this would benefit both the partnership and our customers. The number of appointments cancelled at the request of TGHC continues to be the second highest reason at year end. An analysis of the quarter 4 15/16 data will be reviewed during quarter 1 of 16/17.

Both Mears and Construction Services have adapted well to the changes in terms of transferred works and resources and improvements have been seen across the Partnership. We will work with both partners to maintain the high level of standards during the final year of the contract.

From late 2014/15 and throughout 2015/16 TGHC continued to see significant numbers of Section 11 Disrepair cases. Disrepair cases take a great deal of surveyor and customer care input and works once agreed must be prioritised to adhere to legal protocol.

During quarter 4 the jobs issued to Construction Services continued to be cascaded across various sections to ensure in-house delivery and best use of resources.

## Performance Indicators

At the end of quarter 4 performance remains positive with all but one KPI across the responsive repairs Service delivered by Mears achieving target.

The number of responsive repairs completed within timescale failed to achieve target at the end of quarter 4 with a result of 97.51% (98.32% 14/15 year end) against a target of 98%. Analysis of the fails has shown that the number of upgraded emergency gas jobs over the repair policy deemed

winter period placed excessive pressure on the service and as a result we were unable to meet demand.

Customer satisfaction continued to achieve target at 98.24% by the end of quarter 4, this is an increase against the 2014/15 year end result of 97.72%. Of the 7,916 surveyed completed, 7,777 customers were satisfied with the service they received.

The number of appointments made as a percentage of appointable orders continued to achieve target at the end of quarter 4 with a result of 99.44%, showing a slight reduction against the 14/15 year end result of 99.68%.

The number of appointments kept with our customers within the 2 hour appointment slots as at the end of quarter 4 continued to meet target with a result of 96.18%. This is a slight reduction since the 14/15 year end result of 96.99%.

A review of the planned works procedure with Mears has shown not only an increase in performance to a result of 91.36% but a more consistent level of service delivery for our customers. An increased level of information and support is provided before, during and upon completion of the works in our customer's homes. The number of roofing jobs requiring scaffold and the manufacturing of bespoke materials places an additional challenge on completing jobs in time.

In an aim to sustain and hopefully improve the performance in Repairs and Maintenance, Mears and TGHC agreed a number of initiatives to investigate during 2015/16. Below are the initiatives and quarter 4 updates on progress for each:

- Identify training needs to upskill/multi skill operatives

Update – Review started in November 2015 and has identified training requirements. A training programme is currently being developed for roll out during 16/17.

Q4 Update – Four multi skill apprentices are due to complete training in July 16. Utilising the information obtained during recent personal development reviews Mears are continuing to devise relevant training packages to develop the teams appropriately. At the same time, training is delivered to remain compliant with regards to particular trade requirements and health and safety. Mears continue to roll out tool-box-talk programme to enhance the training.

- Consideration of mobile technology for supervisors

Update – The roll out of new Samsung Galaxy PDA's across the operatives is to start late February. Supervisors are to be issued with iPads by the end of quarter 4 15/16.

Q4 Update – Although not being completed by the end of quarter 4 2015/16 as originally projected, the phased introduction of the new PDAs is underway. An initial pilot has been carried out with the electricians that raised a number of software issues. The intention is to roll out to the remainder of the trades by June 2016. The development of the supervisors tablet is running concurrently and is on target to be rolled out at the same time.

Challenges remain at year end 15/16 with the alignment of the ICT systems. As a result, the production of performance information, processing of job completions, cost variations and system invoicing for Construction Services remain outstanding.

## **Vacant Properties**

Delivery on vacant properties in line with KPI's has seen significant improvements since the work was divided between the two Repair Partners. The number of vacant properties remained high during quarter 4, the number of properties let by year end had increased in comparison to 14/15 but the turnaround of work has much improved.

By the end of quarter 4 2015/16 there were 1059 relets raised for Mears, 913 were completed during this period. Relet performance stands at 14.17 days (33.62 days at year end 2014/15) against a target of 11 days and major work performance at 46.12 days (111.71 days at year end 2014/15)

against a target of 33 days. Of all jobs completed by end of March 2016 the number achieving timescale reached 42.28% which was a significant improvement from 4.74% at 2014/15 year end.

At the end of quarter 4 2015/16 there were 746 relets raised for Construction Services, 674 were completed during this period. Relet performance stands at 15.25 days against a target of 11 days and major work performance stands at 37.00 days against a target of 33 days. Of all jobs completed by end of March 2016 the number achieving timescale reached 47.92%.

The partnership has seen a significant improvement in the number of properties that are completed right first time during 2015/16. The table below demonstrates the increase in percentage of properties completed right first time:

	<b>Right First Time Rate (%)</b>
<b>Mears – Year end 2014/15</b>	70.37%
<b>Mears – End of Quarter 4 2015/16</b>	91.57% (91.45% end of Q3)
<b>Construction Services – End of Quarter 4 2015/16</b>	99.26% (99.09% end of Q3)

Joint planning of required works continues to increase partners knowledge of the standard. Instances in which the standard has not been achieved first time continue to be discussed on an individual basis between TGHC and Repair Partners to ensure learning is shared and feedback provided to both Supervisor and operatives.

Performance information on vacant properties is produced by TGHC with all information shared and confirmed with both repair partners to ensure accuracy prior to publishing.

During March 2016 there were 46 previously held voids released for completion of works. These properties were planned in advance of the release date to allow an efficient turnaround by both Mears and Construction Services. At year end 89 properties remain held due to low demand. These properties will be released and works completed according to demand and budget availability. Should the value and number of held void properties increase significantly this will place additional pressure on the service during 2016/17 in terms of performance and budget.

### **Gas Servicing**

Performance on gas servicing continues to be a priority area for continuous improvement. The partnership continues to work intensively on gaining access earlier in the appointment process resulting in retained levels of performance at the end of quarter 4 at 99.86%.

At the end of quarter 4 there were 18,072 properties that required a gas service. Of this only 26 were outstanding at the end of the period. Of the 26 outstanding, 8 of the properties remained inaccessible and progressed to full warrant stage through the enforcement process.

No access continues to be monitored by the Partnership. The Mears no access squad continue to work to keep the overdue LGSR's at a minimum level. This additional service will undergo monthly review commencing in April with a view to delivering an efficiency saving in the latter half of 2016/17. The partnership has outlined a new approach to recharging tenants the cost of a warrant application, this will be presented to the Council Housing Portfolio Holder for consideration in April.

An additional safety bulletin, a recommendation of the Gateshead Council Internal Audit, has been issued to residents highlighting the responsibilities around gas cooker maintenance. The TGHC Gas Servicing Team are developing additional safety bulletins for release throughout 2016-17.

The Mears best practice/ standard operating procedures on gas continue to be developed. The first draft is scheduled for release at the end of Q2.

Work continued on the gas servicing interface with several partnership testing sessions conducted throughout January and February, further details can be found in the within the ICT update.

## Gas Repairs

Mears continue to call ahead prior to all gas repair visits in an aim to minimise no access but this remains a challenge for the partnership.

The introduction of 2 hour appointments during quarter 3 has proven to be a success in terms of performance and a reduction in no access. The level of information and support to customers has increased to ensure customers have power available at the time the operative attends.

A Mears Gas Supervisor and gas operative will be attending and presenting during the training of new HomeRepairs Customer Service Advisors in April 2016.

## Cancelled Appointments

Cancelled jobs continued to be a challenge for the Partnership as at the end of quarter 4 of 2015/16 showing an overall increase in comparison to the same period last year.

The table below shows the number of cancelled appointments across the Repairs & Maintenance service as at the end of March 2016. These cancelled jobs have a direct impact on our ability to provide a more operationally efficient service. In these instances the operative would more than likely be at the property when the order is cancelled. In total there were 6,783 cancelled appointments which is an increase of 604 in comparison to the 6,179 reported at year end of 2014/15.

Cancellation Reason	Q1	Q2	Q3	Q4	Total
Building Surveyor Required	9	4	14	29	56
Cancelled by Mears	38	10	6	0	54
Job Already Done	26	9	17	12	64
No Access (tenant did not keep apt)	1101	1094	1444	1650	5289
No Work Required	188	196	267	218	869
Tenant Refused Access	8	8	16	13	45
Tenant Refused Job	86	96	104	120	406
	1456	1417	1868	2042	6783

The number of cancelled appointments due to customers not allowing access continues to increase. Appointments are agreed and confirmed to customer at the point of raising a repair. Customers continue to receive calls and texts in advance of the appointment time in an attempt to gain access.

TGHC completed additional promotional work during quarter 4 to encourage customer access. Unfortunately no access continued to increase during quarter 4 15/16.

The table below shows the number of cancelled appointments across the Repairs & Maintenance service as at the end of March 2016. These cancelled jobs have no impact on our ability to provide a more operationally efficient service.

Cancellation Reason	Q1	Q2	Q3	Q4	Total
Tenant Cancelled Service Request	112	93	99	150	454
TGHC Instruction	831	1019	945	959	3754
Incorrect Description of Job	194	230	254	259	937
	1137	1342	1298	1368	5145

Customers make contact to cancel their appointment in advance of the due date. In these cases there has been no lost operative time and this becomes an administrative task only.

The number of jobs cancelled at the request of TGHC remained high at the end of quarter 4. With the new BARIS interface live with Mears, additional functionality is to be explored in the aim of providing a better level of understanding of all cancelled jobs to TGHC.

### **Electrical Testing**

The electrical programme for Mears for 2015/16 consisted of 1,293 electrical testing orders.

At the end of quarter 4 the full years programme had been successfully completed with the exception of 67 properties which continued to refuse access after numerous attempts. The 67 outstanding tests will be carried forward into future programmes.

Electrical testing programme is scheduled on an 8 year cycle rather than the recommended 10 year cycle.

### **Painting and Repairs**

The Mears painting programme for 2015/16 consisted of 1,568 properties. Estates completed during the period included Vigo, Blue Quarries, Centurion Way, Fieldhouse, Highfield, Holly Hill, Kateregina, Rose Milling & Pipebridge plus the full internal programme.

Construction Services external programme consisted of 1,059 properties, 6 sheltered schemes and a number of mid-rise blocks. Estates completed during the period included Lyndhurst Upper & Lower, Old Fold, Snookhill, Birtley Villas, Pleasant Place, Swalwell plus a full internal programme. Furrowfield Estate was commenced and is due to be completed early in 2016/17.

Due to budget control measures a number of estates were postponed and will be completed in the 2016/17 programme. These estates included Rectory Glebe, Longbank, Kibblesworth, Milvain Close, Birtley West and Crawcrook. These estates have been programmed for the beginning of the 2016/17 programme and customers have been informed of the delay.

### **Aids and Adaptations**

As at the end of quarter 4 there were 1,065 adaptation jobs completed by Mears with performance achieving target at 99.81% completed in the target timescales. Of the 1,065 only 2 jobs failed to be completed in set timescales. This shows an improvement against 2014/15 year end result of 99.26%.

### **Apprentices**

At the 2015/16 year end there were 17 apprentices on the Mears Gateshead Contract.

During quarter 4, one Business Administrator secured a full time post with Mears while continuing to complete their NVQ Level 3. An Electrician completed their course, is awaiting full certification and in the meantime has applied for a full time post within the Mears Gateshead Contract.

The breakdown of apprentices at the end of quarter 3 on the Gateshead Contract was as follows:

Plumbers / Gas Plumbers – 5	Plasterer – 3
Electricians – 2	Multi-skilled – 4
Roofer – 1	Decorator – 1
Business Administrator – 1	

### **Customer Care**

At the end of quarter 4, Step 2 complaints had increased to an average of 25 per month, if comparison to the quarter 3 average of 15 per month. The average time taken to respond to TGHC with supporting information continues to achieve an average 6 days during quarter 4. Of the complaints submitted during quarter 4 only 62% were recorded as justified or partly justified.

The main trends of complaints with Mears during quarter 4 included:

- Multiple leaks from central heating system pipework causing damage to property/belongings
- Communication

TGHC and Mears are working with the customers to ensure the working areas are as clear as possible for major works to commence.

The introduction of the BARIS interface with Mears continues to show an increase in the information available to TGHC during complaint investigations.

The main trends with Construction Services during quarter 4 included:

- Delays in work being completed
- Appointments not made and or kept

Step 1 complaints continued to be registered and managed by TGHC with the main trends for the year being:

- Missed/cancelled appointments
- Access to the repair reporting service

A further 6 Customer Service Advisors were employed into the Home Repairs Repair Reporting Team by year end and are due to start early in 2016/17.

### **Learning Modules**

Learning Modules have continued throughout quarter 4 of 2015/16 including topics such as:

- Violence & Aggression
- Storage
- Slips, trips and falls

Supervisors and Customer Care Officers have continued to deliver briefings to Operatives via tool box talks and PDA's on general house-keeping and communication.

### **Serving Our Communities**

Mears continue to work with TGHC and its communities to identify suitable projects to receive either financial or labour support.

Works were completed at Barmoor Hub Community Centre to replace all fascia and guttering.

Silverline Community, a Springwell gardening project had a composting toilet installed.

By the end quarter 4 a number of donations have been made including:

- £100 donated to Sara's Hope Foundation
- £100 donated to The Great North Air Ambulance

Mears continue to support the Percy Hedley Foundation and provide valuable work experience opportunities.

### **Value for Money**

Conversations are ongoing with Repair Partners to identify efficiencies in current processes. The partnership will continue to review and seek areas of efficiency.

During quarter 4 an appointment diary has been developed to allow customers to gain appointments for Building Surveyors. As demand for Building Surveyor appointments is extremely high at present, it is hoped that the diary will ensure better time management for the team and a better level of customer service during their first contact with TGHC. The diary is planned to go live in quarter 1 of 2016/17.

## **ICT**

The alignment of ICT between Repair Partner systems and TGHC Northgate system will allow increased functionality to support business processes, increase our ability to embed efficiencies for both Repair Partners and improve the customer journey in relation to the Repair Service.

The BARIS interface with Mears continues to show an increase in available information when dealing with customer enquiries. Business processes are being reviewed to ensure efficiency and best use of systems to minimise user input. With jobs in the old interface outstanding there is an element of dual input required by Mears. It is hoped that when the old interface is closed this will be reduced.

The BARIS interface with Construction Services Total System went live as planned on the 18<sup>th</sup> January 2016. Progress is being monitored but issues have been noted around completions, variations and system invoicing.

The BARIS interface for gas servicing commenced in December 2015, minor amendments to the status update process have been identified. Mears ICT are working towards a resolution that will align both repairs and gas servicing systems into Northgate. The original date of January 2016 go live was not achieved as the service date for all required properties was not fully confirmed between the Partnership. It is hoped that services will be raised in Northgate for the July 2016 services.

### **Service Improvement**

Keys areas of improvement include:

- BARIS interface with Construction Services went live 18<sup>th</sup> January 2016
- Development of an appointment system for Building Surveyors in development
- Development of a Leasehold Surveyor appointment system is proposed for quarter 1 2016/17



## Report to Assets, Development and Investment Committee

11 May 2016

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<b>Title:</b>	Cyclical Maintenance and Compliance – End of 4th Quarter 2015/16
<b>Report of</b>	Director of Customer and Communities

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### Purpose of Report

1. To update the committee on cyclical maintenance activities and compliance monitoring for the period April 2015 to April 2016.

### Background

2. Cyclical maintenance covers a range of activities including gas servicing, water hygiene testing, and specialist electrical work. Following on from the cyclical and planned maintenance team's management being aligned with the Investment and Development service, the priorities for 2015 are to continue the integration of cyclical maintenance activity with the wider approach to asset management and planned investment, to ensure investment is targeted and value for money is achieved.
3. This report summarises activity in the period April 2015 – April 2016, and also provides an update on the serving of warrants to gain access for gas servicing.

### Cyclical Maintenance 2015-16

4. The activities aim to reduce response times and to lower call-out charges, 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 which have been identified in previous reviews. Specific work areas commenced during this period included:-
  - The SLA with Construction Services to cover the provision of cyclical maintenance and compliance services continues to highlight service improvement opportunities. Scheduling and reporting of works completed and digital certification management are key factors for 2016/17, along with a faster undertaking of reported deficiencies to eliminate corporate risk.
  - Communal boiler house plant – emergency access points have now been identified for all multi and sheltered schemes. Contingency measures for temporary heat provision in the event of a main plant failure are agreed with Construction Services. Boiler plant renewal through a rolling programme of planned investment will eliminate further risks.

- Aids and Adaptations Stairlifts – participation in the cross service working group lead by the Council's Corporate Procurement team to retender servicing and repairs provision for stairlifts is ongoing. The tender process has been delayed from April to end of May 2016.
- Thirteen Group management of properties – The team has successfully handed back Sunhill Court at the end of March 2016; fully compliant with all records present and no queries received from the client. TGHC document management processes have been adopted as best practice by Thirteen Group for their new build sites.
- Lift Servicing and Maintenance - The new lift maintenance contractor (KONE) commenced in September 2015. Lift times in service have been scrutinised and reviewed, resulting in a reduction in average response times which is an improvement in service delivery.
- Water Hygiene risk assessment of dwellings commenced during this period, with Gateshead Council's Design Services commissioned to carry out the work. The programme started in June and is targeting the most at risk customer profile first. 1746 risk assessments have been completed by the end of March. A resident's guide to water hygiene is being distributed by Design Services, explaining the reason for the work and tenant responsibilities to reduce risk.
- Asbestos management - officers continue to assist in the scoping and development of a re-tender exercise for the management of asbestos in communal areas. The project is being led by the Councils Corporate Procurement Team as part of a Gateshead led framework that other North East local authorities will be contributing to. Alongside this, work has commenced on a tender specific to the Housing Company delivery model.
- Modifications to water treatment systems in Barford/Stretford Court have been completed. No further water quality issues have been reported. Designs have been commissioned to improve water quality in Barnes Close where it has been identified that low tank turnover occurs, achieved through linking tanks together. Modifications to bin chute flush down facilities have been carried out to reduce risk of legionella to caretaking staff.
- Emergency Lighting Cost Savings – A review of emergency lighting has identified the need to consider replacement of standard lighting in a number of multi story flat communal areas. The findings have been shared with Gateshead Council's Energy team to consider energy efficient replacements, and potential sources of external funding to support future investment. The Asset Team has now been approached with Gateshead Councils initial proposals.
- Linked to above, during this period we have agreed a new procedure with Gateshead Council's Construction Services, whereby renewal of failing lamps are to be undertaken as part of other on-site inspections. Potential savings on repeat visits is unable to be quantified at year end as anticipated and will continue to be explored early in 2016/17. This is due to communication issues around usage reporting from CS paper system. Use of electronic works orders to be explored as a service improvement.
- Emergency lighting testing – efficiency savings have been identified that propose the undertaking of this non-technical function be delivered by onsite teams as

opposed to the current chargeable arrangement with CS. This change will contribute to a saving on the Repairs budget for 2016/17 commencing 1<sup>st</sup> April anticipated to be £64k per year. A series of training sessions have been successfully completed by our Electrical Auditor and delivered to Sheltered Scheme Officers and Mobile Wardens across 27 sites during March. The weekly testing of fire alarms in communal lounges will also be undertaken at the same time. Sheltered scheme weekly testing will remain with CS as this is a higher risk technical task.

- Warranty Management - Investigation of warrantied light fittings to 9 multi-storey blocks identified a 22% failure rate, this has resulted in an agreement with the manufacture to fund labour and materials cost. This represents a saving of £3698 since the agreement was formalised on 5<sup>th</sup> January. Extended warranty period still in negotiation. Further funding for energy efficient LED replacement units also being explored with the Councils climate change.
  - Electricity usage in communal blocks. The team has concluded their work with Northern Power Grid to document accurate power usage of unmetered supplies in communal areas. The final recalculated charges have increased due to an updated schedule of equipment, from £2700 to £3800 per month, despite demolitions. This information will now be referred to the Asset Team for capital investment to target areas where high expenditure needs to be addressed with more efficient lighting and the inclusion of timer control systems.
  - Certification Management - specialist subcontractors are beginning to implement measures to provide certification digitally. Barriers to individual ICT requirements, particularly on smaller businesses, are being explored as they are identified in order to realise back office savings for TGHC. A number of Service Level Agreements are being written for introduction for 2016/17 to embed this.
  - Work continues with Construction Services to align contractor order raising and audit processes with the companies reporting periods to ensure certification is available to be reported upon. The partnership continues to undertake monthly reconciliation between the two systems to ensure works are completed or closed out of the contractors system effectively.
  - New Cyclical activity linked to warranties. The capital investment programme has successfully delivered roof renewals to 147 flat roof properties in St James Village. A maintenance schedule to comply with the manufacturers requirements has been explored with Construction Services. Initial feedback identifies that the cost of providing safe means of access for the inspection in line with Council H&S policies may make this a cost prohibitive exercise. If alternative access arrangements cannot be agreed then additional solutions to inspect the roofs may need to be considered to comply with the warranty.
5. The table included in the appendix to this report summarises the position for compliance monitoring this quarter but selected measures detailed below.

### **Legionella Control**

6. In the period 1 April to 31<sup>st</sup> March 2016, 723 of 744 (97 %) water hygiene inspection/ treatments have been completed by Construction Services. CS still auditing the remaining 21 outstanding orders but advise all completed (see earlier update on works orders).

## **Fire Alarm Systems and Sprinkler System**

7. In the period 1 April to 31 March 2016, 106 of 106 (100%) quarterly inspections have been carried out to multi storey blocks and sheltered housing communal areas.
8. 670 of 728 (92 %) of monthly emergency lighting tests have been carried out to multi storey blocks and sheltered housing communal areas.

## **Gas Servicing and warrants**

9. Performance on gas servicing continues to be both a high risk area for the company and a priority area for continuous 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.
10. After three unsuccessful attempts to gain access by appointment (confirmed by letter) a property will be deemed “no access” and passed to a dedicated “no access team” within the repairs partner, Mears. Two further visits per week will be attempted over a two-week period before a decision is taken to apply for a warrant to gain access.
11. Within this period Mears have passed across 435 properties that have been classed as “no access” and referred to TGHC to commence warrant process.
12. 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 64 warrants were finally served.
13. At the end of the period 99.66% services were reported as completed with 26 properties reported as overdue for service.
14. A proportion of these overdue services are as a result of delays in processing manual paperwork, the Gas Service Manager continues to work with Mears to reduce the timescale of administrative processing at month end. Additional secure interfaces have been implemented in December to allow certification to move between the partnership and automatically into our management systems.
15. Having subsequently received compliant paperwork, and continued to pursue customers for access, the actual number of appliances that are out of time at the end of the period was 26 with 12 eligible for enforcement action. Of the 12 only 3 properties finally required warrants which were obtained on 22 April 2016.
16. The use of automatic system notification of changes in client and property information between the partnership systems continues to generate efficiencies. This work has formed the basis for transitioning the gas servicing information back into the client system Northgate. Final scoping of the process along with system enhancements was carried out between January and March., following the annual asset reconciliation process in April.
17. At the February Asset committee an update was given on proposals to commence re-charging for warrant costs from April, following consultation with

the Portfolio Holder and Legal Services. A suite of new letters were agreed with Legal Services during March ready for implementation immediately after the scheduled April 12<sup>th</sup> Portfolio meeting. Staff and partnership briefings along with a website update and advertising media have been prepared in readiness for an immediate mobilisation.

18. The Gas Service Manager has been nominated by the North East Gas Maintenance Managers forum in January to chair a sub group looking at the audit processes undertaken across the region. TGHC were nominated on the basis of the high standards of audits already carried out and the process enhancements that are scheduled to be implemented.
19. The group will be looking to standardise process and paperwork and undertake benchmarking of performance. A scheme to allow auditors to conduct peer reviews on a free reciprocal arrangement has been tabled for development following standardisation.

### **Changes in Legislation**

20. The Gas Safety in Use Regulations were amended in April 2015 with an implementation date of April 2016 for the changes to take effect. The proposed changes makes reference to how landlords treat appliances deemed at risk, specifically where tenants may have sleeping arrangements in close proximity to gas appliances.
21. Existing arrangements allow for the monitoring of appliances that are classed as 'Not To Current Standards'. Under the new changes this is no longer an option and these appliances may have to be isolated if appropriate safety devices are not fitted.
22. A number of appliances identified as high risk due to no isolation devices have now been programmed within the 2016-17 capital investment for renewal. The team continues to update and assist in the scheme preparation for this delivery.

### **Carbon Monoxide Detectors**

23. The management of the carbon monoxide detector programme is linked to the transference of gas servicing administration into Northgate. The project completed ICT testing in January and specifications have been finalised with ICT. The change over is scheduled to go live by the beginning of May.
24. Detectors continue to be installed during capital investment works and under responsive repairs should a customer contact the repairs service to report a unit that has reached the end of its effective life. This is indicated by a slow single beep emitting from the unit, and not an alarm sounding.
25. The use of CO detectors is a back-up precaution; the primary protection against carbon monoxide is the regular servicing and repair of gas appliances.
26. The programme will aim to replace approximately 3000 units per year at an annual cost of £80,000 over the next 5 years.
27. Carbon monoxide detectors are not a mandatory requirement. There has been no amendment to the 2015 regulations surrounding the provision of carbon

monoxide detectors in the private rented sector; registered providers of social housing are still excluded from the requirement.

### **Links to Values**

28. The report links to the following company values of being:

- Accountable
- Customer focused
- Open and Honest

### **Impact on Customers**

29. Appropriate preventative maintenance enables reductions in failure rates and response times, which minimises disruption and maintains services for customers.

### **Risk Management**

30. The report links to the strategic risks around:

- delivering effective asset management
- delivering on new projects
- maintaining a positive reputation
- managing finances and delivering value for money
- effectively managing business continuity

### **Health Implications**

31. Appropriate cyclical maintenance brings positive health implications, for example for vulnerable customers through the enhanced warranty and servicing provision for aids and adaptations.

32. A robust maintenance approach to areas such as gas safety, water hygiene and electrical testing maintains essential services for customers and mitigates against health risks through unplanned disruption.

### **Financial Implications**

33. Cyclical maintenance activity is met from within existing budgets, and is kept under review so that budgets can be provided where additional activity is required.

### **Value for Money Implications**

34. Improved planned maintenance and servicing arrangement are reducing the volume of emergency call outs handled by the service. The service of warrants continues to represent a saving in expenditure.

35. Through ongoing alignment with planned investment, the approach will result in fewer responsive repairs which will reduce expenditure by tackling repairs and renewals in a more cost effective way.

## **Recommendation**

36. The views of the committee are sought on whether the committee is satisfied with progress on the management of the cyclical maintenance, to the end of Quarter 4 2015.

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Contact: Russell Urwin, Planned Investment Manager

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## Summary of Compliance Monitoring Quarter 4

Area	Target	Status	Commentary:
Gas Servicing	18,072 appliances	18046	26 properties did not have a valid certificate.
CO Detectors Installed	18,098	17,737	361 properties to be scheduled to receive a detector.
Legionella Control Works	744	723	21 outstanding reports awaiting supervisor audit by CS
Fire Alarm System Inspections (Quarterly)	106	106	
Monthly Emergency Lighting Inspections	728	670	Warwick Court omitted - rewire in progress  Documents not made available from CS for internal audit
Wet & Dry Riser Inspections	26	26	
Bin Chute Fire Shutters	25	25	
Lightning Protection Surveys	26	26	
SE Ducts (Gas)	1	1	(Regent Court)
Commercial Gas Boilers	34	34	

## Report to Assets, Development and Investment Committee

11 May 2016



**Title:** Forward Plan

**Report of:** Director of Customers and Communities

### Purpose of report

1. To note the forward plan of reports which will be presented to Assets, Development and Investment Committee during the next year.

### Background

2. The committee agreed, at its last meeting held on 27 October 2013, that a forward plan of reports it will receive at future meetings become a standing item on every committee agenda.
3. Attached as an Appendix to this report is a forward plan of reports that will be presented to meetings of this committee during the next year. This will not be an exhaustive list of reports and there will clearly be a number of other items of business that the committee will be required to consider during the course of the next year. It will however give the committee an idea of forthcoming business. It will also assist officers when planning in business and meetings to avoid when there is a lot of business.

### Link to Values

4. This report relates to the following company value of being open and honest.

### Risk Management Implications

5. The forward plan will mitigate the risk of reports not being planned into the committee cycle.

### Value for Money Implications

6. There are no value for money implications directly arising from this report.

### **Equality and Diversity Implications**

7. There are no equality and diversity implications directly arising from this report.

### **Financial Implications**

8. There are no financial implications directly arising from this report.

### **Health Implications**

9. There are no health implications directly arising from this report.

### **Environmental Implications**

10. There are no environmental implications arising from this report.

### **Consultation carried out**

11. Lead officers within the company have identified reports for future meetings of this committee.

### **Impact on Customers**

12. There is no impact on customers as a result of compiling this report.

### **Recommendation**

13. It is recommended that the forward plan be noted.

### Assets, Development and Investment Forward Plan

<b>Customers and Communities Committee</b>	<b>Issues to be discussed</b>
14 September 2016	<ul style="list-style-type: none"> <li>• Performance and Service Standards – End of First Quarter 2016/17</li> <li>• Capital Programme Update 2016/17 – End of First Quarter</li> <li>• Repairs and Maintenance Contract – First Quarter Review 2016/17</li> <li>• Cyclical Maintenance Update 2016/76</li> </ul>
16 November 2016	<ul style="list-style-type: none"> <li>• Performance and Service Standards – End of Second Quarter 2016/17</li> <li>• Capital Programme Update 2016/17 – End of Second Quarter</li> <li>• Repairs and Maintenance Contract – Second Quarter Review 2016/17</li> <li>• Cyclical Maintenance Update 2016/17</li> </ul>
1 March 2017	<ul style="list-style-type: none"> <li>• Performance and Service Standards – End of Third Quarter 2016/17</li> <li>• Capital Programme Update 2016/17 – End of Third Quarter</li> <li>• Repairs and Maintenance Contract - Third Quarter Review 2016/17</li> <li>• Cyclical Maintenance Update 2016/17</li> </ul>
May 2017 (date still to be agreed)	<ul style="list-style-type: none"> <li>• Performance and Service Standards – End of Year 2016/17</li> <li>• Capital Programme Update 2016/17 – End of Final Quarter</li> <li>• Repairs and Maintenance Contract – End of Year Review 2016/17</li> <li>• Cyclical Maintenance Update 2016/17</li> </ul>

(\*) Following board approval for a 12 month secondment to align Asset Management with the Council, it is anticipated that the Asset Strategy will be finalised in conjunction with them and reflect investment priorities that are affordable in the context of the HRA. The Committee will continue to receive updates on this activity.