



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.