

HOUSING SELECT COMMITTEE			
Report Title	Brockley PFI – Mid-year Review Report		
Key Decision	No	Item No.	
Ward	Brockley		
Contributors	Head of Strategic Housing		
Class		Date:	

1. Summary

- The Brockley Private Finance Initiative (PFI) Project involved the refurbishment of 1,838 dwellings situated in the Brockley neighbourhood, of which 1,331 are currently tenanted and 507 are leaseholder dwellings.
- The Council first received Government approval for this second round PFI project in March 2001.
- On the 4th June 2007, the contract was signed between Regenter B3 and the Council. Following a 3 month lead-in period, service delivery commenced on 3rd September 2007.
- The purpose of this report is to give a brief overview of the background of the Brockley PFI, the Council's contract with Regenter B3 (RB3) and the progress that has been made to date during 2012/13.

2. Recommendation

- It is recommended that Members note the contents of the report. Officers from RB3 will be available at the meeting to answer questions relating to their performance.

3. Background

- RB3 Brockley PFI went live on the 3rd September 2007. The PFI Contract is based on a Standard Form of Contract developed by central Government, with all variations being negotiated with the Department of Communities and Local Government. Financial changes were agreed with the Treasury.
- The contract for refurbishing and maintaining the properties includes the provision for housing repair and maintenance, caretaking, cleaning, tenancy and estate management service. From the commencement of the project Regenter B3, a private sector partner, became responsible

for providing housing management services to all of the housing stock included within the project area for a period of 20 years.

- A special purpose vehicle (SPV – Regenter B3) was formed for the task of carrying out the refurbishment for the 1838 dwellings in the Brockley area and consists of Equipe, Higgins and Pinnacle. The SPV is owned by Regenter and they project manage the scheme.
- Regenter B3 act as the client interface between the project and the Council and employ a total of 5 staff, 1 directly and 4 indirectly. Regenter B3's role is to ensure that the contract is delivered in accordance with requirements, on schedule, and to the satisfaction of the Council and the Brockley residents.
- Pinnacle employs 4 Housing Managers, 3 Customer Services Officers, 1 Senior Customer Services Officer, 1 Leaseholder Officer, 1 Resident Engagement Officer, 1 Housing Contract Manager, 1 Housing Service Manager, 1 Estate Services Contract Manager, 5 Gardeners and 10 Caretaking staff. Their role is to provide the housing management for all the tenanted and leasehold properties together with the estate management which includes caretaking, grass cutting, lumber removal etc.
- Equipe Regeneration Ltd undertake the management responsibilities of day to day responsive repairs maintenance, emergency out of hours service covering 24hours 7 days a week and re-servicing empty void properties. Cyclical maintenance, external decorations programmes commencing 2013 and Life Cycle management. Life Cycle management includes replacing electrical and mechanical items such as gas boilers.
- Equipe Regeneration Ltd employs 1 Supervisor, 1 Surveyor, 1 Administration Assistant, 1 Customer care administrator and 5 full time multi-trade operatives. The overall line management responsibility of the contract is held by Gordon Springate, Operations Manager.

4. Performance Indicators

- Altogether there are 26 contractual Key Performance Indicators (KPI), of which 19 are provided on a monthly basis and seven on an annual basis. The list of the KPIs is provided at Appendix 1.
- The data entry sheet, which provides the current performance against those KPIs up until September 2012, is given in Appendix 2.

5. Customer Service

- RB3's performance over the year regarding answering correspondence on time has been inconsistent and deductions will be applied accordingly. The delays in correspondence have occurred, in the main, as a result of enquires that require further investigation. Pinnacle will take the lead on ensuring that holding letters are sent out and that a

more rigorous process is in place to expedite responses from all of RB3's partners.

- Pinnacle in 2011/12 received 44 complaints overall, the breakdown is provided below. As at the end of September 2012, Pinnacle has received 21 complaints overall. The top service issues identified through the analysis of complaints are as follows :Issues from leaseholders relating to service charges, the costs of major repairs and the consultation process
- Neighbourhood nuisance relating to noise, neighbour disputes and clash of lifestyles
- The approach taken on the collection of rent arrears

The key learning action points taken from the complaints received are:

- Implemented a regular call over with housing managers to review and support their actions around complex neighbour dispute cases
- Conducted a master class in complaints handling
- Senior management oversight of the quality of correspondence
- Introduced more information onto website
- Set up leasehold forum to work with leaseholders, specifically around service charge consultation
- Working towards the introduction of online access to block repairs so that leaseholders can view repair costs on a timely basis

Complaint Stage	2011-12	Number as at end of September 2012
Stage 1	36	16
Stage 2	6	3
Stage 3	2	2

- Equipe Regeneration Ltd's service to residents is a crucial measurement in terms of assessing and benchmarking how tenants perceive service delivery. Complaints are taken seriously as part of a continuous improvement process. Within the period this report covers, Equipe has received the following number of complaints.

Complaint Stage	Number as at end of September 2012
Stage 1	10
Stage 2	3
Stage 3	0

6. Tenancy Management

- The review and examination of some high profile ASB cases has resulted in a refreshed approach to the management of these cases. There is now a regular call over with housing managers to discuss and review cases, consider new initiatives and share good practice. 9 cases have been reported in this period. RB3's policies and procedures in this area have been updated.

- RB3 work with the Safer Neighbourhood team and the local Police to tackle anti-social behaviour and we use a range of methods to resolve ASB – such as Mediation and ABC Acceptable Behaviour contracts, where appropriate. RB3 also work with the Councils Anti Social Behaviour Action Team, and LAMP (Lewisham Action on Mediation Project) who provide support through mediation.
- Occupancy checks are currently running at 8% above the target due for September -150 due / 183 completed. We are on target for completing all tenancy audits by the end of January 2013. Occupancy checks have resulted in several cases referred to Lewisham's fraud team for further investigation of housing benefit fraud, unauthorised occupation and abandoned tenancies.
- During the period under review four cases of subletting have been referred to our solicitors to commence possession. RB3 is awaiting the outcome of these hearings.

7. Leasehold Management

- Leaseholder Valuation Tribunal (LVT)

7..1. There is an ongoing Class action involving 23 individual leaseholders against the Council and Regenter. The issues raised include the consultation process, Section 20, necessity of works, cost and the standard of works. The case was split in two parts. The first was to consider the procurement and cost of scaffolding and the level of professional fees and the management fee charged under the PFI.

The second considered the quality, cost and necessity of works. Both parts have been concluded and the Council and Regenter are appealing the first part of the LVT's decision relating to fees. The Council is awaiting the appeal date.

The Council on the second part of the case, decided to accept the LVT's decision in full. The Council, via Regenter instructed Higgins to ensure that all defects and outstanding works were attended to and completed to the satisfaction of the leaseholders.

The next phase of major works is comprised of the external redecorations programme and will commence in 2013. These works will not start until all the residents have been informed and consulted about the programme. RB3 have started preliminary discussions with Brockley Leaseholder Association and the recently constituted Brockley Leaseholders Forum. A more detailed programme is being prepared for further consultation by the end of December.

7..2. The service charges (actuals) for 2011/12 have been prepared and are due to be dispatched shortly. Extensive work has been undertaken to ensure that communal electricity charges accurately reflect consumption.

7..3. Work has progressed on developing a web portal, RegenterBrockley.com, and leaseholders now have secure online access to details of major repairs and statements for service charges. Developmental work is in progress to provide access to details of block communal repairs, it is anticipated that this will be completed by January 2013. Currently 80 residents have registered and have access to the website.

8. Income Collection

- The report notes that the target for RB3 is a rolling figure, and is set as a minimum of 0.5% above the average collection rate of the Councils housing providers. As at the end of September 2012, RB3 are reporting an average YTD collection rate of 98.16% of rental income against the Councils providers of 98.21%.
- The MKPI14 performance indicator measures the current debit and current collection rate and is RB3's contractual KPI for income collection. The table below shows RB3's reported performance over the past 6 months of 2012/13. RB3's performance for the period under review has been below the Council's average. An arrears improvement plan has been implemented to reprioritise efforts and resources, drive up performance and deliver the collection target.

The key activities are summarised as follows:

- Regular " blitz" days for staff to concentrate on a dedicated activity e.g. court papers
- Additional dedicated resource for housing benefit and telephone campaigns
- Partnership working with Lewisham Credit Union
- Establish evening rent arrears / welfare benefit surgeries
- Strategic partnership working with Lewisham Homes
- Cancellation of garages where rent accounts are in arrears
- Ability to issue rent payment cards locally
- Production and analysis of more detailed performance information

	April	May	June	July	August	Sept	Ave
RB3 (MKPI 14)	102.3%	97.0%	96.6%	98%	96.8%	98.3%	98.16%
All Council providers average	99.9%	97.7%	97.5%	98.5%	97.3%	98.4%	98.21%

9. Estate Management

- RB3 carry out regular inspections of estates checking the quality of cleaning, gardening and repairs in the communal areas on a monthly basis. RB3 also ensure that all residents are notified of planned quarterly estate inspections through our newsletter, the Brockley Bugle, website and block notices, so they can participate in the process.
- RB3 has seven 'static' caretakers and one single mobile caretaker. The seven static caretakers have their own patches for which they have overall responsibility for cleaning.
- On each daily visit they are required to clear all litter and rubbish. The weekly clean consists of sweeping stairs and balconies, mopping stairs, dusting ledges, high surfaces and walls, cleaning bin rooms and lifts.
- The team can access the recently formed specialist services team who undertake periodic deep clean tasks i.e. chutes, staircases and windows.
- Over this period RB3 achieved an average Environmental Performance Report (EPA) standard A in 96.5% of external inspections and a 94.83% on internal inspection. These standards are validated by a Quality and Performance Manager who is independent to this contract.
- Our survey results show that over 85% of residents are satisfied with the cleaning and gardening of their blocks. The performance figures for the period under review are set out below.

	Environmental Performance Standards – 2012/13						
	April	May	June	July	August	Sept	Ave
External Standard	96.48%	96.27%	97.96%	96.27%	95.27%	96.47%	96.5%
Internal Standard	96.82%	93.65%	93.37%	95.68%	96.45%	92.99%	94.83

- The team have worked with residents in identifying sites for new flower beds and plans are in place to prepare and plant these up over the next few months.

10. Void Management

- Void performance is monitored monthly through a contractual KPI which measures the average time in letting minor void dwellings and a target of 28 days has been set. In 2011/12, there were a total of 45 voids leading to an average re-let time of 18 days. Equipe Regeneration Ltd has received 24 void properties categorised as initial availability within the period. Re-servicing of the void properties have averaged 20.42 days. Some properties have required extensive decoration works and major works to bring the property back to a Decent Home standard.
- The various sections within Regenter work closely to ensure that void time is minimised, for example, carrying out the clearance of the property. In order to ensure continuous improvement in the process they are working closely with the Homeseach team to ensure that adequate notice is provided to minimise the void loss time. There are currently no long term voids in the Regenter management portfolio and any concerns raised about individual properties are discussed at the monthly Operations meetings.

11. Decent Homes Progress

- During the period under review Decent Homes works have been undertaken on two homes, from the 30 that remain. The outstanding works include the renewal of kitchens, bathrooms or central heating systems. Works to the remaining 28 will be carried out either at the request of tenants, when the property becomes void, or through legal action protocol to gain access to complete the Decent Homes work.

12. Repairs & Maintenance

- The average number of repairs carried each month for the half year to date is 403. The three main Key Performance Indicators relating to the responsive repairs performance are identified below. It is noted that the number of responsive repairs requested by tenants compared to the same period last year has fallen by 39.

Performance Indicator	Target	Average to date
MKPI 5 Number of telephone calls answered in 15 seconds	92%	95.2%
MKPI 17 Responsive Emergency Repairs	97%	99.8%
MKPI 18 Responsive repairs carried out within priority	95%	98.4%

- The full set of data relating to these KPIs is provided at Appendix 2.

13. Health & Safety

- Equipe Regeneration Ltd has completed 1413, gas services across a tenanted housing stock of 1229. This is because all properties that become void require a further gas service and Regenter operate a 42week gas servicing program, which will mean that some properties will receive

more than one gas service. Gas servicing during the reporting period is 99.99% completed. The target is to complete between 99-100% otherwise financial deductions will be incurred. Equip work closely with the Council's Environmental Health team to enable access if it is not being granted by the tenant after several unsuccessful attempts.

- All fire risk assessments for blocks of flats have been completed.

14. Resident Involvement

- The RB3 Residents Board represents all residents in the RB3 area and is the forum where discussion and consultation on issues of relevance to residents takes place. It has been meeting monthly since the contract began and participation has increased steadily from low levels initially to the current attendance by 20 to 25 residents at most meetings. At each meeting residents can raise individual concerns with the relevant officials and guest speakers attend to make presentations on wider issues.
- Tenants and Residents Associations on particular blocks and estates provide further opportunities for resident involvement. Three new TRAs have been formed since the beginning of the contract bringing the number of TRAs in RB3 to 5.
- The list of current initiatives and highlights are set out below:
 - Peter MacDonald, the Chair of Clare Estate TRA, received an award at the Pinnacle Residents Conference 2012 for making a difference”
 - Brockley Local Assembly - Tyrwhitt Road Neighbourhood Watch, with support from Regenter, submitted a proposal to the Ladywell Local Assembly for a project to “beautify” the appearance of Tyrwhitt Rd through planting schemes. The project was approved and Pinnacle will provide assistance on delivering the planting schemes
 - Breakspears Mews Open Day - a collaboration with Brockley Society to develop allotment gardens on derelict common land at Breakspears Mews
 - Community Contact Day – this was held on 31 March to reach residents who are not involved in existing organisations, build links between residents and other community organisations and promote the new website
 - Partnership working with Brockley Transition Towns to develop a ‘Garden Matching Project’ where someone with an overgrown garden is matched with someone who wants to garden.
- RB3 has set up the Brockley Improvement Panel and a committee has been constituted, in consultation with the Council, to review projects submitted by residents. This fund, of £10k, consists of monies raised and

donated by RB3 and its partners and will be used to resource resident led schemes within the community.

15. Regenter Improvement Plan 21012/13

Four key priority areas have been identified for 2012/13

- Customer access and engagement
- Leasehold management
- Income collection
- Estate services.

The full plan is provided at Appendix 3 but a summary is provided below, outlining the key tasks for the forthcoming year. The Plan will be reported as part of the monthly monitoring undertaken by the Council.

Summary of Regenter's Improvement Plan 2012/13

Priority Area	Key tasks
Customer access and engagement	<ul style="list-style-type: none">- Increase website registrations to allow on-line account access- Undertake out of hours estate inspections
Leasehold Management	<ul style="list-style-type: none">- Undertake customer engagement events- Consultation on procurement of the external decorations programme- Embed Leaseholder Forum into Regenter participation framework and improve leaseholder satisfaction with services
Income Collection	<ul style="list-style-type: none">- Launch Leasehold handbook via website- Identify households affected by benefit changes and work with them to mitigate impacts.- Implement a charging review of non residential assets i.e. garages- Implement 'chip and pin' rent payment facility- Implement best practice emanating from Regenter involvement in the South East London Housing Partnership (SELHP) project to tackle illegal subletting
Estate Services	<ul style="list-style-type: none">- Implement grounds maintenance improvement programme- Implement responsible dog owners policy- Implement Energy action plan

16. Other Initiatives/Subjects

The majority of initiatives undertaken are now captured under the Brockley improvement plan. However two specific projects have been undertaken this year, include:

Anti-Fraud and corruption project

In partnership with the Council's Corporate Anti Fraud and Corruption Team, a project which is funded by South East London Housing Partnership, is taking place from January 2012 for a period of twelve months to investigate tenancy irregularities. To date several successful outcomes have been achieved leading to both abandoned properties being identified and keys being handed in to terminate tenancies.

Saving energy, saving money project

Regenter has introduced a pilot energy scheme in the last quarter of the year. This involved visiting identified residents, with a range of different levels of energy usage within their home.

An energy monitor was used to identify potential measures to reduce heating, gas and electricity bills. Practical measures such as appliances left on standby, lighting and electric heating were identified.

After the appointment residents received a report detailing where and how much they could save if they were to implement the actions recommended within the report.

Residents have provided positive feedback confirming savings in average energy usage.

We have taken several initiatives forward as a result of the pilot: a new energy information leaflet has been produced and is now part of the sign up pack and the welcome home pack for new residents now includes energy saving bulbs and low temperature washing powder.

17. Financial Implications

17.1 There are no specific financial implications arising from the report.

18 Legal Implications

18.1 There are no specific legal implications arising from the report.

19. Equality Implications

19.1 There are no direct equalities implications arising from the report but listed below are areas where Regenter are impacting on the equalities and diversity agenda.

19.2 The Regenter B3 estate office at Endwell Road is Disability Discrimination Act (DDA) compliant and includes a ramp for wheelchairs, WC, parking and has a hearing loop system in place.

19.3 Regenter B3 has also developed a vulnerable tenants policy & procedure, working closely with the relevant supporting agencies. They have also

taken part in developing a Lewisham wide Housing Safeguarding Agreement that will cover all the main housing providers in the Borough.

- 19.4 Other initiatives that Regenter B3 has developed are an anti-social behaviour strategy, again built on relationships with partners and working closely with the police and relevant support agencies. They are also in the process of developing a youth forum and will be looking to do the same for elderly tenants.

20. Crime & Disorder Implications

There are no crime and disorder implications arising from the report.

21. Environmental Implications

- 21.1 Works carried out by Regenter to bring homes up to the Decent Homes Standard should lead to greater energy efficiency, reduced maintenance costs and lower fuel bills for residents. It will also reduce the level of harmful gases being released into the atmosphere as improved insulation and more efficient boilers are installed. The average Standard Assessment Procedure rating of the homes in the Brockley PFI area is 77, which is above the contractual obligation of a minimum of 70.

22. Conclusion

- 22.1 RB3 completed the Major Works programme 8 months early. They continue to meet/exceed their contractual KPI obligations and remain one of the boroughs best performers.

23. Background documents and originator

- 23.1 There are no background documents to this report
- 23.2 Please contact Scott Cook, interim Partnerships & Service Improvement Manager, on 020 8314 6534.