

HOUSING SELECT COMMITTEE			
Report Title	Lewisham Homes – Mid Year Review 2012/13		
Key Decision	No		Item No.
Ward			
Contributors	Head of Strategic Housing		
Class	Part 1	Date:	5 th December 2012

1. Summary

- 1.1 Lewisham Homes went live on 22nd January 2007 and currently manages 13,500 social housing tenancies and 5,000 leasehold properties within the borough, on behalf of the Council.
- 1.3 The management agreement requires a delivery plan to be agreed annually between Lewisham Council and Lewisham Homes, and for this to be monitored twice a year. This report highlights progress made mid year against delivery plan targets, for the period April to September 2012.

2. Purpose

- 2.1 The purpose of this report is to provide members with:
 - Details of mid year progress against the 2012/13 Delivery Plan agreed with Lewisham Homes;
 - An update on Decent Homes funding to improve properties managed by Lewisham Homes.

3. Recommendation

- 3.1 It is recommended that Members note the contents of the report.

4. Background

- 4.1 The previous Government required all local authorities to carry out a stock options appraisal by July 2005 to determine how Decent Homes would be achieved for all Council housing stock. Lewisham Council completed its stock options appraisal in June 2005, and a comprehensive Decent

Homes Strategy was developed that was endorsed by Mayor and Cabinet on 8th June 2005.

- 4.2 Lewisham's Decent Homes Strategy outlines Lewisham's mixed investment approach including Lewisham Homes which is an Arms Length Management Organisation (ALMO).
- 4.3 Lewisham Homes is a non-profit making company, limited by guarantee, and the Council is the sole shareholder. The Board is responsible for the strategic direction of the organisation and meets six times a year to monitor performance, agree the strategic direction of the business and make key decisions. The Board consists of 15 non-executive directors made up of 3 Council Members, 5 independent members, 5 tenants and 2 leaseholders.
- 4.4 The management agreement sets out a requirement for Lewisham Council to approve a Delivery Plan for the ALMO. The 2012-15 Business and Delivery Plan was approved by the Lewisham Homes Board in May 2012, and by Mayor and Cabinet on 11th July 2012. It sets out how Lewisham Homes plans to deliver excellent services to all its customers, and is in line with the overall vision of the Council and its partners in the Local Strategic Partnership.

5.1 Lewisham Homes Priorities for 2012/13

- 5.1.1 The Lewisham Homes mission is to deliver great housing services for thriving neighbourhoods. The mission is underpinned by the following strategic objectives and key priorities:
 - Excellent services –
 - Improve customer satisfaction
 - Improve our approach to equality and diversity and customer care.
 - Quality Homes -
 - Deliver the Major Works Investment Programme to meet Decent Homes standards
 - Deliver decent neighbourhoods
 - Review and revise the asset management strategy
 - Support Lewisham Council to improve housing for older people
 - Build new homes.
 - Sustainable business -
 - Reduce costs to sustain long term investment

- Strong long term partnerships that help deliver mutual objectives
- Expand the scope of the Repairs Service (Direct Labour Organisation (DLO))
- Welfare reform – Communicating with and supporting residents on the changes.

- Community focus
 - Create a community based resident led organisation
 - Create a charitable trust to invest in neighbourhoods.

- Employer of choice:
 - Create a stable organisation, with the right culture to deliver change
 - Improve staff satisfaction

5. Progress against Delivery plan targets

- 5.1 Attached to this report as Appendix A are tables reporting on performance against the Delivery Plan targets for the period April to September 12, and trend data for the last two years. A RAG system indicates whether KPIs have met target and the direction of travel. Analysis of this performance data is set out by service area in section 6 below.
- 5.2 A table showing the tasks due to be completed by September in the 2012/13 Delivery Plan is attached as Appendix B. Using a RAG system, this indicates whether tasks have been completed, and an explanation is provided where tasks have not been completed by their target time.

6.1 Major Works Investment Programme

6.1.1 The 2012/13 budget for major works investment is as follows:

	£m
Decent Homes Partnering Contracts	25.5
Security, mechanical & electrical etc	12.25
Total	37.7

6.1.2 The breakdown of the budget for the 2012/13 Decent Homes programme is outlined in Table 1 below. The total £25.5m funds is made up of £11.5m Decent Homes backlog funding from central government and £14m Lewisham Council contribution.

Table 1 Decent Homes budgets for 2012/13 (m)

Funding sources	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Backlog funding	2.6	4.1	3.7	1.1	11.5
LBL contribution	2.6	3.3	3.9	4.2	14
Overall 2012/13 Funding	5.2	7.4	7.6	5.3	25.5

6.1.3 In addition to the Decent Homes Programme Lewisham Homes is planning to spend £12.25m in 2012/13 on other major works investment. Included within this is a budget of £750k for security works under the Residents' Business Plan (RBP).

6.1.4 Between April and September 2012 the Decent Homes contractors have carried out £12.6m of work which is making a real difference to people's lives, ensuring properties are in good repair and have new facilities like kitchens, bathrooms and central heating. Additionally £4.5m has been spent on other major works investment schemes including lift refurbishment, electrical and mechanical upgrades and RBP security works. Total expenditure to the end of September 2012 was £17.1m which leaves us well placed to spend the total budget of £37.7m by end of March 2013.

6.1.5 The Decent Homes profile agreed with the Greater London Authority (GLA) in respect of the Decent Homes Backlog Funding is as follows:

	2011/12	2012/13	2013/14	2014/15	Total
Funding £m	14.0	11.5	24	45	94.5
Target (units)	993	706	1505	2744	5948
Actual	1025				

6.1.6 The number of properties to be made decent in 2012/13 is detailed in Table 2 below

Table 2 Number of properties made decent to date in 2012/13 via the respective funding sources

Funding sources	Qtr 1	Qtr 2	Total	Overall Target
Backlog funding	168	268	436	706
LBL Contribution	170	102	272	533

Overall 2012/13 Funding	338	370	708	1,239
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6.1.7 The proportion of non-decent dwellings at the end of September 2012 was 50.5%. The programme has already made decent the number of properties required by the GLA and we are well placed to meet our overall target of 1239 by the end of March 2013.

6.1.8 The level of resident satisfaction is set out in table 3 below:

Table 3 Level of resident satisfaction

Resident satisfaction	Qtr 1	Qtr 2	Total	Overall Target
Satisfaction in the North	95.3%	98.5%	96.8%	95%
Satisfaction in the South	90.9%	95.6%	93.9%	95%
Total	92.0%	97.8%	94.6%	95%

6.1.9 In the six months to date we have completed 1309 properties, 296 in the North (MITIE) and 1,013 in the South (Breyer). Overall 94.6% of tenants were satisfied, just short of the 95% target. The satisfaction figures are based on a 31% return rate but this is not evenly spread. In quarter 2 the South (Breyer) only had a 6% return rate. Breyer is currently updating the results to ensure a more representative sample.

6.1.9 The level of resident satisfaction achieved by MITIE in the North area has remained at or close to target in 2012/13. The level of satisfaction achieved by Breyer in the South area has been below target. Lewisham Homes has engaged with Breyer to Chief Executive level and this appears to be resulting in a significant improvement.

6.1.10 Audits of the contractors' accounts for 2011/12 have been carried out which has revealed some discrepancies in the scheduling and pricing of the works. We have agreed improvements with one contractor and are reviewing the action plan presented by the other contractor in addressing the issues raised.

6.2 Repairs & Maintenance

6.2.1 The repairs service is meeting most of its targets:

- 99.7% of repairs were completed on time for the six months, against a 99% target;
- 97.8% of repairs were completed on the first visit against a 95% target;

- tenant satisfaction with completed repairs is exactly on target at 95% which is up from 93% last year;
- the repairs contact centre is achieving the target to answer 90% of calls with in 20 seconds.

6.2.2 The introduction of software to help diagnose repairs required, has improved the accuracy of repairs orders raised by contact centre staff, enabling greater certainty in the management of variations.

6.2.3 The volume of repairs complaints has continued to reduce. The Independent Adjudicator has commented on a particular reduction in complaints about dampness and condensation, following specific initiatives to improve the way these issues are dealt with.

6.2.4 The repairs service is increasing the amount of works that are carried out with internal staff with subcontracting now accounting for only 14.2% of work, compared with over 15% last year and over 17% three years ago. Subcontracted work is predominantly of a specialist nature, for example: scaffolding and asbestos removal.

6.2.5 A pilot to use the DLO to deliver some of the Decent Homes works is planned to be completed this year. This will allow further economies of scale to be realised, making the DLO more viable and relying more on local labour.

6.2.6 The number of open Disrepair cases is currently 63 against a target of 50. Lewisham Homes has limited control over the number of cases instigated and the focus is to work with the solicitors to close cases as quickly as possible. This has resulted in a decrease in the average length of time of open Disrepair cases from 554 days (2011-12) to 394 days (year to date), against a target of 450 days.

6.3 Void Management

6.3.1 Voids has seen a significant improvement in performance following a series of process improvements in 2010/11. This has helped to maximise rental income and ensure properties are empty for shorter periods of time.

6.3.2 Performance is strong for the proportion of rent lost while properties are vacant. Rent loss through vacant properties was 1.39% (or £923k) for 2011/12. This year, up to September 2012, it was 0.89% (or £314k). The first six months of 2011/12 void rent loss was at 1.9% (or £633k) compared to 0.89% (or £314k) in 2012/13, this represents a 50% saving in rent loss, a cash equivalent of £320k.

- 6.3.3 Similarly, less time has been taken to re-let properties – an average of 58 days at the end of September, compared with 95 days last year. The average of 58 days is adversely affected by a few hard to let sheltered housing flats – the average re-let time for general needs properties is 41 days, compared to 202 days for sheltered housing.
- 6.3.4 A new pilot system using mobile technology is enabling officers to input void specifications and photographs from site. This will increase productivity, speed up void re-let times and help gather evidence for recharging former tenants for neglect.
- 6.3.5 Squatting is less of a problem than it has been with 3 voids squatted at the end of September compared to 13 at this point last year.
- 6.3.6 The current focus is to reduce void re-let costs. The strategy for this includes:
- reviewing the rates for works carried out
 - revising the way asbestos works are dealt with, as this is currently costing more than it could
 - reviewing the void re-let standard
 - bringing more voids up to the Decent Homes standard to avoid doing works to a property twice
 - recharging for tenant neglect.

6.4 Estate Management

- 6.4.1 The caretaking and cleaning service is regularly quality checked. In the 6 months, 86% of inspections undertaken achieved a pass rating. This is a slight reduction from last year, but is partly the consequence of introducing a higher quality standard this year.
- 6.4.2 A new system using mobile technology to monitor quality is scheduled to go live in November 2012. This innovative technology will improve our efficiency and enable closer scrutiny of caretaking standards and a more rapid response to any shortfalls in service delivery.
- 6.4.3 Lewisham Homes continues to remove 100% of offensive graffiti found within the communal areas within 24hrs of it being reported.
- 6.4.4 Cost savings have been made in dealing with bird fouling and nuisance on estates. Lewisham Homes was one of the first public sector organisations in the country to deploy an organic gel-based proofing compound, instead of costly and unsightly netting or spiking. This has proven to be very successful as well as more environmentally friendly.

6.4.5 The proportion of garages let has increased slightly over the last year from 85.1% in September 2011 to 85.7% in September 2012. Garage arrears reduced during the same period from 3.05% to 2.55% of the annual debit. Demand from our residents has been insufficient to meet the supply of garages available. The focus for our work for the remainder of the year will be on marketing our garages to the wider community.

6.5 Tenancy Management

6.5.1 Lewisham Homes now has full responsibility for the housing management of sheltered schemes. A protocol was agreed with the sheltered team and its successful implementation has been reviewed. Our tenancy team holds fortnightly surgeries at each scheme and have forged good working relationships with the Sheltered Housing Support Team.

6.5.2 A drive to improve housing officer visibility has included attendance at all Tenant and Resident Association meetings, and working closely with residents to improve their local environment; for example, a scheme to help vulnerable tenants with overgrown gardens.

6.5.3 A focus on supporting vulnerable tenants has included delivering a training programme in safeguarding awareness for relevant officers, operatives and caretakers. This will help ensure issues relating to vulnerable adults and children are identified and reported. Tenant profile information continues to be recorded, including specific vulnerabilities, which is used to further support tenants. The Head of Housing Services has been appointed Chair of the borough's new Hoarding Panel with responsibility for overseeing implementation of the Council's new Hoarding Protocol.

6.5.4 140 occupancy checks have been undertaken on average each month this year compared to an average of 124 last year. 17 properties have been recovered since 2012 for abandonment and subletting. This is a reduction on the previous year. We have introduced a new strategy for completing Tenancy Audits checks, including a combination of intelligence led and strategic planned checks with each property being visited at least once every three years.

6.5.5 As part of the 2nd year of the 3 year ASB Strategy the following have been implemented:

- More support for vulnerable residents in partnership with Victim Support and other agencies
- A 60% increase in the number of perpetrators issued with a warning
- 2 initiatives on the Pepys Estate to divert youths from anti-social behaviour

- Stronger working partnerships with the police including agreements with 3 Safer Neighbourhood Teams to tackle drug offences in targeted blocks and working with Multi Agency Risk Assessment Conference to set up projects in the Bampton, Honor Oak, Evelyn, Telegraph Hill and New Cross areas.

6.5.6 The number of complaints about ASB escalating to stage 3 of the process has reduced significantly from 11 last year to 2 for the first half of this year. Customer satisfaction has however reduced from 60% in the 2nd quarter of last year to 42% this year. Although 60% was unusually high compared to previous results, we have developed an action plan to drive up customer satisfaction, particularly around how we communicate with residents. Key tasks from the action plan include:

- We will make a personal visit to every resident who raises an ASB issue
- We will provide (at least) fortnightly updates on progress
- We will increase focus on learning from complaints
- We will set up a residents focus group

6.5.7 Lewisham Homes received the Community Animal Welfare award for its work in promoting responsible dog ownership. For example – micro-chipping of 63 dogs and 7 responsible dog owner days across the borough.

6.6 Leasehold Management

6.6.1 The Leasehold service is meeting its targets. Lewisham Homes collected 61% of the rent half way through the year against a 53% target (106.5% at year end). Although the second half of the year is likely to see a decrease in income as the impact of those leaseholders who pay the whole year's charge in April diminishes, the performance is encouraging given the current economic environment.

6.6.2 Major works cost recovery currently stands at 24% of the total major charges outstanding. This reflects the many resident leaseholders who take up the Council's offer of interest free instalments over 24 or 36 months.

6.6.3 There is a range of support initiatives and payment options for resident leaseholders with large major works bills, which are well promoted. These include:

- up to 3 year interest free payment options at consultation and billing stage
- access to:
 - Caseworkers

- DWP assistance
- Debt advice agencies
- Advice on how to release equity to pay for major works.

- 6.6.4 Two leaseholders have taken up the offer to attend the sign-off of works carried out as part of the Decent Homes Improvement Programme, and have given positive feedback that this was a useful exercise. LH will be using their involvement to further promote the opportunity to other leaseholders. This helps deal with issues as they arise and maximise collection of charges due.
- 6.6.5 To deal with leaseholder concerns about the time lag between communal repairs being carried out and being charged for work, LH has developed an on-line service which allows leaseholders to view all communal repairs carried out to their building since April 2011. Repairs can be viewed shortly after they are logged and their progress monitored through to completion and the final cost.
- 6.6.6 The level of Right to Buy applications has significantly increased since the maximum discount was increased to £75k. At the end of September, 270 application forms have been requested of which 123 have been returned and are being processed. This compares to 58 applications for the whole of 2011/12 but it is too early to predict how many of the applications will result in sales. Additional staffing resources are in place to deal with this increase.

6.7 Customer care

- 6.7.1 Tenant satisfaction with Lewisham Homes' services was tested through a survey conducted in July. This showed the proportion of satisfied tenants has remained stable at 69%, and that the proportion very or fairly dissatisfied had decreased from 28% to 20%, since the previous survey in 2010. Further analysis is in progress to identify specific issues for tenants and this information will be used to improve services.
- 6.7.2 Performance for dealing with telephone calls has improved compared to last year – 88% were answered on time against a target of 90%, a 4% improvement from 2011/12.
- 6.7.3 The response to Mayor, Councillor and MP enquiries just missed the target of 90% responded to within ten working days. Performance for the six months was at 88%, though September was a better month with 95% responded to on time.

- 6.7.4 Performance for responding to complaints on time has worsened, with only 65% of complaints meeting target times, which is well below the 90% target. This is mainly due to the poor performance of one of the contractors for the Major Works Improvement Programme – only 14% of these complaints were responded to on time. Excluding complaints about Decent Homes, performance was 88%.
- 6.7.5 It is common for the volume of complaints to increase during an improvement programme – and 45% of complaints received during the six months relate to this programme. Excluding complaints about Decent Homes, the volume of complaints continued to fall for the six months – from an average of 62 per month in 2011/12 to 52 per month in 2012/13.
- 6.7.6 Steps have been taken to deal with the contractors concerned at CEO level, and there were signs of improvement in September. Solutions implemented the contractors have included increasing the ratio of liaison staff to properties and better quality control and communications on site.
- 6.7.7 The Independent Adjudicator's (IA) annual report for 2011/12 was a positive one. The IA has stated that there were less stage three complaints about pest control issues and dampness/condensation than previously. Although the volume of ASB complaints rose to 11 from 2 in the previous year, only 3 were upheld. The IA had also seen improvements in the quality of responses.
- 6.7.8 The Online Services campaign is underway for the second year in a row. The campaign, which started July, runs through till the end of the year and aims to get more residents signed up to the portal. This will allow them to view rent and service charge statements online and register for other online services. Since the beginning of the campaign there has been a 10% increase in sign-ups and this is expected to continue.

6.8 Income Collection

- 6.8.1 Despite difficult economic conditions and the introduction of welfare reforms, income collection rates are improved on last years performance. Rent collection for the period was 98.43%, an improvement on performance this time last year (97.9%).
- 6.8.2 The proportion of accounts over seven weeks in arrears has risen from 8.9% at the end of March to 9.2%. As a consequence the number of notices seeking possession served has increased from 27% of tenants last year to 23% of tenants just in the first half of this year. The number of evictions has however stayed at a similar rate.

- 6.8.3 The proposed welfare reforms will have a major impact on residents and income collection. The Board has approved a mitigation strategy including the appointment of two additional staff this year to inform and prepare residents and the organisation. Other activities include personally contacting all 1200 under-occupiers and 32 people affected by the benefit caps to explain options available to them; promoting direct debit payments; and a communications campaign including a DVD in partnership with other London ALMOs. As part of our winter campaign we will make personal contact with 2100 tenants in arrears.
- 6.8.4 The Welfare Benefits Officer has obtained over £70,000 in backdated housing benefit for residents so far this year and £30,000 in other backdated benefits.
- 6.8.5 In preparation for the welfare reforms the partnership with the Lewisham Plus Credit Union has been strengthened. LH has achieved the largest percentage increase in referrals of all Lewisham landlords with 107 tenants joining LPCU (86 opened a current account) which increased membership to 1360 tenants. In addition budget management training has been delivered for residents in partnership with LPCU, with further training planned later in 2012/13.
- 6.8.6 The collection rate for former tenant arrears has increased to 4.43% year to date compared to 3.35% at the same point last year.

6.9 Health & Safety

- 6.9.1 The company health and safety policy was reviewed in the period and approved by the Board, to ensure that this is in line with latest legal requirements and good practice.
- 6.9.2 Gas safety continues to be a high priority for the Council and Lewisham Homes – the performance for the legally required annual gas safety checks remains high at 99.87% at mid year.
- 6.9.3 Fire risk assessments for all properties have been completed in line with policy. Actions arising from the assessments are programmed and closely monitored to ensure they are delivered. A new contract for fire risk assessments is in place and there are now dedicated officers for fire safety.
- 6.9.4 A pilot sprinkler system is currently being installed in one of the sheltered housing blocks. This is following partnership working with the London Fire Brigade. This is considered good practice as it greatly increases

protection to residents by suppressing a fire in its early stages. Lewisham Homes will be taking part in a good practice seminar organised by the LBF to promote this approach.

- 6.9.5 A programme to complete required asbestos surveys in low rise blocks was delayed due to difficulties obtaining access. This mainly relates to converted street properties. A suited lock system has now been fitted to these properties, and the surveys are expected to be completed by the end of November.
- 6.9.6 The policy for the management of water hygiene has been reviewed to ensure good practice and legal compliance, and this has been implemented from September. It includes a robust strategy to address testing and inspection in all properties, including converted street properties.

7 Resident Involvement

- 7.1 A wide range of opportunities for involvement continue to be offered to residents, including the residents' business plan, which gives residents a say in how services are delivered. A Residents' Scrutiny Committee has been established to complement the work of the Area Panel. The committee is initially scrutinising the caretaking service, supported by an independent advocate, and the results of this will be known by the end of March 2013.
- 7.2 In line with the Regulatory Framework for Social Housing, local offers have been developed in consultation with residents. These set out the service standards for key services. An annual report to tenants reports on progress in meeting these standards. The report for 2011/12 will be available to all residents from November.
- 7.3 The Community Investment programme, delivered in partnership with the Decent Homes contractors is meeting a number of our objectives including supporting residents back into work, delivering skills based opportunities to carry out basic repairs and opportunities for young residents to get involved. The success in delivering the programme has featured as a model for best practice in the National Federation of ALMOs publication 'Now that's a Bright Idea' and was a finalist in the NFA Awards 2012 for Most Effective Partnership.
- 7.4 The LH package of Back to Work opportunities aims to reach as many residents as possible through a number of delivery methods including the apprenticeship programme, work experience opportunities, twice monthly Work Clubs and the High 5 programme. Progress to date includes:

- 22 apprenticeship places including 12 with Decent Homes Programme contractors. Ten apprentices from last year have been offered extended contracts or full time positions with Lewisham Homes
- 13 Work Clubs with over 100 attendees
- 286 work experience days
- 3 'High 5' Programmes – 24 residents have graduated from the programme since April 2012 and 8 have gained full time employment

7.5 The Decent Homes contractors have also funded the following initiatives through the 2012/13 Community Investment Programme (CIP):

- £10 000 - High 5 Employability Programme
- £143 000 – community facility upgrades
- £2000 – community events

7.6 Funding for themes and activities for the 2013/14 CIP, including funding for community based initiatives, will be based on the forecasted turnover for the year. The 2013/14 CIP will be agreed by the Core Group in March 2013.

8 Financial Implications

8.1 The HCA announced the allocations for Decent Homes Backlog Funding in February 2011. Lewisham was awarded £94.5 million over 4 years. The allocations for 2013/14 and 2014/15 were agreed in September. Lewisham has spent £14m allocated for 2011/12 and £11.5m of the backlog funding will be spent in 2012/13. Due to the uncertainty of the future backlog funding and other strategic priorities for housing, the Council has undertaken an options appraisal. Residents are currently being consulted on the four options which will inform a report to Mayor and Cabinet in January 2013 on the future delivery of social housing in Lewisham.

8.2 Achieving value for money is a key objective for Lewisham Homes, and is supported by a value for money strategy. Many of the tasks within the Business and Delivery Plan relate to achieving value for money; for example, reviewing service level agreements, and carrying out service reviews.

9 Legal Implications

9.1 There are no specific legal implications in this report

10 Crime & Disorder Implications

10.1 There are no specific crime and disorder implications.

11 Equalities Implications

11.1 Lewisham Homes Equality and Diversity Strategy was approved by the Lewisham Homes Board in May 2010 following a review.

11.2 Measures have been put in place to protect the most vulnerable tenants. Lewisham Homes has continued to collect profiling information for use in planning and improving services, and to flag up on the main database where tenants require support.

11.3 Lewisham Homes has continued to support the LB Lewisham Safeguarding Agreement, which helps protect vulnerable adults and children. As mentioned in 6.5.3 above, a training programme in safeguarding awareness has been delivered. A member of the Lewisham Homes executive team sits on the Adult Safeguarding Board and the LSCB Task Group looking at child sexual exploitation.

12 Environmental Implications

12.1 Currently 50.5% of Lewisham Homes' stock is non-decent. Improving sustainability and energy efficiency is an important part of the Decent Homes Programme which is making sure that homes are warm, safe and dry.

13 Background papers and report originator

13.1 There are no background documents to this report.

13.2 Please contact Scott Cook, interim Partnerships & Service Improvement Manager, on 020 8314 6534.