

HOUSING SELECT COMMITTEE			
<b>Report Title</b>	Lewisham Homes – Mid-year Review 2015/16		
<b>Key Decision</b>	<b>No</b>		<b>Item No.</b>
<b>Contributors</b>	Head of Strategic Housing		
<b>Class</b>	<b>Part 1</b>	<b>Date:</b>	

## 1 Summary

1.1 Lewisham Homes went live on 22nd January 2007 and currently manages 13,000 social housing tenancies and 5,000 leasehold properties within the borough, on behalf of the Council.

1.2 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 against the 2015/16 delivery plan targets, covering the period April to November 2015.

## 2 Purpose

2.1 The purpose of this report is to outline mid-year performance against the 2015/16 Delivery Plan agreed with Lewisham Homes.

## 3 Recommendation

3.1 It is recommended that Housing Select Committee note the contents of the report.

## 4 Background

4.1 Lewisham Homes is a not-for-profit company, limited by guarantee, and the Council is the sole shareholder. The Board is responsible for the strategic direction of the organisation and meets four 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.

4.2 The management agreement sets out a requirement for Lewisham Council to approve a Delivery Plan for the ALMO. The management agreement is in the process of being renegotiated. The 2015 – 2019 Business/delivery Plan was approved by the Lewisham Homes Board in July 2015. 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.

- The business (and delivery) plan is attached as appendix 1
- The targets and KPIs in the plan are attached as appendix 2
- KPIs for April to November are attached as appendix 3
- The annual report for 2015 is attached as appendix 4

## 5 Lewisham Homes Priorities for 2015/16

5.1 Lewisham Homes' mission is to deliver great housing services for thriving neighbourhoods. This is backed by the following strategic objectives:

- **Excellent Services** – to improve tenant satisfaction to 85% by 2019.
- **Thriving Neighbourhoods** – building new homes, improving the quality of our estates and growing the repairs service.
- **Sustainable Future** – to be efficient and effective and grow our business so that we can deliver more for less.
- **Employer of choice** – recruiting, developing and retaining excellent staff.

## 6 Performance against Delivery Plan targets

6.1 Attached to this report as Appendix 3 are tables reporting on performance against the Delivery Plan targets for the period ending 30th November and data for the last two years. Analysis of performance is set out by strategic objective area below.

## 7 Excellent Services

7.1 Lewisham Homes wants customers to experience great service at all times and measures success by increasing tenant satisfaction level to 85% and leasehold satisfaction level to 60% by 2019. Plans to achieve this include making services easier to access and offering more services online, investing in improvements to grounds maintenance, training all staff in customer services to improve the customer experience and a more responsive approach to tackling antisocial behaviour.

7.2 Lewisham Homes has already done the following this year.

- Started a new gas contract with Quality Heating Services in June which is performing well. The new contract represents a substantial saving, moving from two to one contractor saving on overheads and profits.
- Taken responsibility for grounds maintenance from the Council, investing £400,000 in new equipment and vehicles and providing two days of induction with more training planned later in the year.
- Improved online services including online repairs appointments.
- Moved all staff into a single office, improving collaboration between teams and service to customers.
- Provided successful customer care training to all staff.

### 7.3 Repairs & Maintenance

7.3.1 The Repairs Service is performing well:

- Satisfaction with the repair service has improved by 10% from 62% to 72% in the last three years.
- 92% of tenants have said they are satisfied with their last repairs in the eight months to November.
- Complaints about the repair service per month have halved from 26 in 2010/11 to 13 in the 8 months to November 2015.
- Live disrepair cases have reduced from 130 to 31 in 5 years.

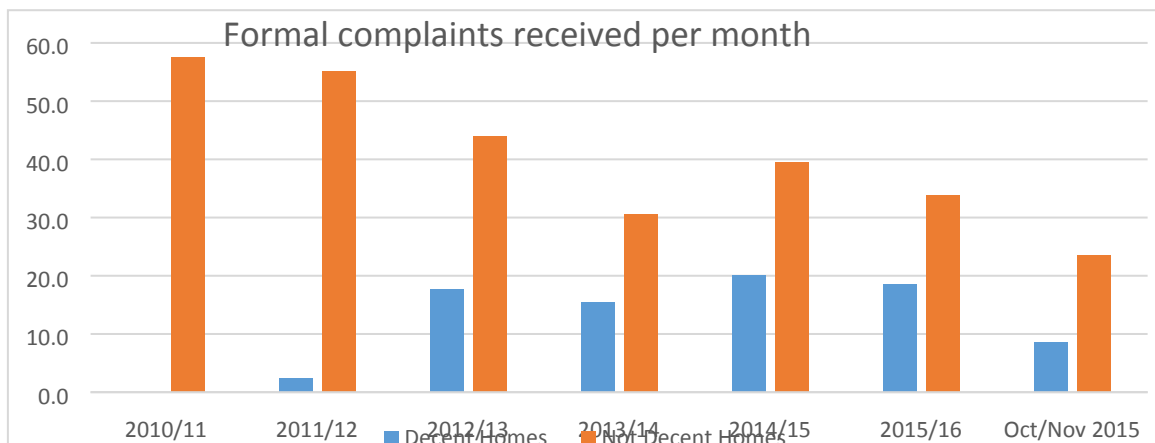
### 7.4 Customer service and complaints management

7.4.1 Lewisham Homes is progressing well in the plan to combine customer services centre and providing more services online.

7.4.2 Of the complaints received from April to November 2015, 88% were responded to on time. The number of complaints continues to drop, the graph below shows that this has been improving since 2010 and continues to improve this year. LH received 52 complaints per month in the eight months to November 2015, reducing steadily during the year to 32 per month for October and November.

7.4.3 The proportion of complaints upheld for Decent Homes has reduced steadily each year from 76% in 2012/13 to 59% in 2015/16 and more recently 46% in October and November. For other areas, while complaints have dropped, the proportion upheld has risen from 47% in 2013/14 to 55% in 2015/16.

7.4.4 The number of complaints per year per thousand homes has reduced from 38 in 2011/12 to 36 equivalent in 2015/16.



## 7.5 Estate Management

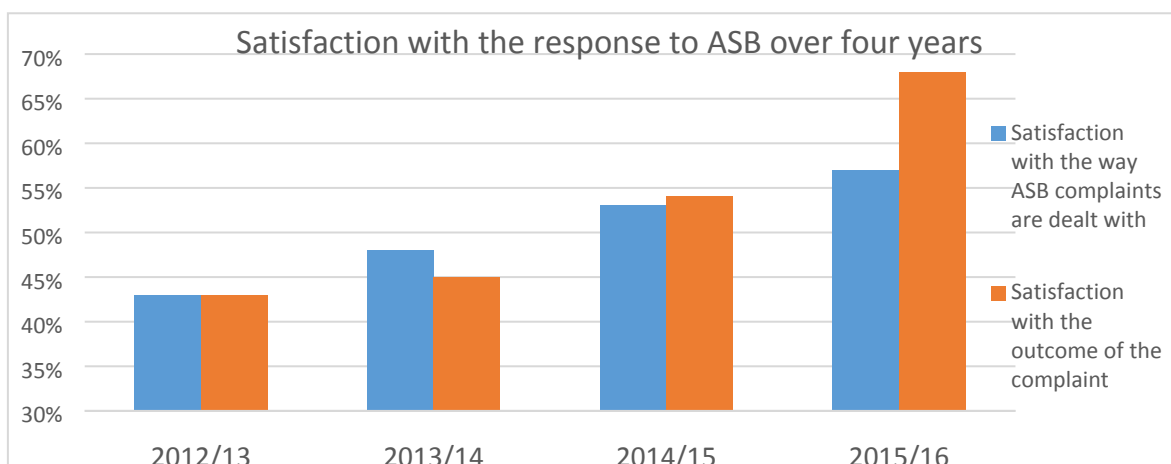
7.5.1 Satisfaction with internal cleaning and caretaking is at 70% for the three months to November 2015. Lewisham Homes has developed a new estate inspection regime in collaboration with tenant representatives using new more challenging measures and handheld inspection application. Results are slowly improving.

## 7.6 Housing Management

7.6.1 In June the Antisocial Behaviour team started working till 10pm every Thursday, Friday and Saturday. The new late night working means they can respond to developing situations and provide a much more visible presence in hotspot areas.

7.6.2 Satisfaction with the ASB service has continued to improve over the first eight months of the year:

- 57% of respondents are very or fairly satisfied with the way their complaint was dealt with;
- 68% of respondents are happy with the outcome of the investigation;
- 67% say the situation has improved since reporting it to us.



## 7.7 Home Ownership

7.7.1 Lewisham Homes is meeting all of the Home Ownerships service targets:

- Collecting 70% of the service charge due in the year, in the first eight months;
- Serving all the Right to Buy forms on time, despite an increasing number of applications.

7.7.2 Lewisham Homes has improved the resident's portal. Leaseholders can now check their account balance on line, look at the status of a communal repair, report a communal repair, and take part in polls and forums. Leaseholders can also check their account balance by Text.

7.7.3 The ALMO provides a range of support initiatives and payment options for resident leaseholders with large major works bills, these:

- are well promoted;
- include the three year interest-free payment option; and
- include access to caseworkers and debt advice agencies.

7.7.4 Lewisham Homes has improved the consultation and involvement of tenants and leaseholders who are receiving external works through the Decent Homes Programme.

7.7.5 'Right to buy' applications remain high following the increased discounts. Table 1 compares activity in the same periods for 2014/15 and 2015/16.

**Table 1 – RTB applications – Lewisham Homes only**

Stage of RTB application	Total 2012/13	Total 2013/14	Total 2014/15	April to September 2014/15	April to September 2015/16	Increase
No of RTB applications received	189	285	267	136	223	64%
No of completed sales	17	91	58	58	58	0%

## 8 **Thriving Neighbourhoods**

8.1 Lewisham Homes plans to build thriving neighbourhoods by improving the quality of estates and increasing housing supply. The ALMO will invest in Lewisham communities and provide training and employment opportunities and build local partnerships. Lewisham Homes will enable residents to influence and shape services, produce 100% decent Homes by 2016, build 500 new homes by 2018 and 85% satisfaction with homes by 2019.

## 8.2 Major Works Investment Programme

8.2.1 A new Asset Management Strategy was approved by the Lewisham Homes board in April 2015 and a new Asset Management database is being procured in 2015/16. These will ensure the right information is available help inform and programme future investment plans.

8.2.2 Throughout the delivery of the decent homes programme we have spent £156m, and Lewisham Homes achieved the 2014/15 target of 80% Decent Homes (from 41%), and progressing towards the 90% target for this year. The focus this year is more on external work. We acknowledge there have been many challenges in the delivery of the programme and we continue to work to improve all aspects of delivery.

8.2.3 No GLA Decent Homes Backlog Funding is available to Lewisham Homes, therefore all expenditure in 2015/16 will be from the HRA. This enables LH to reduce budgets and develop a smoother annual investment programme, as there is reduced pressure for immediate spend.

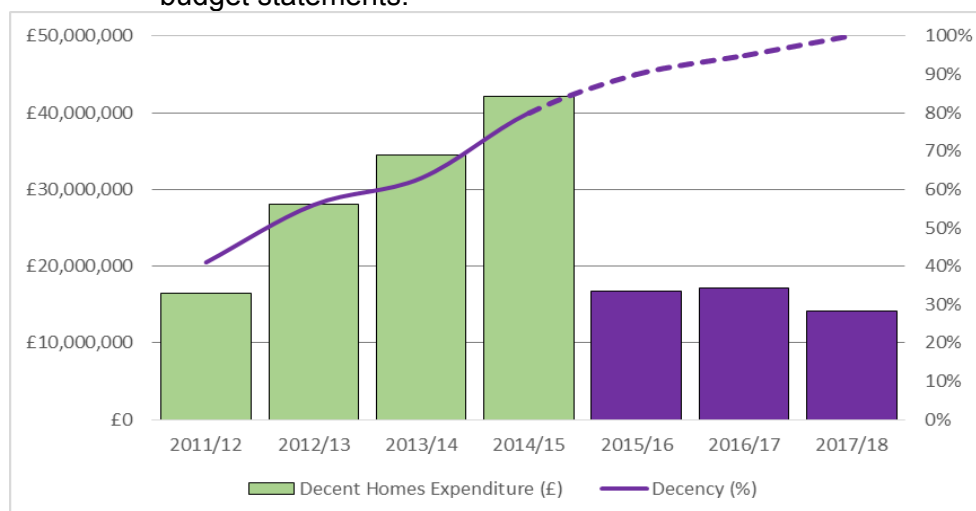
8.2.4 The original budget and current forecast for capital Major Works investment in 2015/16 is shown in the table below.

**Table 2 – Major Works budgets and expenditure for 2015/16**

	2015/16 original budget £'000	Forecast 14/15 as at 31 Oct 15 £'000
Decent Homes Partnering Contracts <sup>1</sup>	28,000	15,904
Security, Mechanical & Electrical, etc. (including salaries)	10,005	7,885
<b>Total</b>	<b>38,005</b>	<b>23,789</b>

8.2.5 The capital retained in the HRA due to the reduced programme will be re-profiled and spent in later years. The reduction in the capital programme forecast is due to:

- A review of the requirements to achieve decent homes compliance;
- A need to utilise the outcomes of the strategic review which has been undertaken on the entire stock, and;
- A requirement to understand the overall impact of the recent national budget statements.



<sup>1</sup> Including Decent Homes works undertaken by Lewisham Homes Repairs Service, excluding salaries

- 8.2.6 The Major Works contracts with MITIE Property Services Ltd and Breyer Group PLC reached the end of their initial 4 year terms in September 2015.
- Lewisham Homes has granted an extension to Breyer Group for the South Contract Area which will last until 2018. All future work orders are subject to improved performance from the contractor.
  - The contract with MITIE was allowed to expire. MITIE are still on site completing works that were ordered prior to the expiry of the contract.
- 8.2.7 All outstanding internal works such as kitchens, bathrooms, and electrical rewires, are now being undertaken by the Lewisham Homes Repairs Service. This work is achieving a higher level of satisfaction than the similar work by the contractors.
- 8.3 New build and acquisitions
- 8.3.1 Lewisham Homes completed six new build properties in March 2015. Since then three more homes have been developed by converting pram sheds and community spaces and offices. LH is on site in three locations which will provide a further 75 homes and is on track to fulfil delivery of the Mayor's target of 500 new homes by March 2018.
- 8.3.2 Lewisham Council has lent £20 million to Lewisham Homes to purchase 80-100 properties in the next 18 months. Lewisham Homes then provides temporary accommodation to families placed by the Council to meet temporary housing duties and to prevent homelessness. Lewisham Homes has already purchased 23 flats with a similar number under offer.
- 8.4 Community Focus
- 8.4.1 Residents are encouraged to be involved in many ways that give, them a say in how services are delivered. This includes:
- 7 residents on the LH Board;
  - Residents Scrutiny Committee;
  - Resident Engagement Panel, formerly known as the Area Panel; and
  - Tenants and Residents Associations.
  - A ring round of 900 residents by LH managers to gauge their view on services and issues of importance
- 8.4.2 The Community Investment Programme continues in partnership with major contractors. Lewisham Homes works closely with its building contractors to provide opportunities for Lewisham residents, and in 2015/16 has supported the Breyer Group in providing six placements for trade apprenticeships. Major contracts awarded this year include Quality Heating Services and Barclays Bank, both of which bring new opportunities for apprenticeships and community investment. This supports projects and programmes in the community engagement strategy, focussing on:
- digital inclusion;
  - financial inclusion
  - health & well-being and
  - employment opportunities including apprenticeships
- 8.4.3 This year LH strengthened its partnerships with local organisations, most notably, with the Albany, Deptford. This collaboration delivers unique creative opportunities for residents and includes subsidised tickets for family events at the Albany. This partnership achieves:
- Sustainability for Love 2 Dance, the diversionary programme for young people; and
  - The broadening of the successful 'Meet Me At the Albany' sessions

designed to reduce social isolation in older residents.

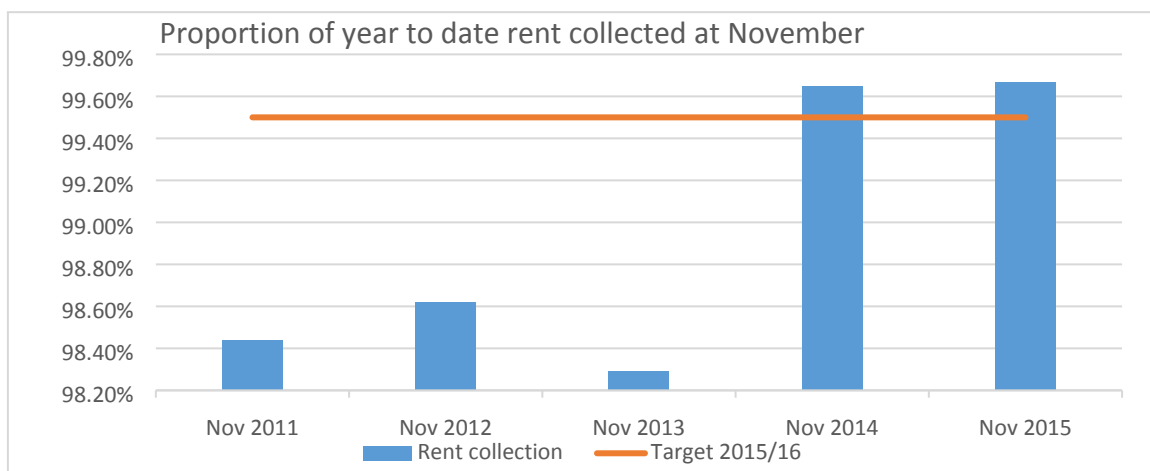
- 8.4.4 Lewisham Homes is building residents' capacity and increasing their confidence to help shape and influence services. The recent partnership with London Metropolitan University delivered an accredited and bespoke programme for 11 residents to better understand social housing and will equip them to challenge and scrutinise Lewisham Homes Performance.
- 8.4.5 The partnership with the Tenant Participatory Advisory Service (TPAS) continues to deliver the accredited training for new Resident Scrutiny Committee members.
- 8.4.6 In support of digital inclusion and the introduction of Universal Credit, Lewisham Homes has recently introduced a drop in session in reception for residents to "get on-line". The digital hub allows LH staff to volunteer their time and expertise for the benefit of residents. A positive outcome has been the reduction in social isolation of some older residents who are now regularly attending and sharing their newly learnt skills with other residents.
- 8.4.7 Lewisham Homes also has a Community Fund, which enables residents to bid for funding to deliver improvements to their environment or community. During 2015, £27,000 has been awarded to 4 community projects supporting employment and health & well-being opportunities for residents.

## 9 Sustainable Future

- 9.1 Lewisham Homes is becoming more efficient and effective and growing the business so that it can deliver more for less. This will enable more investment in homes and service improvement including making properties more energy efficient and affordable. Plans include increasing the turnover of the repairs service by £3m by using contractors less, purchasing 80 homes to provide temporary accommodation and improving technology and systems and using more mobile technology.

### 9.2 Income Collection

- 9.2.1 Income collection rates continue in the same successful trends as last year, with significant improvement on previous years as the graph below shows.



- 9.2.2 Rent arrears have reduced from 3.9% at March 2015 to 3.4% in November 2015. This was on top of the reduction from 4.7% in March 2014 which was the biggest rent arrears reduction in the year for any local authority or ALMO in the South of England.

9.2.3 Lewisham Homes has continued to work closely with the Council to support households affected by the benefit cap and bedroom tax. A good partnership with the Trading Places Team has helped 26 LH residents affected by the bedroom tax to downsize since February 2015.

9.2.4 Financial Inclusion work continues to support residents in financial need by:

- Working with local food banks to provide vouchers for residents most in need.
- Providing welfare benefit advice surgeries at the Old Town Hall.
- Promoting the services provided by the Credit Union, with 1,335 current active LH members, with over £453,655 in savings.
- Securing additional welfare benefits for residents, with £339,000 of backdated benefits obtained between April and November.

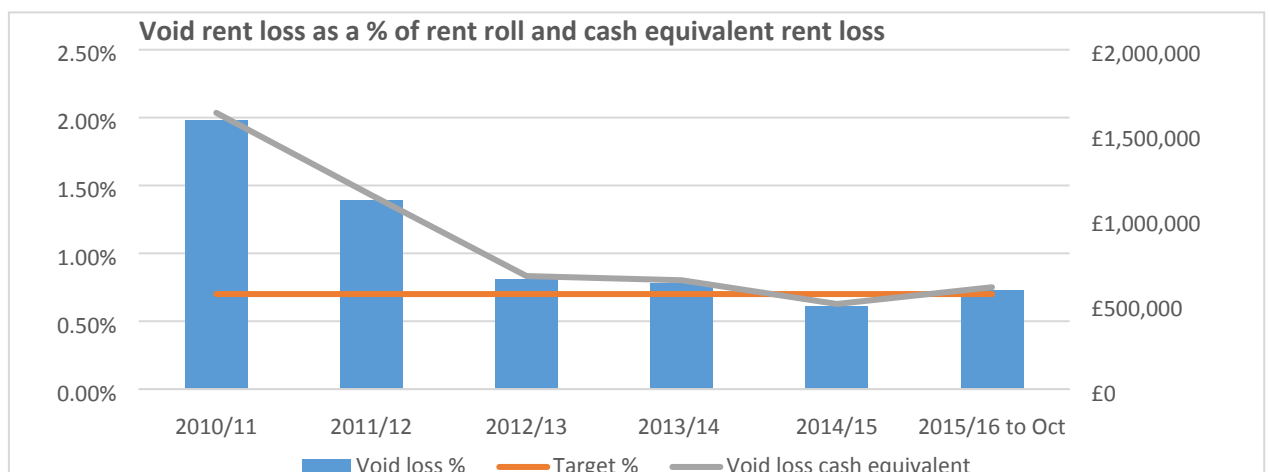
9.2.5 It is a priority to work with new tenants to ensure they are supported in managing their finances helping them to:

- access benefits
- take up contents insurance;
- open savings or bank accounts; and
- receive budgeting advice.

9.2.6 Despite this work to help sustain tenancies, the annual rate of evictions for rent arrears has risen from 44 a year in 2013/14 to a predicted 57 this year.

9.3 Void Management

9.3.1 Voids performance remains good. This has helped to maximise rental income and ensure properties are empty for shorter periods of time.



9.3.2 Rent loss through vacant properties was 0.73% in the six months (equivalent to £600,000 for the year). This is significantly lower than rent loss in the previous years like 2010/11 when it was 1.98%. This represents a cash equivalent of £1 million a year saved compared to 2010/11, based at current prices.

9.3.3 Similarly, less time has been taken to re-let all properties from tenancy end to tenancy start. In the first eight months of 2015/16 it was 45 days compared to 71 for 2013/14 and 95 for 2011/12.

9.3.4 All newly let properties now meet the Decent Homes Standard. This is both more efficient and has increased satisfaction for new tenants.



## 9.4 Tenancy Fraud

9.4.1 Housing fraud remains a priority leading to the recovery of 65 properties from April to November 2015.

9.4.2 A new revised contract with 'Call Credit', a credit search company, is helping Lewisham Homes identify tenants who have another social tenancy.

## 10 **Employer of choice**

10.1 Lewisham Homes is improving its biggest asset, its staff. This is being done by recruiting, developing and training excellent staff, including a graduate and apprentice programme, supporting internal development opportunities, recognising and rewarding excellence and achieving the Investors in People gold standard in 2015/16.

10.2 This summer the percentage of staff who agreed that Lewisham Homes is a good place to work jumped from 69% to 91%. Sickness remains relative low at 7.1 days per staff member per year.

10.3 Lewisham Homes promotes training and job opportunities and in 2015/16 has employed five trainee graduates and nine apprentices. Seven apprentices have had their appointment extended for a year, improving their prospects. One of the 2014/15 graduates was appointed to a permanent post and subsequently promoted. Lewisham Homes works closely with its building contractors to provide opportunities for Lewisham residents, and in 2015/16 has supported the Breyer Group in providing six placements for trade apprenticeships.

## 11 **Health & Safety**

11.1 Monitoring Health and Safety Performance is well established with regular updates to the Executive Team and the Health and Safety Committee.

11.2 At the end of November 99.9% of rented homes with a gas supply had received their annual gas safety check.

11.3 British Safety Council Audit carried out an audit of safety systems against their 5 star specification and the OHSAS18801 standard in February 2015. Lewisham Homes achieved a strong Four Star rating and obtained OHSAS18001 certification which demonstrates strong established safety systems.

11.4 The Estate Inspection programme is now well established and is on its fourth six monthly cycle. This reduces slips and trips and strengthens insurance claims management.

## 12 **Crime & Disorder Implications**

12.1 There are no specific crime and disorder implications.

## 13 **Legal Implications**

13.1 There are no specific legal implications to insert within this report

## 14 **Financial implications**

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

## **15 Equalities Implications**

- 15.1 Lewisham Homes' Equality and Diversity Strategy was reviewed approved by the Lewisham Homes Board in May 2013. The Board receives regular monitoring reports to assess progress against the strategy.
- 15.2 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.
- 15.3 Lewisham Homes has continued to support the LB Lewisham Safeguarding Agreement, which helps protect vulnerable adults and children. A training programme in safeguarding awareness has been delivered.

## **16 Environmental Implications**

- 16.1 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.

## **17 Background papers and report originator**

- 17.1 There are no background documents to this report.
- 17.2 Please contact Michael Westbrook, Housing Policy & Partnerships Manager, on 020 8314 6346.